



April 29, 2025

The City and Borough of Juneau
Division of Lands and Resources
155 Heritage Way, Suite 218
Juneau, Alaska. 99801

To: Dan Bleidorn, Lands and Resources Manager

Re: Level and Format of CBJ Financial Support

Dan and Scott:

For consideration and the basis for negotiations as the project moves forward, the following is a summary of notes shared within our proposal group to supplement the letter of interest. We understand that a broader negotiation will be part of future negotiations once this interest moves forward.

REQUESTED FINANCIAL ASSISTANCE:

- 1) **Pre-Development Soft Cost - Loan:**
\$2,000,000 - added to the purchase price of the land and repaid on similar terms.
- 2) **Land Purchase - Seller Financing:**
Market price - to be determined by appraisal. 5% down, balance @ 1% simple interest on the declining balance over 30 years. Subordinated to construction financing.
- 3) **2nd Mortgage - Alaska Housing Finance Corporation:**
20% of the construction cost - low or no interest. Subordinated to construction loan and permanent financing. Please join us in advocating for the project to AHFC and other State institutions that may be able to provide financial assistance.
- 4) **Property Tax Abatement:**
12 years.
- 5) **CBJ Loan:**
\$50,000 per market rate apartment and STS unit on established CBJ terms and conditions. (The project will likely need to include access to a per-unit loan on the Income Restricted units as well.)
- 6) **CBJ Grant:**
\$50,000 per Workforce Housing - Income Restricted unit on established CBJ terms and conditions.
- 7) **Parking:**
We are highly skeptical that the community will allow the introduction of a 200-unit non-parked project into an already jammed neighborhood. We are also gravely concerned about the negative impact of the lack of onsite parking on our lease-up rates. While JohnsonCarr is willing to move ahead with the project as non-parked, we may be forced to include a new parking facility in the project as a condition of our construction loan. If required, the Developer will consist of the parking improvement in the project with the understanding that CBJ shall fully reimburse all associated costs.

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