



# ASSEMBLY COMMITTEE OF THE WHOLE AGENDA

April 15, 2024 at 6:00 PM

Assembly Chambers/Zoom Webinar

**Assembly Committee of the Whole Worksession - No Public Testimony will be taken.**

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

**A. CALL TO ORDER**

**B. LAND ACKNOWLEDGEMENT**

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

**C. ROLL CALL**

**D. APPROVAL OF AGENDA**

**E. AGENDA TOPICS**

**1. CBJ Employee Office Space - Floyd Dryden & Marie Drake Uses**

**2. Cold Weather Emergency Shelter/Mill Campground Update**

**-Memo from Deputy Manager Barr**

**-Ord. 2024-14 A Noncode Ordinance Authorizing a Thane Road Campground at 100 Mill Street.**

**-DRAFT Ord. 2024-18 A Noncode Ordinance Authorizing a Designated Campground Primarily for People Experiencing Homelessness as an Essential Public Facility and Exempting it from the Requirements and Prohibitions of Title 49.**

**3. Short Term Rentals**

**4. Telephone Hill**

**5. Title 49 Rewrite Workplan**

**F. STAFF REPORTS**

**G. NEXT MEETING DATE**

May 6, 2024 at 6:00pm Assembly Chambers/Zoom

**H. SUPPLEMENTAL MATERIALS**

**6. RED FOLDER: CBJ Employee Office Space Agenda Item E.1. (Slide Show)**

**I. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: [city.clerk@juneau.gov](mailto:city.clerk@juneau.gov).



City and Borough of Juneau  
City & Borough Manager's Office  
155 Heritage Way  
Juneau, Alaska 99801  
Telephone: 907-586-5240 | Facsimile: 586-5385

TO: Deputy Mayor Hale and City and Borough of Juneau Committee of the Whole  
FROM: Katie Koester, City Manager  
DATE: April 11, 2024  
RE: Next Steps for Downtown Office Space and JSD Facilities

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The purpose of this memo is to narrow options for CBJ downtown office space and JSD facilities CBJ is taking control of on July 1.

**Marie Drake as City Hall**

Staff prepared a scope of work for what tenant improvements at Marie Drake with the \$16.3M the Assembly has appropriated in "City Hall Improvements." This renovation would be pretty basic – upgrading classroom finishes (paint and carpet), installing workstations with power/cables, and limited reconfiguration. This estimate is detailed in Ms. Rynne's attached memo. The budget does not allow for reconfiguring walls, which means workstations in classrooms which will make logical delineation between departments/divisions difficult. Classrooms were a lot smaller in the 60s, so many of the classrooms yield cramped workstations despite the overall large footprint of Marie Drake.

Parking continues to be the Achillies heel of the Marie Drake as City Hall option. There are approximately 45 existing spaces at Marie Drake (including the spots in front of the turf field). There is probably room to develop an additional 20 or so stalls at Marie Drake by cutting down some trees and accessing land currently gated off. The only large green space in the area is the turf field. Staff was asked to explore a parking garage on that site given the additional; parking constraints high school consolidation will create. At almost \$90,000 a parking spot, a garage gets expensive quickly (\$26.2M for 209 spots).

**Floyd Dryden as City Hall**

The cost estimates for transitioning instructional space to office space at Floyd Dryden are similar to Marie Drake. Even though the basic finishes are in better condition at Floyd Dryden, retrofitting classrooms is the bulk of the cost. There is ample parking at Floyd Dryden (127 spaces with room to develop more). However, there are also other community uses proposed for Floyd Dryden that will be more useful to the residential nature of the valley, such as childcare.

**Burns Building as City Hall**

The original estimate of \$5.1M the Assembly saw at the 03.11.24 COW included moving walls to maximize cubicles on the exterior and maximize natural light to workstations. I asked staff to explore the most basic tenant improvements to the Burns Building, which would give the place more of a cubical farm feel. This came in at \$3.3M. Together with the JSD Administration building (17 workstations) all current downtown employees can be housed within a one block radius. Parking at the Burns building is still a challenge, but far superior to Marie Drake. There are 87 spots that come with tenancy; CBJ owns an additional 50 spots at 450 Whittier that are not currently under lease. Remaining parking needs can be solved with a combination of existing CBJ surface parking in the area and some use of the Marine Parking Garage (for city vehicles, for example). The 450 Whittier site is .33 miles from the Burns building. The limited nature of premier parking spots will naturally incentivize employees to use alternative transportation to get to City Hall. On-site parking will be designated for the public.

**Cost of the Burns building**

We have not negotiated a final lease price for the Burns building; however, we executed a short term lease for employees displaced from Muni Way at \$2.85/sq foot. It is safe to assume a long-term lease for a much larger space would have more favorable terms.

|   | Lease/operating | Tenant/Capital Improvements                      |
|---|-----------------|--|
| Burns + JSD Admin<br>(lease at Burns and operating JSD Admin Building)                        | \$1.55M         | \$3.5M-\$5.25M                                   |
| Status Quo (lease of Marine View, Seadrome, Sealaska and part of Burns + operating City Hall) | \$1.25M         | \$14M or more for City Hall; unknown Marine View |

**What to do with Floyd Dryden and Marie Drake**

The community has informally generated many ideas on what to do with the two large facilities. These include childcare, relocation of City facilities to free up property for higher priority uses, Senior Center, and Juneau Animal Rescue, among others. For example, the Central Council of Tlingit and Haida Indian Tribes of Alaska has approached CBJ about leasing 14,000 square feet of Floyd Dryden for Headstart and childcare. It is important to design a process to vet proposals through the Assembly’s community and fiscal priorities. I would like to come out of today’s COW with Assembly goals for the facilities from which to design a solicitation process.

**Potential Guidance (discuss and amended as appropriate)**

- Aligned with Assembly priorities/ goals (such as childcare and housing)
- Impact on CBJ budget
- Parking requirements
- Level of retrofit needed for proposed idea (and who would pay for it)
- Compatible uses (multiple tenants will likely share the space)
- Keep gym spaces available for public use, coordinated by Parks and Recreation, especially after regular businesses hours

**Timeline for solicitation of ideas for community use of school facilities**

- 4.15.24 COW – Assembly gives direction on what it would like to see in new community spaces at Marie Drake and Floyd Dryden. Releases guidance to public soon thereafter.
- 5.6.24 PWFC reviews submissions from organizations and ranks them for Assembly review (staff works with organizations to flush out questions from PWFC).
- 6.3.24 COW reviews proposed uses and budget impact. Refines potential uses and issues survey/process to collect broader public input.
- 7.15.24 /COW review public input and discuss next steps to implement desired uses.

**Recommendation:**

1. Authorize staff to proceed with negotiations on leasing the Burns building.
2. Discuss Assembly priorities for Marie Drake and Floyd Dryden from which to design a public process soliciting proposed uses from organizations with the understanding that Tlingit and Haida has already proposed a use for a portion of Floyd Dryden.

Enc: April 15, 2024 memo from Chief Architect Rynne of CBJ Office Space Options with attachments.



DATE: April 15, 2024  
TO: Michelle Hale, Chair  
Committee of the Whole (COW)  
THROUGH: Denise Koch, Engineering and Public Works Director  
FROM: Jeanne Rynne, Chief Architect  
FOR: INFORMATION  
SUBJECT: CBJ Office Space Options Analysis

**Executive Summary**

As a follow-up to the presentation to the COW on March 11, Jensen Yorba Wall (JYW) has prepared conceptual drawings of what office space and Assembly chambers might look like in the Burns Building and at Marie Drake. Further analysis was done on the level of tenant improvements that could be done at the Burns Building and Marie Drake. Please see the budgetary cost estimate prepared by JYW 4/5/24 attached. Note, all costs outlined in the memo should be considered a budgetary allowance for the general scope of work v. a detailed estimated based on a definitive design.

**Burns Building**

Tenant Improvements

The 4/5/24 estimate from Jensen Yorba Wall (JYW) has been updated since the 3/11/24 memo based on more detailed historical project costs. Additionally, the total square footage was adjusted down based on updated numbers on available lease space from the building owner. The latest budgetary estimate lands at \$70/SF (previously \$60/SF). The average workstation furnishings cost is \$7,000 per station. This yields a construction estimate of \$2.5M and a total project cost of \$3.3M (previously \$3.5M and \$5.1M). Total project costs include design fees, project administration and permitting.

An advantage to the Burns Building space is that the existing floor plan is very open and provides maximum flexibility for configuration of office space. Furthermore, the existing walls on the second floor are modular non-bearing partitions that are easier to demolish than standard stud wall construction, enabling our funds to go toward other improvements.

The Burns Building can easily accommodate the Assembly Chambers in the former State Board of Education meeting room, which is 25% larger than the existing Assembly Chambers space.

**Marie Drake**

Tenant Improvements

The scope of work for tenant improvements at Marie Drake was based on a budgetary number of \$300/SF. This was derived from the \$16.3M previously earmarked toward a new city hall that could potentially be redirected toward tenant improvements at Marie Drake. This would allow for up to \$10.5M in construction costs. At this budget, the level of remodel would be slightly better than the 'Project Type 2+' level described in the 3/11/24 memo to COW – basically upgrading classroom finishes and installing systems furniture for workstations. Work would include additional power and cable to cubicles. Options to reconfigure walls would be limited. Some of the classrooms at Marie Drake are smaller than the standard classroom at 24' x 24' v. 30' x 30'. This yields a tighter layout of workstations in the existing classroom size (see slide).

The commons area at Marie Drake could easily accommodate the Assembly Chambers and associated spaces as it is nearly twice the size of the current Assembly Chambers proper.

Parking

Existing parking spaces at Marie Drake include approximately 45 stalls (25 adjacent to the turf field).

A preliminary analysis was performed by CBJ Engineering to look at the cost of building a parking garage at the site of the turf field. Using the Downtown Parking Garage as a basis, we confirmed the 4-storey, 209 stall garage could fit on the field site. Using the 2009 construction costs and applying escalation to 2025, the ROM estimate to build a similar parking garage at the soccer field is \$18.6M for construction (209 stalls @\$88,995/stall), yielding a total project cost of \$26.6M. 209 stalls exceeds the 180 CBJ employee parking passes issued for the Marine Parking Garage during cruise ship season.



### Relocate City Hall Offices

Rough Order of Magnitude Cost Estimates

April 5, 2024

#### Relocate to William Burns Office Building

| Item                         | Quantity  | Unit Rate  | Totals             |
|------------------------------|-----------|------------|--------------------|
| <b>Construction Costs</b>    |           |            |                    |
| Demo                         | 35,722 SF | \$1.00     | \$35,722           |
| Paint                        | 35,722 SF | \$1.00     | \$35,722           |
| Carpet and base              | 35,722 SF | \$6.00     | \$214,332          |
| New Partitions               | 35,722 SF | \$2.00     | \$71,444           |
| Mods to Electrical Systems   | 35,722 SF | \$1.00     | \$35,722           |
| Mods to Mechanical Systems   | 35,722 SF | \$1.00     | \$35,722           |
| Systems Furniture            | 153 ea    | \$7,000.00 | \$1,071,000        |
| <i>Construction Subtotal</i> |           |            | <i>\$1,499,664</i> |

#### Contracting Costs

|                         |  |        |           |
|-------------------------|--|--------|-----------|
| Labor Premium Time      |  | \$0.06 | \$89,980  |
| Subcontractor's O/P     |  | \$0.10 | \$149,966 |
| General Requirements    |  | \$0.35 | \$524,882 |
| Estimator's Contingency |  | \$0.15 | \$224,950 |

#### **TOTAL ROM ESTIMATED CONSTRUCTION COST (Rounded)**

**\$2,500,000**

Total Estimated Construction Cost per SF (Rounded) \$70.00

#### Relocate to Marie Drake School Building

| Item                         | Quantity  | Unit Rate  | Totals             |
|------------------------------|-----------|------------|--------------------|
| <b>Construction Costs</b>    |           |            |                    |
| Demo                         | 35,000 SF | \$10.00    | \$350,000          |
| Repair and Refinish Walls    | 35,000 SF | \$15.00    | \$525,000          |
| Flooring and base            | 35,000 SF | \$6.00     | \$210,000          |
| New Partitions               | 35,000 SF | \$10.00    | \$350,000          |
| Mods to Electrical Systems   | 35,000 SF | \$30.00    | \$1,050,000        |
| Mods to Mechanical Systems   | 35,000 SF | \$25.00    | \$875,000          |
| Paint Exterior               | 35,000 SF | \$30.00    | \$1,050,000        |
| Systems Furniture            | 153 ea    | \$7,000.00 | \$1,071,000        |
| <i>Construction Subtotal</i> |           |            | <i>\$5,481,000</i> |

#### Contracting Costs

|                         |  |        |             |
|-------------------------|--|--------|-------------|
| Labor Premium Time      |  | \$0.10 | \$548,100   |
| Subcontractor's O/P     |  | \$0.20 | \$1,096,200 |
| General Requirements    |  | \$0.40 | \$2,192,400 |
| Estimator's Contingency |  | \$0.20 | \$1,096,200 |

#### **TOTAL ROM ESTIMATED CONSTRUCTION COST (Rounded)**

**\$10,400,000**

Total Estimated Construction Cost per SF (Rounded) \$300.00



City and Borough of Juneau  
City & Borough Manager's Office  
155 Heritage Way  
Juneau, Alaska 99801  
Telephone: 907-586-5240 | Facsimile: 586-5385

TO: Deputy Mayor Hale and Assembly Committee of the Whole

DATE: April 15, 2024

FROM: Robert Barr, Deputy City Manager

RE: Cold Weather Emergency Shelter and Mill Campground Update

Two other recent memos on this topic provide additional context:

- March 11, Committee of the Whole<sup>1</sup>
- April 1, Regular Assembly<sup>2</sup>

Cold Weather Emergency Shelter (CWES)

Outside businesses in the Rock Dump area, feedback from providers and emergency responders has generally been positive about this program as compared to last year. The Assembly received an update from St. Vincent de Paul (SVdP) executive director Dave Ringle recently. A key point in that update is that SVdP, with other partner providers, have been focused on finding housing for the most vulnerable CWES clients.

For next year, we currently plan to replicate the program from this year with the following changes and notes:

- We will start and complete a project this construction season to plumb and install interior restrooms – this should help significantly with staff safety and behavioral / substance-use management next year.
- We understand and accept that staff capacity continues to be the major risk factor to operating the CWES. CBJ staff will work with SVdP to mitigate this.

Campground

At our last meeting, we learned of a significant construction project adjacent to the 100 Mill St. site that may be incompatible with a campground. We have not had time to dive into the details around compatibility. Since our last meeting, we received an extremely high cost estimate – far above our assumptions – to move the existing equipment from the 100 Mill St. site to a different location. We are waiting for another estimate.

We've continued discussions with the Rock Dump area business community as well as internally and with partner organizations. Frankly, there continue to be no good options.

<sup>1</sup> <https://bit.ly/3x76JRV>  
<sup>2</sup> <https://bit.ly/3vOpGsk>

- Little Rock Dump (LRD)
  - Pros: Not near a neighborhood or business area. Very limited space for vehicles to congregate. Emergency access is good.
  - Cons: Invisible – no reason to expect we would see differences in behavior compared to last year. In some cases, it is likely better for campers to be dispersed. Transportation costs would be extremely high.
- Former Mill Campground
  - Pros: Same as last year, camper familiarity
  - Cons: Significant neighborhood concerns. Invisible – same as LRD. Access is poor.
- Other areas – other areas are possible, but not in a short time horizon.

At this time, staff recommends not designating any site as a campground which will result in dispersed camping. In any situation, staff will continue to work with the provider community to maintain awareness and provide connections to resources. The staff recommendation at this point, which is generally shared by the provider community, is that the best near-term solution is to:

- Continue to work to connect individuals to housing solutions
- Continue to meet on this topic to maintain awareness and evaluate options
- Address dispersed camping as it occurs through best practices: 1) connection to housing resources whenever possible, 2) general acceptance/allowance of campsites when minimally impactful, 3) abatement of campsites when significantly impactful

### **Recommendation**

Vote down Ordinance 2024-14, A Noncode Ordinance Authorizing a Thane Road Campground at 100 Mill Street

Forward to the Assembly for introduction on April 29 Ordinance 2024-18, A Noncode Ordinance Authorizing a Designated Campground Primarily for People Experiencing Homelessness as an Essential Public Facility and Exempting it from the Requirements and Prohibitions of Title 49.

*(adoption of Ordinance 2024-14 means dispersed camping until such time that the Assembly designates a location by resolution)*



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Presented by: The Manager  
Presented: 04/01/2024  
Drafted by: R. Palmer III

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**  
**Serial No. 2024-14**

**A Noncode Ordinance Authorizing a Thane Road Campground at 100 Mill Street.**

WHEREAS, the City and Borough of Juneau (“CBJ”) has been operating a summer campground in partnership with community organizations in some fashion since the early 2000s; and

WHEREAS, due to the changing nature of the population of campground users and the poor access/visibility of the campground, the location of the campground at the end of Gastineau Avenue has become unsafe for campers and the immediately adjacent neighborhood; and

WHEREAS, staff and community organizations began considering alternative options that will hopefully mitigate some of the concerns experienced last summer by improving access and visibility, without materially changing the nature of the program; and

WHEREAS, 100 Mill Street, immediately adjacent to the Cold Weather Emergency Shelter, became the best option for the campground because it is more visible and accessible, and it is not adjacent to a residential neighborhood; and

WHEREAS, according to CBJC 49.25.300.7.200 (assisted living uses) and to CBJC 49.25.300.21.200 (campground)—a campground intended for people experiencing homelessness would be a hybrid between the 21.200 and 7.200 uses—both are normally prohibited in an industrial zone, like at 100 Mill Street; and

WHEREAS, the Assembly exempts the Planning Commission from reviewing this ordinance (CBJ Charter 3.16(c)); and

WHEREAS, it is reasonable and necessary to temporarily waive the Title 49 use prohibition for the Thane Road Campground to be located at 100 Mill Street upon balancing the public health, safety, and welfare; and

WHEREAS, the intent of a Thane Road Campground is to provide a space and services for people experiencing homelessness in the warmer months, approximately from April through November.

1 THEREFORE BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU,  
2 ALASKA:

3 **Section 1. Classification.** This ordinance is a noncode ordinance.

4 **Section 2. Exempting the Thane Road Campground from Title 49**  
5 **requirements.** The provision of the Thane Road Campground primarily for people  
6 experiencing homelessness is an essential public facility/service and is exempt from any and all  
7 requirements and prohibitions of Title 49.

8 **Section 3. Location of Thane Road Campground.** The Thane Road Campground  
9 can be located at 100 Mill Street. After calendar year 2024, the Assembly must approve—by  
10 motion at an Assembly meeting—the location of the Thane Road Campground on an annual  
11 basis.

12 **Section 4. Five-year Sunset Clause.** This ordinance automatically expires and shall  
13 have no further effect on and after December 31, 2028.

14 **Section 5. Effective Date.** This ordinance shall be effective 30 days after its adoption.

15 Adopted this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

16 \_\_\_\_\_  
17 Beth A. Weldon, Mayor

18 Attest:

19 \_\_\_\_\_  
20 Elizabeth J. McEwen, Municipal Clerk  
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Presented by: The Manager  
Presented:  
Drafted by: R. Palmer III

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**  
**Serial No. 2024-18 vCOW**

**A Noncode Ordinance Authorizing a Designated Campground Primarily for People Experiencing Homelessness as an Essential Public Facility and Exempting it from the Requirements and Prohibitions of Title 49.**

WHEREAS, the City and Borough of Juneau (“CBJ”) has been operating a seasonal campground in partnership with community organizations in some fashion since the early 2000s; and

WHEREAS, the CBJ has operated a facility for people experiencing homelessness during the COVID-19 pandemic and most recently in the winter months as an Emergency Cold Weather Shelter (Ordinance 2023-39), which closed in April 2024; and

WHEREAS, due to a variety of human and landscape reasons, including poor access and visibility of the Mill Campground, the location of that campground at the end of Gastineau Avenue has become untenable for campers and the immediately adjacent neighborhood, especially without additional improvements and services; and

WHEREAS, staff and community organizations began considering alternative options that will hopefully mitigate some of the concerns experienced last summer by improving access and visibility, without materially changing the availability of the program; and

WHEREAS, Ordinance 2024-14 was introduced on April 1, 2024, which would authorize a designated campground at 100 Mill Street, and the Assembly heard public comments that expressed a need for people experiencing homelessness to safely live and sleep in the warmer months, construction activities at 120 Mill Street, experiences from the operator of the Cold Weather Emergency Shelter at 1325 Eastaugh Way (Ordinance 2023-39), experiences from residents living near the Mill Campground, and experiences and concerns from people living and working at the Big Rock Dump; and

WHEREAS, siting a designated campground for people experiencing homelessness is incredibly difficult because the location needs to balance multiple public policies and sometimes conflicting concerns like the following: visibility with privacy, accessibility with seclusion, proximity to food and services with separation from vulnerable infrastructure and businesses; habitability with public costs; amongst other concerns; and

WHEREAS, CBJ staff and the Assembly have explored siting a designated campground for the warmer months at numerous locations including:

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- At the prior Mill Campground, which is at the end of Gastineau Avenue (~915 Thane Road);
- At the prior Thane Campground (~1585 Thane Road);
- At the Little Rock Dump (~1540/1550 Thane Road);
- At Docks and Harbor’s managed property between the Big Rock Dump and the Little Rock Dump (~1570 Thane Road);
- At the Juneau-Douglas Treatment Facility (~1540 Thane Road);
- At 100 Mill Street; and
- Outside at the Emergency Cold Weather Shelter (1325 Eastaugh Way);

WHEREAS, none of those locations are ideal, and neither is the alternative of not having a designated location, which will likely result in individuals camping in dispersed locations;

WHEREAS, according to CBJC 49.25.300.7.200 (assisted living uses) and to CBJC 49.25.300.21.200 (campground)—a campground intended for people experiencing homelessness would be a hybrid between the 21.200 and 7.200 uses—both are normally prohibited in industrial and waterfront zones and may take too long to complete the permitting and potential appellate process in other zones given the immediate needs for people experiencing homelessness; and

WHEREAS, the Assembly exempts the Planning Commission from reviewing this ordinance (CBJ Charter 3.16(c)); and

WHEREAS, it is reasonable and necessary to temporarily waive the Title 49 requirements and prohibitions for siting a designated campground primarily for people experiencing homelessness upon balancing the public health, safety, and welfare; and

WHEREAS, the intent of this ordinance is to provide authority and a process for a space and services for people experiencing homelessness in the warmer months, approximately from April through November; and

WHEREAS, if the Assembly decides that a designated campground is not currently in the public’s best interest, the Assembly is free to designate a campground at a later time consistent with this ordinance;

THEREFORE BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is a noncode ordinance.

**Section 2. Essential Public Facility/Service.** A campground for people experiencing homelessness, including necessary and associated services and infrastructure, is an essential public facility and service.

**Section 3. Essential Public Facility/Service Exemption from Title 49.** An essential public facility and associated service, like a designated seasonal campground for

1 people experiencing homelessness, is exempt from any and all requirements and prohibitions of  
2 Title 49.

3 **Section 4. Designated Campground for 2024.** The Assembly is not currently  
4 designating a campground for people experiencing homelessness in 2024. After adoption of this  
5 ordinance and upon experiencing dispersed camping, the Assembly is free to designate a  
6 campground for the remainder of the warmer months of 2024 via resolution.

7 **Section 5. Designated Campground after 2024.** The Assembly is authorized to  
8 designate a campground for people experiencing homelessness after 2024 by resolution on an  
9 annual basis.

10 **Section 6. Effective Date.** This ordinance shall be effective 30 days after its adoption.

11 Adopted this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

\_\_\_\_\_

Beth A. Weldon, Mayor

12 Attest:

13 \_\_\_\_\_  
14 Elizabeth J. McEwen, Municipal Clerk



City and Borough of Juneau  
City & Borough Manager's Office  
155 Heritage Way  
Juneau, Alaska 99801  
Telephone: 907-586-5240 | Facsimile: 586-5385

TO: Deputy Mayor Hale and Assembly Committee of the Whole  
DATE: April 15, 2024  
FROM: Robert Barr, Deputy City Manager  
RE: Short-Term Rental (STR) Update

**Background and Context**

The Assembly last touched on this topic in July of last year when it passed Ordinance 2023-26(c)(am), which established a registration program for STR owner/operators. Briefly, this program:

- Requires annual registration.
- Does not charge the registrant a fee.
- Defines a STR as a dwelling unit that is rented, leased, or otherwise advertised for occupancy for a period of less than 30 days.
- Requires the registrant to display their registration number on advertisements/listings.

We use a vendor – Harmari – to aid us in understanding our local short-term rental market. Highlights from our latest Harmari report (3/26/24):

- 597 active and intermittent listings – about half are considered active at any given point in time. This number continues to increase, and while data fidelity is not ideal, the rate of increase appears to be slowing.
- Juneau has approximately 14,000 total dwelling units, across all types of housing.
- 88.7% of the listings are an entire home or apartment, 11.3% are for a private room.
- 82.6% of STR operators operate a single STR.
- Overall estimated annual occupancy is 48%.
- Airbnb is the dominant platform – 400 of 597 listings.
- The average nightly rate is \$280.54.

Our registration program currently has a 79% compliance rate. We send out two compliance letters. The first letter allows us to filter out those who have stopped operating and are working on removing their online listings as well as those properties/owners who may need more staff research because the lines of ownership/operation are unclear. The second letter provides a final opportunity to communicate with the sales tax office and register before fines are issued.

With the Harmari data combined with our registration data, we infer that approximately half of STR operators live on-site.

**Discussion**

Regulation of short-term rentals generally falls into one of two broad categories:

1. Policies that limit the number of short-term rentals, with the public purpose goal of making more of a community’s housing stock available to long-term renters or buyers, or
2. Policies that mitigate the impact of short-term rentals on the surrounding neighborhood, addressing concerns around health and safety, noise, partying, etc.

Locally, we tend to be more interested in category 1 than 2. Housing stock and housing availability has long been a well-documented problem with broad community agreement. Unlike some communities, we have not seen a significant number of complaints or evidence that would lead us to believe category #2 is a pressing concern – in other words, those operating short-term rentals generally care well for neighborhood wellbeing.

With regards to category 1, the logic goes that as more housing units are converted to STRs, those same housing units are no longer available for long term housing. Given supply/demand, fewer available units result in rental rates increasing faster than they would otherwise and make obtaining housing more difficult, especially on the lower end of the market due to cascading impact.

The remainder of this memo assumes the following:

- The Assembly is interested in regulating STRs
- The Assembly is primarily interested in regulatory options that would address housing affordability and availability.
- The Assembly is not interested in outright prohibition and desires to find a middle-ground path that enables the individual business opportunity that short-term rentals provide while balancing the communal interest of housing affordability and availability.

It is worth noting that any policy or public program that seeks to address communal interests like housing affordability and availability requires an investment to realize that goal. We are familiar with the Affordable Housing Fund (AHF) and how it utilizes public funds to incentivize private and non-profit developers via loans and grants. Those funds are a shared cost by all property owners and sales taxpayers. This contrasts with a potential STR regulatory program that would be purposed to convey a similar housing benefit to the community at large but would be felt narrowly by STR operators. This isn’t to say that such regulation could still be appropriate – those operators do and still would have economic opportunity to realize income via long-term rentals or property sales – but for many, short-term rentals are the most lucrative option.

A brief list of the potential pros and cons of the proliferation of STRs in no particular order include:

| <b>Pros</b>   | <b>Cons</b>  |
|---|--|
| Local economic boost from independent tourism   | Hotel vacancy rates and rates increase due to increased competition                  |
| New employment opportunities for STR servicing businesses   | Increased rental costs in long term market; decreased housing affordability          |
| Bed tax revenue, which can be directed to AHF offsets   | Displacement of workforce and low-income rental housing due to supply/demand cascade |
| Flexibility for visitors – more options are likely to be more attractive to a broader group of visitors | Tax evasion / non-compliance – this is a challenging arena to enforce in             |

|   |  |
|---|--|
| Increased income & potential ease of management for STR property owners                               | STR platforms are challenging, litigious time consuming to deal with |
| Supports large events (Ironman, Celebration) where traditional accommodation capacity is insufficient | Reduced long-term housing supply                                     |

A variety of regulatory options exist. The [National League of Cities](#)<sup>1</sup> provides a good overview on those options as well as this topic generally. Options that align with the above assumptions include:

- Time/use based requirements
  - Occupied by the host for the majority of the year
  - Part of the owner’s primary residence
  - A cap on the number of days per year a STR may be operated
- Economic requirements
  - Fee based registration
  - Increased hotel/bed tax, specific to STRs
- Geographic limits
  - Restrictions within specific zoning districts
  - Limits on the total number of STRs within specific zoning districts

**Recommendation:**

Discuss Assembly appetite for regulating STRs.

Discuss preferred regulatory tools & information needs.

Discuss public process / timeline.

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<sup>1</sup> <https://bit.ly/STRNLC>





DATE: April 15th, 2024  
TO: Michele Hale, Deputy Mayor  
THROUGH: Denise Koch, Engineering & Public Works Director  
FROM: Nick Druyvestein, Project Manager  
SUBJECT: Telephone Hill Redevelopment Study Update

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Staff and consultants at First Forty Feet have continued with refinement of a mid to high density housing option for the Telephone Hill Redevelopment Study. Current renderings show four new buildings that provide a mix of studio, one-bed, and two-bed options for a total of 155 new units.

To support development, new parcels would need to be removed to allow for construction of a building pad. Additionally, Dixon Street would need to be slightly realigned to allow for access to the parcels while still maintaining an acceptable street profile. A rebuild of Dixon Street is estimated to cost \$3.3M including utility upgrades and site preparation. On average, each structure would cost \$150,000 - \$300,000 to demolish for a total of \$1.7M in demolition costs. This price does not include mitigation or disposal of hazardous materials.

#### Parking

Telephone Hill sits outside the current zero-parking zone which makes it subject to municipal parking requirements. Per CBJ 49.40.210 with the new unit count, the required number of parking spaces to support 155 units of new development would be 68 stalls. Three parking options could address requirements:

1. Underground parking below each new building parcels (Up to 93 new stalls)
2. Combination of underground and on-street parking (Up to 65 underground, 18 on-street)
3. Extension of the Downtown zero-parking zone

The estimated cost of constructing underground parking on Telephone Hill is \$90,000 per stall. This estimate includes blasting, rock excavation, and construction of parking area and building pad. If underground parking were pursued as described in option 1, it would add an additional \$8.4M in costs to develop the area. Expanding the Downtown zero parking zone would present an opportunity for flexibility in future proposed developments and take advantage of the proximity of the location to two parking garages. A future solicitation for development would likely still include criteria that favors increased parking while not requiring it.

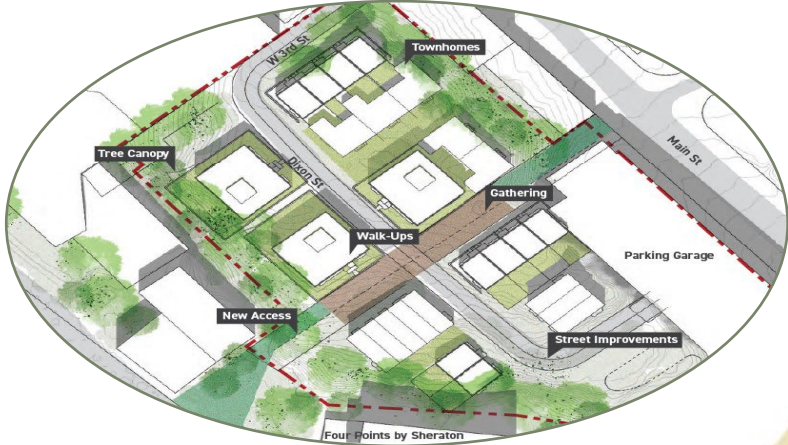
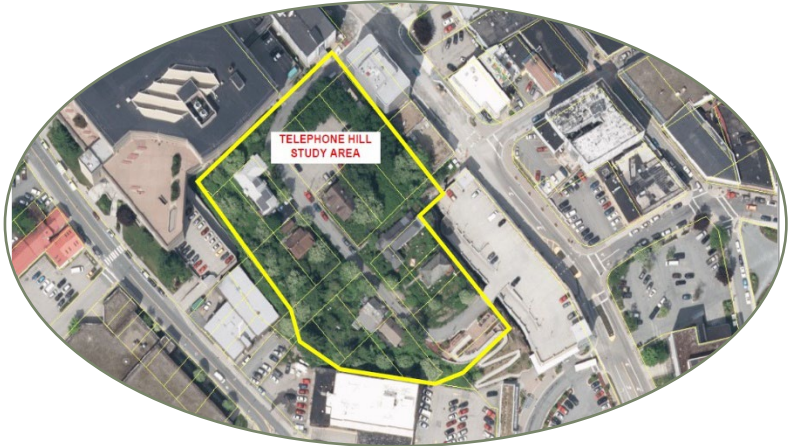
#### Next Steps

Preliminary site preparation plans and cost estimates can proceed to finalization with Assembly direction on parking. With an understanding of site preparation, staff can begin to plan the hilltop landscape and provide updated drawings of a Telephone Hill master plan. This master plan would show all the planned modifications to Telephone Hill, including new building locations and orientations, public gathering additions, and accessibility improvements. The data that is being collected and incorporated into the master plan will be used to draft a scope of work and review criteria for the future solicitation of development partners.

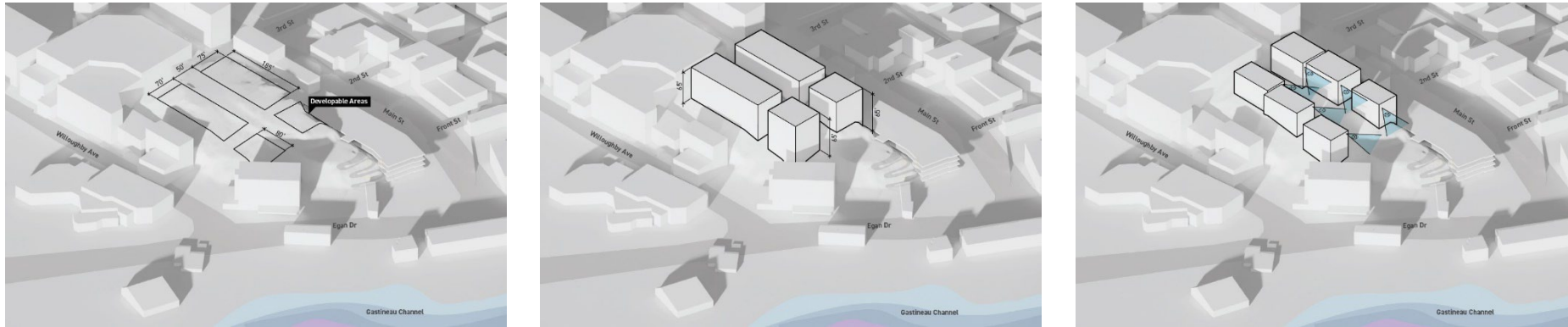
**Recommendation:** Provide a recommendation on what parking requirements to use for furthering development of a mid to high density scenario for Telephone Hill Development. Staff recommends extending the zero-parking zone.

# Telephone Hill Redevelopment Study

April 15<sup>th</sup>, 2024



# Update to Development Concept



Refining development concept starts by identifying developable areas and potential building volumes

- Updated concept would provide 155 new units.

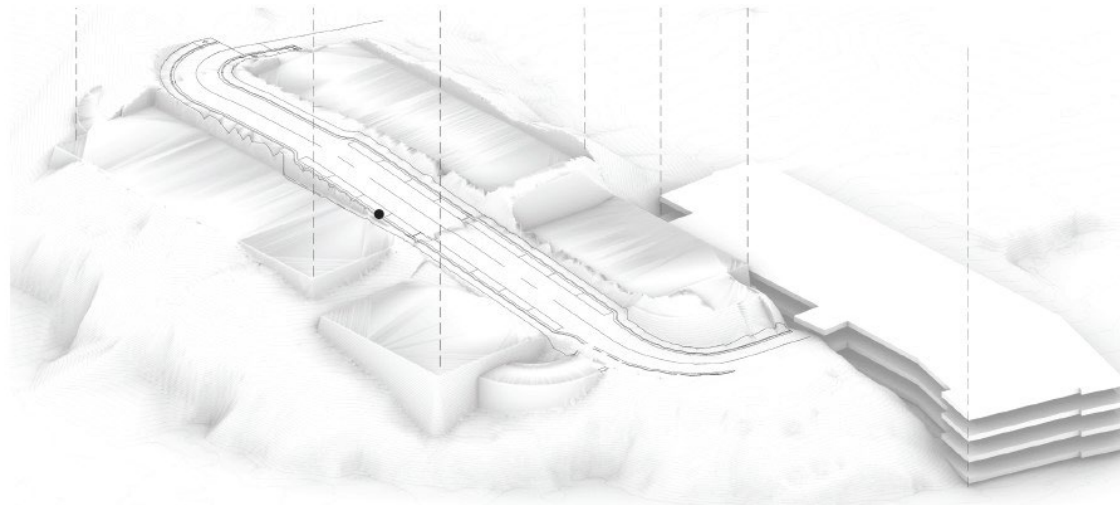


# Cost

## Rough Order of Magnitude (ROM) costs for site preparation: \$5 Million

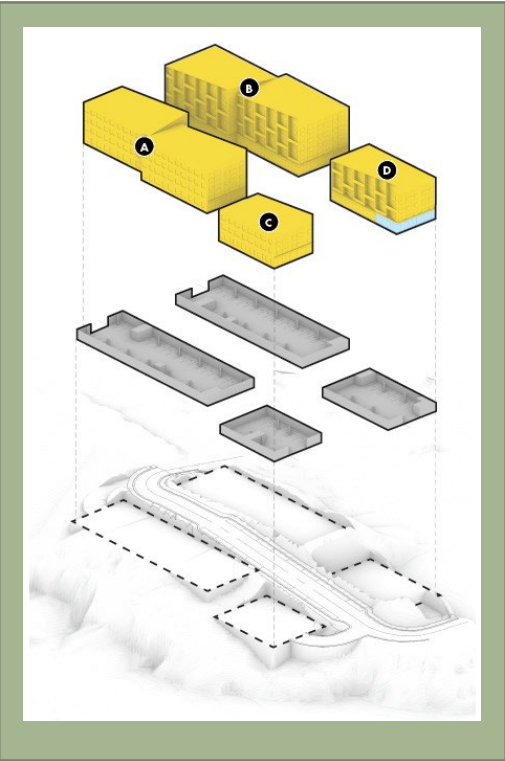
Includes:

- Building demo
- Utility upgrades
- Accessibility improvements
- Dixon Street reconstruction



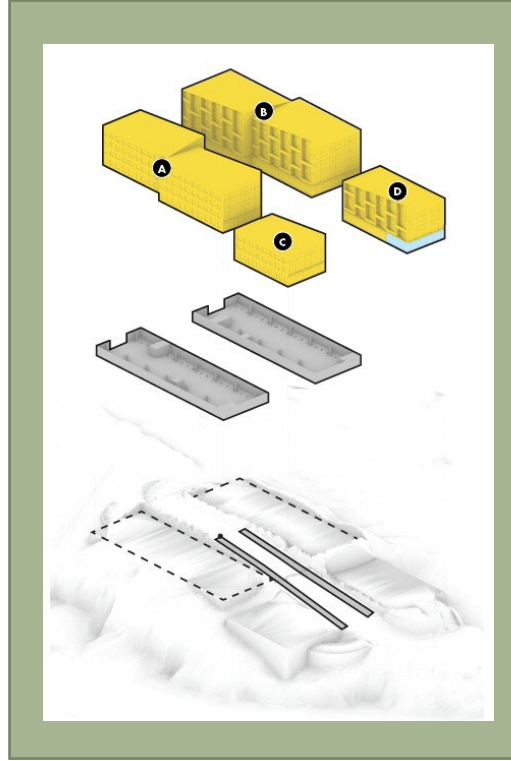
Contributors to high cost are rock excavation, building demo, introducing 3-phase power, stairways and sidewalks.

# Parking



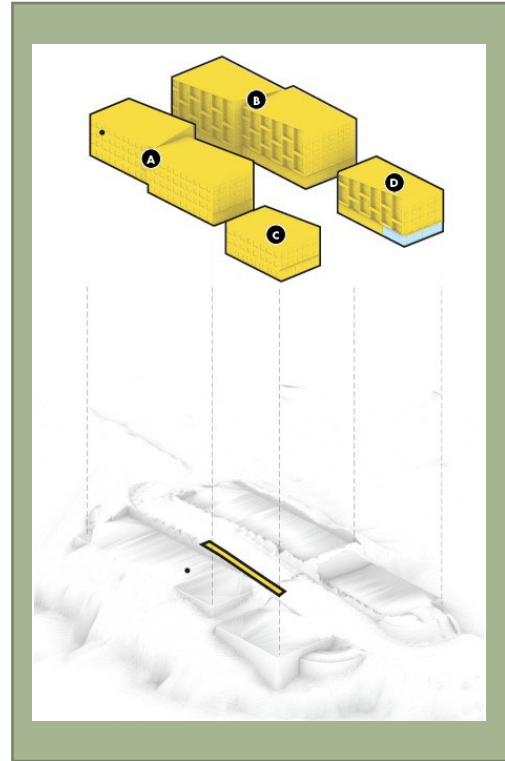
**Option 1:**  
Underground parking  
beneath each building.

93 underground slots



**Option 2:**  
Underground parking  
beneath buildings A  
and B.

18 on-street parking  
65 underground



**Option 3:**  
Extend zero parking  
zone

On-street parking  
available

**Option 1:**

- Excavation: (16,510 cy x \$60 / cy) = \$990,600
- Parking Podium w/ Bracing: \$5,077,500
- **Total: \$6,045,000**

**Option 2:**

- Excavation: (11,325 cy x \$60 / cy) = \$679,500
- Parking Podium w/ Bracing: \$3,478,180
- **Total: \$4,225,000**

**Option 3:**

- Excavation: (2,775 cy x \$60 / cy) = \$166,500

# Next Steps

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- Proceed with finalization of site preparation plans
  - Incorporate parking scheme
  - Include mitigation costs for hazardous materials
- Draft master plan with supporting documentation
  - Details planned modifications and design development
- Craft Scope of Work and review criteria for future solicitation



City and Borough of Juneau  
City & Borough Manager's Office  
155 Heritage Way  
Juneau, Alaska 99801  
Telephone: 907-586-5240| Facsimile: 907-586-5385

TO: Deputy Mayor Hale and CBJ Borough Assembly Committee of the Whole  
FROM: Katie Koester, City Manager  
Jill Lawhorne, Community Development Director  
DATE: April 11, 2024  
RE: Process for Title 49 Re-write

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**Purpose**

At the 2023 Assembly Retreat, staff was asked to provide an overview of what it would take to completely rewrite the land [use code](#). The current process for amending Title 49 code has been time-consuming and inefficient for a variety of reasons. This proposal would help streamline the Title 49 re-write process to ensure significant changes to code can be made, yet still provide a high level of engagement and public input into the proposed changes – with the Assembly having final approval.

**Structure**

Title 49 re-write will be a Manager's Office project that includes a project manager, a contracted land use attorney, and a stakeholder group/ advisory committee to serve as a sounding board for the project team. This committee would be appointed by the Assembly for appropriate representation but would not have powers to approve/deny code amendments from moving forward to the Assembly. This would be a working committee, and for efficiency reasons staff recommends limiting it to 5 members. Potential membership categories include:

- A Planning Commission liaison.
- A developer liaison.\* This could be the Chair of the Chamber Development Group, or someone from Southeast Alaska Building Industry Association, or similar.
- An assembly liaison.\* this person would keep the Assembly notified, and provide Assembly with context during code evaluation.
- Affordable housing interest – such as a regional housing authority.
- Real estate agent.
- Business specialist, as needed. For instance, if rewriting wireless communications, we might want someone from that industry on the board. If rewriting regulations that impact hazards, we might want someone from Capital City Fire and Rescue.
- A civil engineer or land surveyor.

As a chunk of code is developed, it will be presented to the Assembly with a designated comment period for the public and other advisory bodies, including the Planning Commission, to review the work product and provide comments to the Assembly. A standing quarterly update with the T49 advisory group to check in with the Assembly on high level policy questions at the COW will help keep forward momentum.

**Phased Approach**

Existing Title 49 code can be broken into two categories:

- Procedural – such as permitting practices and standards for development.
- Qualitative – standards for maintaining community quality.

Staff proposes a two phased approach for a Title 49 re-write – an initial phase that addresses procedural code and a second phase that focuses on qualitative components. Ideally, the second phase would be addressed during the Comprehensive Plan update to leverage robust public outreach. Best practice for changes to zoning districts, creating new zoning districts, major changes to permissible uses, and other impactful code section are developed with the community during the Comprehensive Plan public engagement process. .

The first phase would address procedural code and could include:

- Subdivision
- Accessory dwelling units
- Access requirements
- Conditional Use Permit processes
- Public outreach requirements

These items have already been noted in numerous Planning Commission, the Mayor’s Housing & Development Task Force, special interest groups, and staff meetings as topics to address in Title 49. Work could begin as soon as the project team is in place.

The second phase, in conjunction with robust community engagement from the Comprehensive Update Plan process, would include zoning elements and the rules used to shape the built environment. Title 49 re-write efforts would focus on amendments that address these types of questions:

- What type of community does Juneau want to be?
- What types of housing does Juneau need to sustain itself?
- How densely should we develop land?
- If land is densely developed, what key infrastructure elements are needed to make that work for us?
- Where should our development nodes be?
- Where are the appropriate areas for industrial development, large-scale tourism, or other large impacts?
- What businesses are appropriate for neighborhoods? Neighborhood bar? Marijuana shop? Coffee cart?

**Timing**

Changes to Title 49 will take time to ensure adequate opportunity for public, stakeholder, and Assembly input. However, the phased approach works well with the workflow for the comprehensive plan; Phase 1 changes will take 12-18 months once staff is hired. The community engagement phase of the Comprehensive Plan should be in a good place to launch Phase 2 of the Title 49 re-write.

**What can be done now?**

The public, special interest groups, Assembly members, staff and advisory boards and commissions should be formulating their lists of things they would like to see changed in Title 49 based upon best practices recognizing Juneau’s distinctive characteristics. These will be combined with known sections of code already identified through staff, the Planning Commission, 2022 Mayor’s Housing and Development Taskforce, the [CBJ Housing Progress Tracker](#), giving the project manager a solid starting point.

**Recommendation**

Discuss the process for tackling Title 49 changes presented and provide staff feedback. It would be helpful to staff to get your specific feedback on the phased approach, timing, and membership and role of a stakeholder group.



# CBJ Employee Office Space Floyd Dryden & Marie Drake Uses

Is the Assembly comfortable proceeding with negotiating a lease for the Burns building for downtown CBJ employees?

Establish Assembly priorities for Marie Drake and Floyd Dryden from which to design a public process soliciting proposal from organizations

# Marie Drake

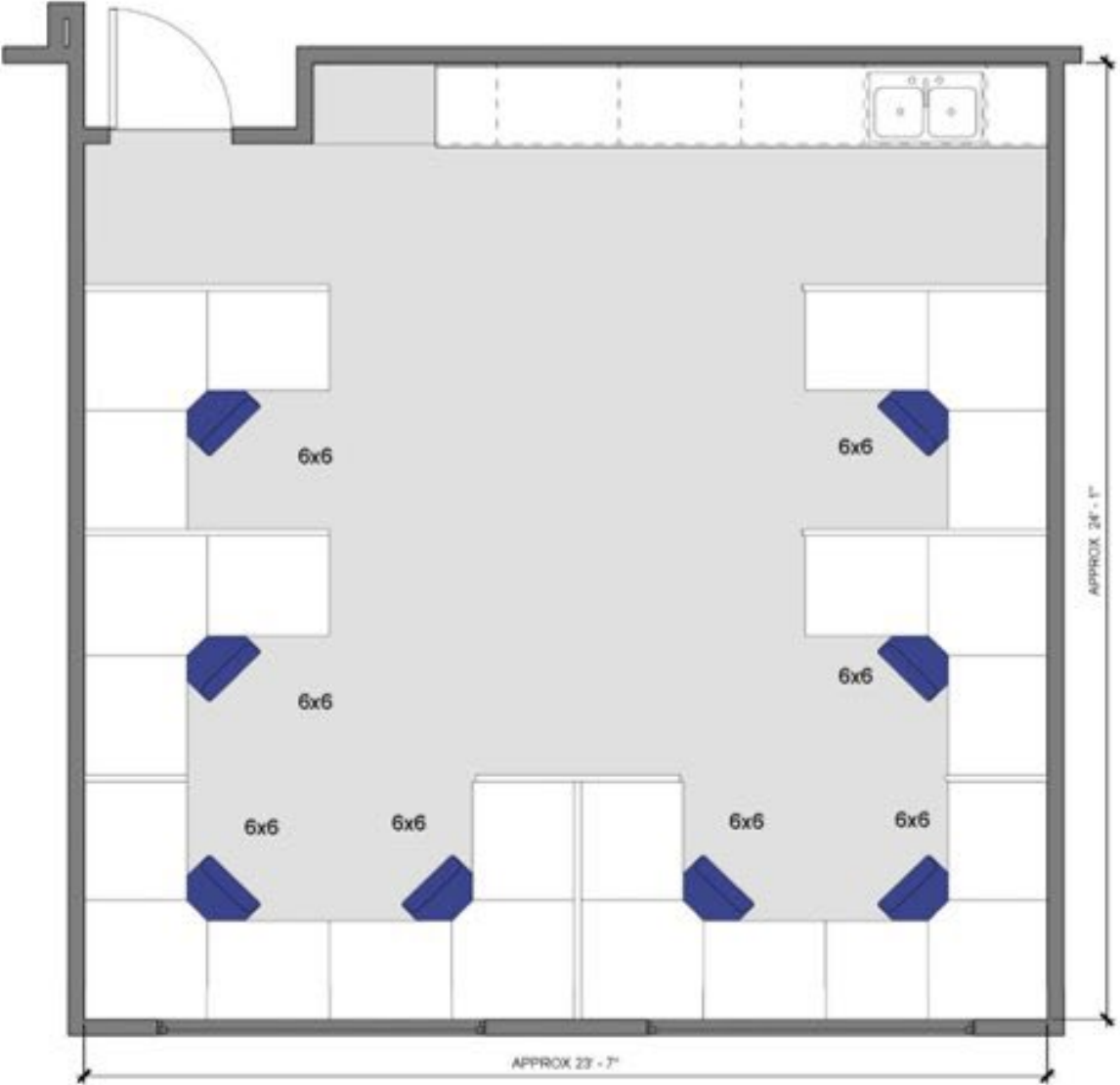
## Bathroom



## Classroom



24x24 classrooms yield 6x6 workspace with little privacy





MARIE DRAKE CLASSROOM - PERSPECTIVE VIEW

# Marie Drake Commons: Potential Chambers



Awkward Shape  
Columns  
Low Ceilings



MARIE DRAKE ASSEMBLY CHAMBERS - FLOOR PLAN

# Timeline for solicitation of ideas for community use of school facilities

- 4.15.24 COW – Assembly gives direction on what it would like to see in new community spaces at Marie Drake and Floyd Dryden. Releases guidance to public soon thereafter.
- 5.6.24 PWFC reviews submissions from organizations and ranks them for Assembly review (staff works with organizations to flush out questions from PWFC).
- 6.3.24 COW reviews proposed uses and budget impact. Refines potential uses and issues survey/process to collect broader public input.
- 7.15.24 /COW review public input and discuss next steps to implement desired uses.

*How important is it to keep this moving quickly?*

# Floyd Dryden





# Floyd Dryden

## Classroom



## Bathroom



# Floyd Dryden Commons

## Potential Chambers



# Michael J. Burns Building Home of the Permanent Fund Corporation



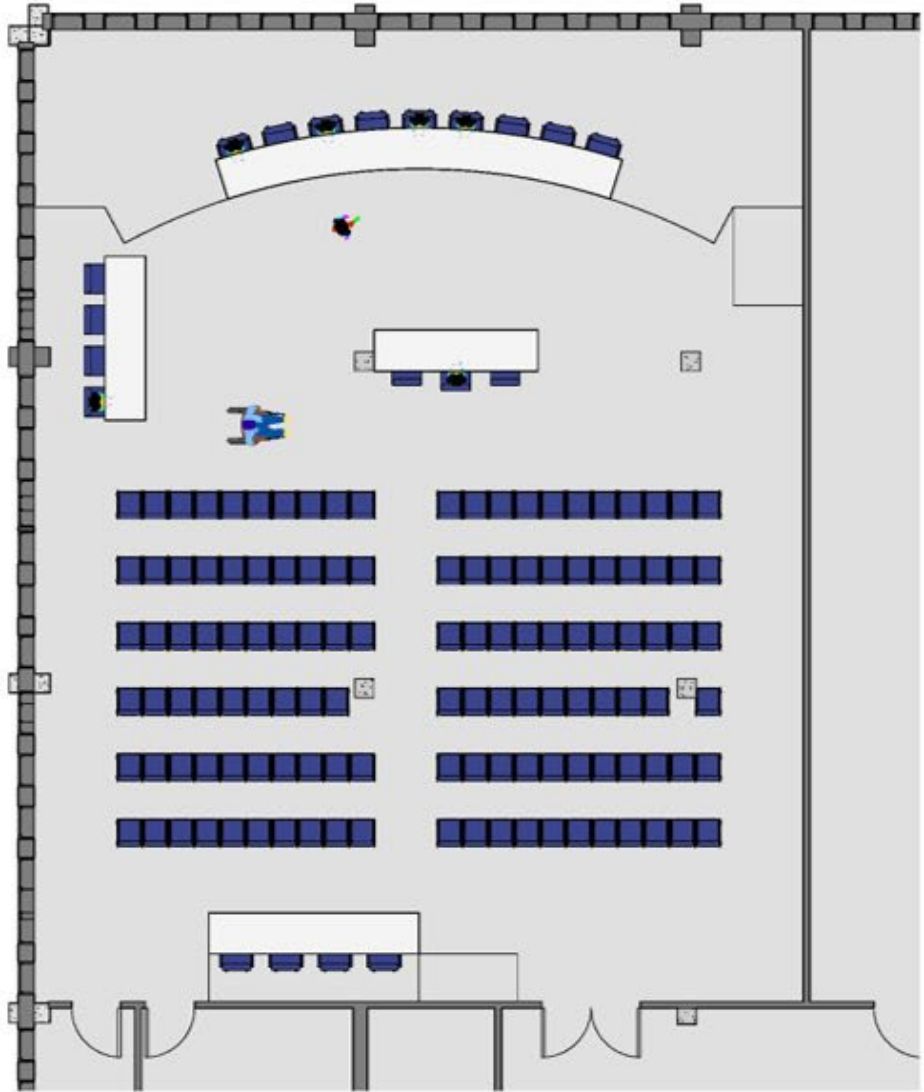
# Burns Chambers (Board of Education Room)

**Chambers**



**Kitchenette adjacent to chambers**





MICHAEL J. BURNS BUILDING ASSEMBLY CHAMBERS - FLOOR PLAN



MICHAEL J. BURNS BUILDING ASSEMBLY CHAMBERS - PERSPECTIVE VIEW

# JSD Administration Building

## Conference Room



## Hallway





Marie Drake

Central District Office

DCI Parking  
70 spaces

400 ft

Burns Building

Burns Parking  
87 spaces

CCFR

1850 ft  
0.35 miles

450 Whittier  
45 spaces

JACC/CH  
100 spaces



# Recommendation

1. Authorize staff to proceed with negotiations on leasing the Burns building
2. Discuss Assembly priorities for Marie Drake and Floyd Dryden from which to design a public process soliciting proposed uses from organizations with the understanding that Tlingit and Haidia has already proposed a use for a portion of Floyd Dryden.

# Potential Guidance (discuss and amended as appropriate)

- Aligned with Assembly priorities/ goals (such as childcare and housing)
- Impact on CBJ budget
- Parking requirements
- Level of retrofit needed for proposed idea (and who would pay for it)
- Compatible uses (multiple tenants will likely share the space)
- Keep gym spaces available for public use, coordinated by Parks and Recreation, especially after regular businesses hours