



City and Borough of Juneau
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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

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 Achilles 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 (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.