

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE**
DRAFT Meeting Minutes – March 7, 2022

I. CALL TO ORDER

The Assembly Committee of the Whole Meeting, held in the Assembly Chambers and broadcasted virtually via Zoom following the Special Assembly meeting, was called to order by Deputy Mayor Gladziszewski at 8:30p.m.

II. LAND ACKNOWLEDGMENT

Mr. Smith provided the following land acknowledgment: 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 a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

III. ROLL CALL

Assemblymembers Present: Maria Gladziszewski, Wade Bryson, Alicia Hughes-Skandijs, Greg Smith (via Zoom), Christine Woll, Michelle Hale, Carole Triem, ‘Wáahlaal Gíidaak and Mayor Beth Weldon.

Assemblymembers Absent: None

Staff Present: Deputy City Manager Robert Barr, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Deputy Clerk Diane Cathcart, Assistant City Attorney Sherri Layne

III. APPROVAL OF AGENDA

IV. AGENDA TOPICS

A. New City Hall Update

Katie Koester provided a presentation similar to what had been covered earlier at the Assembly Public Works and Facilities Committee (PWFC) meeting earlier in the day. She was also joined by Sean Boily of NorthWind Architects and Meilani Schijvens of Rain Coast Data who provided an overview of their work and survey that had been conducted regarding this project. Ms. Koester cautioned about sticker shock and also spoke to the deferred maintenance numbers. She noted that they are mainly wanting to cover this topic to be able to come up with a decision from the Assembly so they know whether to keep moving this forward on a schedule to be placed on the ballot for the October 2022 Municipal Election or not.

Ms. Koester explained the survey that had been done and shared the survey results and she informed the committee about the preferred site selection process. She said that the PWFC had held three meetings at which they came up with the top four sites and then eliminated two of those so they are now down to two finalists.

Ms. Triem asked if the estimated amounts for the deferred maintenance underwent the same inflation upgrades as the other options.

Ms. Koester said staff did estimates vs. those for the other locations done by the experts.

Ms. Koester explained the pros and cons of utilizing the former Walmart building.

Pros: There is a lot of public support for reusing the facility; it is a central location between two large population centers (Downtown/Douglas and Valley/Auke Bay); there is an opportunity for additional uses; and the location features a large parking lot.

Cons: The building has been vacant for years, the condition of it is unknown; it would be difficult to bring it into LEED certification standards; the land is not for sale and would cost \$271,000/year for fifty years; it would be challenging to bring the building up to code; it is an ideal location for a large retail development; and the size is two times larger than what is needed for the project.

Sean Boily and Meilani Schijvens gave an in depth presentation of the survey and the two final options that came out of the PWFC along with the estimated costs for those proposed projects. Ms. Schijvens suggested they may want to do a parking study in the downtown area depending on what decision they wanted to go with. Mr. Boily also spoke to the significant elements of cost that would be associated with building at the DTC and it would actually be more expensive to build on top of that due to some of the specialized equipment and needs that would be addressed if they were to choose that option.

They provided the following CBJ Cost estimates for a New City Hall: Construction would fall between \$38 million to \$43 million, they would need to look into financing costs and the cost for operating a larger building as well as the associated maintenance costs of a larger building. They noted that a breakeven year for DTC (Downtown Transit Center) would be after 61 years and at the 450 Whittier location, a new City Hall would break even within 52 years.

They answered questions from Assemblymembers related to the economic modeling, the interest rates and increasing construction costs looked at producer price index national numbers for a new office building. They looked at 2018 to 2022 and saw a 30.3% cost increase with an estimated 5% construction cost increase moving forward.

Parking Options

Ms. Koester listed four possible parking options for a new City Hall:

1. Do nothing as first option
2. Build DTC/City Hall \$5M
3. 450 Whittier location with underground parking
4. 450 Whittier location with two levels of parking at DTC

Additional considerations for parking for the Auke Village District included a study from 2014, and that Juneau has lost approximately 741 state jobs although they are not sure how many of those jobs are in the downtown area.

‘Wáahlaal Gíidaak asked if there was any consideration given for contaminants such as what Southeast Alaska ran into when they did their project.

Mr. Boily looked at what was done with the State Museum. There was a flat tidal fill area and there are potentials for unknowns. They did use some of the drivers based on what was done at the State Museum.

‘Wáahlaal Gíidaak was there consideration for what CBJ obligations might be in disposing of this building and what CBJ would be responsible for.

Mr. Watt if you are a polluter, you are responsible cradle to grave and he noted that there is low risk for this building for external hazmat cleanup. He said that there is asbestos in the building but you can sell a building with asbestos and lead paint without further obligation as long as you properly disclose all that.

Ms. Schijvens spoke to the additional considerations this project presents which includes freeing up the floors at the Marine View that could potentially be converted to housing. It is about a quarter of the cost to build a new building to retrofit it for apartments. She did say that it is not a sure thing that that space would be converted to housing but it would be a potential gain for the community in the housing front.

Mr. Bryson asked Ms. Schijvens if the 24 housing units would be only at Marine View, or if they had considered retrofitting apartments at other locations.

Ms. Schijvens clarified that the 24 housing units would only be located in the Marine View building, and they did not consider any other locations as they are all designated office space buildings.

They also did a survey of CBJ workers who work downtown which translates to an approximate \$706,000 economic impact in the downtown area by CBJ staff.

Mr. Boily mentioned that the estimates and construction costs had grown quite a bit since they began looking at this back in 2018. They developed the cost details in coordination with CBJ staff and settled on the \$34.5 million for the proposed project. He also noted that they have seen an increase in staggering construction costs the last few years. He said that when they started this process, the DTC was looked at as a lower cost project, however, there is fairly substantial cost in prepping the existing structure to provide for the new additions. Another aspect of that is when you take an insulated box and you have the open areas sprinklers, etc... factor into the expense and complexity in adding to an existing building. He explained that it is not a good skin core and it is nearly seven stories up in the air and will require some special equipment to do the work.

When they got into the nuts and bolts, they realized it was going to be more expensive than they initially forecasted (as compared to similar structures and costs in Anchorage).

Ms. Hale asked if there is going to be some point in the future that they would lose the option to build on the top of the DTC. Mr. Boily said that Ms. Schijvens spoke to that in her presentation. There is still the opportunity to build two or three more parking levels. He shared that he appreciated Ms. Schijvens' suggestion to conduct a parking study. If they made the decision to put the project downtown at the 450 Whittier location, the question of parking is still there.

Ms. Koester asked the Assembly if they needed any additional information prior to their next COW meeting on April 11.

Mr. Bryson said that he had a phone call from the owner of the State of Alaska Department of Fish & Game building asking if that building may be up for consideration.

Ms. Gladziszewski spoke to the frequency and trend of state positions now working remotely and asked Ms. Koester if they had analyzed any available State-owned office buildings as possible location options for the new City Hall.

Ms. Koester said they did look at some State facilities such as the Department of Natural Resources building, and others but did not do a comprehensive analysis of State offices in Juneau.

Mr. Watt said that he did not know where state employment is heading but it is going down. It would not surprise him if the State moved out of leased spaces into known locations. He expects the kinds of calls that Mr. Bryson received to continually happen with new ideas throughout the process. He said they will engage the owner of that building and see if there is a fit or analysis. Mr. Watt noted that Tlingit & Haida Central Council President Peterson was quicker than we were in purchasing the DNR Building. He said that with respect to Telephone Hill, CBJ continues to bird-dog the state about that as some of the properties that the State might be amenable to possibly disposing of and that CBJ should have first chance at that property due to past agreements. He said they have been going through a very slow moving DNR process and that none of us are happy with the cost estimates. They are what the cost estimators see today and those numbers apply to both new build projects and renovations. He said that ultimately, the long range view is that we are spending a lot of money on rent per year and they will have to do something about City Hall even if it is just deferred maintenance on the current facility.

Ms. Gladziszewski said that the state for sure has told teleworkers that they will eventually be losing their office space if they aren't used. She said those are ongoing things and it is changing more rapidly than normal and positions are moving everywhere all across the state. She would like to know some more about that at the next time they meet.

Mr. Smith asked if there was a sense that if the Assembly did not pursue something new, what they might do and are they ready to take on the costs for deferred maintenance.

Ms. Woll was on the fence at the PWFC meeting was about recommending the 450 Whittier location or not, and took pause due to parking issues. She said there is a lot of uncertainty and wants to learn more about downtown parking. Will this make parking better or worse? She asked if that is something they can get more info on prior to making the final decision on this topic or would that involve a big study that we would not be enough time for.

Ms. Koester said that they can try to get at the question as to how the parking is impacted overall in downtown Juneau in the time allocated prior to making the City Hall decision. Mr. Watt said one potential conceptual option that has been discussed for a number of years is the State Office Building Parking. That facility could potentially serve the Auke Village as well as other entities in the area and may be something worth considering.

Mr. Bryson while he felt obligated to inform them of the phone call about the State Office Building, he was not in favor of taking over State office facilities. He explained that there is a bill to move the Capital out of Juneau currently in the legislature. He strongly supported a new City Hall, saying that they were in need of a building that would still be here 100 years from now. He spoke to the Assembly's responsibility to City Hall, and their collective commitment to ensuring Juneau's future as the Capital City of Alaska.

Ms. Hale said she has a slightly different take but agrees along same lines as Mr. Bryson and have seen some great city halls in other communities. She likes the idea of the 450 Whittier location, it feels more accessible than one on top of the parking garage.

Mayor Weldon shared Mr. Bryson and Ms. Hale's viewpoints, but said that she also had a different perspective. This building has served its time as City Hall. She said they have been talking about this topic since her first year on the Assembly and it is now coming up on five years of having conversations about this topic. She talked about the challenges of the current city hall. Not sure which option she likes better. She said is leaning more towards the DTC location as it is more central but in looking at the Whittier location, it is in a rapidly changing Auke Village district. She's not sure if they want private entities duking it out over housing and hotels etc... but she agrees with Mr. Bryson that we not take over the offices from the state.

Ms. Triem asked what the purpose of this item being tonight's agenda was. Ms. Gladziszewski said it was to determine what additional information wanted to be given so they can make a decision at the next COW meeting.

Ms. Triem thanked Ms. Koester for her update and all the work she has done to shepherd this through the PWFC. She encouraged all Assemblymembers to review all of the PWFC agenda packets, as they featured a lot of relevant information.

Mr. Smith said that last year Mr. Rogers' had provided a financial memo for all the various options for financing a new city hall and he asked if the next time this comes back if they could

receive an updated memo from Mr. Rogers with those numbers in terms of options for bonds and general investments.

Ms. Hughes-Skandijs when first was appointed to the Assembly they were talking about the parking garage option. She asked if Ms. Schijvens had shared her cost analysis and if they may be able to share with the Assembly. Ms. Koester said that all that data and methodology has been posted onto the project website and link to that is on the front page of the presentation in this COW packet but she will also send the Assembly the link via email as well.

‘Wáahlaal Gíidaak asked Mr. Watt for clarification as to the location he was talking about with the State of AK Office building. Mr. Watt explained that there are actually two separate parking garages located across from Bullwinkle’s Pizza Parlor and also in the corner by Fireweed Place. She also said that she would like to hear about that potential option and what the potential might be for collaboration with the State, local tribes, and the City. Mayor Weldon said that she is on the Capitol Committee and the last time they discussed this, the state was not interested in discussing those options or willing to come to the table. She did say that maybe with tribal involvement, they may be willing to reconsider and it was worth looking into but she didn’t hold out a lot of hope for those options.

Ms. Gladziszewski said that she may be the only one but at this time she was not in favor of putting a \$43 million question on the ballot for a new City Hall at least until they’ve looked more closely at the various state office locations that are rapidly becoming vacant. She said that the building she is currently working in is only half full and she had hoped they may have been able to buy the DNR building before President Peterson beat them to it. She wanted more information on all of the available office space options. She questioned whether the City needed a new office building. She said that PWFC has done a great job in coming up with the better of two possible options but she is not willing to put that on the ballot at this point.

V. ADJOURNMENT

There being no further business to come before the Assembly, the Committee of the Whole meeting was adjourned at 9:45p.m.