ASSEMBLY COMMITTEE OF THE WHOLE MINUTES

January 27, 2025 at 6:00 PM

Assembly Chambers/Zoom Webinar

A. CALL TO ORDER

Mayor Weldon called the January 27, 2025, Committee of the Whole meeting to order at 6:03pm.

B. LAND ACKNOWLEDGEMENT

Mr. Kelly provided the following 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: Mayor Beth Weldon, Alicia Hughes-Skandijs, Maureen Hall, Neil Steininger, Paul R. Kelly, and Ella Adkison.

Assemblymembers absent: Deputy Mayor Greg Smith, Wade Bryson, Christine Woll,

Staff present: City Manager Katie Koester, Deputy City Manager Robert Barr, City Attorney Emily Wright, City Clerk Beth McEwen, Special Project Planning Manager Rob Dumouchel, Meeting Tech Kevin Allen, Assistant Attorneys Sherri Layne, Nicole Lynch, and Clint Michtell, Eaglecrest General Manager Craig Cimmons, Eaglecrest Snowsports School Director Erin Lupro, Police Chief Derek Bos, Senior Planner Irene Gallion, Planner Isla Lund, Parks and Recreation Director George Schaaf, Engineering and Public Works Director Denise Koch, Lands Manager Dan Bleidorn, Finance Director Angie Flick, Visitor Industry Director Alix Pierce, Port Director Carl Uchytil

D. APPROVAL OF AGENDA – *Approved by unanimous consent.*

E. APPROVAL OF MINUTES -- *Approved by unanimous consent.*

1. January 29, 2024, Assembly Committee of the Whole Draft Minutes

F. AGENDA TOPICS

2. Eaglecrest - Gondola and General Finances

Ms. Koester introduced Kirk Duncan, who was hired by the Manager's Office to answer questions regarding the timeline, proforma, and business plan related to Eaglecrest's gondola project. Mr. Duncan was previously hired by Eaglecrest as an advisor while they were between General Managers and had previously worked for CBJ as both the Public Works Director and Eaglecrest General Manager.

Mr. Duncan presented to the Assembly about current finances at Eaglecrest and financial projections to 2043.

Mr. Duncan provided a summary of operational results (total revenue plus general fund support minus expenses) from FY97 to the present. He noted that Eaglecrest had positive operational results from 2007 to 2017 and paid back a negative fund balance that occurred after a bad snow year. He said five of the last seven years had negative operational results.

He said there would likely need to be supplemental money given to Eaglecrest in FY25 to purchase services, commodities, and materials to do necessary maintenance. His estimate was $750,000. For FY26 Mr. Duncan estimated that an additional $800,000 would be needed due to adjusted pay plan and up to $875,000 in additional maintenance costs.

Mr. Duncan said they did not know the market demand for the gondola. He said Goldbelt, which ran the Mount Roberts Tram, believed Eaglecrest could net $85 from cruise passengers; with transportation and a portion to the cruise ships, the ticket price would be around $171.50. He said he thought that ticket price was high, so he looked at scenarios where Eaglecrest would net $65 or $45 and looked at various levels of ridership. He said a moderate scenario of price and ridership led to a short-term negative fund balance of approximately $5 million, but brought in approximately $50 million by 2043 for Eaglecrest.

In talking about governance, Mr. Duncan noted that the Eaglecrest board was made up of dedicated volunteers; he suggested they were not receiving adequate support to make necessary decisions for Eaglecrest. He said the Finance department was not producing timely financial reports which impacted Eaglecrest's ability to make good financial decisions.

Ms. Hughes-Skandijs asked about the gondola funding source. Mr. Duncan said the scope of this report included gondola operations but not gondola construction.

Eaglecrest Board Chair Mike Satre talked about where the Eaglecrest Board aligned with Mr. Duncan's report. Mr. Satre highlighted that the employee pay was not competitive within the ski industry. He said they did a pay study the previous year and wanted to use that as a basis for recommendations for raising the pay scale. He noted that the Assembly must provide the spending authority for pay increases. Mr. Satre said Eaglecrest was 50 years old and there are many old facilities. He said they continued to work on deferred maintenance but depended on CIP funding to do so. Lastly, Mr. Satre pointed out that this report, along with other pro forma finances, showed that Eaglecrest could achieve a positive cash flow and fund balance after the gondola was up and running.

Ms. Hughes-Skandijs asked how frequently the Eaglecrest board reviewed financials. Mr. Satre said they generally had monthly reports at their regular board meetings and that starting in February they planned to have a monthly finance committee meeting as well.

Mr. Steininger said Mr. Duncan's report recommended that Eaglecrest intentionally run a significant deficit for the next several years. Mr. Steininger asked for the Eaglecrest Board's perspective of that recommendation. Mr. Satre said, like a business, these would be Eaglecrest's startup expenses. He noted that after the gondola was installed, they would need to hire and train staff before any visitors used the equipment, and some of those staff would have to begin employment a full year or two before summer operations opened to the public.

Ms. Hall asked about expanding other summer activities at Eaglecrest. Mr. Satre said there were agreements in place for segway tours, walking tours, and zipline tours.

Ms. Hughes-Skandijs asked about season pass and daily pricing. Mr. Satre said Eaglecrest tried hard to be accessible to everybody in Juneau, and the season pass price was on the lower-end compared to other similarly sized ski areas. He said this year's budgeted increase in revenues was from an increase in day passes, not an increased ticket price. He said there was a strong correlation between season pass sales and the previous winter; an average to good winter led to strong season pass sales for the following year. He said increasing ticket prices were not on the Board's mind as a revenue source.

Ms. Hughes-Skandijs asked about gondola funding sources and timeline. Mr. Satre said it took more time than expected to get an agreement in place with Goldbelt, which functionally lost them an entire season. He said they recently received permits from the Army Corps of Engineers and Alaska Department of Conservation. Mr. Satre said they were close to having the draft contract and request for proposal language completed for the contract manager and general contractor. He said the drop dead date for the gondola was 2028 and they intended to beat that.

Mayor Weldon asked about snowmaking. Mr. Satre said due to the maritime climate, there were only short windows of time where they can make snow based off the equipment and systems in place. He said their top priority was to fill in the beginner area, followed by the muskeg areas around the base, then working their way up the hill.

Mayor Weldon asked when the Black Bear lift was going to be fixed. Mr. Satre said the maintenance team was working on it, but there was a chance that Eaglecrest would come to the Assembly for supplemental budget authority in FY25 for repairs in FY26.

Ms. Hughes-Skandijs asked about the Board making a supplemental budget request to the Assembly based on Mr. Duncan's report. Mr. Satre said Eaglecrest management was working with the Finance department on putting together a base budget, which would include an increment to pay. He said that it will come before the Assembly. Mr. Satre said budget numbers for maintenance were still preliminary, but they estimated $350,000 in CIP funds on an annual basis for the next five years.

Mayor Weldon said a joint Assembly and Eaglecrest Board meeting would tentatively take place on March 6, 2025. She encouraged the Board to consider using CBJ's HR personnel classification when reorganizing the pay plan. She said she thought the Assembly would favor a loan to Eaglecrest over a grant, but encouraged them to make requests: "the worst thing we can say is no."

3. Title 49 Rewrite Legislation

Ms. Koester asked the Assembly to refer an ordinance for introduction at the next Regular Assembly meeting regarding Title 49 updates. She reminded the Assembly that they appropriated funds in the last budget cycle to hire someone specifically to help update Title 49.

Special Project Manager Rob Dumouchel presented on CBJ Code Title 49 and the rewrite project. He said Title 49 was the land use portion of CBJ's code of ordinances, which covered zoning, parking requirements, subdivisions, permits, and other related topics. He said it was originally adopted in 1987 and had been amended almost 200 times since then. He said the purpose of Title 49 was to enact the Comprehensive Plan – the policy document that outlines what we want our community to look like. He said they were looking to rewrite Title 49 because it had been identified as a barrier to development.

In looking to rewrite Title 49, Mr. Dumouchel said he wanted to make the code easier to understand; both by reducing the number of sections and by writing them in plain English. He said goals were to reduce uncertainty for applicants wanting to build, remove unnecessary barriers, and reduce the time required to acquire permits. He said that included removing regulations that do not provide a lot of value, creating objective standards and code that can be applied by staff so that people did not have to go to a discretionary body for action, and delegating authority to the CDD director when reasonable to save time.

Mr. Dumouchel covered the changes he proposed for phase one of the Title 49 rewrite: Accessory Dwelling Units (ADUs), Caretaker Units, major verses minor use determinations, equivalent use determinations, transition zones, adjustments to approved permits, and rules of construction.

For ADUs Mr. Dumouchel recommended exempting ADUs from density calculations, removing the minimum lot size and width requirements, removing parking requirements if within one mile from transit, creating a maximum ADU size of 1000 square feet, having a 10-foot rear setback unless the zone allows less, and making ADUs a minor development.

Mayor Weldon asked how this would affect people trying to build ADUs downtown. Mr. Dumouchel said it would depend -- this would not affect the maximum amount of buildable lot coverage but it expanded the options for how a property owner could build an ADU.

Ms. Hughes-Skandijs asked how much of the Borough was within one mile of public transit. Mr. Dumouchel said it was a considerable area. He said that typically when people needed parking they built it, and he expected people who had land and space would build parking even if it was not required. He said pretty much all of downtown was within a mile of public transit and an ADU in this area would not need to add a parking spot. He said he was open to getting rid of any parking spot requirement with an ADU.

Ms. Hall asked how many ADUs could be put on each lot. Mr. Dumouchel said up to two, if there were two primary dwellings on the lot.

Mr. Dumouchel said that for Caretaker Units the goal was to create a formal structure, as they currently only existed as a footnote and had few to no rules, definitions, or standards. He said caretaker units would be exempted from density calculations, could be up to 2000 square feet, and a minor development.

Mayor Weldon said that Juneau did not have much industrial land and 2000 square feet was a large space to devote to housing. She said she would prefer a smaller limit.

Mr. Steininger asked about controls regarding who lived in a caretaker unit. Mr. Dumouchel said it was difficult to ascertain that someone was using the property in the way they said they would in the application. He said CBJ used a complaint based system to alert a Code Compliance Officer when things were outside of permissible uses.

Mr. Dumouchel said he proposed an update to the determination of use of major versus minor development. He said there was a current trigger for conditional use permits that was getting in the way of developing housing; he said under the current standards an eight or twelve multifamily unit triggered a conditional use permit, which required review by the Planning Commission. He recommended removing the specific number limits from dwelling units in multifamily and commercial/mixed use districts and relying on the existing density and development standards.

Mr. Dumouchel said he proposed an update for Use Not Listed, which was to create a streamlined mechanism to allow Director level approval of equivalent use determinations; things that are similar but not explicitly the same in code could be approved by the CDD Director while things that were obviously different must still go before the Planning Commission. He said under the current code every single equivalent use designation went to the Planning Commission. He also proposed that the CDD Director be allowed to initiate and approve upzones when certain conditions were met; he said those conditions were already in code and were generally things like water and sewer coming to an area. He said if the area was not pre-approved by meeting those conditions then it would go through the full rezoning process.

Mr. Dumouchel said the above amendments would be introduced at the February 3, 2025, Assembly meeting, before going to the Planning Commission. He said staff expects to return to the Assembly in April to begin the process of considering amendments for adoption.

<u>**MOTION**</u> by Ms. Hughes-Skandijs to introduce this ordinance with the proposed amendments to Title 49 at the February 3, 2025, Assembly meeting and refer them to the Planning Commission to be completed within 60 days and asked for unanimous consent. ***Hearing no objection, motion passed by unanimous consent.***

4. JPD Annual Report & Impound Legislation (Ordinance 2025-07)

Police Chief Derek Bos provided an annual update on the Juneau Police Department (JPD) to the Assembly. He highlighted that as of December 31, 2024, they had 21 officer vacancies; he noted that they had 139 applicants for those positions which was much higher than previous years. He said there were approximately 36,000 calls that went through dispatch. He said that it translated to approximately 1,400 service calls per office, which was twice the national standard. Mr. Bos said the department spent time in 2024 redeveloping their mission, vision, and value statements and building a strategic plan. He said they were also trying to roll out an Active Bystandership for Law Enforcement (ABLE) training, which was a program through Georgetown University that focused on officer accountability.

Ms. Hughes-Skandijs asked about morale at JPD. Chief Bos said morale was very high.

Ms. Wright presented Ordinance 2025-07 Impound Legislation to the Assembly. She said this ordinance had been in the works for two years, as it touched JPD, Parks and Recreation, Docks and Harbor, and the Manager's Office.

She said impound code was found in five separate places in the code. She said this rewrite moved all of the impound code into the same code section. She said the main goal was to give the most discretion possible to officers and people responding to wrecked, junked, or abandoned vehicles including impounding them in place instead of moving them to the impound lot. Ms. Wright said other code changes included increasing the minimum bid for impounded vehicles and allowing CBJ to dispose of vehicles with hazardous materials instead of requiring them to go to auction.

Ms. Hall asked about the impound process for a person living in their vehicle. Ms. Wright said there were a couple of different ways to impound. The first was to impound in place, where a pink sticker was placed on the vehicle, which was a notice for them to move the vehicle. If they moved the vehicle then the impound process stopped. She said if the vehicle was not moved then it may go to an impound lot; she said there was some authority to waive fines and fees, but that there was a base amount a person had to pay to retrieve their vehicle. Mr. Steininger asked about timing. Ms. Wright said that the pink sticker had to be applied for a minimum of 30 days, which was then followed by a 20 day notice period.

Mayor Weldon asked if this applied to both public and privately owned locations. Ms. Wright said it did, though impounding from a private location had slightly different timeframes.

MOTION by Ms. Hughes-Skandijs to move Ordinance 2025-07vCOW to the next regular Assembly meeting for introduction and asked for unanimous consent. ***Hearing no objection, motion passed by unanimous consent.***

5. Capital Civic Center

Ms. Koester said the Assembly last heard about the Capital Civic Center (CCC) at the August 5, 2024, Committee of the Whole where staff were directed to do a detailed parking analysis and legal research. She said that given the August Glacier Lake Outburst Flood and the fact that The Partnership, the group spearheading the CCC, changed their design CBJ had not done the parking analysis. She said they discussed a Memorandum of Agreement (MOA) to clearly establish roles and responsibilities. Ms. Koester said there were certain upgrades that made sense to do in conjunction with the CCC, but that other ones, including HVAC upgrades in the meeting rooms, could go forward regardless.

Ms. Koester said the Assembly had appropriated $2.0 million in 2022 for this project, with $1.8 million remaining. She said she would like direction from the Assembly to spend $1.0 million getting the project to the 65% design stage and asked if the Assembly preferred the mechanism to be a grant to The Partnership or for CBJ staff to do the design. She said if the Assembly decided not to proceed with funding the design to provide direction on the preferred level of CBJ involvement.

Bob Banghart, Executive Director of The Partnership, presented to the Assembly a historic overview of different design options for the Capital Civic Center, the most recent design iteration, and the budget. He noted that the pro forma showed the CCC began generating an operational profit within three years of the project being built because of increased rental opportunities.

Ms. Hughes-Skandijs said without a detailed design she was not confident in the price tag of the CCC. She supported getting to 65% design and expressed a preference for using an MOA. She said this was a decisive issue for the Assembly and that while she said while she supported the project conceptually, she did not think it was as high a priority as other projects.

Ms. Adkison supported getting to 65% design and slightly leaned towards an MOA. She said that if the project was built it would be CBJ's building to manage, so she wanted long-term upkeep to be thought of throughout the design process.

Mr. Steininger agreed a MOA to get to 65% design. He said the money had already been appropriated and it did not make sense to sit on it and continue to not have a project. He said getting to the 65% design allowed the Assembly to make a reasonable decision on whether or not to move forward. He wanted CBJ staff to have more involvement in the design process without taking over completely.

Ms. Hall said she was leaning towards an MOA to get to 65% design. She said she was concerned the current design could not accommodate a large conference without adding a second floor.

Mr. Kelly agreed with the MOA to get to 65%.

Mayor Weldon said she supported this project from the beginning, but she was happy to see a smaller project with a lower price tag. Mayor Weldon said she would support a robust MOA.

Ms. Koester summarized that the Assembly supported a grant to The Partnership for up to $1.0 million to get to 65% design of the Capital Civic Center, with an MOA that provided significant checks and balances. She said she would bring the MOA back to the Assembly so they had an opportunity to weigh in.

G. STAFF REPORTS

H. NEXT MEETING DATE

Monday, February 24, 2025, 6:00p.m.

I. SUPPLEMENTAL MATERIALS

6. RED FOLDER Item: Capital Civic Center Cover Memo re: 65% Design

7. Capital Civic Center Powerpoint Presentation

J. ADJOURNMENT

With no further business to come before the Assembly Committee of the Whole, the meeting adjourned at 9:19pm.