



City and Borough of Juneau  
City & Borough Manager's Office  
155 Heritage Way  
Juneau, Alaska 99801

Telephone: 907-586-5240 | Facsimile: 907-586-5385

TO: Deputy Mayor Smith and Committee of the Whole  
FROM: Katie Koester, City Manager  
DATE: January 24, 2025  
RE: Capital Civic Center Update and Next Steps

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The Partnership, advocates for the Capital Civic Center project, are before you today to provide a project update. If you recall, they were here last on August 5, 2024, where they presented [a phased project that concentrated](#) on the performing arts center with a large empty space connecting the two buildings. This design took away 49 parking spaces and introduced a 15,000 square foot commons without a clearly demonstrated need for such a large additional space.

Since then, the Partnership has pivoted towards a phased version of where the project left off in 2022 as a joint facility and proposed building the arts components as phase one and postponing phase two improvements unique to Centennial Hall to control costs. The joint project lost steam in 2022 due to a price tag upwards of \$75M.

This memo updates the Assembly on the direction given to CBJ staff at the August COW and requests additional direction on spending appropriated funds on design.

At the [August 5, 2024](#) meeting, the Assembly directed staff to work on 4 items.

- 1. A detailed parking analysis.** This analysis is simplified, with the project eliminating the commons that took up 49 parking spaces. The parking analysis by CDD in [July of 2024](#) indicates there are 522 parking spaces on the entire block, 331 of which are owned by CBJ. Preliminary analysis of the updated 2022 version of the plan indicates a loss of 33 parking spaces from the immediate vicinity. Full analysis of the impact to parking for the entire block will be performed by CDD in the next few months.
- 2. Design of a commons joining the two facilities.** After consultation with staff, the Partnership eliminated the commons from the design and replaced it with an expanded lobby.
- 3. Legal research on public private partnerships including model contracts.** CBJ has struggled on how to formalize the relationship between the Partnership, an organization with the sole purpose of fundraising and advocating for the Capital Civic Center, and CBJ who will end up owning and operating the facility. One model that preserves CBJ oversight of the project would be to hire the Partnership's project manager as a temporary employee. Another option would be to enter into an MOA that clearly outlines the roles and responsibilities of each entity. Under any agreement, CBJ procurement and code would have to be followed which includes not being able to award a bid for construction without having full funding on hand. Discussions are ongoing on how to best preserve both parties' interests.
- 4. 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.** Improvements to Centennial Hall that were identified in 2019 and are outside of the Partnership proposal total \$48.2M escalated to FY26. Of that, the improvements that make the most sense to do concurrently with a large project are highlighted below. There may be additional costs of aligning the mechanical systems, connecting the buildings, etc. that haven't been accounted for in the CCC project.

Project	Total Project Cost
HVAC Only at Meeting Rooms	\$2,000,000
Exterior Upgrades - Painting/Siding Repair, Window and Door Replacement	\$998,000
Lobby Renovation and 3,000 SF Expansion	\$6,053,000
Second Floor Addition, HVAC and Finish Upgrades to Meeting Rooms	\$20,582,000
Second Floor Addition only	\$18,628,000

**Totals: \$48,261,000**

- Projects that make sense to combine with Capital Civic Center construction.
- Projects that are needed ASAP regardless of CCC construction

### Operations, Maintenance and Programs

In 2024 CBJ staff, in consultation with JAHC who manages Centennial Hall, estimated CCC maintenance and operating costs at \$1.4/ square foot a month. This equates to \$739,200 annually for the proposed 44,000,000 square feet that would be added to the complex. We don't have a current business analysis of the cost of operating the performing arts component and the revenue it would bring in, but for a frame of reference we currently contract with the JAHC to manage Centennial Hall at a cost of \$388,400 annually.

### Conclusion

The Partnership has an ambitious schedule of getting to 65% design by October of 2025. To do that, they would like to keep working with their architect, Northwind, to keep the project moving. As the project owner, we have a role to play in applying for permits, vacating lot lines, ensuring design decisions are consistent with our interest in lower long-term operations and maintenance costs, etc. It is important for the Assembly to give this project the green light to get to the next phase, and the best way to do that is by investing real dollars so we can get answers to questions, chief among them more accurate cost estimates. Of the \$2M that was appropriated for design, \$1.8M remains. Bringing the project to 65% design should cost less than \$2M. I would like direction from the Assembly to spend \$1M of the remaining design funds to advance this project. CBJ could proceed in a number of different ways.

- 1) Award the Partnership a grant for design, and develop a robust MOA that includes checks and balances to preserve CBJ interests including paying the grant in phases and requiring a sustainability consultant perform a lifecycle cost analysis of the building systems. This option allows the Partnership to maintain their schedule, keep their preferred design firm, and gives them the responsibility of managing the various stakeholder groups.
- 2) Direct CBJ staff to design CCC to 65%. This gives CBJ maximum control over the project and design decisions. However, we would have to RFP design services, adding months to the design schedule. We would also struggle with staff capacity to manage a project of this size and would need to look at bringing on additional staff.
- 3) If the Assembly decides not to proceed with funding design, the Partnership will likely look for other funding sources, including the significant donations and grant award they have been able to procure for the project. In that case, it would still be useful to get Assembly direction on CBJ level of involvement.

### Recommendation:

Provide direction on spending appropriated funds on design for Capital Civic Center as presented by the Partnership. \$1.8M remains from the [original appropriation for Capital Civic Center design in 2022](#).