



ASSEMBLY COMMITTEE OF THE WHOLE, IMMEDIATELY FOLLOWING THE JOINT ASSEMBLY/D&H MEETING AGENDA

December 18, 2023 at 7:00 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. APPROVAL OF MINUTES

F. AGENDA TOPICS

1. CBJ Office Space Request for Information
2. Ordinance 2023-05 An Ordinance Authorizing an Alternative Procurement Method Related to the Eaglecrest Pulse Gondola Construction Project.
3. Ordinance 2023-14(b)(R) An Ordinance Appropriating \$1,600,000 to the Manager for the Affordable Housing Fund; Funding Provided by General Funds.

G. STAFF REPORTS

H. NEXT MEETING DATE: January 29, 2024

I. SUPPLEMENTAL MATERIALS

J. 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.



DATE: December 18, 2023

TO: Michelle Hale, Chair, Committee of the Whole

FROM: Denise Koch, Director, Engineering & Public Works

SUBJECT: Office Space - Request for Information (RFI)

Office Space RFI:

At the November 6, 2023 Public Works and Facilities Committee (PWFC) Meeting, staff were directed to issue a request for information (RFI) for office space for CBJ workers.

Currently, CBJ downtown office staff occupy City Hall, Marine View, Municipal Way, Sealaska Plaza, and the Seadrome. The Marine View lease expires on June 30, 2024 and the Sealaska Heritage Institute recently purchased the Municipal Way Building and required that CBJ consolidate office space to vacate the first floor. The current 16,000-square-foot City Hall houses less than 40% of CBJ's downtown office staff.

CBJ paid \$831,784 in rent in FY23 for the leased offices in Marine View, Municipal Way, Sealaska Plaza, and the Seadrome building. The overall average rent cost was \$2.06 per square foot.

The draft RFI for office space is attached to this memo. Ideally, there is a space to lease that is large enough for all office employees in CBJ.¹ However, we've included additional scenarios that would accommodate fewer staff. The RFI seeks information on buildings located anywhere in Juneau. We are seeking a five-year initial term with four additional 5-year options to renew. (The maximum term in code is 35 years and staff have proposed 25 years total.) Please note that IT and telecommunication needs will likely require costly upgrades, especially in buildings older than 10 years old. IT has staffing limitations and a small contractual budget. Therefore, the cost of contracting additional cabling work will be additional costs that CBJ should expect to cover in a CIP separate from the RFI.

In the RFI, staff requested information on three sizes of commercial properties:²

- Scenario 1 provides a large enough space for all office employees including City Hall staff (164), with space needs of approximately 46,000 gross square feet. Assembly Chambers would also move in this scenario.
- Scenario 2 provides enough space for all office employees EXCEPT for those in City Hall (99), with space needs of approximately 33,625 gross square feet.

¹ A May 2023 commercial real estate report concluded that there were no properties available for sale that met CBJ's criteria.

² Based on square footage and parking space needs laid out in the 2019 NorthWind Architects and Raincoast Data CBJ DTC City Hall Addition Study. Current space used is closer to 50,000 sq ft, but the Marine View building especially has many space inefficiencies that were adjusted for in this study.

- Scenario 3 provides enough space for only the employees in the Marine View building, with space needs of approximately 17,000 gross square feet.

Issuing an RFI does not obligate the CBJ to issue an RFP, award a contract, or pay any costs incurred in the preparation of a response to this RFI. However, it would provide the Assembly and City Manager with sufficient information to proceed with decisions on whether to lease different properties – if desired.

Action Item: Make any suggested changes to the RFI approach. Then move to approve issuing the Request for Information (RFI) for available office space in the community.

DRAFT RFI – 12/18/23
Office Space - Request for Information (RFI)

The City and Borough of Juneau (CBJ) is seeking letters of interest from realtors, contractors, developers, building owners or lessors, interested in providing office space for one of the three following scenarios:

- Scenario 1: All CBJ downtown office workers and Assembly Chambers move into a new space that includes Assembly Chambers: Approximately 46,000 gross square feet of office space for 164 employees and must have on-site parking for visitors.
- Scenario 2: Most CBJ downtown office works move. Staff and Chambers remain in City Hall. Approximately 33,625 gross square feet of office space for 99 employees and must have on-site parking for visitors.
- Scenario 3: Only CBJ staff in Marine View relocate: Approximately 17,000 gross square feet of office space for 50 employees and must have on-site parking for visitors.

The office space can be located anywhere in Juneau. The CBJ will consider a lease that consists of an initial term of 5 years with four five-year options to renew, at CBJ's sole discretion.

ADA compliant restrooms must be available, and staff must have access to reliable restroom facilities in the building. If the space is on the second floor or higher, the building must have an elevator. The property must have on-site parking for visitors. It should have at least one kitchen space and several conference rooms. Basement space is only acceptable for storage.

The ideal space will include a lobby/waiting area, and a supply storage/equipment area of at least 200 square feet. The lobby/waiting area should be separated from the workspace and file storage/equipment areas to allow staff to maintain confidentiality while visitors are present. The space should have a separate exit for staff to ingress/egress the suite without going through the lobby/waiting area, and ideally the lobby would have restrooms for visitors.

CBJ is considering alternative space where economically and operationally advantageous. CBJ will use the information it receives in response to this advertisement as the basis to develop a cost/benefit analysis and to determine whether to competitively bid this office space request, begin direct negotiations, or take other appropriate action.

If you are interested in providing office and assembly space to the City and Borough of Juneau, Alaska, respond in writing no later than **[ONE MONTH FROM ISSUE DATE]**. Responses must indicate compliance with the items below and include a name, owner contact information, and building location/address:

- Size of proposed building
- Number of existing conference rooms/meeting spaces
- The space shall be ADA compliant, or made to be ADA compliant
- Please detail available parking or your parking plan.
- Note any access to public transit.
- Please specify what kind and number of data ports are available, if the space has CAT6, CAT6A, or CAT5E cabling, and the network closet or data center that data ports connect to

DRAFT RFI – 12/18/23
Office Space - Request for Information (RFI)

- Compliance with applicable building codes and applicable OSHA standards for occupancy
- Estimated date of when office space could be ready for CBJ occupancy
- Provide estimated tenant improvement allowances
- Services included in lease (e.g. utilities, janitorial, etc.), and/or estimated costs not included in lease if available
- Estimated cost per square foot, based on a five-year base with four, five-year renewal options.

This RFI does not obligate the CBJ to issue an RFP, award a contract or pay any costs incurred in the preparation of a response to this RFI. Do not submit total price/cost quotes with your response. A Notice of Award for space may not be made as a direct result of this RFI. Contact information will be kept on file for any future related Request for Proposal (RFP) solicitations or lease negotiations.



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

TO: Michelle Hale, Chair, Committee of the Whole
FROM: Katie Koester, City Manager *Katie Koester*
DATE: December 14, 2023
RE: Gondola Best Interest Finding

Executive Summary

Key characteristics of the Gondola Installation at Eaglecrest Ski Area support an alternative procurement method such as GC/CM (General Contractor/Construction Manager), also known as CMAR (Construction Manager at Risk). The complexity of the project, direct involvement of Eaglecrest staff, timing issues, working in an unpredictable environment, and long lead time needed for specialty contractors, all underscore the need for an alternative approach to the traditional design-bid-build method for construction. At their December 7, 2023, meeting, the Eaglecrest Board of Directors approved the use of GC/CM for this project. In accordance with Municipal Code [9.14 \(b\) \(6\)](#), use of an alternative procurement method requires Assembly approval via an ordinance and a best interest finding by the Manager. This memo requests the Assembly to support alternative procurement for the Gondola installation.

Background

Benefits of GC/CM

- Allows for qualifications-based selection of GC
- Allows contractor input on construction phasing and cost estimating during the design process
- Provides the ability to proceed with portions of work prior to 100% completion of project documents
- Provides cost certainty with a negotiated, guaranteed maximum price

Project Characteristics Relevant to GC/CM Approach

Complexity of Project – CBJ purchased a used gondola from a ski area in Austria with the intention of using a combination of used and new pieces to reinstall the gondola at the Eaglecrest Ski Area. Although the components purchased in Austria will be the backbone of the gondola, it will be reassembled in a configuration different from how it was installed in Austria and as such requires new towers, components, and a new control system. The use of mixed, modified, and/or fabricated components adds a degree of complexity to the design and installation that will benefit from bringing a contractor in early in the process.

Eaglecrest Direct Involvement – The installation of the gondola will require significant involvement of Eaglecrest staff and leadership – to what extent, we do not yet know. Eaglecrest has specialty equipment – such as snow cats, that will be necessary during installation. Eaglecrest staff, with experience in mountain construction, trail building, and local knowledge will be able to add value to the

project, reduce costs, and increase efficiency. However, it is very difficult at this phase of the predict how much staff involvement will be needed. A GC/CM approach will allow for flexibility for Eaglecrest's contributions to the project.

Timing – Snow roads will be constructed to access some of the tower sites on steep and otherwise inaccessible terrain. This is the most affordable and environmentally friendly option. However, these roads will need to be constructed, and foundations for the towers installed, early in the project timeline. CBJ needs to engage a contractor soon in order to allow time to obtain construction materials and be ready to go once the snow road is open. A hostile weather environment will also mean inherent and unexpected delays. GC/CM procurement will allow the contractor and CBJ to share that risk.

Schedule – Delays in finalizing funding (with Goldbelt, Inc.) held up the gondola design process. Full design is now anticipated by mid-summer, 2024, leaving less than one and a half summer construction seasons to get the gondola in operation before the 2026 cruise ship season. Engagement of a GC/CM while still in design will allow maximum use of the 2024 summer season for construction, which is needed to meet the spring 2026 opening date.

The successful installation of the gondola, and the new control system, will require contractors and workers with a unique and specialized skill set. These specialized contractors (Ropeway, Controls, etc.) are in high demand and are usually booked a year in advance. CBJ needs to get a contractor on board early in the design process to get on their schedules.

In conclusion, establishing an early collaborative relationship with the general contractor, subcontractors, specialists, and Eaglecrest staff will ensure that the completion of the design work and consequent construction efforts will maximize the value of construction work in the limited seasonal construction windows, optimize the value that Eaglecrest staff and equipment can contribute to the project, and minimize contractors' inherent risk in a project of this nature.

Links to Additional Information:

- National Institute of Governmental Purchasing (NIGP): [Public Procurement Practice: Selecting the Appropriate Construction Project Delivery Method](#).
- Design-Build Institute of America (DBIA): [Choosing a Project Delivery Method: A Design-Build Done Right Primer](#).
- CBJ Charter Section [9.14](#) – Competitive Bidding

Action Requested

Staff requests that the Assembly affirm the Eaglecrest Board of Directors recommendation to use the GC/CM alternative procurement method as proposed in Ordinance 2023-05.



Eaglecrest Ski Area

TO: CBJ Assembly PWF Committee and Committee of the Whole, Katie Koester, City Manager

FROM: Dave Scanlan, Eaglecrest General Manager, Alan Steffert CBJ Engineering Project Manager

Date: 12.13.23

Subject: Eaglecrest Gondola Update & Alternative Procurement Memo

It has now been four months since we have finalized our partnership agreement with Goldbelt and put our engineering team back to work finalizing critical design components of our Gondola project. The primary focus of this phase of the design has been to perform all of our load calculations and finalize the work on the midway loading station, that will be new to this lift system. Since conception of the project we always knew that the most critical component of the Gondola System was the midway loading and unloading station and were aware that we would need to source additional towers, sheave wheel assemblies, door opening mechanisms and a new haul rope to achieve this aspect of the installation

Our sales company Steelhead Systems assured us that they would be able to supply any of the critical components that we needed to complete the installation as designed. We are now ready to move forward with the purchase of eight additional towers, nine sheave wheels sets, eight door opener assemblies, 12 sets of grips and hangers for a 56mm haul rope and 2700 meters of 56mm haul rope for \$1.86M as noted in the Alternative Procurement Ordinance. After accounting for our Engineering expenses and other work to be performed we have \$6.5M to go toward erecting the Gondola.

The other main accomplishment is finalization of the conceptual design, location and elevation of the Summit House building that will enclose the top terminal machinery and provide our visitor space at the top of the mountain. The building is being designed to be constructed in various phases depending on how far our construction capital dollars travel.

Juneau is a very unique community that is full of extremely passionate Eaglecrest Users with a diverse professional skill set. Utilizing Alternative procurement will allow a team of very experienced contractors to come together and work with project Engineers and Eaglecrest Staff to find the most efficient way to utilize Eaglecrest specialized equipment and knowledge to find the most effective and efficient way to execute all phases of construction. We are confident that our \$6.5M in construction capital can complete our primary needs for the project acknowledging that we will need to properly scale our wants. This may include a phased construction of the Summit House.



Eaglecrest Ski Area

As part of the Eaglecrest FY25 and FY26 budgeting process we will be detailing our staffing needs related to our future growth into Summer Operations. With the help of this Alternative Procurement Contracting strategy, we are confident that we can stay on our target of having the Gondola ready to open for the public during the winter season of 2025 and 2026 to ensure the lift is ready to welcome our summer visitors in May of 2026. This will also coincide with the start of our new summer revenue stream. We will have a need for start up operating capital to allow us to make the proper investments into building a new strong core team of year around staff that will ensure that we will run a smooth and successful summer program.

Thankfully we have numerous dedicated Eaglecrest staff that are interested in growing with us and becoming part of our year around work force. By investing now in our staff we will be able to properly support our construction contractors using our specialized Eaglecrest Equipment and will be able to build a lot of our ancillary recreational trails and assets during this construction phase. As we move from the construction phase into the operational phase this team will be a cohesive unit that will understand all of the facets of the operations.

We'll be working with staff in the finance department to bring forward to you the new Eaglecrest operating model that will show our ability to become self-sufficient in future years.

As we launch into updating our Eaglecrest Master Plan, we will be engaging with the community and all city staff to ensure that we are maximizing the potential of Eaglecrest lands and resources to help our community wide housing problem and attract the next generation of middle age service workers to take up residency in Juneau.

Respectfully,
Dave Scanlan
General Manager
Eaglecrest Ski Area

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Presented by: The Manager
Introduced: 12/11/2023
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2023-05

An Ordinance Authorizing an Alternative Procurement Method Related to the Eaglecrest Pulse Gondola Construction Project.

WHEREAS, the City and Borough of Juneau (“CBJ”) owns the Eaglecrest Ski Area and desires to develop and improve the public ski area by installing, deploying, and operating a gondola system and other associated amenities, facilities, and visitor attractions; and

WHEREAS, the Assembly appropriated \$2,000,000 for the purpose of a used gondola (Ordinance 2021-08(b)(am)(Z), Feb. 29, 2022); and

WHEREAS, shortly after the \$2,000,000 was appropriated, Goldbelt, Inc., a local Alaska Native Corporation, reached out with a \$10,000,000 offer to fund installation of the gondola and associated infrastructure (Ordinance 2022-63, Jan. 9, 2023; and Ordinance 2023-08, May 8, 2023); and

WHEREAS, the CBJ acquired a used gondola and needs to complete construction of the gondola system, which will require procurement of construction services and additional goods; and

WHEREAS, the CBJ needs to purchase additional gondola towers and parts (~\$1.85M), refurbish the gear box, and purchase additional design work to maximize the benefits of an alternative procurement for construction services; and

WHEREAS, given the current design work plus the anticipated expenditures, the CBJ would have approximately \$6.5M remaining for construction services and other necessary purchases; and

WHEREAS, the City and Borough of Juneau’s conventional procurement method for construction projects is based on competitive bidding, with awards determined solely on the basis of price; and

WHEREAS, conventional construction projects typically reach 100% design before going out to bid and subsequent construction; and

WHEREAS, the Eaglecrest Pulse Gondola Construction Project, currently in design, is not suited to the traditional low-bid construction contract because of numerous elements of the project which contribute to its complexity; and

1
2 WHEREAS, the various component pieces purchased from Austria will form the backbone of
3 the Eaglecrest Pulse Gondola with additional components including towers and the mid-
4 mountain station supplementing the existing components and requiring new components
significantly increasing the complexity of the design, installation, and construction work.

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

7 **Section 1. Classification.** This ordinance is a non-code ordinance.

8 **Section 2. CBJ Code 53.50.** The provisions of CBJC 53.50 do not apply to this
9 transaction and to the extent the alternative procurement authorized pursuant to this
ordinance conflicts with provisions in CBJC 53.50, this ordinance controls.

10 **Section 3. Maximum Dollar Amount.** The alternative procurement authorized
11 pursuant to this ordinance shall not exceed six million and five hundred thousand dollars
(\$6,500,000). The source of funds is the investment made by Goldbelt, Inc., pursuant to the
12 Revenue Sharing Agreement entered into by the City and Borough of Juneau and approved by
the Assembly in Ordinances 2022-63 and 2023-08 and any funds appropriated from other
13 sources by the Assembly.

14 **Section 4. Construction Manager at Risk Methodology.** With a Construction
15 Manager at Risk (CMAR) design-build procurement process for the Eaglecrest Pulse Gondola
Construction Project, a construction management company will assume the risk for the
16 Eaglecrest Pulse Gondola Construction Project, within a Guaranteed Maximum Price as a
general contractor, and provide consultation to the City and Borough of Juneau regarding
17 construction during and after design of the Eaglecrest Pulse Gondola Construction Project.

18 **Section 5. Best Interest Finding.** The Assembly concurs with the City Manager's
19 best interest finding that a CMAR alternative procurement process is in the best interest of the
City and Borough of Juneau and the public based on cost, timing, the benefit to users, and the
20 potential to help Eaglecrest Ski Area become more economically successful and self-sufficient.
This finding is premised upon the following:

- 21 (a) Eaglecrest Ski Area is a vital CBJ asset that is beloved by the community, which
22 contributes greatly to the quality of life, and physical, mental, and emotional health of
the people of Juneau; and
- 23 (b) Eaglecrest Ski Area needs to expand its summer operations to generate resources to
24 support the winter-time activities to allow for maximal use and enjoyment by the
people of Juneau and also provide an alternative summer visitor activity; and
- 25 (c) The Eaglecrest Pulse Gondola Construction Project is complex and includes significant
challenges including environment, logistics, safety, timing, expense, and satisfactory
completion, all of which must be anticipated and managed; and

(d) The CMAR alternative procurement process can help CBJ meet the numerous and varied challenges by allowing Eaglecrest Ski Area and the design team to anticipate and address issues that arise by close collaboration with the construction team to minimize threats to infrastructure and the environment and to increase the likelihood of a safe, timely, and successful Eaglecrest Pulse Gondola Construction Project.

Section 6. Criteria for Selection of a Construction Manager at Risk Procurement. The procurement shall include qualifications-based selection criteria designed to provide CBJ with the best value, including the following terms:

- 1. Firm qualifications
- 2. Experience with similar projects
- 3. Personnel proposed
- 4. Safety record
- 5. Project understanding and approach
- 6. Quality control program
- 7. Pre-construction service fees

Section 7. Best and Final Offer Process. The selected vendor shall enter into negotiations with the City and Borough of Juneau to provide a final scope of contracted services with a final guaranteed maximum price.

Section 8. Approval Process. The City Manager is authorized to competitively solicit proposals, rate the proposals consistent with the criteria prescribed by this ordinance, and present a recommended CMAR company proposal to the Assembly for approval.

Section 9. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____ 2024.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: December 11, 2023
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2023-14(b)(R)

An Ordinance Appropriating \$1,600,000 to the Manager for the Affordable Housing Fund; Funding Provided by General Funds.

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. Appropriation. There is appropriated to the Manager the sum of \$1,600,000 as funding for the Affordable Housing Fund.

Section 3. Source of Funds

General Funds	\$1,600,000
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Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2024.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk