

MEMORANDUM

CITY/BOROUGH OF JUNEAU

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TO: Wade Bryson, Chair of the Assembly LHED Committee
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*
SUBJECT: Future use of the former Floyd Dryden Middle School for childcare
DATE: January 23, 2025

During the summer of 2024 the Public Works and Facilities committee (PWFC) completed a solicitation for proposals to lease space in the former Floyd Dryden Middle School. The building was vacated by the Juneau School District in July 2024. The submitted proposals were ranked by the PWFC and the proposal from T&H Early Education to use the building for "Early education programs & childcare" was tied for the top choice along with the community use of the gym for senior, adult, and youth sports and activities. The next highest-ranking use for the building was UAS with the proposed use of "Educational programs & childcare & workforce development". The Assembly Committee of the Whole (COW) reviewed the proposals and PWFC rankings at the August 5, 2024, meeting and passed two motions. First, a motion to direct staff to proceed with T&H Early Education to use up to 2/3 of the space in Floyd Dryden and the second motion was to authorize staff to negotiate with the proposers on space as per the ranking by PWFC.

CBJ staff met with T&H Early Education in November and began drafting basic terms and conditions for a lease based on the direction from the COW. T&H Early Education has also been working on a Conditional Use Permit, planning and designing interior remodeling, and working with CBJ Building Maintenance in order to begin to negotiate terms and conditions for the shared space. In Accordance with CBJ Code 53.09.260 the next step in this public process will be for the Full Assembly to provide a motion to negotiate with T&H Early Education. CBJ leases are authorized by ordinance after a LHED Committee review and Assembly public hearing. Attached is the T&H Early Education proposal that was submitted to the PWFC.

The CBJ Manager's Office met with the UAS School of Education and the executive director of Southeast Alaska Association for the Education of Young Children (AEYC) as UAS was the second highest-ranking proposal. UAS is interested in leasing the remaining 1/3 of the building. The University lease process is largely completed by the UA Land Office and UAS School of Education is determining their process for moving a lease forward. In Accordance with CBJ Code 53.09.260 the next step in this public process will be for the Full Assembly to

provide a motion to negotiate with UAS School of Education. CBJ leases are authorized by ordinance after a LHED Committee review and Assembly public hearing. Attached is the UAS school of Education proposal that was submitted to the PWFC.

In the time since the PWFC solicitation process, and as a result of the Glacier Lake Outburst on August 6, 2024, Glacier Bear Child Care has occupied a classroom in the building. This use is a result of an emergency declaration after the childcare location was affected by the flood. There is no existing lease for this space and the Assembly did not authorize this use under 53.09.260. Glacier Bear Child Care has been in talks with UAS to provide childcare under the proposed UAS program but has also requested to remain in the building after the emergency declaration expires in March. They currently do not pay anything to the CBJ in return for using the space. CBJ code does not allow for a lease of CBJ property to a for-profit business for less than fair market value. As a potential sublease of the UAS lease, Glacier Bear Child Care has begun the process to apply for a Conditional Use Permit but has stated that they are not interested in leasing any space at fair market value and they are only interested in leasing space at zero cost.

The current estimate of the cost to maintain the building is \$1.97 per square foot. Fully funding the maintenance is crucial to current and future uses of the building regardless of if the building is leased for less than fair market value. T&H Early Education's proposal included the expectation that the lease costs would be fair market value. UAS School of Education requested the space for no cost. The Parties will need to negotiate the necessary renovations, shared space, security, custodial, utilities, parking, plowing, internet, pickleball and the State of Alaska Mendenhall Valley air quality monitoring station that is on the roof before any final leases will be signed.

The COW reviewed the proposals and the PWFC rankings at the August 5, 2024, meeting and passed a motion to direct staff to proceed with T&H Early Education to use up to 2/3 of the space in Floyd Dryden and second motion to authorize staff to negotiate with the proposers on space as per the ranking by PWFC. At the February 3, 2025, Assembly meeting the Manager will request that the Assembly provide a motion to enter into direct negotiates for each of these leases in accordance with 53.09.260(a). At a future date, and accordance with 53.09.260(b), "after review by the Assembly Lands Committee, and authorization by the Assembly by ordinance, the manager may conclude arrangements for the lease, sale, exchange, or other disposal of City and Borough land."

Staff request that the Lands, Housing, and Economic Development Committee provide a motion of support to the assembly for leasing space in Floyd Dryden for T&H Early Education and UAS School of Education.

Attachments:

1. CBJ Code 53.09.260 - 53.09.270
2. T&H Early Education proposal
3. UAS school of Education proposal
4. Building Maintenance Cost Breakdown

53.09.260 (a) *Application, initial review, assembly authority to negotiate.*

"Upon application, approval by the manager, and payment of a \$500.00 fee, a person or business entity may submit a written proposal to lease, purchase, exchange, or otherwise acquire City and Borough land for a specified purpose. The proposal shall be reviewed by the assembly for a determination of whether the proposal should be further considered and, if so, whether by direct negotiation with the original proposer or by competition after an invitation for further proposals. Upon direction of the assembly by motion, the manager may commence negotiations for the lease, sale, exchange, or other disposal of City and Borough land."

(b)

Review and approval process. Upon satisfactory progress in the negotiation or competition undertaken pursuant to subsection (a) of this section, after review by the planning commission for disposals other than leases, after review by the assembly lands committee, and authorization by the assembly by ordinance, the manager may conclude arrangements for the lease, sale, exchange, or other disposal of City and Borough land. The final terms of a disposal pursuant to this section are subject to approval by the assembly unless the minimum essential terms and the authority of the manager to execute the disposal are set forth in the ordinance enacted pursuant to this subsection. The disposal may not be executed until the effective date of the ordinance.