



ASSEMBLY COMMITTEE OF THE WHOLE MINUTES

September 8, 2025, at 6:00 PM
Assembly Chambers/Zoom Webinar

A. CALL TO ORDER

Chair Woll called the Assembly Committee of the Whole to order at 6:03pm.

B. LAND ACKNOWLEDGEMENT – Led by Ms. Adkison

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: Christine Woll, Mayor Beth Weldon (via zoom), Alicia Hughes-Skandijs, Wade Bryson, Paul Kelly, Ella Adkison, Neil Steininger, and Maureen Hall.

Assemblymembers Absent: Deputy Mayor Greg Smith

Staff: City Manager Katie Koester, Deputy City Manager Robert Barr, Attorney Emily Wright, Municipal Clerk Breckan Hendricks, Visitor Industry Director Alix Pierce, and Meeting Tech Kevin Allen.

D. APPROVAL OF AGENDA – Approved by unanimous consent.

E. APPROVAL OF MINUTES – Approved by unanimous consent.

1. 2025-08-04 Assembly Committee of the Whole Minutes – Draft

F. AGENDA TOPICS

1. Process for Flood Mitigation Next Steps

Manager Koester explained the purpose of her memo was to outline decisions that must be made before the next Glacial Lake Outburst Flood (GLOF) season. She reported that Phase 1 of the project is complete and came in under budget, though some expenses remain unresolved due to pending litigation. The Assembly may still decide whether to exempt certain properties and whether to adjust the Local Improvement District (LID) assessments to an amount not exceeding \$6,300 per property. She noted that the Tlingit & Haida Central Council received \$880,000 in grant funding and that the Alaska Department of Environmental Conservation (DEC)

provided a 50% forgivable loan for the construction portion of the project. These funds could be used to offset either the city's general fund contribution, which was part of the 60/40 split with property owners, or to reduce the property owner assessments. The Assembly must also determine the final assessment roll, decide whether to expand the LID or create a special tax district, and address how ongoing maintenance will be funded for damaged barriers and armoring.

Chair Woll asked whether maintenance costs were included in the LID. Manager Koester confirmed they were not. Attorney Wright explained that an LID can only fund capital projects, not maintenance, meaning future maintenance would require separate funding.

Ms. Adkison asked if the LID was closed, and if funds were remaining, could the funds be used for maintenance. Attorney Wright confirmed that was accurate.

Manager Koester stated that Phase 2 is projected to cost around \$19 million, primarily due to armoring expenses. She emphasized that the Assembly would need to conduct a risk analysis and decide which inundation map and barrier height to use. Because Phase 2 involves fewer but higher-value commercial properties, the same assessment methodology used in Phase 1 may not be applicable. She added that external funding for Phase 2 remains uncertain. Representative Begich's \$3.2 million request has not yet passed Congress, though the DEC has listed the project as eligible for another 50% forgivable loan. She also noted ongoing discussions with the Army Corps of Engineers regarding possible assistance with armoring, HESCO barriers, and technical support, which could reduce overall costs.

Mayor Weldon asked whether the city could apply different assessment structures for residential and commercial properties, and Attorney Wright said she would research that question.

Chair Woll suggested bringing in National Weather Service staff to help visualize potential flood volumes at a future GLOF meeting.

Mr. Kelly asked for a funding timeline, and Manager Koester said she is analyzing assessment values and mill rates to determine whether projected revenue would be sufficient for Phase 2 and maintenance.

Manager Koester also reported that the city is working with the Natural Resource Conservation Service (NRCS) on a voluntary buy-out program for View Drive properties. Guidance from NRCS is expected on November 13. Only two households have agreed so far, and because participation is voluntary, the program cannot move forward without full neighborhood cooperation. She noted that buy-out offers would be based on assessed property values prior to any disaster declaration. Some homes

on View Drive do not have enough space for protective barriers, and that analysis has not yet been completed.

Mr. Bryson asked what would happen if there was no neighborhood consensus on the buy-out, and Manager Koester reiterated that participation must be unanimous for the program to proceed.

Mr. Steininger asked about the two ineligible properties mentioned in the memo, and Chair Woll inquired about how their flood risk compared with homes under Behrends Avenue, another area the Assembly has previously discussed for potential buyouts related to landslide risk. Manager Koester added that the NRCS funding requirement for a 25% non-federal match could potentially be addressed.

Mr. Kelly asked about a mid-term solution, and Manager Koester responded that the Army Corps of Engineers is seeking to develop a solution sooner than the current ten-year timeline. She noted that while the city can currently handle flood levels up to about 14 or 15 feet, the risk continues to increase.

MOTION by Mayor Weldon to direct staff to bring forward an appropriation ordinance to redirect the \$5 million funds from the Capitol Civic Center project to flood mitigation. ***Hearing no objection, the motion was adopted by unanimous consent.***

2. Ordinance 2025-39 An Ordinance Authorizing the Negotiation and Execution of a Purchase of Two Floors of the Michael J. Burns Building and Formation of a Commercial Condominium Association

Manager Koester outlined the timeline leading to the consideration of renting space in the Burns Building. She discussed issues with the current City Hall and waterfront buildings, including renovation costs, and noted that \$14.6 million remains in the City Hall CIP.

Mr. Kelly inquired about remodel options and whether a sound system would be included. Manager Koester responded that was difficult to answer without additional design work.

Mayor Weldon asked about the cost implications of a reverse layout. Manager Koester said she was unsure and that a space needs analysis would be required.

Ms. Hughes-Skandijs asked for clarification regarding Option 1 and the de-appropriation amount. Manager Koester explained that the estimated costs primarily cover relocation expenses, such as minor construction, IT setup, and electrical work, but do not include new carpet, paint, or furniture.

Ms. Hughes-Skandijs inquired further about what would constitute the bare minimum setup, particularly regarding cubicle walls and workspace configuration. Manager Koester clarified that such additions would increase costs beyond Option 1. She noted that detailed cost estimates for a “bare minimum” option could be developed if the Assembly wished to pursue that approach.

MOTION by Mayor Weldon to move Ordinance 2025-39 An Ordinance Authorizing the Negotiation and Execution of a Purchase of Two Floors of the Michael J. Burns Building and Formation of a Commercial Condominium Association to the full Assembly.

OBJECTION by Ms. Hughes-Skandijs stating she dislikes the option but acknowledged that unless the Assembly commits funding to address existing building issues, there is little alternative. She said she would not object further and expressed regret about the previous City Hall vote.

Mr. Bryson said this topic has been discussed for years. While a purpose-built facility would have been ideal, he said moving into the Burns Building allows the City to make progress. He encouraged support for the ordinance.

Mr. Kelly also spoke in support, noting public concern about the City’s lack of maintenance of City Hall. He said maintenance costs would be incorporated into the condo fees at the new location and commented on the inefficiency of the current CBJ layout.

ROLL CALL VOTE

Yes: Weldon, Kelly, Hughes-Skandijs, Hall, Bryson, Woll

No: Adkison, Steininger

Motion passed: 6 Yeas, 2 Nays

MOTION by Ms. Hall to direct the Manager to develop designs for Option 3 to bring back to the Assembly.

OBJECTION by Ms. Hughes-Skandijs. She expressed a preference for Option 2 and recommended keeping costs near \$1.5 million.

OBJECTION by Mayor Weldon for the purposes of an amendment.

AMENDMENT #1 by Mayor Weldon to amend the motion to direct the Manager to proceed with Option 3 and return with more detailed cost estimates and plans for both reverse and non-reverse layouts to a future COW.

OBJECTION for the purpose of a question. Mr. Steininger asked whether this amendment requested estimates for both Options 2 and 3. Mayor Weldon confirmed that it did.

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

[An at-ease was observed from 7:18PM to 7:30PM.]

3. Seawalk and Big Picture Marine Passenger Fees (MPF) Capital Project Planning

Ms. Pierce presented an informational update on waterfront capital projects related to the Seawalk and marine passenger fee-funded initiatives. She explained that while no formal action or funding request was before the Assembly, several major projects are in development and will likely require future Assembly direction regarding prioritization and financing.

Ms. Pierce noted that any debt financing under consideration would involve revenue bonds or similar financing mechanisms tied to marine passenger fees or dockage fees, and not general obligation bonds.

She outlined ongoing and potential projects as follows:

Franklin to AJ Dock Seawalk Alignment:

This long-standing Waterfront Master Plan priority is progressing through easement negotiations and land swaps with Franklin Dock and AJ Dock owners. The last estimate was about \$20 million, with \$7.4 million currently in the Seawalk CIP. Staff expect to return to the Assembly for funding direction. Construction is anticipated in 2027, coordinated with Petro Marine work.

Aak'w Landing to Gold Creek Alignment:

Staff recommend starting design for this new segment connecting to the existing Seawalk at Gold Creek. Coordination with nearby development and the Coast Guard facility is expected, with potential to use an inland right-of-way for safety.

Condition Assessment near Alaska Steamship Dock:

A marine passenger fee funded condition assessment will evaluate infrastructure near the parking garage. Findings may lead to significant repair or replacement work.

Shore Power CIP:

The \$13.3 million shore power project is under design through an MOA with AEL&P, with consultants for 35% design. A shovel-ready design will strengthen future funding applications, and public-private partnerships remain an option. Transformers,

costing about \$3 million with a 28-month lead time, remain a key project consideration.

Ms. Pierce reiterated that as the Seawalk and shore power projects advance, staff will return with funding options, prioritization recommendations, and potential debt strategies based on marine passenger revenues.

Ms. Hughes-Skandijs asked about the Shore Power CIP and transformer procurement, inquiring whether certain equipment purchases could be made in advance given supply chain delays.

Ms. Pierce responded that while transformers are not entirely custom, specific technical decisions must be finalized as design progresses before ordering equipment.

Ms. Hughes-Skandijs also requested a general cost range for Seawalk segments. Ms. Pierce reiterated that the Franklin-to-AJ estimate was around \$20 million, while other segments would vary depending on complexity and length.

Ms. Hughes-Skandijs asked whether revenue bonds would be an applicable financing mechanism for both the Seawalk and shore power projects.

Ms. Pierce confirmed that revenue bonds or other debt instruments tied to marine passenger or dockage fees could be used and noted that Finance Director Flick would provide more detailed financing options at a later date.

G. STAFF REPORTS - None

H. EXECUTIVE SESSION

1. Executive Session - Update on Bauer/Hatch HESCO lawsuit

The City Manager recommends the Assembly recess into executive session to discuss an update on the Bauer/Hatch lawsuit.

Suggested Motion: I move the Assembly into executive session to discuss pending CBJ litigation, specifically a candid discussion of the facts and litigation strategies with the municipal attorney.

MOTION by Mr. Bryson that the Assembly enter into Executive Session to discuss pending CBJ litigation, specifically a candid discussion of facts and litigation strategies with the municipal attorney. **Hearing no objection, the motion was adopted by unanimous consent.**

[Executive Session started at 7:48PM]

I. NEXT MEETING DATE - SEPTEMBER 29, 2025

J. SUPPLEMENTAL MATERIALS

1. 2025-08-04 Assembly Committee of the Whole Minutes - Draft

K. ADJOURNMENT

There being no further business, the Committee of the Whole concluded its executive session at 8:30 p.m. and did not reconvene in open session.