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DATE: April 15th, 2024
TO: Michele Hale, Deputy Mayor
THROUGH: Denise Koch, Engineering & Public Works Director
FROM: Nick Druyvestein, Project Manager
SUBJECT: Telephone Hill Redevelopment Study Update

Staff and consultants at First Forty Feet have continued with refinement of a mid to high density housing option for the Telephone Hill Redevelopment Study. Current renderings show four new buildings that provide a mix of studio, one-bed, and two-bed options for a total of 155 new units.

To support development, new parcels would need to be removed to allow for construction of a building pad. Additionally, Dixon Street would need to be slightly realigned to allow for access to the parcels while still maintaining an acceptable street profile. A rebuild of Dixon Street is estimated to cost \$3.3M including utility upgrades and site preparation. On average, each structure would cost \$150,000 - \$300,000 to demolish for a total of \$1.7M in demolition costs. This price does not include mitigation or disposal of hazardous materials.

Parking

Telephone Hill sits outside the current zero-parking zone which makes it subject to municipal parking requirements. Per CBJ 49.40.210 with the new unit count, the required number of parking spaces to support 155 units of new development would be 68 stalls. Three parking options could address requirements:

1. Underground parking below each new building parcels (Up to 93 new stalls)
2. Combination of underground and on-street parking (Up to 65 underground, 18 on-street)
3. Extension of the Downtown zero-parking zone

The estimated cost of constructing underground parking on Telephone Hill is \$90,000 per stall. This estimate includes blasting, rock excavation, and construction of parking area and building pad. If underground parking were pursued as described in option 1, it would add an additional \$8.4M in costs to develop the area. Expanding the Downtown zero parking zone would present an opportunity for flexibility in future proposed developments and take advantage of the proximity of the location to two parking garages. A future solicitation for development would likely still include criteria that favors increased parking while not requiring it.

Next Steps

Preliminary site preparation plans and cost estimates can proceed to finalization with Assembly direction on parking. With an understanding of site preparation, staff can begin to plan the hilltop landscape and provide updated drawings of a Telephone Hill master plan. This master plan would show all the planned modifications to Telephone Hill, including new building locations and orientations, public gathering additions, and accessibility improvements. The data that is being collected and incorporated into the master plan will be used to draft a scope of work and review criteria for the future solicitation of development partners.

Recommendation: Provide a recommendation on what parking requirements to use for furthering development of a mid to high density scenario for Telephone Hill Development. Staff recommends extending the zero-parking zone.