

To: Juneau Assembly and Lands Committee Members
From: Telephone Hill Neighborhood NonProfit Management Corporation

September 22, 2022

Greetings,

At a recent meeting Dan Bleidhorn suggested we submit a letter to Assembly members to provide information on Telephone Hill Corp's lease with the Alaska DOT. There has been a lot of misinformation and rumors (after all this is Juneau) so we hope to dispel some of the myths.

Over 23 years ago Frank Mielke of DOT approached Peggy Pijan, Rachel Beck and myself with an unusual offer - if we established a legal entity that met with DOT approval then DOT would sign a master lease for Telephone Hill with us. He explained DOT had continuously lost money managing the properties since the homes had been acquired - first with a property management company and again when DOT decided to manage the properties in-house which took too much DOT staff time.

We formed the Telephone Hill Neighborhood Non-Profit Management Corporation. The master lease required Telephone Hill Corp to sub-lease to renters, collect rent, and with that rent money pay all utility bills, maintain insurance, pay for repairs when needed, pay property taxes, as well as make the monthly master lease payment to DOT. A bookkeeper was immediately hired to handle all financial activities and he is still with us today. There was no staff and the three managers received no salary. The master lease with Telephone Hill Corp was the first time DOT did not lose money or DOT staff time on the properties.

Telephone Hill Corp has paid DOT over a million dollars in the 23 years of our lease with the State.

Currently there's a lot of confusion and anxiety among Telephone Hill residents. CBJ staff is doing their best but this is new territory for the City - as it was for the State.

There are varying estimates as to how many months or years the necessary public meetings, planning, and permitting processes will take. Phrases such as "soft landing" with no actual fixed date only create more anxiety among residents. Many residents have lived on Telephone Hill for over 25 years, people who have made valuable contributions to Juneau in the arts, small business owners, teachers, legislative staff...

CBJ needs to keep these long time tenants in place until the city is ready to actually implement a plan. This historic, highly visible neighborhood is the heart of downtown. Higher rents resulting in new transient tenants will require more CBJ staff time to deal with turnover issues. We know because we have managed this neighborhood for 23

years.

The Telephone Hill neighborhood is affordable housing in a jacked-up, sky rocketing rental market because of the unique master lease agreement Telephone Hill Corp had with the State.

We propose the CBJ enter into a similar master lease with Telephone Hill Neighborhood Non-Profit Management Corporation through July 31, 2023. This will give the City the opportunity to keep a stable neighborhood with affordable housing through the various planning stages without tying up CBJ staff time.

If in late April it becomes obvious the re-development process will take longer, then the lease can be extended on a month to month or bimonthly basis.

One last thought - keeping the Telephone Hill neighborhood stable and homes intact is a very important part of the planning process. If the City is interested in pursuing a lease with us we hope a letter of agreement can be signed asap before conveyance takes place.

Thank you for your consideration.
We would be happy to provide further information.

Maureen Conerton
Telephone Hill Neighborhood NonProfit Management Corporation