

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

March 7, 2022, 7:00 PM.

Assembly Chambers/Zoom Webinar/YouTube Livestream

Meeting Start Time is approximate as this worksession will immediately follow the adjournment of Special Assembly Meeting. No public testimony will be taken during this COW Worksession. Zoom Webinar <https://juneau.zoom.us/j/95424544691> or call 1-253-215-8782 and enter Webinar ID#954 2454 4691

AGENDA

I. CALL TO ORDER

II. LAND ACKNOWLEDGEMENT

III. ROLL CALL

IV. APPROVAL OF AGENDA

V. AGENDA TOPICS

A. New City Hall Update

VI. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org



MEMORANDUM

DATE: March 4, 2022
TO: Deputy Mayor Gladziszewski and CBJ Borough Assembly
FROM: Katie Koester, Engineering & Public Works Director
SUBJECT: New City Hall Site Selection Update

The purpose of this presentation is to bring the full body up to speed on the New City Hall site selection process PWFC has been engaged in since August of 2021. In order to make the July deadline to introduce a ballot proposition ordinance, a decision on a preferred alternative needs to be made in the next month to give the architects and cost estimators time to refine a conceptual design and cost estimate to bring to the voters.

It is important to acknowledge that there are still unknowns at this stage in the process without investing significant time and resources. The purpose of today's meeting is to present the body with information on where we are, how we got here, and provide an opportunity for members to request the additional information and analysis that they need to be able to select a preferred alternative at the April 11 Committee of the Whole.

In an effort to respect your busy schedules and the members of PWFC who have seen this information, I have limited the summary to the attached power point. However, if you are interested in taking a deeper dive, please visit the project website at <https://juneau.org/engineering-public-works/new-city-hall>.

Staff and PWFC have reviewed many sites before selecting the top two: Down Town Transit Center and 450 Whittier. The Assembly will have more opportunities to review this project and provide direction on cost and scope before making a decision to bring it to the voters. These conversations will be necessary as we struggle with the high cost of construction in a post pandemic market.

Requested Action:

Provide staff guidance on questions and analysis needed to select a preferred alternative at the April 11 COW.

ENC:

City Hall Site Selection Update to COW ppt.

2.22.2022 Planning Commission Input on City Hall Site Selection

City Hall Site Selection

Committee of the Whole 03.07.2022

Project Website:

<https://juneau.org/engineering-public-works/new-city-hall>

Email Questions:

newcityhall@lists.ci.juneau.ak.us



Why are we talking about City Hall?

- Current facility is 70 years old: converted fire hall
- Needs maintenance: \$12M to get 25 more years
- City offices spread between 5 buildings downtown: CBJ spends \$820K/ year on rent & occupies valuable waterfront real estate



Process & Timeline

Date	Milestone
Aug. 8, 2022	PWFC approves process
Oct. 15- Nov. 15	Survey: results posted and shared at PWFC
Dec. 20, 2021	PWFC refines sites to 4
Jan. 26, 2022	Public Meeting
Feb. 14, 2022	PWFC: refines sites to 2
Mar. 7, 2022	PWFC: review economic analysis & select preferred alt.
Mar. 7, 2022	COW: site selection overview
April 11, 2022	COW: select preferred alt.
April/May	Refine conceptual design
Late May	Public Meeting
June 6, 2022	PWFC: update on public meeting and conceptual design
July, 2022	PWFC & Assembly: Discuss & introduce ordinance to put bond question on ballot
July- Sept., 2022	Public Meetings & Outreach: answer questions for voters

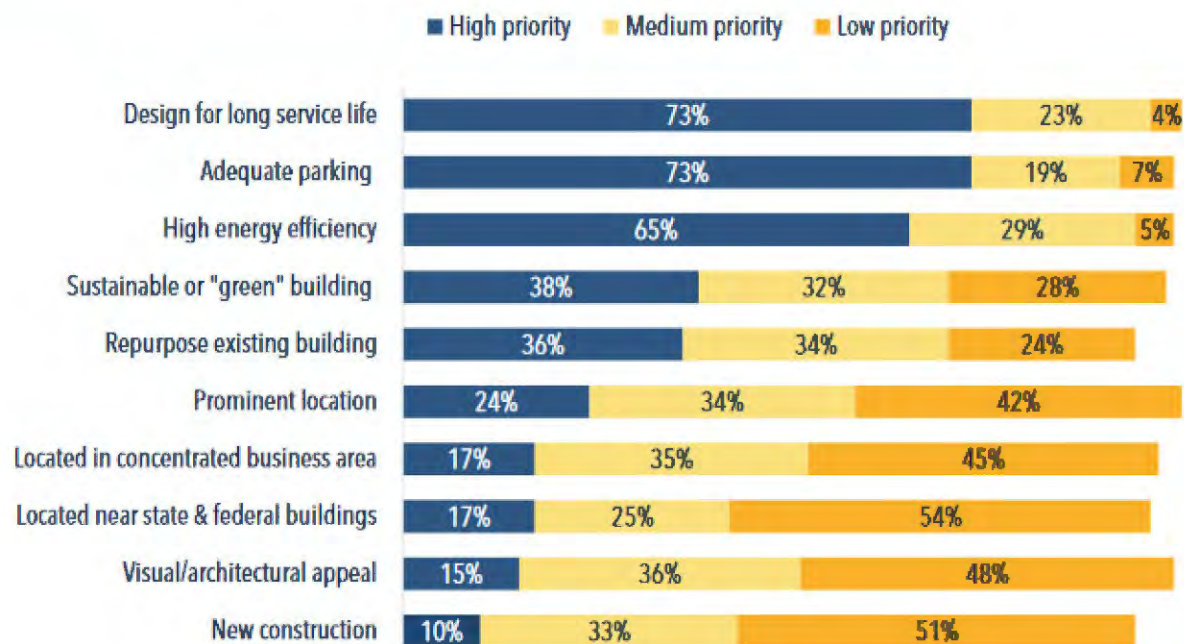
New City Hall Survey

October 15, 2022 – November 15, 2022

How supportive are you of CBJ developing a new City Hall versus continuing to rent office space?



When considering location and costs of a new City Hall, how should CBJ prioritize...



Note: Rows do not add to 100% due to "Don't know" responses.

Proposed Sites

- 2/3 of respondents suggested a location
- Some suggested multiple locations

Total n=1,326	
Yes	67
Walmart	32
Downtown	27
Lemon Creek	20
Valley	14
Downtown parking garage	5
Bill Ray Center	4
Other	14
No opinion	33

Matrix built on survey results

Categories

- Downtown Remodel
- Downtown New Construction
- Valley/Lemon Creek Remodel
- Valley/Lemon Creek New Construction

Criteria

- % recommended in the survey
- Designed for long service life
- Adequate Parking
- Sustainability/ energy efficiency
- Location in concentrated business district/ near other government buildings
- Available space
- Ownership
- Capital Cost
- Operating Cost
- Displacement of other use
- Pedestrian and automotive access

Sites considered by PWFC

- Assembly Building
- JDHS
- Rock Dump
- Marine View
- By the Whale
- Former Gastineau Apartments
- Downtown Library
- Goldbelt Building (PF offices)
- NOAA site
- 410 Willoughby
- 400 Willoughby
- Diamond Park
- Gravel Pit in Lemon Creek
- Bill Ray Center
- Vintage Park
- Renninger Skate Park
- **Status Quo (Renovate current site)**
- **450 Whittier (Public Safety Lot)**
- **Downtown Parking Garage**
- **Walmart Building**

Narrowing Down to top 2: PWFC eliminated Status Quo and Old Walmart building at

Status Quo Location

PRO

- Least expensive in short term (12.67M)
- Lots of feedback against a New City Hall (for different reasons)
- Always consider the status quo option

CON

- A lot to sink into a 70 year old facility
- Does not consolidate City services
- Does not improve parking



Former Walmart

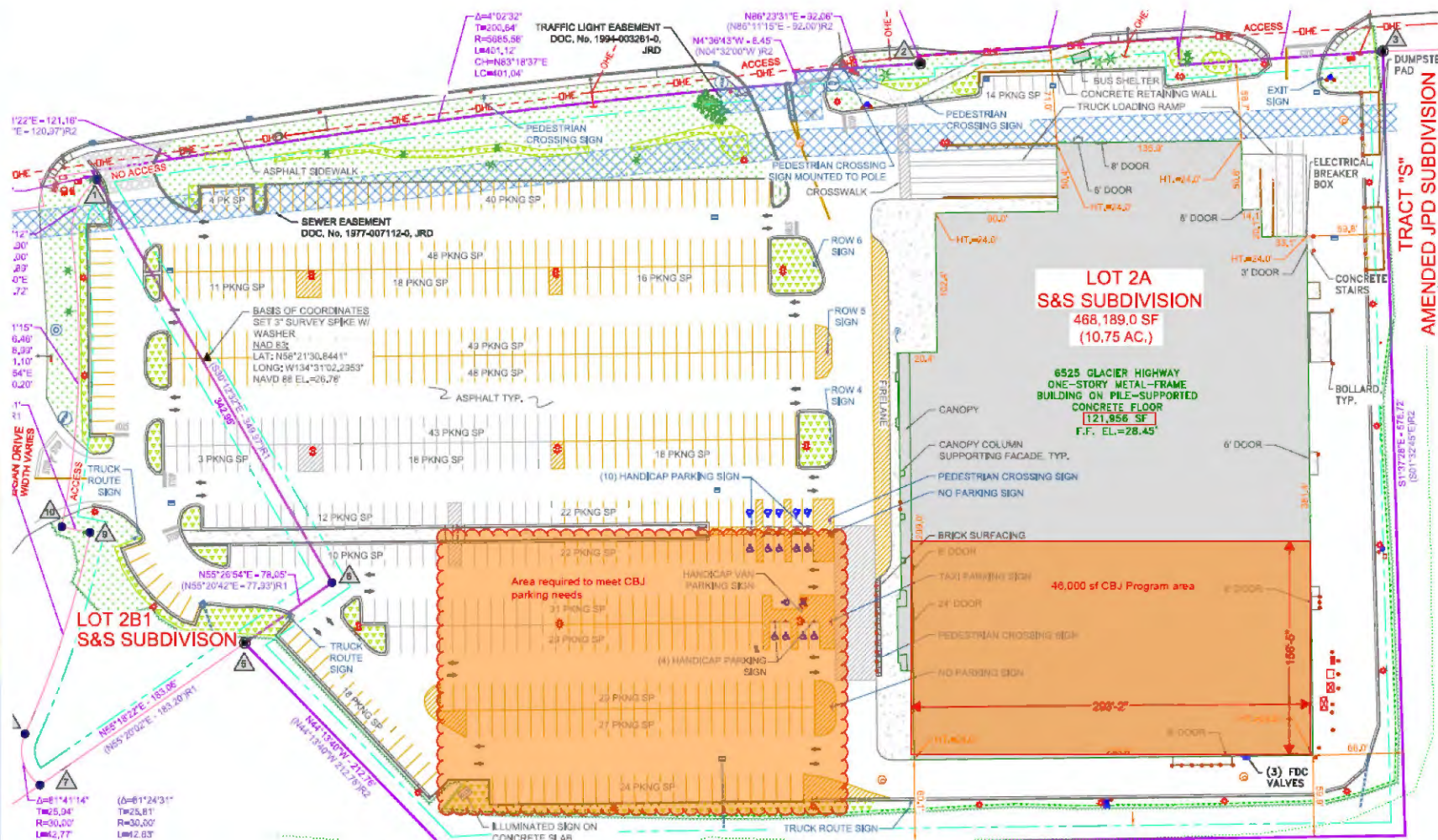


PRO

- Lots of public support for reuse of facility
- Central Location between population centers
- Opportunity for additional uses (122,000 square feet and 10 acre lot)
- Tons of parking

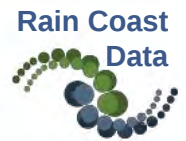
CON

- Building has sat vacant for years, unknown condition
- Difficult to bring to LEED standards
- Land Lease \$271,000/yr 50 years (land not currently for sale)
- Good location for other/large retail development
- Challenge to bring up to current codes required by change in use
- Twice the SF needed



6525 Glacier Highway. Approximately 10.75 acre site, 122,000 square foot existing single level mercantile building. CBJ program area of 46,000 square feet and 153 required parking spaces highlighted in orange for comparison.

New Juneau City Hall Economic Analysis



Current City Hall Situation



- **164** staff divided among **5** buildings
- Annual rent = **\$819,005**
- Annual operations = **\$264,877**
- Deferred maintenance = **\$12.67** million

Existing City Hall Buildings and Employees



Downtown Transit Center

The Downtown Transit Center

- 45,970 square foot building built on top of the existing downtown parking garage on Main Street.
- Original parking structure had been constructed and designed to accommodate up to three additional levels of additional parking or office space.
- Offers consolidated public access to city hall services.
- Design would allow for an additional level of parking to be added to the project for 60 spaces at an estimated additional cost of \$5 million

**\$43.3
million**

Construction & Development Costs



**45,970
square feet**

450 Whittier

450 Whittier Street

- 46,200 square foot building in the Willoughby Area.
- In 2019 the CBJ took over ownership of the 450 Whittier site, existing Public Safety Building was razed, and converted into surface parking.
- To provide sufficient parking for the structure, underground parking for 36 spots has been proposed at an additional cost of \$3.55 million.

**\$38.2
million**

Construction & Development Costs



**46,200
square feet**

CBJ Savings with a New City Hall: Year 1

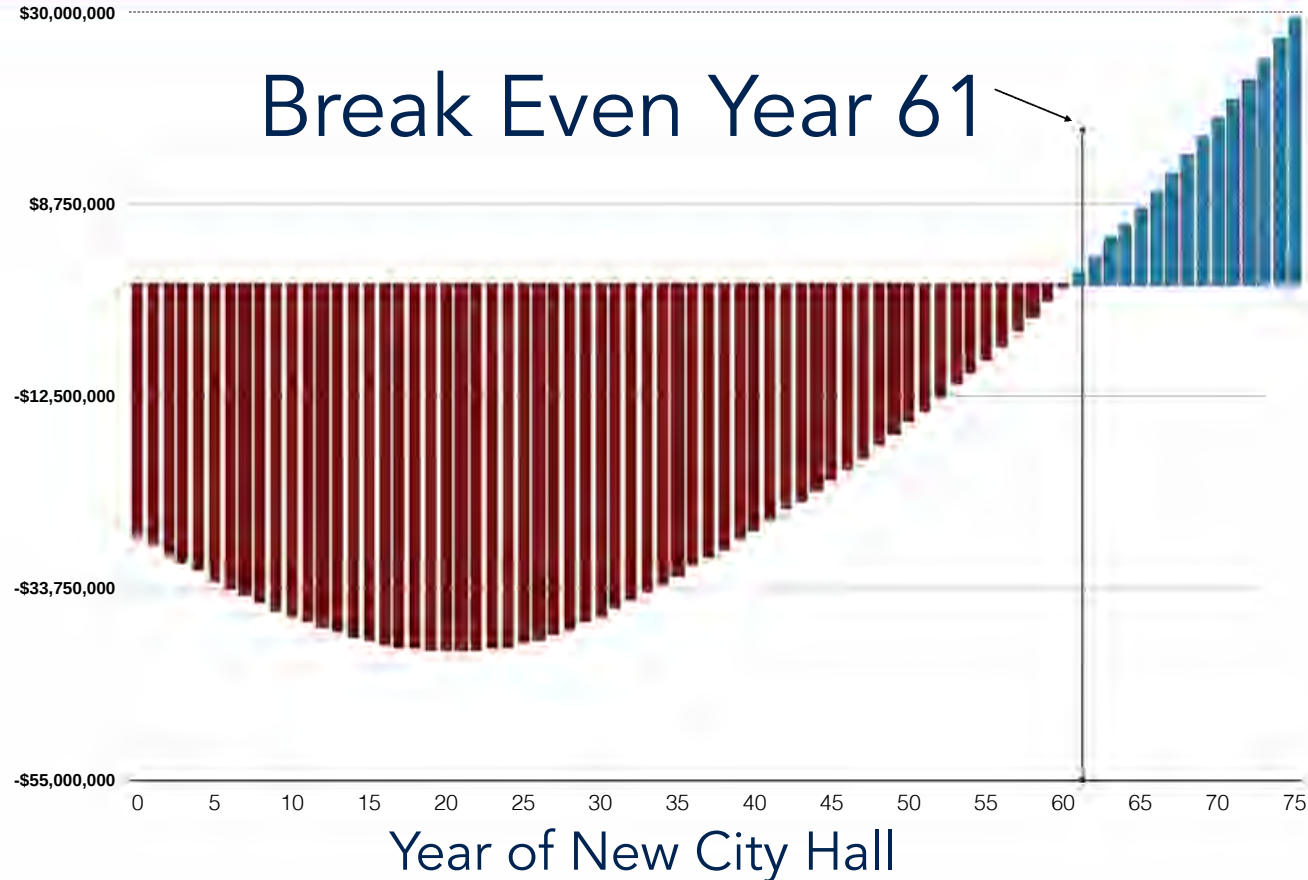
- Savings in **rent** = \$819,005
- Tax on **leases** = \$40,950
- Building **sale** = \$3.8 million (we don't know)
- Property **tax** = \$40,400
- Deferred maintenance = \$12.67 million
- Operations & maintenance = \$265,570
- Renewal & replacement = \$125,000

CBJ Costs for a New City Hall

- Construction = **\$38** to **\$43** million
- Financing
- Operations larger building
- Maintenance larger building

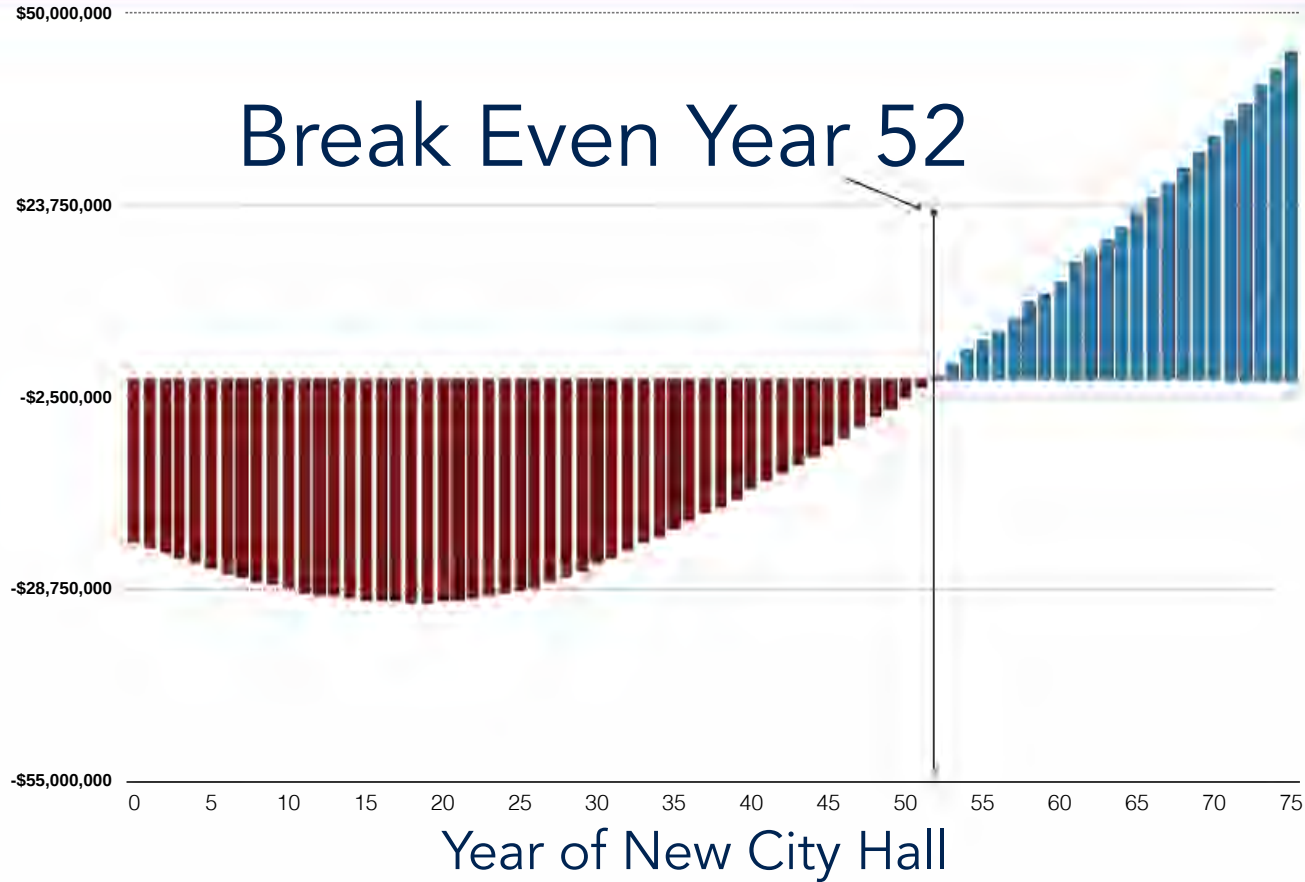
Downtown Transit Center City Hall Project

Project Savings Minus Project



450 Whittier City Hall Project

Project Savings Minus Project



Increasing Construction Costs

January 2012 PPI to January 2022 for
New Office Building Construction in the US



Inflationary Considerations

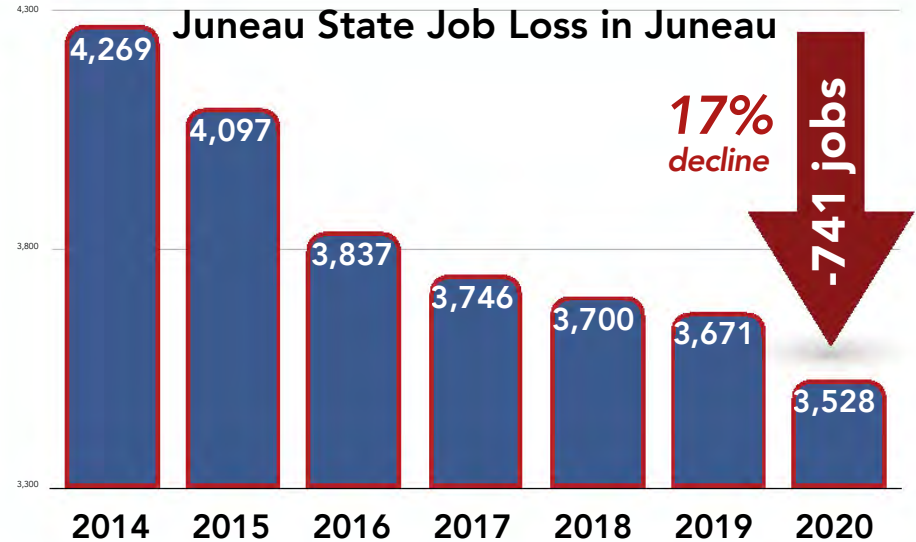
- Material costs
- Supply-chain disruptions
- Transportation costs
- Increasingly tight labor market
- 5% annual escalation

Parking Options

City Hall Option	Downtown Spaces Lost in City Hall Development	Potential to Add Parking	Parking Spaces Added	Estimated Construction and Development Cost
1. Current Configuration	None	See option #4	None	None
2. Downtown Transit Center	10 Parking Garage Spots	Additional level under new City Hall	60	\$5 million
3. 450 Whittier	64 Temporary Spots	Underground level under new City Hall	36	\$3.55 million
4. 450 Whittier	64 Temporary Spots	Additional two levels of parking at the Juneau Transit Center	124	\$9.5 million

Additional Considerations: Parking

1,500 parking spots in general area



Before any new parking is developed in downtown Juneau, an analysis of current parking needs should be conducted. The loss of 741 state positions in Juneau should have freed up hundreds of parking spaces in state parking facilities over the past six years in downtown Juneau, providing an opportunity for CBJ to work with the State of Alaska on consolidated parking planning.

Additional Considerations: Housing

- A **shortage of housing** has long been one of Juneau's most significant obstacles for economic development.
- Converting the space back to housing could conceivably create **24 new apartment units**

Use Type	Annual Rent	Monthly Rent Per Square Foot
Office Rental Space	\$375,855 (current CBJ rent)	\$1.83
24 Apartments	\$374,400 (\$1,300 monthly rent, assumes 100% occupancy)	\$1.83

Cost to convert office space into 24 apartment units (conceptual only) = **\$5 million**

Additional Considerations: Other

- **Multiplier effect** of local construction
- Impact on **commercial real estate market**
- Value of **consolidated location** for workers and services

Results of CBJ Downtown Employee Survey

CBJ worker average weekly downtown spending associated with workday



= **\$4,310** annually per person
= **\$706,782** annually by 164 workers

Construction Estimates for City Hall Options

Description	Downtown Transit Center	450 Whittier
Gross Area in Square Feet	45,970	46,200
Estimated Construction Costs	\$19,939,403	\$18,736,342
General Conditions Costs (listed below)	\$10,287,486	\$9,666,781
General Requirements 12%	\$2,392,728	\$2,248,361
Taxes, Permits, Bond and Insurance 3.5%	\$697,879	\$655,772
Fee 7%	\$1,395,758	\$1,311,544
Contingency 15%	\$2,990,910	\$2,810,451
Escalation (5% X 2 years)	\$2,810,210	\$2,640,653
Construction Project Costs (Construction + General Condition)	\$30,226,889	\$28,403,123
Extra Cost of DTC Staging 6.5%	\$1,964,748	-
Developmental Costs 34.5%	\$11,106,115	\$9,799,078
Total Project Costs	\$43,297,751	\$38,202,201
Projected Break-Even Year	2086	2077

Developmental Cost Notes: **Owner costs** (project management by the CBJ, procurement process, contracting, insurance) 8-10%; **Design team costs:** Design, Bidding Assistance, Construction Administration, Special Inspections 12-15%; **Building Permitting** 1%; **Owners bidding contingency** 10-12%



Thank you



6-STORY DTC



3-STORY 450 WHITTIER



MEMORANDUM

DATE: February 25, 2022
TO: Chair Bryson and Public Works and Facilities Committee
FROM: Katie Koester, Engineering and Public Works Director
SUBJECT: Planning Commission Input on City Hall Site Selection

The Planning Commission heard a presentation on City Hall site selection at their February 22 meeting. At that meeting members shared their thoughts, comments, and concerns which are summarized below. It is important to note that the comments are from individual members and not necessarily representative of the body as a whole. Comments can be summarized in four categories.

1) A commissioner expressed a strong desire to see investment in Lemon Creek and requested a clear explanation on why this would not be an opportunity.

A question was asked about where city offices could best be located to deliver the series the public uses city hall for and if Lemon Creek would be an ideal location for the day to day commerce of city business.

The statement was made that the majority of the respondents to the survey favored the Lemon Creek area and asked if other land in Lemon Creek had been considered. Moving City hall to Lemon Creek would be a great catalyst for parks and paths the commission has been advocating for in the neighborhood.

A: The Walmart building was considered extensively and eliminated due to cost, size and location. Other Lemon Creek sites considered included the gravel pit and land for sale near Home Depot, both of which are zoned Industrial and land availability for industrial development is a priority for the Assembly. There are no great sites for an office building in Lemon Creek due to zoning and land availability.

A commissioner expressed their long standing interest in increasing opportunity and investment in Lemon Creek. The Lemon Creek plan was mentioned and the sense that neighborhood does not get its due by virtue of who lives there. Concern was expressed that there was a risk of maintaining the status quo in all the decisions the city makes by maintaining City Hall where it is. The Commission wanted to ensure the SRRC has a role in the process.

Walmart has a 50 year lease. Have you thought about 99 year lease that might make it worth our while? Has on top of the police station been considered?

A: Attempts to contact the owner of the land and discuss alternatives have been unsuccessful. The expense of the lease, \$250,000/year also makes it an unattractive option that does not achieve the goal of getting out of paying rent. The police station was not built to add floor and the site has poor soil conditions.

One Commissioner expressed support of Lemon Creek in general and the Walmart site specificity. Referenced that adaptive re-use of a building is the greenest solution and that we have a lot of experience with remodeling buildings. Cited former Walmart buildings in other communities that have been renovated and won national awards. Member encouraged some flexibility in creating lemonade out of a community blight. Maybe other opportunities in Lemon Creek would be available. Think there are still a lot of positive things that have not been analyzed carefully.

2) Parking. However the decision is made about which location, make sure we are not undermining the work that has been done so far on parking and/or creating additional parking concerns.

Locating on top of the Downtown Transit Center is plus as employees could easily take public transit to work and reduce the demand on parking.

A commissioner favored the 450 Whitter location because of the two years the Commission has spent trying to solve parking took into consideration the parking provided by DTC. Concern that parking spots at DTC could be lost to city employees and city vehicles were taking up those spot.

The question was asked how many parking spots CBJ occupies between CBJ vehicles and staff. If City Hall were to move out of downtown core, how many parking spots would be opened up?

A: 10 city vehicles, 164 parking passes for Marine Parking Garage and 11 in DTC. Not all these spots are fully occupied – for example valley employees who have to do business downtown have passes. It would be reasonable to keep city employees and vehicles at MPG with a DTC location.

3) There was an interest in understanding the relative cost benefits of the different locations.

4) Desire to see the existing facility, if it is not rehabilitated, made a center piece of town.

Current city hall is center piece property in the downtown core and a decision to move city hall from there has significant development advantages, but the city should think ahead about what it would like to see done with property and consider those options as it makes those decisions.

There was a desire to know what would happen to the existing city hall and to ensure that we do not create an empty thing in the heart of downtown core. The City should have a responsibility to make sure the site maintains some utility in the community.

A commissioner expressed the huge potential for redevelopment of the current site and that should be able to make something really nice there.