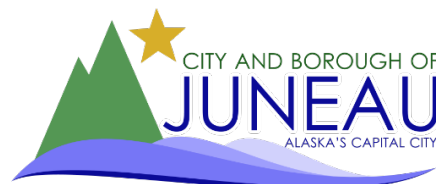


ASSEMBLY COMMITTEE OF THE WHOLE MINUTES

June 03, 2024, at 6:10 PM



Assembly Chambers/Zoom Webinar

A. CALL TO ORDER

Deputy Mayor Hale called the Assembly Committee of the Whole to order at 6:49pm, immediately following the conclusion of the Special Assembly Meeting 2024-12.

B. LAND ACKNOWLEDGEMENT

Ms. Woll 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!"

B. ROLL CALL

Assemblymembers Present: Michelle Hale, Ella Atkison (until 9:00pm), Paul Kelly, Christine Woll, Wade Bryson, Alicia Hughes-Skandijs, Greg Smith, Mayor Beth Weldon

Assemblymembers Absent: 'Wáahlaal Gidaag

Staff Present: City Manager Katie Koester, City Attorney Robert Palmer, Deputy Manager Robert Barr, Municipal Clerk Beth McEwen, Deputy Clerk Diane Cathcart, Finance Director Angie Flick, Tourism Manager Alexandra Pierce, Lands Manager Dan Bleidorn, Port Director Carl Uchytel, Engineering/Public Works Director Denise Koch, Assistant Attorneys Sherri Layne and Nicole Lynch, Deputy Police Chief Krag Campbell, Meeting Tech Clerk Kevin Allen, Eng/PW Project Manager Nick Druyvestein, JPD Public Safety Manager Erann Kalwara

D. AGENDA CHANGES/APPROVAL OF AGENDA - *Approved as presented*

E. AGENDA TOPICS

1. Telephone Hill

Ms. Koester said she wanted feedback on the following topics regarding Telephone Hill redevelopment:

1. What percentage of development did the Assembly want to be affordable?
2. How did the Assembly want to define affordability? Did they want to use 80% adjusted median income (AMI) or a different percentage? For context, in 2023, 80% AMI for a single household was \$68,480.
3. Which development incentives were the Assembly comfortable with? Ms. Koester said this might take the form of land ownership, subsidizing development, preparing the site for development, or more.

Ms. Koester noted that no decisions needed to be made today and that answers to the above questions would allow staff to come back with more options for the Assembly.

Ms. Hale asked about land ownership as an incentive. Ms. Koester said that might include transferring the land to the developer instead of selling at market value.

Nick Druyvestein, Engineering Associate with CBJ, and James Brackenhoff, a consultant from First Forty Feet, shared a presentation with the Assembly. Mr. Druyvestein said staff received directions from the February 12, 2024, Committee of the Whole to refine the highest density development concept which would provide 100-200 units, and at the April 15, 2024, meeting to expand the zero-parking zone to include Telephone Hill. He said the next steps of development design centered around the questions posed to the Assembly above.

Mr. Brackenhoff said based on community feedback, they were working on creating development recommendations that included preserving some existing landscape features, creating a developable area that was physically connected with downtown and the Aak'w Village district, height limitations, creating a diversity of housing types, a site-specific design, and preserving views to the Gastineau Channel.

Mr. Druyvestein said it would cost approximately \$400-\$500 per square foot to develop high density housing for Telephone Hill and that an affordable unit, defined as 80% AMI, would likely sell between \$252-315 per square foot. He noted that the gap between these numbers was what the Assembly would have to subsidize for affordable housing to be part of the project.

Mr. Bryson said a decision had not been made for condos verses apartments. Mr. Druyvestein agreed and said the numbers and prices presented were based on resale. He said they had also analyzed numbers for rentals but for simplicity sake, they were just presenting on ownership options.

Mr. Druyvestein said common development incentives were land purchase, deferred sale of the land, tax abatement, construction grants, site prep or road reconstruction, and parking waivers. He noted that funding from the Juneau Affordable Housing Fund and the Alaska Housing Finance Corporation might be able to assist in creating more affordable housing.

Mr. Druyvestein provided sample scenarios of potential incentives and how they affected the affordability gap. He compared Telephone Hill to the Riverview Assisted Living facility that received subsidies through the purchase of land and deferred sale, a 12-year tax abatement, and a \$2 million construction grant.

Mayor Weldon asked about making the land easier to build by changing the topography. Mr. Brackenhoff said they looked at parking and site preparation work where they calculated the volume of 'cut' on the site. He said it was good to step the site down where appropriate, as it reduced future site prep.

Mr. Druyvestein said wood frame buildings could be up to four or five stories. He said to go higher, and thus have higher density, the buildings would need to be constructed from concrete and steel. He said those materials were more expensive and required specialized construction work, resulting in costing almost 20% more per square foot. Mr. Druyvestein said they did not find a break-even point, where the increased number of units made up for the increased construction cost. Mr. Brackenhoff noted that having four nine-story buildings in the area would create a canyon-like effect and would not be desirable from a design standpoint.

Mr. Druyvestein said next steps were to create a developer outreach strategy which included affordable housing components. Mayor Weldon asked about how developers would be contacted. Mr. Druyvestein said they were planning on issuing a Request for Interest (RFI).

Mayor Weldon asked about the number of units, approximately 155, in the design plan. Mr. Brackenhoff said this number came from the height restriction, which kept buildings to four or five stories. He said to get more housing they would have to move one building to the concrete and steel frame, which could make it up to 9 stories high.

Ms. Hale asked about parking, noting that in the long-term this construction would add significant parking needs to the downtown area. Mr. Druyvestein said they have not considered parking needs after getting direction at the April 15, 2024, Committee of the Whole meeting to extend Telephone Hill into the no-parking zone.

Mr. Kelly asked about transferring the property. Mr. Palmer said they would work out an agreement with a developer that included any requirements set by the Assembly, such as number of units, affordability, or height, and a way to enforce those requirements. He said it would depend on how they set up the agreement if it still held after being sold from one developer to another.

Each Assemblymember shared their views. Mr. Bryson said he did not know if the Assembly should require affordability for this development, given the prime location in downtown Juneau. He said the Assembly should look at other factors that might impact the cost of building the units. Ms. Adkison said that 80% AMI was a good starting point; she said they should try to include as many affordable units as possible. Ms. Hughes-Skandijs said she did not feel like the project was ready for developer outreach and they needed to discuss process more. Ms.

Woll agreed with Ms. Hughes-Skandijs and said this project would have a big impact on the type of community downtown and type of economic development they wanted to create. Ms. Woll said she wanted affordable housing to be part of the project but wanted more analysis on the larger picture. Mr. Kelly said if they used taxpayer money then affordability should be required. Mr. Smith said the subsidy required for each affordable unit was high and noted they did not have unlimited funds; he said he would prefer a fewer number of affordable units given the price. Mayor Weldon said she leaned more to what Mr. Smith said. Ms. Hale said she supported affordable units, an 80% AMI and incentives. She noted that the community has lost a lot of affordable downtown units in the last 20 years with buildings burned or condemned.

Assemblymembers asked the Manager to come back with additional information. Mayor Weldon asked the Manager to discuss housing with the Coast Guard as well.

Ms. Hale noted that the more rules and stipulations placed on the project the less chance it had of successfully moving forward. She said having more units overall would eventually bring the price down. Ms. Hughes-Skandijs said a flooded market will solve a housing supply problem but would not solve a housing affordability problem, which required public subsidy.

2. Camping Enforcement in Some Public Places

Mr. Barr reported that nonprofit partner organizations that serve people experiencing homelessness, The Glory Hall, St. Vincent's de Paul, and the Teal Street Center, had experienced increased threatening and disruptive behaviors from a relatively small number of individuals that have disrupted staff and other clients. They asked CBJ to consider creating a shelter safety zone in the vicinity of their buildings, which would prohibit loitering in some public spaces. Mr. Barr said the safety zone ordinance was somewhat similar to CBJ's downtown camping exclusion zone on private property that was passed pre-pandemic.

Mr. Barr said CBJ was concerned about using loitering for enforcement in this area; he said loitering was not currently used in the code, except for airport property, and they did not intend to prohibit loitering anywhere else. He said it was hard to precisely define loitering and even harder to enforce in a way that was fair and equal. He said another option was to be more specific about where camping was and was not allowed on public property. He noted that camping prohibitions were rapidly evolving, and that *Grants Pass v Johnson* was currently before the US Supreme Court. He said with current case law, CBJ could implement narrowly tailored time, place, and manner restrictions on camping in public places and the more narrowly tailored it was the safer CBJ would be to potential legal liability. He said a geographic prohibition would likely shift the challenges to neighboring property owners, who may then ask to have the zone expanded.

Mr. Barr said the Assembly could choose to take a wholistic approach to specifically define where, when, and/or how camping would be allowed on CBJ property. He provided examples such as 'no camping on sidewalks and in developed parks, but camping allowed in greenbelts and natural areas' or 'no camping in certain areas during the day but camping allowed at night'. Mr. Barr reminded the Assembly that any regulations were only for public property and that private property owners have the right to trespass individuals from their property. He said tribal property was legally complex but would generally be treated as private property under current law.

Mr. Bryson announced that he served on the Juneau Housing First/Glory Hall Board of Directors in an uncompensated position but did not feel this was a conflict of interest. The Assembly agreed that Mr. Bryson did not have a conflict and should be allowed to continue to be part of this discussion.

Mr. Kelly said he was concerned about just creating a no-camping zone and preferred something that would specify to people where they were allowed to camp. He asked about having a carve out for the Teal Street area. Mr. Barr said the Assembly could impose a geographic limitation. He said the general idea is that they would look at different categories of CBJ land and define in code where camping was not permitted at any time (examples might be playgrounds, next to facilities, in parking garages), and where enforcement action would not be taken until certain limits came into play. He said they would still enforce camping restrictions if there was a life safety concern and may enforce for concerns like trash after certain notice requirements had been met.

Ms. Woll asked about the land around The Glory Hall and other service providers. Mr. Barr said CBJ solely owned the land where people were being disruptive. Mr. Barr said organizations in the area had been doing a lot of cleanup on their own initiative. He said Parks and Recreation staff also provide clean up services and remove garbage regularly.

Mayor Weldon reminded the Assembly they decided not to have a dedicated summer campsite for people experiencing homelessness. She said she was more interested in looking at time, place, and manner restrictions to help with enforcement.

Ms. Adkison asked if the nonprofit service providers preferred the loitering or camping restrictions. Mr. Barr said they prefer the loitering restriction. Mr. Smith asked if a Bellingham ordinance about loitering, included in the packet as a reference, had been challenged in court. Mr. Palmer said it had not been challenged in court, but he did not know if Bellingham was enforcing the ordinance due to the changing legal landscape of camping, loitering, and homelessness that was with the 9th Circuit Court and Supreme Court.

Mr. Bryson said the providers and private businesses need help. He said he strongly recommended that the Assembly explore every opportunity.

MOTION by Mayor Weldon to direct staff to draft legislation to look at time, place, and manner restrictions on camping on public land borough wide and bring it back to a Committee of the Whole meeting. In speaking to her motion, she said she preferred looking at the problem holistically compared to piecemealing sections as needed.

OBJECTION by Ms. Hughes-Skandijs. She said she did not support a borough-wide camping ban, especially when it felt like CBJ had given up on obtaining an approved camping location where they would provide services.

OBJECTION by Ms. Woll. She said she was concerned about profiling and discrimination. She said she would rather put energy into addressing root causes than temporary fixes.

Mr. Bryson said he would support the Mayor's motion. He said Juneau was the best city in Alaska at providing services to people experiencing homelessness. He said that attracted more people experiencing homelessness and the situation would continue to get worse without being strict and setting realistic expectations for behavior.

Ms. Adkison said ordinances like the one proposed do not solve any problems and add burdens to the police force. She said she was deeply uncomfortable with moving forward with measures like this without providing alternatives.

After a follow-up question from the Assembly, Mr. Palmer said there were a lot of legal nuances on this topic. He said they were looking for direction to see if this was something the Assembly wanted to do, but they would also need to wait until after the Supreme Court issued the *Grants Pass* decision.

Ms. Hale said there was a very real problem happening now, due to decisions made at the Federal level 40 to 50 years ago. She said communities all around the nation were grappling with this issue which was unsolvable on the local level.

Mr. Smith asked if it would be harder to craft a borough wide ordinance or a specific geographic ordinance. Mr. Barr said a borough wide ordinance would be more challenging because there would be more to consider and care for with different types of CBJ property. Mr. Palmer added that it would be hard, politically, to satisfy constituents in one specific area with a borough-wide ordinance.

MOTION by Mayor Weldon to postpone this discussion until the next Committee of the Whole meeting. *Hearing no objection, the motion passed by unanimous consent.*

Ms. Adkison left the meeting at 9:00p.m.

3. Bond Ordinance

Ms. Koester talked about two proposed projects for bond ordinances on the 2024 Municipal Election. The first would be for public safety communications infrastructure and the second would be for wastewater infrastructure.

She said the initial wastewater infrastructure request was for \$10 million, with \$7 million going to a new roof for the clarifier building at the Juneau-Douglas Treatment Plant and \$3 million for structural improvements at the Mendenhall Plant. She noted that upon further research the entire clarifier building needed to be replaced, which was estimated to cost \$14.7 million. She recommended using the entire \$10 million bond authority for the JD clarifier building and removing improvements from the Mendenhall Plant from the bond package.

MOTION by Mayor Weldon to introduce a bond ordinance at the June 17, 2024, regular Assembly meeting for \$12.75 million for public safety communication infrastructure and asked for unanimous consent.

OBJECTION by Ms. Hale for purposes of a comment. She noted that while these were introduced as two separate ordinances, they did not have to be on the ballot as two separate questions. She removed her objection.

Hearing no further objection, the motion passed by unanimous consent.

MOTION by Mayor Weldon to introduce a bond ordinance at the June 17, 2024, regular Assembly meeting for \$10 million for the clarifier building replacement at the Juneau-Douglas Wastewater Treatment facility.

OBJECTION by Mayor Weldon for purposes of a question. She asked how this bond would affect the wastewater rate. Ms. Koester said that every \$10 million in non-rate payer revenue put towards capital projects reduced future rate increases by 3% every year over a 5-year period. Mayor Weldon removed her objection.

AMENDEMENT #1 by Ms. Hughes-Skandijs to change the amount from \$10 million to \$14.7 million. In speaking to her amendment, she supported bonding for the entire project.

OBJECTION by Mayor Weldon for purposes of a question. She asked how this would affect the debt service level. Angie Flick, Finance Director, said they could maintain a 1.08 debt service mill rate for both the \$14.7 million clarifier project and the public safety communications project. She said it could be achieved by changing the length of the debt or changing how interest versus principal was paid. She cautioned the Assembly that they had to care for current debt when deciding future projects.

Mr. Bryson asked how the increased bond cost would affect wastewater rate increases. Ms. Koester estimated that this bond would save rate payers a 4.5% rate increase every year for five years.

Mayor Weldon asked about savings in the wastewater utility fund balance. Ms. Koester said for FY25, the ending fund balance was \$6.4 million. She said if the project was bonded at \$10 million, they would draw \$4.7 million from the fund balance which would drop the projected balance below the recommended two months operating budget for a fund balance.

OBJECTION by Ms. Hale. She said she could not support the increase. She said other projects often have funding left which gets transferred between projects and she thought there might be other mechanisms for finding funding.

Ms. Hughes-Skandijs asked about transfers within utilities. Ms. Koester said funds were transferred between utility projects but that utility funds stay within utilities. She noted there was no shortage of utility projects to fund.

Roll Call Vote on Amendment #1 to increase the amount from \$10 million to \$14.7 million:

Yeas: Ms. Hughes-Skandijs, Mayor Weldon

Nays: Mr. Smith, Mr. Bryson, Ms. Woll, Mr. Kelly, Ms. Hale

Amendment #1 failed to pass: 2 yeas, 5 nays.

Hearing no further objection, the main motion to introduce a bond ordinance for \$10 million for the clarifier building replacement at the Juneau-Douglas Wastewater Treatment facility passed by unanimous consent.

4. Seawalk Update

Ms. Koester said staff were looking for direction on a proposed land and tideland lease swap with the Franklin Dock that traded the National Guard Dock for a Seawalk easement. She said they were also looking for direction on financing the Seawalk project.

Alix Pierce, Visitor Industry Director, said to complete the Seawalk they need an easement across the Franklin Dock property. She said the owner of the Franklin Dock, Reed Stoops, proposed trading the National Guard Dock property for the easement, which would come with an associated tideland lease. She said Mr. Stoops expressed interest in creating an area to park yachts. Ms. Pierce said the current National Guard Dock was in disrepair and its only use was to host spill response vessels. The Seawalk would then continue through the Petro Marine property.

Ms. Hughes-Skandijs asked about the size of yachts that could potentially be moored in that area. Ms. Pierce said that conceptually there might be 5 vessels between 75-250 feet, when the fuel barge was not present. She said the Seawalk and mooring space for the Petro fuel barge was the higher priority, with yachts and mid-sized vessel docking as a longer-term option. Ms. Pierce said Mr. Stoops and the Petro Marine owners were both interested in coming to a beneficial arrangement.

Ms. Woll asked about the Docks and Harbors board involvement. Carl Uchytel, Port Director, said the board had not been involved in this discussion of the potential land swap and easement.

Ms. Hale said she was concerned about future increased security mandates near the Petro Marine portion of the Seawalk which may then make it unusable. Ms. Pierce said she would discuss such concerns with Petro Marine.

MOTION by Mayor Weldon for staff to begin work on a land swap that traded the National Guard Dock for an easement for the Franklin Dock and asked for unanimous consent.

Hearing no objection, the motion passed by unanimous consent.

Ms. Pierce said that to construct the Seawalk they would likely need marine passenger fee debt financing. She said one related question was whether to do a large package or focus on a single project at a time. Ms. Pierce said the remaining projects in this section of the Seawalk were the Franklin to AJ Dock connection, estimated at \$20 to \$25 million, deck-overs between the Marine Park Garage and the Tram, estimated at about \$4 million, and the Fisherman's Memorial repair, with no current estimate. She said there was about \$5 million in the Seawalk CIP.

Mayor Weldon asked if the Docks and Harbor board had discussed the deck-overs or Fisherman's Memorial. Mr. Uchytel said the board had not discussed Fisherman's Memorial as it was on private land, but the board was supportive of the deck-overs. He clarified that deck-over meant decking over the open water areas and there were two open areas, one in front of Pier 49 which was currently encumbered, and one at People's Wharf, which was not. He said the board had proposed marine passenger fees every year to deck that over and to establish a more substantial USS Juneau Memorial in the area.

Ms. Hale asked if Fisherman's Memorial was a city project, since it was on private land. Ms. Pierce said it was an Assembly decision. Ms. Pierce said she thought that it posed a risk to city property but would like to have an engineer provide more information.

MOTION by Mayor Weldon for staff to research one large debt package using marine passenger fees for the Franklin to AJ Seawalk connection and other related Seawalk projects and asked for unanimous consent.

OBJECTION by Ms. Hale. She said over many years they have appropriated money for the Seawalk without a bond package and thought they could continue to do so. She removed her objection.

Hearing no further objection, motion passed by unanimous consent.

F. STAFF REPORTS

5. Downtown Office Space Verbal Report

Ms. Koester said they had not successfully negotiated a short-term lease with the Burns Building owners to move the 35 employees from Muni Way during the building's construction. She said they were working on a month-to-month lease with Sealaska Heritage Institute, owners of the Muni Way building. She said they were looking at moving staff temporarily into Marie Drake, which would involve purchasing furniture and cubicle walls. She said anything they purchased would be able to be used long-term in whatever final location employees ended up.

Mr. Kelly asked about timing. Ms. Koester said JSD still occupied the (Marie Drake) building and that there was a lead time on furniture. She said they thought it would be at least three months before staff could move in. She said they were hoping to finish negotiations with the Burns Building owners for a long-term lease by December, with staff moving in by the following summer.

G. NEXT MEETING DATE: July 15, 2024; 6:00p.m.

H. SUPPLEMENTAL MATERIALS

6. Photos of Seawalk Property - Agenda Topic 4

I. ADJOURNMENT

Having no more business to come before the Assembly Committee of the Whole, the meeting adjourned at 9:40p.m.