

ASSEMBLY COMMITTEE OF THE WHOLE

DRAFT MINUTES



January 29, 2024 at 6:00 PM

Assembly Chambers/Zoom Webinar

Assembly Committee of the Whole Worksession - No Public Testimony will be taken.

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

A. CALL TO ORDER

Deputy Mayor Michelle Hale called the meeting to order at 6:01p.m.

B. LAND ACKNOWLEDGEMENT

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: 'Wáahlaal Gídaag, Christine Woll, Ella Adkison, Paul Kelly, Wade Bryson, Alicia Hughes-Skandijs (Zoom), Greg Smith, and Deputy Mayor Michelle Hale

School Boardmembers present: President Deedie Sorensen (Zoom), Vice-President Emil Mackey, Amber Frommherz, Britteny Cioni-Haywood

Assemblymembers absent: Mayor Beth Weldon.

Staff present: City Manager Katie Koester, City Attorney Robert Palmer, Deputy City Manager Robert Barr, Municipal Clerk Beth McEwen, Deputy City Clerk Andi Hirsh, Assistant Attorney Sherri Layne, Superintendent of Schools Frank Hauser, Eng/PW Director Denise Koch, IT Director Chris Murray, Lands Manager Dan Bleidorn, Housing Officer Joseph Meyers

D. MANAGER'S REQUEST FOR AGENDA CHANGES/APPROVAL OF AGENDA

The agenda was approved without change.

E. APPROVAL OF MINUTES

1. **March 6, 2023, Assembly Committee of the Whole Draft Minutes**
2. **April 3, 2023, Assembly Committee of the Whole Draft Minutes**
3. **April 24, 2023, Assembly Committee of the Whole Draft Minutes**
4. **December 2, 2023, Assembly Retreat Draft Minutes**

Hearing no objection, the minutes of the March 6, April 3, April 24 Assembly COW meetings and the December 2, 2023, Assembly Retreat were approved by unanimous consent.

F. AGENDA TOPICS

5. **Overview of the Juneau School District (JSD) Deficit**

Deputy Mayor Hale noted for the Assembly that the purpose of this topic in the packet tonight is to just introduce the matter to the Assembly. She noted that the Manager and Superintendent will provide a brief overview but that the Assembly will be discussing it at length at the joint meeting on January 30.

Manager Koester said that as mentioned by Deputy Mayor Hale, the purpose of this item is to introduce the information to the body at this junction in preparation for the joint Assembly/School Board meeting to be held on January 30. This gives the Assembly a chance to absorb and review the materials and to reach out to staff during the day in advance of the joint meeting in case they have any questions.

Superintendent Hauser provided a brief slide show presentation giving an overview of the budget deficit situation and what they will be providing more information on at the joint meeting on January 30. He then answered some questions from Assemblymembers related to timing to address the deficit as well as how to balance the budgets for the current and the proposed budget for FY25.

Ms. Woll asked about the structure of this meeting vs. the one tomorrow and if there would be an opportunity to ask questions at tomorrow's meeting. Manager Koester answered that for tomorrow's meeting, the first item on the agenda is a summary of this meeting and an opportunity for Superintendent Hauser to finish his presentation. The second item is a model tool that the district has adopted to help the community understand the magnitude of the cuts and what might happen under different scenarios followed by discussion of some potential loan options from CBJ. She is hoping at that point the Assembly will provide some direction to staff about the next steps.

6. Results from the Request for Information (RFI) on Lease Space for CBJ Offices

Manager Koester provided information about this RFI and the responses that were received. Staff recommend the Burns building for the reasons outlined in Manager Koester's memo. She noted the memo included questions that would need to be answered before moving forward as the preferred proposal. Some of the questions included parking, and Assembly comfort level for moving some or all downtown City employees to a leased facility, including space for the Assembly Chambers.

Manager Koester then proceeded to answer questions from Assemblymembers related to the parking issues, the lease rate for the first year and how much that might increase over time, if it would meet the needs for Assembly Chambers and other meeting space, what would happen to the present City Hall if it was completely vacated, and other questions.

Assemblymembers expressed their concerns with going 100% to a leased space option but considering the decisions from the last two elections, they were willing to look at whatever additional information staff is able to provide. It was mentioned that considering the issues related to the school district budget deficit, if the school district ended up consolidating buildings, they may also want to look at any potential for school district space to be used for city offices and/or Assembly Chambers.

Manager Koester said that they do not have the information for answering the questions related to the schools at this time. She said that when looking at the new city hall question, that question had been brought up but her answer at the time was that it would be a heavy lift. She said when we do hear from JSD, we are likely not going to hear that any of the downtown schools would be able to accommodate the city hall needs and any school conversion would have a large capital cost and would have an extended time horizon to be a viable option.

Each of the Assemblymembers weighed in with their comfort level with staff moving forward to getting more information about leasing the Burns Building. After each member weighed in with their concerns and comments, the committee gave the City Manager directions to enter into negotiations with Ricker Real Estate for the purposes of gathering information and reporting back to the Assembly at the February 26, COW meeting.

7. Xunaa Borough Annexation Petition - CBJ comments to Local Boundary Commission

Manager Koester and Mr. Palmer gave a presentation regarding the previous annexation petition, specifically the one that was proposed in 2018/2019, and historical references along with the maps and areas involved. They noted that the time to comment on the Xunaa Boundary Annexation Petition is at the end of February.

‘Wáahlaal Gídaag asked what conversations have happened between CBJ, Angoon, Haines, and the Awk Kwáan. Manager Koester said that she just informed about this application at AML in December and she just briefly discussed it with representatives from Hoonah.

Ms. Hughes-Skandijs asked for some more details about the conversation they had with Hoonah representatives. Manager Koester noted that CBJ has had good ties and relationships with City of Hoonah. She said that CBJ and Hoonah administrations have had conversations in the past about this and that it wasn’t a big surprise that this petition was filed. She said that when staff and Mayor Weldon met with the Hoonah Administrator and Hoonah Mayor, they discussed the previous annexation submission and the tenor of this conversation was “Let’s see how it plays out.”

Assemblymembers asked staff about the previous annexation process, why it stopped and what they might be able to do if they did decide to file a public comment or partial opposition. Deputy Mayor Hale noted that only she and Mr. Bryson were serving on the Assembly at the time of the 2018/2019 annexation petition.

Mr. Palmer explained that CBJ has a fair amount of data from the 2018/2019 project, we could file a public comment supporting the bulk of Hoonah’s project with limited objection. He suggested that if they wanted to do a limited objection, they could choose to object to the annexation of just Horse & Colt Islands or it could be the full Mansfield peninsula.

Additional discussion took place regarding annexation process and the options before this Assembly. Mr. Palmer explained that if CBJ decides not to comment, presumptively all the areas on the map in the packet would become part of the Hoonah borough and those properties would be under Hoonah law. However, if we object or partially object, Horse, Colt, and Funter Bay would be in the unorganized borough and would not be subject to Hoonah or CBJ laws. He also spoke to the laws and regulations governing the Local Boundary Commission.

Ms. Hale asked if they decided to object or partially object, would Funter Bay be included or excluded?

Mr. Palmer said that it would depend on Assembly action.

MOTION by Mr. Smith for the Assembly to direct staff to draft a resolution objecting to the Mansfield Peninsula as indicated on Map D as well as for Colt and Horse Islands from the Xunaa annexation petition. The entire Mansfield Peninsula area includes Horse and Colt Islands but not excluding Funter Bay.

Ms. Woll objected. She said that she feels like they have spent too much time stepping back into this. She said they have other priorities to take up at this time and no one has asked CBJ to object to this.

‘Wáahlaal Gídaag also objected, annexation conversation is one thing but that we can’t step into this without stepping into this. She doesn’t want CBJ to object to the annexation petition just to object. She said that she would prefer to see conversations with the other boroughs that abut the areas to have conversations rather than CBJ just objecting outright.

Mr. Bryson thanked Mr. Smith for the motion so they could have time to consider this further. He asked what cultural significance would be for Juneau to have a statement on this vs. not having a statement on this. ‘Wáahlaal Gídaag said that as a Haida person not from this territory, she can’t speak for the Awk Kwáan and that is why she was asking if there have been conversations with the Awk Kwáan about this topic yet.

Ms. Hughes-Skandijs said that in reviewing this, and for the reasons previously stated by Ms. Woll and ‘Wáahlaal Gídaag, watching as a resident, she was not thrilled with original annexation process in 2018/19 will probably be a no vote.

Mr. Kelly said that he finds himself on the fence about this one. He asked if any of these comments were brought up when this was discussed previously.

Mr. Palmer said that during the previous annexation process, there was not a lot of opposition with respect to the Tracy Arm area, but Admiralty Island was subject to very significant opposition. The community of Angoon sent members to Juneau at least once with several residents to protest the annexation of Admiralty Island areas by

Juneau. He said they had significant concerns back in 2018-2019 and may have been what led to the lines drawn around Funter Bay on the map included in the packet.

Ms. Hale said that one of the concerns she has about not moving this forward to the Assembly meeting of February 5, that would not allow other members of Juneau public and the Awk Kwáan to be up for Public Testimony, it stops here. She said that for those reasons, she would like to see the resolution come back to the Assembly.

Ms. Hughes-Skandijs asked Mr. Palmer if citizens could comment directly to the Local Boundary Commission (LBC). Mr. Palmer said that, yes, the Local Boundary Commission is taking public comments on the proposed annexation up until February 28 from anyone, including private citizens who may want to comment on it. He said that is the start of the process and there will be a second opportunity to comment at the public hearing held by the LBC in the future.

ROLL CALL VOTE on the motion to direct staff to draft a resolution to be brought back to the Assembly

Yeas: Smith, Adkison, Kelly, Bryson, Hale

Nays: 'Wáahlaal Gídaag, Woll, Hughes-Skandijs

Motion passed 5 Yeas, 3 Nays.

8. Legislative Capital Priorities List

[Please see the documents provided in the 1/25/2024 Assembly Worksession with Legislative Delegation packet.](#)

Ms. Hale noted that the Assembly reviewed this list with the Legislative Delegation the previous week. She asked members to weigh in on whether they think that this list needs to be reprioritized from Assemblymembers' perspectives or if they are good with the list as is.

Mr. Smith said that during his work at the State Legislature, they found this list very useful although they may not have looked at the priority order with as much scrutiny as it was compiled.

'Wáahlaal Gídaag said that her main thought was if the Juneau School District still feels like the "JSD-Wide Security & Safety Upgrades" still warranted the #12 ranking in the list given everything else that is going on with the school district.

Manager Koester said that they did not go back and discuss this with JSD since the recent deficit news. However, she said that there is the JSD-Wide HVAC and Heating Control System Upgrades ranked at #6 and that is likely to stay on the list and may in fact have it combined with the #12 ranked item for security and safety upgrades.

Manager Koester also spoke to the conversation at the previous meeting with the legislative delegation and how this list corresponds to the federal legislative priorities.

Ms. Hale thanked Manager Koester for the work on this list and said that it will be forward for approval at the next regular Assembly meeting.

The committee then took a break at 7:50p.m. and resumed the meeting at 7:56p.m.

9. Juneau Affordable Housing Fund - Ordinances 2023-14(b)(U) and 2023-14(b)(V)

Ordinances 2023-14 (b)(U) and Ordinance 2023-14(b)(V) were introduced at the January 8, 2024, Assembly meeting, referred to the COW and set for Public Hearing (pending COW action) at the February 5, 2024 Assembly meeting.

Ordinance 2023-14(b)(U) *An Ordinance Appropriating \$900,000 to the Manager for a Loan to Coogan Alaska, LLC for the Island Hills Building LMN Project; Funding Provided by the Affordable Housing Fund.*

Ordinance 2023-14(b)(V) *An Ordinance Appropriating \$2,250,000 to the Manager for a Loan to Chilkat Vistas, LLC for Chilkat Vistas Apartments; Funding Provided by the Affordable Housing Fund.*

Manager Koester provided an overview of the two ordinances. She noted a typo correction to be made to her memo found in the packet on page 59 that referenced 20% of Area Median Income (AMI) but should have been referencing 80% AMI instead.

Manager Koester took questions on **Ordinance 2023-14(b)(U) An Ordinance Appropriating \$900,000 to the Manager for a Loan to Coogan Alaska, LLC for the Island Hills Building LMN Project; Funding Provided by the Affordable Housing Fund.** before moving on to **Ordinance 2023-14(b)(V) An Ordinance Appropriating \$2,250,000 to the Manager for a Loan to Chilkat Vistas, LLC for Chilkat Vistas Apartments; Funding Provided by the Affordable Housing Fund.**

‘Wáahlaal Gídaag said that they had a long discussion about what had taken place before when an applicant had come back to the Assembly and said that they couldn’t make the units affordable and asked for an exemption. The Assembly gave them the requested exemption at that time. She said that the Assembly also discussed, at that time, the fact that they wanted to be sure that it never happened again. She asked what sureties there are to make sure if these are approved, they will maintain the affordability that is built into the application process.

Manager Koester said that it ties right into the next agenda item which is a formalization of the Affordable Housing Fund Guidelines through the adoption of a resolution. She said that it is hard to say what guarantee there is because the Assembly can do whatever it wants on this.

In speaking to **Ordinance 2023-14(b)(V) An Ordinance Appropriating \$2,250,000 to the Manager for a Loan to Chilkat Vistas, LLC for Chilkat Vistas Apartments; Funding Provided by the Affordable Housing Fund.**, Manager Koester said that this ordinance is for 45 units which consists of 18 efficiency and 27 one-bedroom units. She noted that since the initial application was submitted, Chilkat Vistas said that market conditions have changed and asked to revise their project to build 48 efficiency units with 14 units capped at \$1,400/mo. adjusted for inflation and 31 units at 80% AMI which would be (\$1712 for an efficiency apartment). They are requesting that the ordinance be adjusted to reflect those changes.

MOTION by Ms. Hughes-Skandijs to move Amendment #1 as found in the packet and asked for unanimous consent.

Ms. Woll objected and requested clarification on the protocol if the ordinance hasn’t yet been moved.

Mr. Palmer explained that the ordinance was already introduced at the Assembly referred to the COW and set for public hearing so the COW can forward an amendment at this time and if it passes, the amended version will go back to the Assembly for public hearing.

Ms. Woll removed her objection and Amendment #1 passed by unanimous consent.

Ms. Hale asked Ms. Hughes-Skandijs to clarify if her motion was to refer Ordinance 2023-14(b)(V), as amended, back to the Assembly for Public Hearing on February 5.

MOTION by Ms. Hughes-Skandijs to move both ordinances back to the Assembly for public hearing on February 5. **Hearing no objection, the motion passed by unanimous consent.**

G. IF TIME ALLOWS

10. Formalizing the Juneau Affordable Housing Fund Guidelines

Manager Koester explained the memo in the packet along with the timeline for the Affordable Housing Fund process. She explained that in theory, the Assembly would weigh in at the beginning of the process if they wanted to have any key areas highlighted or changed before the application process began. She noted that this may be somewhat of a philosophical discussion for the Assembly to have which could take place during this meeting or at another time.

Assembly and staff then discussed the concepts in the memo. Members expressed their appreciation for having the guidelines while still having the ability to change and provide some flexibility at the Assembly level if/when it does come before the Assembly for final approval.

MOTION by Ms. Woll to direct staff to bring a resolution forward to the Assembly that would formalize the current Juneau Affordable Housing Fund Guidelines and asked for unanimous consent. *Hearing no objection, the motion passed by unanimous consent.*

11. Assembly Goals/Retreat Follow-up

This includes a report from CDD Director Lawhorne on the plan for Title 49 changes and Tourism Manager Pierce on Tourism Management.

Manager Koester provided a verbal cover memo. She noted that these are the Assembly Goals that were modified following the Assembly Retreat. She recommended the COW forward these goals to the Assembly for final adoption at its next regular meeting.

Manager Koester also noted that in the packet were letters from Director Lawhorne and Tourism Manager Pierce as follow up from the Assembly Retreat. The first letter from Director Lawhorne is an approach for tackling Title 49 changes. Tourism Manager Pierce's letter was addressed at the Lands, Housing and Economic Development Committee earlier in the day and she would like to include both these topics on the next COW agenda for further discussion but wanted to be sure the Assemblymembers had a chance to read them in advance of that meeting.

Ms. Hale asked members if they had any changes to the goals document. She noted that she did have one change that she wanted to make to Goal 5B on packet page 79 and that would be to make the following change under the implementing action replacing the words "general government" with "CBJ" so that it reads: ***Identify and prioritize the most cost-effective energy efficiency and electrification upgrades in general-government CBJ facilities.*** She said that it would encompass all CBJ including BRH, JSD, and all other parts of CBJ. Hearing no objection, that change was approved by unanimous consent.

MOTION by Mr. Kelly to forward the Assembly Goals, as amended, for approval at the next Assembly meeting and asked for unanimous consent. *Hearing no objection, the motion passed by unanimous consent.*

H. NEXT MEETING DATE - February 12, 2024; 5:30p.m. Chambers/Zoom

Ms. Hale noted that the February 12 meeting is a Special Meeting with a modified time since this was too full of an agenda to cover all the topics at this meeting.

I. SUPPLEMENTAL MATERIALS

12. Attachment B to Options for Land Use Code Regulatory Changes (11"x17" size paper)

13. JSD Budget Overview Presentation to Assembly COW

14. Area D - Map for Annexation Agenda Topic

J. ADJOURNMENT

There being no further business, the COW meeting was adjourned at 8:34p.m.