ASSEMBLY COMMITTEE OF THE WHOLE MINUTES

February 24, 2025 at 6:00 PM

Assembly Chambers/Zoom Webinar

A. CALL TO ORDER

Deputy Mayor Greg Smith called the February 24, 2025, Committee of the Whole to order at 6:24p.m.

B. LAND ACKNOWLEDGEMENT

Ms. Adkison 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 Weldo, Mayor Greg Smith, Assemblymembers: Wade Bryson, Alicia Hughes-Skandijs, Christine Woll, Paul R. Kelly, Ella Adkison, Neil Steininger, and Maureen Hall.

Staff present: City Manager Katie Koester, Deputy City Manager Robert Barr, City Attorney Emily Wright, City Clerk Beth McEwen, Assistant Attorney Nicole Lynch, Assistant Attorney Clinton Mitchell, Port Director Carl Ucytil, Visitor Industry Director Alix Pierce, Lands Manager Dan Bleidorn, Engineering and Public Works Director Denise Koch, Harbormaster Matthew Creswell, Emergency Programs Manager Ryan O'Shaughnessy, and Meeting Tech Kevin Allen.

D. APPROVAL OF AGENDA – *approved as presented.*

E. APPROVAL OF MINUTES – *approved as presented.*

1. **February 12, 2024 Assembly COW Meeting Minutes - Draft**
2. **March 11, 2024 Assembly COW Meeting Minutes – Draft**

F. AGENDA TOPICS

3. **Huna Totem Corporation Dock Presentation & Discussion**

Manager Koester said there was a draft ordinance before the Assembly to authorize the manager to negotiate and execute a lease for CBJ submerged tidelands to Huna Totem, as well as a resolution that accompanied the ordinance that authorized CBJ to apply to the State for the State's submerged tidelands. She said CBJ and Huna Totem only wanted one lease that encompassed both sets of tidelands and that CBJ would apply for the lease, if the resolution passed, as soon as possible. She said the process through Department of Natural Resources can take some time. Manager Koester said her recommendation was to aim for final adoption at the April 28, 2025 Assembly meeting. She said the ordinance would allow her to negotiate essential terms and conditions, and that the full lease documents would not come before the Assembly until CBJ was in possession of both sets of tideland leases.

Manager Koester said the ordinance had many whereas clauses which showed the Assembly's intent, but these were not proscriptive and would need to be negotiated in the lease. She said the Conditional Use Permit (CUP) was the part of the ordinance that was proscriptive, and included things like the construction of a portion of the seawalk, the installation of shore power within 24 months after an appropriately sized power line became available, a requirement for Huna Totem to maintain their uplands, and more. She said the Assembly could not remove items from the CUP but could strengthen them or add additional conditions to the ordinance. She gave the example that the draft ordinance included no lightering except in an emergency, where the CUP allowed small vessels to lighter. Manager Koester said the lease would be for 35 years and could be renewed at fair market value.

Ms. Woll asked about including whereas clauses, as they were non-binding. Ms. Wright said the whereas clauses were intent language that helped when negotiating agreements. She said it also gave a legislative history of what was important to the Assembly and the community.

Ms. Adkison asked about the current MOUs with the cruise industry, such as the five-ship limit and the passenger cap. Ms. Pierce said the biggest lever CBJ had to make sure the MOUs were honored were the CBJ docks. She noted that this development supported CBJ's limits and did not add to the overall capacity of the port.

Mayor Weldon asked Huna Totem what they have changed as a result of their three public meetings. Susan Bell, Vice President of Strategic Initiatives for Huna Totem, said public involvement helped shape the project, including the number and type of amenities, and making sure it supported year-round use.

Mr. Kelly asked about increased traffic on water and land. Corey Wall, Vice President of Jensen Yorba Wall Architects, said the traffic impact analyses showed an increase in vehicle traffic at their intersections of 294 vehicles in the peak morning hour and 341 vehicles in the peak afternoon hour. He said there were also decreases in traffic throughout downtown, but they would not cancel out the increased traffic at these intersections. He said that all intersections were projected to remain at acceptable levels of service. Mayor Weldon asked if only passengers were accounted for, or crew as well. Mr. Wall said they tried to account for all traffic that would be generated on the site, including passengers and crew and anyone coming or going to the upland facilities. Ms. Woll noted that one of the proposed benefits of this dock was the idea that it would decrease downtown congestion by spreading people out, which she said was not supported by this traffic impact analysis. Ms. Woll asked if it was possible to decrease congestion. Mr. Wall said his company has done a lot of work counting and analyzing how people move about the current docks to make sure they can move people around the Huna Totem dock appropriately. He said none of that information was reflected in the traffic impact analysis which was for the Department of Transportation (DOT) and only concerned DOT intersections. Mr. Wall said this dock would greatly decrease traffic coming through the most congested part of downtown. Ms. Hughes-Skandijs asked about mitigation. Mr. Wall said no changes would require widening any roads or other significant changes to the structure, but it did recommend the elimination of the north crosswalk at 10th and Egan and changing some timing of traffic lights.

Ms. Smith asked about marine navigability and the homeporting of the USS Storis. Ed Page, from the Marine Exchange of Alaska, said the Storis was very versatile and maneuverable with additional propulsion units to navigate Arctic waters, and consequently Juneau as well. He said there was plenty of space in the area for both ships to dock. Mr. Page said the United States Coast Guard indicated they had some interest in the idea of tying up on one side of Huna Totem's dock, which would save them the money of having to rebuild their own dock. Ms. Bell said Huna Totem has been communicating with the Coast Guard, both locally and in Washington DC.

Mayor Weldon said that in discussions with United States Coast Guard (USCG), CBJ was told that the USCG was not interested in tying up at the Huna Totem dock. Christopher Coutu, an attorney with the USCG, said Huna Totem had been reaching out to the USCG and that as of last week Huna Totem and the folks at the USCG headquarters started a waterway assessment, which includes reviewing the navigability study by the Marine Exchange of Alaska and making a determination on whether the Storis would be impacted by this project. Ms. Coutu said the USCG expressed some interest in learning more about docking at the Huna Totem facility. He said the USCG would provide a letter of cooperation with Huna Totem to provide to CBJ, should the assessment work.

Ms. Hughes-Skandijs said that the Assembly would support the Coast Guard ship over a cruise ship dock if the two were in conflict and asked about the timeline for this letter of cooperation. She said they did not was to approve anything if it interfered with the Storis. Mr. Coutu said the timeline of completing the waterway assessment did not fit into the timeline identified by Manager Koester, but that they may be able to provide a preliminary assessment as to whether Huna Totem's project would impact the Storis to CBJ if CBJ was hinging their permitting decision on this.

Ms. Adkison asked Mr. Page if he felt more data was necessary for the marine navigability study. Mr. Page said the next step was to do a marine simulation, which will happen at the University of Alaska Ketchikan, where they will model a variety of scenarios with different ships coming to dock under different weather conditions. Mr. Page said the proposed Huna Totem dock appeared to be the easiest dock to come into in Juneau. Mr. Page said it was unlikely that the Coast Guard would allow a sixth ship to anchorage in Juneau with five ships in dock for safety.

Ms. Hughes-Skandijs asked how much the orientation of the dock may change after the marine simulator processes was complete. Mr. Page said it could change by as much as five degrees. He said the biggest factor was prevailing winds and how much force it could place on the vessel. Sean Sjostedt of PDN Engineers said they were wrapping up a wind and wave study that would also help determine final dock alignment; they were prioritizing giving the Coast Guard as much room as possible while not getting too broadside to the weather or encroaching on the AJ dock.

Ms. Hall asked about a circulator. Ms. Bell said they were not planning on a circulator. She said there would be many attractions and retail opportunities to allow pedestrians to disperse at multiple intersections to the downtown core. Ms. Pierce said CBJ recently did a circulator study and the Assembly chose not to fund the circulator project at that time. She noted the study was still relevant if the Assembly decided to change its mind in the future.

Mr. Smith asked about limitations on access to the Huna Totem dock or property for non-contracted tour operators. Ms. Bell said they obtained a copy of the South Franklin's dock operating agreement and were looking at other examples to create their operating plan. Mayor Weldon asked if Huna Totem planned on having a rental car vendor. Ms. Bell said no.

Mr. Smith asked about the seawalk, noting that he did not want to see it funnel people through shops. Mr. Wall said the intent was to have the seawalk all the way around the property. He said the seawalk between the Coast Guard and Huna Totem property would be the same width as other narrow seawalk sections, which was the minimum recommended, but at the southwest corner it would open up into a much larger deckover location. Mayor Weldon asked how the seawalk would work for people coming from the whale statue. Mr. Wall said there were several options for configuring the seawalk, some of which used the CBJ tidelands area. Ms. Pierce said that if this ordinance moved forward that staff would bring a discussion to the Assembly about the seawalk project on CBJ land.

Mr. Kelly asked about interest from year-round businesses. Ms. Bell said there was interest in both retail and food vendors but they were too early in the process for negotiating leases.

Ms. Woll asked about how fair market value for the property was determined. Ms. Pierce said that fair market value was determined by an appraisal. Ms. Hughes-Skandijs asked if CBJ was constrained by the appraisal. Ms. Wright said the baseline was fair market value, but the Assembly could set a higher price. Mr. Kelly asked if lease payments could be reduced to incentive certain behaviors. Ms. Wright said yes.

Mayor Weldon said the Conditional Use Permit required Huna Totem to install shore power when an adequately sized line became available 25 feet from the property. She asked which property line the CUP referred to. Ms. Pierce said she did not want to speak for the Planning Commission, but assumed that power would be run from the bridge area.

Mr. Steininger asked about the environmental impact from having a ship at an unelectrified dock compared to being in at anchor. Ms. Bell said 2025 had almost 60 ships at anchor and that for 2026 there were 80 or more ships scheduled at anchor. She said all of those cruise ships required extra emissions to keep the position of the ship in place, plus emissions from lightering vessels, which would be eliminated if the cruise ship was at a dock.

Ms. Bell said that shore power had long lead times for ordering equipment and was incredibly complex but that it was a project they were working on.

Mr. Kelly said that according to the memo, funds collected from the lease would be allocated to housing. He asked why that was not in the ordinance. Manager Koester said that lease payments would go into the Lands fund, similar to all other land lease activities, unless directed otherwise by the Assembly. She said the Lands fund pays for the Lands division staff, who primarily develop city land per Assembly goals.

Deputy Mayor Smith asked the Assembly if they were ready to provide amendments or if they needed more time. The Assembly discussed several different timing options. They decided to share what conceptual amendments they were interested in.

Mayor Weldon wanted a navigational study and assurance from the Coast Guard that the dock would not impede the USS Storis. Mr. Smith, Mr. Steininger, Ms. Hughes-Skandijs, and Ms. Woll echoed that they wanted buy-in from the Coast Guard.

Mr. Kelly was interested in having a whereas statement that would direct the Manager to put the lease money into the Affordable Housing fund. He suggested providing an incentive to Huna Totem to host ships that use clean fuel.

Ms. Hall said she would like the Huna Totem dock to be a stop on a potential future circulator, and for non-affiliated cruise businesses to be able to use the location for pick up and drop offs.

Mayor Weldon said wanted to make sure that the voluntary passenger limit was adhered to and add a limit that they could not host ships larger than anything currently in the region. She also wanted it in writing that Huna Totem would not have a rental car facility on their premises.

MOTION by Mayor Weldon to keep this in the Committee of the Whole.

OBJECTION by Ms. Woll. Ms. Woll said that she does need an additional Committee of the Whole to discuss amendments but was fine with introducing it. Mayor Weldon said since she knew there were changes, she wanted to provide those before sending it to the public. Ms. Woll removed her objection.

OBJECTION by Mr. Smith.

Roll call vote:

Yes: Mayor Weldon, Hughes-Skandijs, Adkison, Kelly

No: Bryson, Woll, Hall, Steininger, Smith

Motion fails: 4 Yes, 5 Nays.

MOTION by Mr. Bryson to introduce the ordinance at the next Assembly meeting and refer it back to the March Committee of the Whole and asked for unanimous consent. *Hearing no objection, motion passed by unanimous consent.*

4. **Ordinance 2025-14 An Ordinance Amending the City and Borough Title 29 Code Relating to Election Processes and Procedures.**

Ms. Wright introduced an update to the election code and flagged that the Assembly would need to make a policy decision about how much code should be moved into policies and procedures instead. Ms. McEwen said that the current election policies and procedures were rewritten every year and available in paper binders; she noted this election code update would require the policies and procedures to be published online instead. She said the current code required policies and procedures to be in place 20 days before the election, while this would require it to be in place 40 days before the election.

Ms. McEwen said the current code was very prescriptive for initiative and referendum petitions, especially around addresses; she said the code change would look at whether someone was a registered Juneau voter in good standing for if their signature could count. She said that in 2024 they had to throw out a lot of signatures due to how proscriptive the code was written, noting that the same people's ballots would have been accepted with the information provided.

Ms. McEwen said the current candidate filing period was a ten-day window with seven business days to file; she said the code update suggested a 12-day window with ten business days to file. She said this would allow for more time if something needed to be fixed on a candidate application.

Ms. Adkison asked about accessibility of the policies and procedures. Ms. McEwen said the policies and procedures would be put on the city website.

Mayor Weldon asked about the candidate profiles to the website. Ms. McEwen said candidate profiles would remain available to candidates, but the guidelines would be in the policies and procedures instead of the code.

Ms. Hughes-Skandijs asked about adding 16- and 17- year old election workers. Ms. McEwen said this was modelled of the State Division of Election's Youth Ambassador Program; she said that prior to by-mail voting CBJ elections regularly involved high school government classes, and this would allow staff to develop a similar program.

Mayor Weldon asked about having the policies and procedures set at least 40 days, compared to the current 20 days. Ms. Wright said this ordinance moved more things into policies and procedures, so they wanted to provide additional time in case questions or challenges came up. She said they wanted those questions or challenges to happen further from the election. Mayor Weldon said she was interested in making it a shorter time frame.

Mr. Smith said that he would prefer the candidate filing period to include two weekends, as was under current code. Ms. McEwen talked the Assembly through several timing options and how it would affect the candidate filing period.

MOTION by Mayor Weldon to move 2025-14 to the Assembly for public hearing. ***Hearing no objection, the motion passed by unanimous consent.***

5. Burns Building Update

Manager Koester requested authority to enter into negotiations with the owners of the Burns Building by sending a letter of intent to the LNB Corporation, the real estate firm that manages the property for the Permanent Fund Corporation. Manager Koester said the appraisal came back at $9.3 million for two floors of the Burns Building and 88 parking spaces. She said that in August they did an analyses of owning two floors of the Burns Building, paying an annual condo association dues of $650,000, and investing $5.2 million in improvements showed approximately a 10-year payback.

Ms. Adkison asked about parking. Manager Koester said CBJ currently provided approximately 160 parking permits to employees; she said union contracts required them to provide parking. Manager Koester said they would look at other parking locations such as 415 Whittier St, the downtown fire station, Marie Drake, and the Marine parking garage.

Ms. Adkison asked about the relationship with the Permanent Fund Corporation. Manager Koester said the Permanent Fund Corporation staff have been incredibly receptive. She said the staff at LNB Corporation have also been good to work with, but slow to engage. She said that was probably reflective of what a small asset this building was in their portfolio. Manager Koester said that CBJ would be the managing partner in the condo association, depending on final terms and conditions. She said CBJ would propose to do building maintenance for the entire facility.

Ms. Adkison asked if this was the only option moving forward. Manager Koester said she felt it was in the best interest for city employees to be co-located as much as possible. She said that the City was going to be in business forever, so it was more economical to own our facilities. She said there was no other facility that met the needed criteria available at this time.

Ms. Hall asked a clarifying question about the value of the property. Manager Koester said the appraiser CBJ hired put the value of the two floors of the building and 88 parking spaces at $9.3 million. She said the CBJ Assessor's office value and tax the property at $11.02 million.

MOTION by Mayor Weldon to enter into negotiations with the Alaska Permanent Fund Corporation for the purchase of two floors of the Burns Building and asked for unanimous consent.

OBJECTION by Ms. Adkison. Ms. Adkison agreed that owning a building was the most fiscally responsible option, but objected to owning this building with this mechanism.

Roll call vote:

Yes: Mayor Weldon, Steininger, Hall, Kelly, Woll, Hughes-Skandijs, Bryson, Deputy Mayor Smith

No: Atkison

Motion passed: 8 Yeas, 1 Nay.

6. Marie Drake Options

Manager Koester asked the Assembly to introduce a $150,000 appropriation that would cover additional public outreach, investigation, and cost estimations for demolishing a portion of Marie Drake. Manager Koester said they looked at using Marie Drake for City Hall, but then they discovered asbestos and issues with the HVAC system in the classroom wing of the building. She noted that testing found no airborne asbestos, but any construction would require serious asbestos abatement.

Manager Koester said Public Works and Facilities Committee recommended demolition for 80% of the classroom wing, remediating and retaining the remaining classroom space, the gym, the planetarium, and the shop space at the December 2024 meeting. She said this would allow CBJ to move the Building Maintenance Department to a more central location and would allow for the eventual demolition of the Jumbo facility which was identified as a potential area for housing. Manager Koester noted that the gym had already been abated for asbestos and maintaining access was a high priority for the community. She said the demolition would create 93 new parking spaces, which were needed for both Juneau-Douglas High School and City Hall, should it move to the Burns Building. She said the total project cost was estimated to be 10.2 million dollars.

Mr. Bryson was very supportive of moving Building Maintenance to Marie Drake.

Ms. Woll asked about the cost of doing nothing. Manager Koester said keeping the facility heated and maintained was about $450,000 per year. She noted that the heating system was failing and they could not make repairs to it without doing asbestos remediation. She said doing nothing was a risk to the entire building for catastrophic damage.

Ms. Hughes-Skandijs asked about the cost of full abatement. Manager Koester said the minimum abatement required to maintain the HVAC system was $2.8 million. She said that tenant improvements would add additional costs, up to 7.8 million to renovate the space for childcare.

Ms. Hall noted that keeping the space would allow CBJ and JSD to remove items in storage from the Thane Warehouse, which would then allow an expansion of the warming shelter.

Ms. Hughes-Skandijs said she did not believe that demolition was the best fiscal or operational option; she said if the building was remediated it could be used for childcare, a community priority. Manager Koester said no decision needed to be made tonight but there needed to be some funding allocated to a study. Ms. Hall said she had worked in the building and it was much larger than what childcare required or could support.

Mr. Kelly asked about parking issues with Juneau-Douglas High School. Manager Koester said the Alaska Department of Transportation, CBJ Docks and Harbors, and University of Alaska have allowed additional parking near the high school but that there were still additional parking needs.

Mr. Bryson spoke in support of demolition of Marie Drake.

MOTION by Mayor Weldon to introduce an ordinance at the next Assembly meeting for $150,000 to fund public outreach and schematic design to develop more accurate cost estimates for demolition of 80% of the classroom wing of Marie Drake and full abatement of Marie Drake and asked for unanimous consent.

OBJECTION by Ms. Woll. She said CBJ did not have $10 million to put towards this project and wanted to wait on this project.

OBJECTION by Ms. Adkison for purposes of a question. She asked if the funding amount was sufficient to explore both options outlined in the motion. Manager Koester said yes. Ms. Adkison removed her objection.

Roll call vote:

Yes: Mayor Weldon, Bryson, Hughes-Skandijs, Adkison, Kelly, Steininger, Hall, Deputy Mayor Smith

No: Woll

Motion passed: 8 Yeas, 1 Nay.

7. Ordinance 2025-20 - Tax Exemptions Spanning Multiple Construction Seasons

Mr. Barr said there were three categories where developers could qualify for tax exemptions for economic development in CBJ Code. He said that Torrey Pines, which developed a senior center in the Mendenhall Valley, had construction that spanned multiple calendar years unexpectedly. He said that had their construction stayed on schedule the first year of the 12 year tax abatement would have begun in calendar year 2023, but the building was not done in 2023 so they received their first year of tax abatement in 2024. He said the company requested to have their first year of tax abatement in 2023 instead; Mr. Barr said current code does not allow staff the flexibility to provide such changes. He said Ordinance 2025-20 would allow the Assessor the flexibility to retroactively approve tax abatements to start in a calendar year when a building was still under construction.

Mr. Kelly asked how refunds would affect approved budgets. Mr. Barr said it would reflect decreased property tax received in that calendar year.

MOTION by Mayor Weldon to move Ordinance 2025-20 to the next Regular Assembly meeting and asked for unanimous consent. ***Hearing no objection, the motion passed by unanimous consent.***

G. STAFF REPORTS

City Clerk Beth McEwen said she formally submitted her letter of retirement to the City Manager, with her retirement starting on July 1, 2025.

H. NEXT MEETING DATE

March 17, 2025 at 6:00 p.m. Assembly Chambers/Zoom

I. SUPPLEMENTAL MATERIALS

8. RED FOLDER - Aak'w Landing Traffic Analysis Summary

9. RED FOLDER - Huna Totem Dock Navigation Study

10. RED FOLDER: Memo re: Structure for debate on proposed Huna Totem lease

J. ADJOURNMENT

Having no further business to come before the Committee of the Whole, they adjourned at 9:49pm.