

ASSEMBLY COMMITTEE OF THE WHOLE MINUTES **DRAFT**

August 05, 2024 at 6:05 PM



Assembly Chambers/Zoom Webinar

A. CALL TO ORDER: Deputy Mayor Hale called the meeting to order at 6:10 pm

B. LAND ACKNOWLEDGEMENT

Mayor Beth Weldon read the following: We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

C. ROLL CALL

Assemblymembers present: Mayor Beth Weldon, Deputy Mayor Michelle Hale, Wade Bryson, Alicia Hughes-Skandijs, Greg Smith, Paul Kelly, Ella Adkison

Assemblymembers absent: 'Wáahlaal Gidaag, Christine Woll

Staff Present: City Manager Katie Koester, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Lands Manager Dan Bleidorn, Eng/PW Director Denise Koch, Meeting Clerk/Tech Support Kevin Allen, Eng/PW Project Manager Nick Druyvestein, and via Zoom: Deputy Manager Robert Barr, Parks & Recreation Director George Schaaf, Assistant Attorney Emily Wright, Assistant Attorney Sherri Layne, Assistant Attorney Nicole Lynch, CDD Planner Irene Gallion

D. APPROVAL OF AGENDA

Manager Koester added a flood update to the agenda as item 1, moved the Floyd Dryden and Marie Drake Schools - Proposed Uses to item 2, and crossed out Blueprint Downtown from the topics. *Hearing no objection, the agenda changes were approved as requested.*

E. APPROVAL OF MINUTES

1. August 28, 2023 Assembly Committee of the Whole DRAFT Minutes

Hearing no objection, the August 28, 2023 minutes were adopted by unanimous consent.

F. AGENDA TOPICS

2. Flood Update

Manager Koester said Aaron Jacobs with the National Weather Service was present via zoom to provide a forecast update.

Mr. Jacobs provided a report of river levels and when the crest was expected to happen. He said the peak was expected to be around the midnight hours.

Mr. Bryson asked if the NWS was tracking the flow of the river. Mr. Jacobs answered that the flow was currently 18,000ths cubic ft. per second, and the max forecast was 27,000; last year's peak was about 25,000.

Mr. Smith inquired about the location of the gauge. Mr. Jacobs said the USGS gauge was located on the lake itself up along the rock out cropping.

Mr. Bryson asked about bank erosion. Mr. Jacobs answered he had not seen any erosion that would be critical for infrastructure.

Manager Koester informed members about the start of joint Emergency Operations Council (EOC) meetings and communications. She also updated members on flooding precautions that were currently being taken.

Director Koch spoke about a new emergency text notification software that would be used during this year's event. She pointed out that, according to NWS inundation maps, roads west of riverside would see water at 16 ft. She said Floyd Dryden would open tonight as a shelter.

Mayor Weldon asked whether the evacuations would ever be mandatory. Manager Koester said the evacuations are not mandatory, and that there are rare circumstances where evacuations would be mandatory. Mayor Weldon inquired about impact support after the event. Manager Koester said it would depend on the severity of the event, and that there may not be the same level of resources, but the Assembly could lean in to offer more.

Mr. Bryson said the Public Works and Facilities Committee (PWFC) found that the backflow prevention devices would be the top action item the city could do to prevent damage, outside of studies.

3. Floyd Dryden and Marie Drake Schools - Proposed Uses

Manager Koester said staff were looking for directions on leasing out space to Tlingit & Haida, as well as allowing negotiations to start with the community use form PWFC made.

Director Koch provided a report on the community use form ranking process. She said Tlingit & Haida requested half to two-thirds of the space, and so diagrams were developed for those scenarios. She explained that the Marie Drake floorplan also uses the PWFC's use form, but parking was the top challenge. She said staff have been using the PWFC's ranking as a guide for the preferred uses of the building.

MOTION by Mayor Weldon to direct staff to proceed with Tlingit & Haida using up to two-thirds of Floyd Dryden.

Mr. Kelly objected to the motion. He said he sees the opportunity for the building to be used by many other organizations and so preferred the half option.

Mayor Weldon said that Tlingit & Haida was requesting this so they can centralize their childcare, and that Head Start is a program open to non-native children. She said she is giving the option of "up to two-thirds" so they can just use half, if they so choose.

Mr. Kelly said that homelessness is another issue of importance, and he would like to see space for Family Promise to be included. He asked if there would be adequate space for them in the models where Tlingit & Haida uses two-thirds of the building. Director Koch answered no, UAS and Auke Lake Preschool also planned to do daycare, and they ranked higher on the PWFC list than Family Promise. He inquired that, if items 3 and 4 were skipped, would there be enough room for Family Promise. Director Koch said they could probably fit them, but that is part of staff asking for guidance in using the PWFC's rankings.

Roll Call vote on the motion to allow Tlingit & Haida to use up to two-thirds of Floyd Dryden:

Yeas: Mayor Weldon, Mr. Bryson, Mr. Smith, Ms. Hughes-Skandijs, Mr. Kelly, Ms. Adkison, Deputy Mayor Hale

Nays: none

Motion passed 7-0

MOTION by Mr. Kelly to direct staff to enter into discussions with Family Promise and Tlingit & Haida to work with the remaining third of Floyd Dryden and asked for unanimous consent.

Ms. Adkison objected to the motion. She said she is not interested in replacing the rankings, as it was ranked to prioritize childcare.

Roll Call vote on the motion to enter into discussions with Family Promis and Tlingit & Haida for the use of the remaining third of Floyd Dryden.

Yeas: Mr. Kelly

Nays: Mr. Smith, Ms. Adkison, Ms. Hughes-Skandijs, Mr. Bryson, Deputy Mayor Hale, Mayor Weldon

Motion failed 1-6

MOTION by Mr. Smith to authorize staff to negotiate with the proposers on space needs per the ranking and asked for unanimous consent. *Hearing no objection, the motion was adopted by unanimous consent.*

The committee took an at-ease from 7:00pm to 7:10pm.

4. Telephone Hill Place Guide/Zero Parking

Manager Koester directed members to her memo in the packet (packet pg. 16), explaining the issues and the her recommendations starting with the first recommendation: "Move to introduce an ordinance to expand the No Parking Required Area to include Telephone Hill as depicted in Attachment A."

Mr. Kelly asked if no parking was expanded to this area and if someone with ADA needs acquired an apartment, would there be handicapped parking available. Manager Koester answered that there are designated ADA spaces at the downtown parking garage. She said she will get back to him regarding whether a developer would be mandated by code to include ADA spaces.

MOTION by Mayor Weldon to introduce an ordinance to expand the No Parking Required Area to include Telephone Hill as depicted in Attachment A of the packet and asked for unanimous consent.

Chair Hale objected for the purpose of a comment. She said that, if CBJ moves out of downtown, that would free up 100 parking spaces downtown. Manager Koester confirmed that there are 165 year-round employees downtown. She said it is important that the Assembly doesn't just add units to a downtown area that is already crammed for parking. She removed her objection. *There being no further objections, the motion passed by unanimous consent.*

Manager Koester asked for Assembly direction and explained the second recommendation from the memo: "Move to approve a target of 20% units at 80% affordability as part of the Telephone Hill redevelopment guidelines."

Mayor Weldon asked about "target of 20% units at 80% affordability". Manager Koester explained that 20% of 155 units would be the guidance the city would give developers.

Ms. Adkison asked if this locks developers into either making affordable units or don't come to Juneau. Manager Koester explained this is the guidance to developers and the city will take bids and score them based on the guidance.

Ms. Hughes-Skandijs sought confirmation that there hasn't been discussion or direction about the remaining 80%. Manager Koester responded that was correct and explained that FirstFortyFeet's fiscal analysis assumes that a portion of the condos will be high-end. Ms. Hughes-Skandijs asked about the market analysis Leland did and how it came with different numbers than FirstFortyFeet's report.

Eng/PW Project Manager Nick Druyvestein said that FirstFortyFeet explained that the market analysis was their first step before the feasibility analysis. He said the conflicting numbers were because it took six months to put together and the market shifts.

Mayor Weldon asked if the city sells the land, could the city dictate that the buyer has to build something within a certain number of years. City Attorney Robert Palmer responded that yes, it could have those types of conditions added. Mayor Weldon asked whether staff would bring bids to the Assembly, even if they aren't geared toward affordability. Manager Koester answered yes.

MOTION by Mayor Weldon to approve a target of 20% units at 80% affordability as part of the Telephone Hill redevelopment guidelines.

Chair Hale said that the Assembly may have to think about subsidizing the affordable units, because if it isn't the Assembly, then it is the other units in the building subsidizing them.

Ms. Hughes-Skandijs pointed to outmigration statistics and said it is incumbent on the Assembly to create a housing situation where people are coming to town rather than leaving.

Mr. Kelly said that, if there was someone that had a more creative idea that creates affordable housing, this motion would not restrict that.

There being no further objection, the motion was passed by unanimous consent.

Manager Koester, then spoke to item in her memo. "Provide feedback on the Draft Telephone Hill Place Guide (Attachment B)."

Chair Hale asked about packet page 63 and said Telephone Hill would be a good opportunity for a small, covered area, but she does not see that in the place guide. Mr. Druyvestein said they heard feedback but had chosen not to be prescriptive in the place guide.

Ms. Hughes-Skandijs asked about page 28 of the Place Guide regarding height limits and the value of including it. Mr. Druyvestein said the height limit protects viewsheds.

Mayor Weldon asked if a proposal could come to the Assembly even if it is over 65 feet. Mr. Druyvestein answered he will bring all the options to the Assembly, but advised that going to 65 feet would require use of steel structures rather than wooden structures.

Chair Hale asked if the place guide include some form of outdoor space allocated to each building.

Mayor Weldon asked if the city already requires some amount of green space for a building. Manager Koester advised that the opportunities are for unbuildable land. She said it would be helpful for staff if the Assembly could provide guidance on what it is willing to sacrifice otherwise.

Ms. Hughes-Skandijs said she would prefer to maximize buildability on all the space.

Chair Hale passed the gavel to Mayor Weldon

MOTION by Deputy Mayor Hale that the Place Guide include some form of outdoor space allocated to each building.

Manager Koester advised that, to answer a previous question, there is no green space requirement in the city.

Ms. Hughes-Skandijs maintained her objection.

Roll Call vote on the motion that the Place Guide include some form of outdoor space allocated to each building.

Yeas: Deputy Mayor Hale, Mr. Bryson, Mr. Smith, Mr. Kelly, Mayor Weldon

Nays: Ms. Hughes-Skandijs, Ms. Adkison

Motion passed 5-2

Mayor Weldon returned the gavel to Chair Hale.

Manager Koester asked for Assembly guidance on recommendation 4 from the memo: "Direct staff to issue a Request for Information for redevelopment of Telephone Hill based on the Draft Telephone Hill Place Guide."

MOTION by Mayor Weldon to direct staff to issue a Request for Information for redevelopment of Telephone Hill based on the Draft Telephone Hill Place Guide and asked for unanimous consent.

Ms. Hughes-Skandijs asked that, when the ROI is sent out, that it would be distributed nationally and outside of the city's normal developer pool.

There being no further objection, the motion passed by unanimous consent.

The committee took an at-ease from 7:50pm to 8:00pm.

Mr. Bryson left during the break.

5. Downtown Office Space

Manager Koester provided an overview of the memo on packet pg. 84 as it related to Downtown City Employee Office Space.

Mayor Weldon asked about the \$3.5 – \$5.25 million for tenant improvements to the Burns Building and if that was included in the \$17.5 million. She also asked if that number would be the same if the city just leased the space. Manager Koester answered yes to both.

Ms. Adkison asked how the city will figure out if it is purchasing the Burns building at market value or not. Manager Koester said their recommendation would be hire a commercial appraiser to do the analysis. Ms. Adkison inquired about this being in conflict with what the voters decided in voting down the new city hall. Manager Koester said there is no status quo option.

Mayor Weldon asked about parking. Manager Koester outlined that the building comes with 87 parking spaces, and there are 165 downtown city parking permits along with ADA parking requirements needed. Mayor Weldon asked about the "significant maintenance and operations of \$650,000 a year" and if that figure would apply in both situations. Manager Koester explained that the maintenance costs would be included in the rent if the city were to lease the facility, whereas they would be condo association dues if the city were to own it.

MOTION by Mayor Weldon to hire a mutually agreed upon appraiser to value the building as a business condo and get more information.

Ms. Adkison said she is not happy with leasing the space for 10 years and is deeply uncomfortable at the idea of buying space.

Mr. Kelly commented that this is different than what the voters turned down in building a new City Hall. He said he is more comfortable with this proposal than he would be with building a new City Hall.

Mayor Weldon said the building is expensive and so would like an appraisal for more information.

Additional discussion took place about the concerns that Ms. Adkison expressed.

There being no further objection, the motion was adopted by unanimous consent.

Ms. Hughes-Skandijs had a question for Manager Koester regarding the timelines involved, if they were to hold this in committee what impact that might have on negotiations and all the other factors involved with current city offices. Manager Koester responded that we have renewed the current leases of other properties through July 1, 2025. She said that with the Mayor's motion to hire an appraiser, that keeps the ball moving while keeping the topic in the COW where the Assembly can still work on it.

Chair Hale said the sense she is getting from the committee is to keep this matter with the COW and continue to work on it in committee while awaiting the appraisal information.

6. Capital Civic Center

Chair Hale disclosed that she has been in conversation with the Partnership and had pledged to help raise funds for the center after she is off the Assembly.

Chair Hale passed the gavel to Mayor Weldon and asked the Assembly if they would be comfortable with stating her involvement but yet staying in the conversation.

Attorney Palmer advised that if the Assembly disagreed wants to go another path, they can say so at this time.

Ms. Hughes-Skandijs asked Ms. Hale if she would be volunteering or would be employed by the Partnership. Deputy Mayor Hale stands to gain nothing personally and answered she would be only volunteering.

Mayor Weldon asked the committee if they were OK with Ms. Hale not recusing herself and staying at the dais to be part of the conversation since she will not be receiving any financial gain. *There was no objection to Ms. Hale remaining at the dais and participating in the conversation.*

Manager Koester said that she would like to invite members of The Partnership forward to give a presentation and then she would like to ask the Assembly to give staff directions based on the questions posed in her memo that was included in the packet.

Bob Banghart, Executive Director of The Partnership, and John Clough, Co-Chair of The Partnership Board, gave a presentation regarding the Capital Civic Center using the slides on packet pages 89 to 94. Mr. Banghart shared all the various avenues of financial support from private and federal funding sources. He said that what they are hoping for at this time is to enter into an agreement with CBJ to pick up where they left off, which 2022 when they got the estimated costs for the Civic Center in total, the base price came in way over everybody's expectations. They went back to the drawing board and reduced the cost by approximately \$33M and they are now looking to prove out that process and take that concept to the 65% stage and do the pro formas to prove the building's economic viability and get community input on that new concept.

Mr. Smith asked if they have received support from organizations like Travel Juneau and the Chamber of Commerce on this new idea. Mr. Banghart said yes, they have approximately 25 letters of support that The Partnership have sent to the federal government to show support for the project. Mr. Smith asked about the matching numbers and how much it might cost to get the documents they are proposing. Mr. Banghart said that it will depend on the scope of the commons venture. He said they are looking at approximately \$3.5-\$4M and would want to include a pro forma in that.

Ms. Hughes-Skandijs asked, not including the parking analysis and not including the commons, approximately how much of the percentage of design so far could be used. Mr. Banghart said when they last left the project they were at 65%, which is the stopping point prior to going forward with construction documents. He said they've estimated that 75% of that 65% would be applicable for moving forward with the new building design. The challenge is that they would be raising the design of the building up by 18 inches to meet floor level with centennial hall and shifting it to the east. He said they'd have to go back and reapply their design fees for the project to change foundation, HVAC integrations, and site work into the new design. Ms. Hughes-Skandijs asked about the \$3.5 to \$4 million request. Mr. Banghart responded that the \$3.5-4M figure would be the combined total of adding The Partnership's portion along with the city's contribution. Right now, CBJ has approximately \$1.7-\$1.8 M and they would use Partnership funds to make up the rest to bring it up to 65% with the new design.

Mayor Weldon asked if they would do pro-forma again on the original design and on the commons or the full project. Mr. Banghart said it would be impending on them to do a pro-forma as designed as a full unit as they may be looking at holding larger events than there is current capacity to handle

Ms. Hughes-Skandijs sought confirmation that The Partnership wants to use the \$1.8 million to move to the next step. Mr. Banghart answered yes, but The Partnership wants an agreement to make this a joint venture with CBJ.

Ms. Hughes-Skandijs asked staff to describe from CBJ's perspective, what the \$1.8 million was to be used for. Manager Koester answered that \$2 million was appropriated in 2022 to design the Capital Civic Center, and \$200,000 was spent on design that included all the things that the community wanted for Centennial Hall and also included the performing arts center aspect but the project got too expensive at approximately \$75M.

She explained that The Partnership is here to phase in the idea of a Capital Civic Center. She said they can't really use that design work as when they were discussing this in 2022, it wasn't at the 65% design level, rather there were conceptual drawings, stakeholder discussions, community outreach and discussions focused on the various options/concepts that may eventually make it into the final design. She said that CBJ has \$1.8M and they aren't asking to use all of those funds to accomplish steps 1-4 of the memo. Rather, they are asking to spend funds to answer those specific questions related to a detailed parking analysis, design of a commons joining the two facilities, legal research on public private partnerships including model contracts, and preliminary design and cost estimating for improvements to Centennial Hall that are more efficient to build concurrent with the construction of the commons – HVAC upgrades and expanding the lobby.

Mr. Smith asked if there is a need for the commons. Mr. Banghart said that when speaking with the user groups, especially the larger user groups such as Celebration, Folk Festival, and the Public Market, the answer they would say is "Yes, there is a need for the commons." Mr. Banghart said that what the commons would look like eventually is still an open question and that is what they are trying to suss out at this time. There has been a desire expressed to not have a stand alone arts and culture section, but rather that they take advantage of combining the facilities and that is what is being called the commons and that is what they are trying to work through with community input. He said they are not able to meet all the requested needs, including all the breakout rooms that were requested by Travel Juneau so they are trying to look at what they can do with a redesign.

Mayor Weldon asked what they could do to come up with a design that would not require a second floor since that would require an elevator with a significant cost increase. Mr. Banghart spoke to having a second floor/mezzanine level for the arts and culture center but that due to cost constraints, they would not include a second floor over the Centennial Hall portion of the project.

Mayor Weldon asked Manager Koester if she wanted to speak to the issues contained in her memo.

Manager Koester shared that the four main points she would like to receive Assembly direction on were:

- 1) Direction for spending some money on a parking analysis;
- 2) Getting feedback from the Assembly on the need for commons. She explained that she would not bring back a 100% design but rather to look at bringing back visions and costs for those visions with conceptual drawings to get a further sense from the body before moving forward;
- 3) Expanding the project to include elements of Centennial Hall renovations, which doesn't have to be done before the construction of the Capital Civic Center but they should look at the pinch point in the lobby and renovations to the HVAC system while they are looking at the big picture; and
- 4) Give feedback on the idea of a public/private partnership with The Partnership.

Manager Koester said that the key points that she is looking for direction on has to do with information gathering to be able to bring back to the Assembly for next steps.

Manager Koester then answered questions from Assemblymembers on the above topics.

MOTION by Mr. Smith that the Assembly direct staff to spend from the \$1.8 million, for any of the four items listed in the manager's memo which includes parking analysis, design of the commons, legal review of public/private partnerships, and design and cost estimates for Centennial Hall to be done in concert with the Capital Civic Center and asked for unanimous consent.

Ms. Hughes-Skandijs objected for purposes of a question. She said she has heard The Partnership's idea of the public/private partnership is a means to leverage the CBJ dollars to help figure out some of this stuff. They are currently at a sticking point and while she understands that some money needs to be spent to get it to the next step, she asked the Manager if she foresees the need to spend the entire \$1.8M to accomplish all the things discussed in her four points.

Manager Koester explained that she does not foresee using the full \$1.8M but she doesn't have a particular number in mind as to what that amount might look like. She said that if the Assembly wants to pick a specific

number with a fence, that would take them to the next decision point but she didn't see using the full \$1.8M before providing the Assembly with additional info/next steps.

Mayor Weldon asked if there was an amendment that Ms. Hughes-Skandijs wanted to make to the motion. Ms. Hughes-Skandijs said that she was confident that based on Manager Koester's verbal assurance, she would be keeping it below the \$1.8M amount, so no amendment was needed and she removed her objection.

Hearing no further objection, the motion was adopted by unanimous consent.

6. Blueprint Downtown

Per Manager Koester's request for Agenda Changes at the beginning of the meeting, the Blueprint Downtown discussion was removed from the agenda.

G. NEXT MEETING DATE – September 4, 2024, 6:00 pm

H. ADJOURNMENT

There being no further business to come before the Assembly Committee of the Whole, the meeting adjourned at 8:58 pm.