

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: Tlingit and Haida Early Education Floyd Dryden Lease
DATE: March 13, 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 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. Based on the direction from the COW, CBJ staff met with T&H Early Education in November and began drafting basic terms and conditions for a lease.

T&H Early Education has been working on a Conditional Use Permit (CUP), planning and designing interior remodeling, and working with CBJ Building Maintenance in order to negotiate terms and conditions for the shared space. At the January 27, 2025, meeting, the Lands, Housing, and Economic Development Committee provided a motion of support to the Assembly for leasing space in Floyd Dryden for T&H Early Education and UAS School of Education. At the February 3, 2025, meeting, the Assembly passed a motion of support to work with Central Council Tlingit and Haida Indian Tribes of Alaska towards the disposal of city property through a negotiated lease. The CUP was approved as recommended at the February 25, 2025, Planning Commission Meeting.

In the time since the August COW meeting, it has become apparent that UAS does not have the authority within the UA system to lease CBJ space, and their application has not been moving forward. After discussions with T&H Early Education, they have an interest in leasing additional space in order to deliver services providing for children, including up to middle school age children. Previous COW direction was to proceed with leasing up to 2/3 of the building. With the UAS application not moving forward, T&H

Early Education is interested in leasing more than the previously discussed 2/3 of the available space and could be a single tenant if the Assembly is interested in leasing 100% of the available space to T&H Early Education.

The current estimate of the cost to maintain the building is \$1.97/ft² which includes a contingency to cover unexpected maintenance and to build funds for long-term maintenance. At this rate, leasing 100% of the available space is ~\$110,200/month for 55,925 ft². T&H has requested a rate that does not include a contingency amount which is \$1.79/ft² or ~\$100,100/month. These amounts exclude the portion of the building that will be retained by the CBJ Parks Department, which includes the gym and facilities maintenance area. Maintenance is crucial to current and future uses of the building and Assembly should take care to provide steady funding for building maintenance if this building is leased for less than the building maintenance estimate of \$1.79/ft²/Month or \$1.2M/Year.

T&H Early Education's original proposal included the expectation that the lease costs for leasing 2/3 of the building would be fair market value. In order to lease the entire building, T&H Early Education has requested grant funding to help recover renovation costs and to help cover the cost of leasing the additional space for the first 5-year term. Renovations include correctly sizing lavatories, adding additional wash locations, creating safe access, and updating outdoor space. Renovation costs are quoted to be around \$1M.

Staff request that the Lands, Housing, and Economic Development Committee direct the City Manager and Attorney to draft an ordinance for introduction authorizing the lease of up to 60,000 ft² Floyd Dryden to the T&H Early Education.

Staff request that the LHED committee direct the City Manager to draft an ordinance authorizing an Assembly grant to T&H Early Education for the purposes of tenant improvements, to be issued concurrently with any potential lease.