

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
March 2, 2015, 6:00 PM.
City Hall Assembly Chambers**

Assembly Worksession - No Public Testimony - Meeting to begin immediately after Special
Assembly Meeting at 6 p.m.

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. **February 9, 2015 - Committee of the Whole Meeting Minutes**

IV. AGENDA TOPICS

A. **Discussion with JSD School Board on Budget**

B. **Update on Senior Assisted Living**

C. **North Franklin Parking Lot Proposal**

V. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

February 9, 2015 - Committee of the Whole Meeting Minutes

ATTACHMENTS:

	Description	Upload Date	Type
☐	DRAFT Committee of the Whole meeting minutes 2/9/2015	2/13/2015	Minutes

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

February 9, 2015, 6:00 PM.
City Hall Assembly Chambers

Worksession - No public testimony

I. ROLL CALL

Deputy Mayor Mary Becker called the meeting to order at 6:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Mary Becker, Karen Crane, Maria Gladziszewski, Loren Jones, Jesse Kiehl, Jerry Nankervis, Merrill Sanford, and Debbie White.

Assemblymembers Absent: Kate Troll

Staff present: Kim Kiefer, City Manager; Jane Sebens, Assistant Attorney, Rob Steedle, Deputy City Manager; Laurie Sica, Municipal Clerk; Kirk Duncan, Parks and Recreation Director; Myiia Wahto, Recreation Superintendent; Kathrin Millhorn, Aquatics Manager; Lindsey Brown, Parks and Recreation Administrative Officer; Robert Palmer, Assistant Attorney; Hal Hart, Community Development Director; Eric Feldt, Planner II; and Mila Cosgrove, HRRM Director.

II. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved.

III. APPROVAL OF MINUTES

A. January 26, 2015 - Committee of the Whole Meeting Minutes - DRAFT

Hearing no objection, the minutes of the January 26, 2015 Committee of the Whole meeting were approved with minor corrections.

IV. AGENDA TOPICS

A. Discussion about formation of an empowered Aquatics Board

Mr. Duncan said revenues increased and expenses decreased by a total of \$70,000 so far in FY15 and he anticipated saving another \$234,000 by eliminating the Aquatics Manager position and shuffling staff. He would write a business plan for the aquatics program including the level of participation, how to drive revenues and how to control costs by the end of May. He would meet with individuals and groups in the community over the next several months to get input. He spoke about the importance of having all staff get "guest service training." He would distribute user surveys and anticipated having cost recovery and user participation goals in place by the end of June. Goals include increasing participation, decreasing expenses and he will look at public / private partnerships. He would look at various types of financial support groups such as foundations or "friends" groups, and also look at a variable pricing model to include users at all income levels.

Max Mertz, member of the Aquatics Advisory Board, spoke to a power point presentation. He spoke about his involvement with Glacier Swim Club. Several members of GSC were present. GSC was very involved with supporting the two pool facilities and he spoke about hosting large swim meets, local swimming clubs, the masters program and the high participation rates of the club. Mr. Mertz said there had been a steady decline in pool users and the numbers now were less than in 2006 when only one pool was open. He spoke about cost recovery and said the pools would not pay for themselves entirely, but a 50% cost recovery had been achieved in the past. He provided statistics from a Sports Management Group study. He said Eaglecrest was very focused on its bottom line and

the finances were highly scrutinized. There needed to be greater transparency with the finances of the pools within the Parks and Recreation and the overall CBJ budget. He spoke about the effect of cuts to the pool's budget and talked about the effect of the closure of the pool on Mondays. Pools should be open on holidays, which are high revenue days. Perhaps some of the positions that were cut may need to be reemployed. He spoke highly of Kirk Duncan's abilities to manage. He showed the Parks and Recreation Department organizational chart and said there were many areas of responsibility and compared it to a management structure chart for the Eaglecrest facility. He said benefits of an empowered board was the ability to focus on one responsibility, and the possibility for volunteer empowerment and engagement, a leaner management structure, marketing, developing a fee structure policy, providing for maintenance needs, transparency, cost control, improved revenue, maximized facility use, providing for scholarships and keeping the pools open. He listed several names of competent people who would be good members of an empowered board. He said the draft ordinance in front of the Assembly had a seven member board with a hired manager, a budget approved by the Assembly, that marketed, monitored progress and reported to the Assembly. Mr. Mertz said that Mr. Duncan was the perfect person to assist with a transition plan. He said that 59% of the vote favored a charter amendment to allow an empowered board and the voters expected this to happen. He spoke about community support, including the Juneau Chamber of Commerce, to get this done. He encouraged the Assembly to support the draft ordinance.

The Assembly and Mr. Mertz exchanged questions and answers.

MOTION, by Sanford, to send the concept of the Aquatics Empowered Board to the Human Resources Committee, to work on a more complete draft.

Mr. Jones said the packet contained a draft ordinance said he did not see anything that needed more work. He would take it to the HRC committee if there was identified work that needed to be done. He was not sure whether he supported this yet. He voted to send it to the public for a vote, he voted against this on the ballot, and he did not feel it was this committee's position to stop it, he was willing to work on the issues, but he was still not sure how he would ultimately vote.

Ms. Crane said she had a number of questions that she wanted to discuss and this is the first time the Assembly had an opportunity to address the topic. She supported referral to the HRC and asked generally what an empowered board was expected to generate. What were the factors that would indicate that an empowered board was successful? She had questions about several issues such as staffing, and said if she got her questions answered she might be more supportive.

Ms. Gladyszewski asked if the empowered board could keep both pools open better than current staff could. Eaglecrest was not always as successful as it is now, and she said Mr. Duncan had fostered that improvement. A focused board may be the key, but other than that, if there is ineffective management whether it is staff or a board in charge, that needs to change. The department can do better management, can do better marketing -she wanted to know what a board could do better.

Mr. Sanford said that yes, staff could do a better job, but the report we have from the consultant stated that they had not done a better job. Mayor Sanford asked Ms. Sebens about the memo provided by Ms. Mead on Board duties. Ms. Sebens said that Ms. Mead identified issues for consideration that were comparisons between the various CBJ enterprise boards, and that the draft was modeled on the Eaglecrest ordinance.

Ms. White said the Assembly supported Juneau Votes, and the public voted favorably for the empowered board, and this Assembly was considering ignoring the will of the voters.

Ms. Gladyszewski said that the Parks and Recreation Advisory Committee had not had an opportunity to discuss this issue and that committee was split on whether an empowered board was good, and it was troubling that PRAC, as the overall committee advising Parks and Recreation had not considered this and weighed in. Just making another board, without being very clear as to what their duties are, does a disservice to all.

Ms. Crane said the Assembly voted to put this on the ballot but there was a lot of discussion and a lot of questions then, the Mayor said this vote was advisory and it would be reviewed and the Assembly would be able to ask more questions at a later time when we had heard what the public felt.

Mr. Kiehl said the voters approved permission, not a requirement, to establish an empowered board. Yes, the public voted strongly to keep the pools open and gave us the tools we need, but we need to figure out if this is the right tool. He had not heard that we need a board with the power to fire someone, to set up its own mini administrative structure, and as one of nine responsible for the budget, he was concerned about setting up another silo. He said that all agree on the goal of keeping the pools open and running them better.

Ms. Becker said she gave the public more credit that they knew what they were voting for and they thought the Eaglecrest model was good.

Mr. Nankervis supported the motion to move this to the HRC. He got the impression from the voters that they supported the creation of an empowered board. As a retired police officer, he did not support the marijuana initiative, but he would do his best to implement the public vote. He did not support the valley library or bundling projects. This was a singular issue that did pass. It was incumbent upon him to do what the majority of the public wanted.

Hearing no objection, the matter was moved to the Human Resources Committee.

Mr. Jones asked when an answer would be needed from HRC. Mayor Sanford suggested returning an ordinance to the Assembly in a few months. Mr. Jones said he would attempt to be quicker.

B. Ordinance 2015-07 An Ordinance Amending the Land Use Code Relating to Accessory Apartments.

Beth McKibben said the ordinance created a clear definition of an accessory apartment, which was a lesser use than the primary use of the lot as a single family home and not a duplex. Over time the community had become more accepting of accessory apartments. There was an ad hoc committee to review accessory apartments, which reviewed what other communities were doing, and looked closely at the CBJ Table of Permissible uses and the Table of Dimensional standards.

Ms. McKibben said the ordinance would allow for larger accessory apartments, up to 1000 square feet, if certain conditions were met with respect to the net floor area of the primary dwelling, size of the lot, and wastewater treatment capacity. The ordinance also simplified the review and approval process for accessory apartments that were proposed on lots that exceeded the minimum lot sized and were connected to sewer. The ordinance provided that the Planning Commission could approve an accessory apartment application on a lot that was less than the minimum lot size and was not connected to sewer. The Commission could also approve an accessory apartment application with a conditional use permit for a single family home in a multi-family zone district where density (number of units per lot) was calculated by unit/acre (D10, D15, D18, LC, GC, MU2, and WC) that were located on a lot too small to permit a second dwelling unit. The ordinance would also clarify the parking requirements, as well as create a parking standard for the larger accessory apartments.

The Assembly had concerns about the requirement for two additional parking spaces for larger accessory apartments. Ms. McKibben said that some variances had been granted to the parking requirements for accessory apartments. There was some discussion about the applicability of PD1 and PD2 reduced parking requirements.

She explained examples of various applications depending on zoning and lot sizes. She said that much of this was based on available sewer system connections. Mr. Jones suggested that instead of requiring a conditional use permit based on waste water considerations, an alternative would be certification by a licensed waste water engineer.

Ms. White said her main concern was parking and there should be something that said if the apartment was within a certain distance from public transit, could there be exceptions to the parking requirements. Ms. McKibben said that the parking was based on existing residential parking standards, and there was contemplation of some bonus points in the code but those had not been implemented.

Ms. White asked if common wall developments could add accessory apartments and Ms. McKibben said yes, within the dimensional and zoning standards.

Mr. Nankervis asked why there was more parking required if there was only one bedroom, whether it was 600 feet or 800 feet. She said it was to simplify things in the table. He asked why stacked parking was allowed for residences but not for accessory apartments, and it was mainly due to the control of parking being in two different residences rather than one.

Ms. Gladziszewski said any way to reduce the requirements for parking, especially downtown, would be good. She said that parking was needed, but two parking spots for an apartment seemed like a lot.

Mayor Sanford said the problem is if the cars are not off the streets, then the apartments cause problems in the neighborhoods with on street parking.

Mr. Jones said there was a push to add accessory apartments, and the new subdivision rules proposed to relax the requirements for sidewalks and paved streets - so this could conflate problems if no parking was required.

The Assembly discussed D10 and D10SF zoning districts and those requirements.

MOTION, by Jones, to amend the ordinance to reflect that where all conditions are equal, except for being on the sewer system, that the requirement for a conditional use permit be removed and replaced with some type of certified engineer's approval to state there was sufficient capacity in the on-site sewer system.

Ms. White said that the DEC septic certification notes how many bedrooms are allowed, and that would be sufficient and save money on hiring an engineer.

There was no objection to the staff investigating this topic based on Mr. Jones' and Ms. White's comments.

Mr. Hart said that one of the roles of the Planning Commission was to hear neighborhood concerns about the impact of adding density to a neighborhood, and therefore the conditional use permit was a way to facilitate the broader discussion.

Mr. Palmer said currently the staff did not have the ability to require the construction of a new septic system and the conditional use permit gave the Planning Commission the ability to require that. Mr. Jones urged the drafting of the code to allow the development based on the rules of adequate sanitation.

Ms. Becker thanked the staff for its work on this topic.

C. Auke Bay Plan

Mr. Feldt said this plan was entirely managed by CDD, along with the neighborhood and no consultant was involved so it was unique, fun and a little scary. He thanked everyone involved with the planning effort. Pat Carroll from the Alaska Department of Transportation (DOT) was present who had also participated in the planning effort.

Mr. Feldt said CDD worked to gain consensus on every aspect of the plan. There was a lot of collaboration between DOT, the University of Alaska Southeast (UAS), businesses and neighbors.

Local architects gave time to the effort and a result led to the vision of a neighborhood town center. He gave examples of issues/concerns and solutions from each chapter of the plan. The various zoning designations in the area have been reviewed and zone changes will be recommended in the coming months.

The Planning Commission would be holding a meeting on the Auke Bay Plan at its COW on Feb 10, and at its regular meeting that same night would take action. The plan was scheduled for introduction at the Assembly meeting on February 23 and public hearing and Assembly action on March 16. He said the plan had helped the department develop new relationships with citizens and had inspired some area residents to bring forward some ideas for changes.

Ms. Crane asked about the aspirational nature of the plan and asked who would create the changes proposed. Did CDD have the staff, time or money to carry it out. Mr. Hart said that staff was committed to doing the zoning changes and the plan gave form to investment in the area. The plan would develop project by project. He suggested engaging the working group in the zoning change. The discussion was still evolving about the community's responsibility to carry out the plan. They want to promote the public / private partnership approach. The plan identified a road corridor, the property owners needed to implement it as CBJ did not have the funding to build the road. He said there was a willingness by the public to participate.

Mayor Sanford said it was a great plan, and there were already two other neighborhoods identified for planning efforts. His concern was that it set out expectations for a CBJ contribution to the development through funding. Mr. Hart said he understood that and if the private sector was willing to make the investment then the planners needed to commit to working with them.

Mr. Kiehl asked if the Docks and Harbors Board reviewed this and Mr. Feldt said Mr. Uchytel and the Board had provided comments. Mr. Kiehl asked what zoning designation would relate to the town center concept. Mr. Feldt said that mixed use zoning district was most applicable but the heights anticipated in the plan were much lower, so this may allow for the creation of something unique in this area. We want to make sure it is a best fit for the vision of the plan, not a "near sorta best." The plan could advise the creation of a unique zoning designation.

Mr. Jones said that David Logan of the Docks and Harbors Board was involved with the planning effort and reported to the Docks and Harbors Board throughout. Mr. Jones had the impression at the planning meetings that the people participating were very committed. As people looked at doing development they would be looking to the plan and referring to it when they made their proposals. He spoke about the collaborative nature of the planning effort, which included people with diverse opinions who all cared about Auke Bay, and who would see that this plan was carried out with or without the contribution of CBJ.

Mr. Nankervis thanked the staff for the significant efforts. This was a piece in the puzzle and nothing could exactly match an aspirational plan, but it was great to keep the vision in mind.

Ms. Becker thanked Mr. Feldt and Mr. Hart for their work.

V. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Ms. Crane said that her intent with the Wednesday, February 11 Finance Committee was to come up with an agreement on the recommendations coming from the Tax Exemption Review Committee.

VI. ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 8:33 p.m.

Submitted by Laurie Sica, Municipal Clerk

**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Discussion with JSD School Board on Budget

ATTACHMENTS:

	Description	Upload Date	Type
☐	JSD Operating Fund Budget Scenarios FY2016	2/26/2015	Exhibit
☐	Summary of Public Testimony/Comments on JSD Budget FY16	2/26/2015	Exhibit
☐	JSD Powerpoint Presentation	3/2/2015	Presentation

Juneau School District
Operating Fund Budget Scenarios
FY 2016

For release
January 27, 2014

Scenario	1	2	3	4	Implications
Revenue					
CBJ Funding	515,700	259,700	259,700	0	
CBJ Activities Funding	392,500	392,500	0	0	
State Grants	0	-1,112,743	-1,112,743	-1,112,743	
Fund Balance Estimate	21,676	21,676	35,675	35,675	
<i>Revenue Increases (Decreases)</i>	<u>929,876</u>	<u>-438,867</u>	<u>-817,368</u>	<u>-1,077,068</u>	
Expenditures					
Tighten teacher discretionary budget	20,000	20,000	20,000	20,000	
Reduce 4 instructional coaches	410,424	410,424	410,424	410,424	Title 1 grant will pay for one coach for total of 3 coaches to be shared
Move MAPS to grant funding	56,278	56,278	56,278	56,278	
Revise assumptions for negotiations	249,750	249,750	249,750	249,750	
Revise heating oil per gallon price	111,000	111,000	111,000	111,000	Estimate is now \$3.20 per gallon on average; what if price jumps back up
Reduce supplies, materials & media	120,000	120,000	120,000	120,000	CTE: \$17K; sped \$33K; tech \$40K; maint. \$30K
Cut district-wide budget	100,000	100,000	100,000	100,000	HomeBRIDGE \$19K; Montessori \$51K (.50 FTE); tech \$10K; Supt \$20K
Postpone social studies curriculum	240,000	240,000	240,000	240,000	
Reduce (Increase) JCCS allocation	-11,284	18,666	18,666	24,347	
Institute high school activities fee	0	0	0	0	Estimated revenue: \$200,000; Will have to tighten budget as well
Reduce financial support for high school activities		293,500	293,500	293,500	Reduce the number of activities
Cut district level budget, second time		186,600	186,600	186,600	HR: \$15K; Communications \$10K; PD \$93K; Equity Training \$17K Copier paper \$20K; Replacement Curriculum \$21K; Sec Math \$10K
Change teacher allocation in Gr 3 - 5 by 1.00		153,906	153,906	153,906	1.00 FTE classroom teacher; plus .50 FTE elementary specialist
Change teacher allocation in Gr 6 - 8 by 1.00		256,512	256,512	256,512	2.50 FTE classroom teachers
Change teacher allocation in Gr 9 - 12 by 1.00		266,776	266,776	266,776	2.60 FTE classroom teachers
Reduce school budgets by 10%		64,216	64,216	64,216	
Reduce support staff (1.00 FTE)		66,209	66,209	66,209	
Eliminate high school intramurals		29,699	29,699	29,699	
Eliminate drug testing		21,375	21,375	21,375	
Cut district level budget, third time			100,000	100,000	Not figured out yet by cabinet
Reduce financial support for high school activities, again			200,000	200,000	Fewer activities for next year
Eliminate financial support for elem student activities			30,000	30,000	Cut financial support at \$5,000 each elementary school
Eliminate middle school activity financial support			15,000	15,000	No middle school activities
Eliminate middle school activity stipends for coaches			33,501	33,501	No middle school activities
Change teacher allocation in Gr K - 2 by 1.00				307,818	3.00 FTE classroom teachers
<i>Expenditure Reductions</i>	<u>1,296,168</u>	<u>2,664,911</u>	<u>3,043,412</u>	<u>3,356,911</u>	
Total Changes	<u>2,226,044</u>	<u>2,226,044</u>	<u>2,226,044</u>	<u>2,279,843</u>	
Amount to Reduce	<u>2,226,044</u>	<u>2,226,044</u>	<u>2,226,044</u>	<u>2,226,044</u>	

PUBLIC TESTIMONY AND COMMENTS

CLASS SIZES – Most people support maintaining class sizes

ELEMENTARY INSTRUCTIONAL COACHES – Most people favored maintaining class sizes over retaining instructional coaches; most elementary principals spoke in favor of keeping instructional coaches

CURRICULUM MATERIALS PURCHASE – Several people suggested postponing or canceling curriculum materials purchases

PROFESSIONAL DEVELOPMENT – Many spoke to less out of town travel and utilizing local resources more frequently, and not to provide professional development to staff who will leave in 1 – 2 years

AVID – Several elementary folks wanted AVID eliminated; this is much less controversial this year

ACTIVITIES: HIGH SCHOOL – Comments went both ways on this with several high school students desiring to continue high school activities (especially DDF at TMHS); some preferring smaller class sizes to high school activities; and several suggesting instituting a high school fee or other revenue ideas; some recommended proportional reductions by activity

ACTIVITIES: MIDDLE SCHOOL – Several people wanted middle school activities to continue; note: this may fund the Book & Breakfast programs

ACTIVITIES: ELEMENTARY – One person spoke in favor of JAMM

ASSESSMENT TESTING (MAPS) – Several elementary people favor eliminating or scaling back MAPS and other tests

EXTENDED LEARNING – Several people want this program continued or restored to earlier funding levels

SCHOOL RESTRUCTURING – There were many ideas on how to re-organize our schools and their grade alignments

FUNDING – Many encouraged the District to seek maximum funding from CBJ

UNMET NEEDS CONCERNS

HIGH SCHOOL LIBRARY ACCESS – We received one comment, and the combined high school site council mentioned this

SUPPORT STAFF FOR CAREER COUNSELING – The combined high school site council mentioned this

ART EQUIPMENT – One person pointed out that art equipment (kilns, pugmills, tables and drawing horses) needs replacing

Juneau School District

CBJ/JSD Joint Meeting

FY16 Budget

Mark Miller, Ed.D., *Superintendent*

David Means, *Director of Student Services*

Phyllis Carlson, *Board of Education President*

March 2, 2015



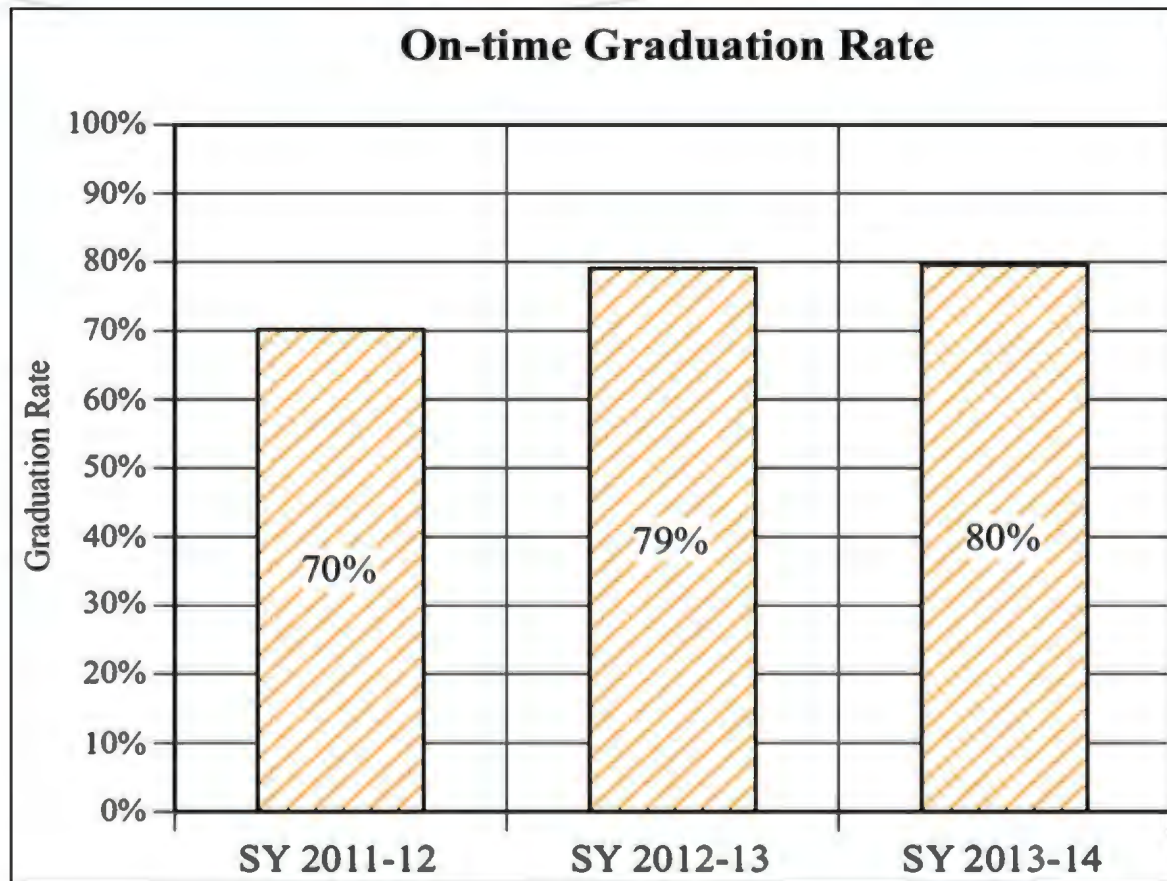
The Challenge

Current projected revenue	\$64,780,625
Current projected expenses	\$67,006,668
Deficit	(-\$2,226,044)

Why is this so hard???

Fiscal Year	Expenditures Cut	FTE Reductions
FY 2012	\$3,320,000	25.60
FY 2013	\$3,750,000	46.00
FY 2014	\$1,481,000	13.00
FY 2015	\$2,412,000	18.69
Total	\$10,963,000	103.29

Why is this so important?



Graduation Rate

Graduation Rate at Juneau's Comprehensive High Schools

- Juneau-Douglas High School 90.68%
- Thunder Mountain High School 89.68%

2013-14 Juneau School District Alaska School Performance Index

School	Star Rating	Score
Auke Bay Elementary	★★★★	93.91
Gastineau Elementary	★★★★	86.30
Glacier Valley	★★★★	86.65
Harborview Elementary	★★★★	90.15
Mendenhall River	★★★★	93.45
Riverbend Elementary	★★★★	90.64
Juneau Community Charter School	★★★★	92.24
Dzantik'i Heeni MS	★★★★	90.15
Floyd Dryden MS	★★★★	92.17

Revenue Uncertainty

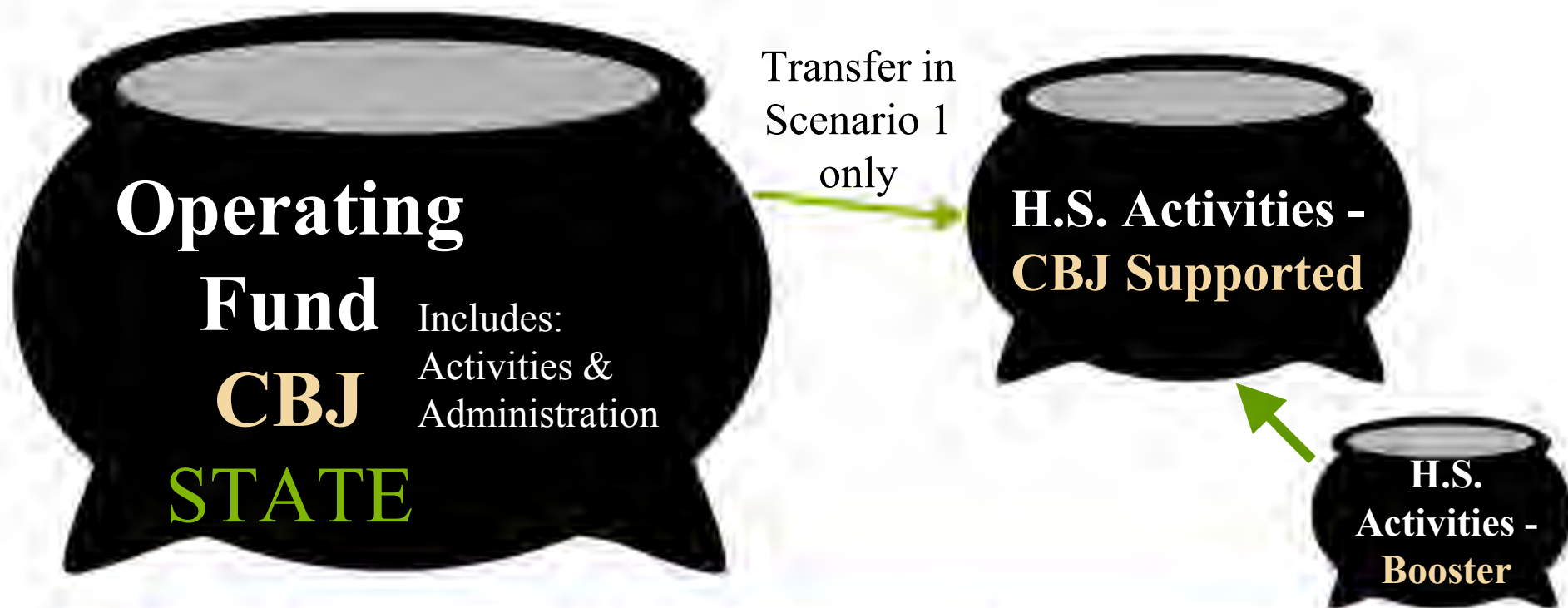
Variables:

- \$1.1 million in one-time state monies (\$250,000) in CBJ lower cap possibilities
- CBJ full funding vs last year \$500,000 under cap
- CBJ activities funding which was reduced \$392,000 last year.

Class Sizes

Grade Level	MatSu	Anchorage	Kenai	Juneau	Proposed Budget Fairbanks
K	23	20	20	22.5	23
1	25	21	22	22.5	25
2	25	24	22	22.5	25
3	25	24	22	28	25
4	27	25	24	28	27
5	27	25	24	28	27
6	27	26	24	28.67	27
7-8	28	27.25	24+	28.67	28
9-12	30.5	29.41	24+	27.9	30.5

Funding	Actions	Cuts
Full funding from the State and CBJ	Tighten teacher discretionary budget, Reduce 4 instructional coaches, Move MAPS to grant funding, Revise assumptions for negotiations, Revise heating oil per gallon price, Reduce supplies, materials & media, Cut district-wide budget, Postpone social studies curriculum , Reduce (Increase) JCCS allocation, Reduce activities expenses	\$1,459,000
Loss of one-time monies from the State Full CBJ funding	Institute high school activities fee, Reduce financial support for high school activities, Cut district level budget, second time, Change teacher allocation in Gr 3 - 8 by 1.00, Change teacher allocation in Gr 9 - 12 by 1.00, Reduce school budgets by 10%, Reduce support staff (1.00 FTE), Eliminate high school intramurals, Eliminate drug testing	\$1,339,000 (2,798,000)
Loss of one-time monies from the State CBJ funds to cap but does not fund activities	Cut district level budget, third time, Reduce financial support for high school activities, again, Eliminate middle school activity financial support, Eliminate middle school activity stipends for coaches	\$379,000 (3,177,000)
Loss of one-time monies from the State CBJ funds below cap and does not fund activities	Change teacher allocation in Gr K - 2 by 1.00	\$309,000 (3,486,000)



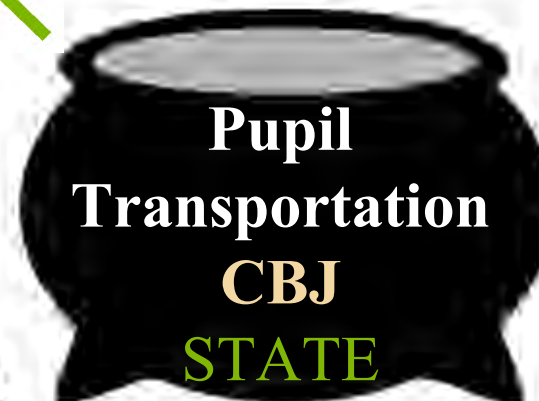
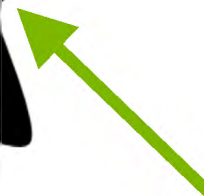
Scenario	Transfer from Operating Fund	Amount from CBJ	Total	Reduction in spending from 2015
1	294,000	565,000	858,000	140,000
2	0	565,000	565,000	433,000
3	0	173,000	173,000	825,000
4	0	173,000	173,000	825,000



Transfer in Scenario 1 only



Transfer allowed below cap funded only



Student Participation in High School Activities

Year	JDHS	TMHS	Overall
1994 – 2008	46% - 52%		
2008-09	51%		
2011-12	73%	60%	66%
2012-13	72%	67%	69.5%
2013-14	75%		

Participation rate reflects number of individual students participating in one or more activities each year.

Student Participation in High School Activities

“...our study provides compelling evidence from the SAT, a national high-stakes test, that participation in extracurricular activities provides all students—including students from disadvantaged backgrounds, minorities, and those with otherwise less than distinguished academic achievements in high school—a measurable and meaningful gain in their college admissions test scores.

— College Board Research Report: *Everyone Gains*, Everson and Millsap (2005)

Extracurricular School Activities benefited socioeconomically disadvantaged students as much or more than advantaged students. In summary, the authors' findings support the conclusion that ESAs foster school identification/commitment that benefits diverse academic outcomes, particularly for socioeconomically disadvantaged students who are least well served by the traditional educational curriculum.

— *Harvard Educational Review*, Extracurricular school activities, Marsh and Kleitman (2002)

The Center for Comprehensive School Reform (CCSR) elaborates further on the relationship between student participation and engagement.

- Students' classroom engagement is related to student participation in activities, especially among kids from poor families.
- Activities help kids build supportive relationships among peers and adult staff, a key component in classroom engagement and college aspiration.
- Structured activity programs create peer groups with higher aspirations and more commitment to academic success.
- Activity programs help promote healthy physical, psychological, emotional and social health.

Budget Calendar: October-January

	What	Who/Lead
October 21	School Board Workshop – Discuss Budget Development Schedule	Mark Miller David Means
November 18	School Board Meeting – Adopt Budget Development Calendar	Mark Miller David Means
December 2 6:00 – 8:00 TMHS Library	Public Meeting -Review mission, goals, strategic plan, student achievement -Present budget calendar schedule -Present Big Picture Budget -Review FY 2014 FY 2015 Budget: reductions, increases -Solicit Ideas to Balance Budget	Mark Miller David Means
December	Prepare legislative talking points – Capital Needs	Mark Miller David Means Kristin Bartlett
December 15	Governor Releases Governor's Proposed State Budget	
January 5	Distribute information to principals to meet with their site councils on the FY 16 Budget, and to solicit budget input	David Means
January 15 6:00 PM TMHS Auditorium	Combined Site Council meeting with break out into elementary, middle school and high school groups	Principals
January 27 6:00 PM TMHS Library	School Board Work Session (Topic: Budget) -Present preliminary FY 2016 budget -Budget message	Mark Miller David Means

Budget Calendar: February - June

When	What	Who/Lead
February 3 6:00 PM JDHS Library	Public Forum on Budget -Including Principals report from their site councils -Including public input	Mark Miller David Means
February 9 6:00 PM TMHS Library	Public Forum on Budget -Including Principals report from their site councils -Including public input	Mark Miller David Means
February 17 6:00 PM JDHS Library	School Board Work Session (Topic Budget) -Short staff report -Board members provide their recommendations	Mark Miller David Means
March 2 6:00 PM	Joint meeting CBJ Assembly	School Board
March 10 6:00 PM	School Board Meeting -Present proposed FY 2016 budget – First Reading	Mark Miller David Means
March 24 6:00 PM	Special School Board Meeting -Board adopt FY 2016 budget – Final Reading	Mark Miller David Means
March 31	Budget Due at CBJ	David Means
April 8 5:30 PM	Probable date of CBJ Finance Committee Meeting -District formally present budget Assembly	Board President Mark Miller David Means
April 19	Legislature Adjourns	
April 23	Special Board Meeting, if needed -Board approve final adopted budget	School Board
April 27 Tentative date	CBJ Assembly Meeting -Determine funding to District's operating fund	CBJ Assembly
May	CBJ Assembly Meeting -Approve district budget through ordinance	CBJ Assembly ●
June	Submit Operating Fund budget to Alaska Department of Education & Early Development	David Means

In the End

- While we support the current instructional strategies that are effectively contributing to the priorities of higher student achievement and graduation rates, nothing in the current budget is off the table.
- Our staff understands how serious this is and are watching every dime. It looks like we might come in under budget this year, which will give us some breathing room for unexpected expenses next year.

**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Update on Senior Assisted Living

ATTACHMENTS:

Description		Upload Date	Type
☐	Cover Letter - SCSSI - Feb 26, 2015	2/26/2015	Cover Memo
☐	Senior Citizen Support Services Inc. Project Proposal	2/26/2015	Report

SENIOR CITIZENS SUPPORT SERVICES, Inc.
P.O. Box 20022
Juneau, Alaska 99802

February 26, 2015

Committee of the Whole
City and Borough of Juneau Assembly
Juneau, Alaska

Dear Assembly Members,

Thank you for the opportunity to meet with you Monday, March 2, 2015 at your next Committee of the Whole meeting. SCSSI has looked forward to providing you an update on the SENIOR HOUSING AND SERVICES MARKET DEMAND STUDY which CBJ helped to fund. Thank you again for support with that critical and necessary study. If you have not already reviewed the study, you can access it on the Juneau Economic Development Council website: www.jedc.org.

Attached please find a narrative about the project we have initiated, and are committed to completing, to provide assisted living housing and services to Juneau's seniors. I hope it will sufficiently inform you about our progress and stimulate questions and conversations so we can continue to collaborate on this essential need and significant demand in our community.

Thank you, and I look forward to seeing you.

Sincerely,

Sioux Douglas
President
Board of Directors

/1 attachment

SENIOR ASSISTED LIVING for JUNEAU
by Senior Citizens Support Services, Inc.
March 2, 2015

Alaska has the fastest growing aging population in the United States. Our senior population will double over the next 18 years. The Mat-Su Valley and Southeast Alaska are the two regions in the state with the greatest population growth of people age 65 and older. Juneau, Southeast's regional hub and our state capital, is in the midst of a crisis; a silver tsunami. We are not prepared.

After almost two years of research and outreach and a \$50,000 market demand study for senior housing and services, Senior Citizens Support Services, Inc. (SCSSI), has progressed to the next phase of developing a senior assisted living facility in Juneau.

In June 2013 a group of local volunteers began an initiative to provide assisted living for seniors in Juneau. There was much public support and a task force was formed to continue the effort. The task force later became part of Senior Citizens Support Services, Inc., a 501-c-3 dedicated to supporting seniors. SCSSI's work is conducted by its Board of Directors; it has no paid staff. Several of the Task Force members now serve on the Board.

DEMAND

In the continuum of care for seniors, the greatest demand is for *Assisted Living* for Juneau's rapidly growing aging population. Juneau has no senior assisted living other than the Pioneer Home, which provides memory care to over 85% of its residents. There are over 100 on the active waiting list; and consistently 1300 on the inactive list. There is no reasonable expectation that the government-run Pioneer Home will expand, and even if it did on existing property, there is only room for 15 more beds, which cannot begin to meet the demand. There is one private assisted living home in Lemon Creek that provides three beds to private pay residents.

The Market Demand Study shows a need for at least 56 assisted living beds/units right now; 78 by 2017 and almost 117 by 2022.

The Task Force has learned:

- Aging residents want to stay in Juneau until they die, and
- Many prefer to age at home but it's not always possible
- More in-home services are desirable but some seniors still need a place to go—many homes are not adaptable for better access and safety, nor is being alone healthy.
- There is an increase in Alzheimer and dementia-related diseases—need for more memory care will continue to grow

-We need our seniors and elders to be able to stay here. Their families do not want to lose them to housing and care away from loved ones and community, but that is happening now for some of Juneau's elders.

Some reasons to keep and care for our elders in Juneau:

Economic impact - Retaining seniors in our communities has a deep economic impact.

At the *Power of Aging Symposium* held in Anchorage last May a professor from UAF stated:

"Seniors contribute to the health of the economy and invest an estimated \$2.4 billion annually from retirement, pensions, Social Security, and personal savings. They spend their money on living expenses, health care, entertainment, and gifts for their children and grandchildren, many of whom also live in Alaska."

The new *Juneau Economic Plan* recognizes the value of keeping seniors in Juneau. One of the Plan's primary recommended initiatives, *Building of a Senior Economy*, clearly recognizes impacts that seniors have on our community, from keeping their wealth and investments local, to volunteering, to supporting local services including healthcare, not to mention the incredible value of their perspectives on community life.

Clearly, seniors are an "industry" themselves—one that is clean, year-around, and not resource dependent. Besides being the "right thing to do", keeping our elders safe and vital for as long as possible is good business. And, economically speaking, the sooner a person moves into assisted living the greater the delay for twice-as-expensive long term nursing care.

-Volunteerism- The longer we can keep our seniors healthy, safe and in appropriate housing the longer they will be active in communities. When we lose our seniors because they have nowhere to go—as in Juneau – we lose their wisdom, experience, talent, economic support -- and volunteer work.

It is estimated that the current value of senior volunteers in Juneau is about \$3,236 per volunteer—approximately \$3.7 million per year. (Alaska Department of Labor, based on 3,398 seniors in Juneau in 2013.) This will peak in 2032 to \$10.9 million.

Jobs - DOL estimates that assisted living facilities create about 1 job per resident and with minimum pay about \$25,000 & \$30,000 in wages per resident. Skilled nursing facilities create about 1.5 jobs and pay between \$65,000 and \$70,000 in wages per resident. If the need for 117 beds were to be met by a new Juneau assisted living facility it would generate 117 jobs and about \$3 million in wages for direct jobs only.

MARKET DEMAND STUDY -- www.jedc.org

The SENIOR HOUSING AND SERVICES MARKET DEMAND STUDY was completed in October 2014 to quantify and project the demand for senior assisted living and other senior housing and services. This study was conducted by Agnew::Beck and funded by City & Borough of Juneau,

the Alaska Mental Health Trust Authority and SCSSI. Contract assistance and support services were provided by the Juneau Economic Development Council.

SCSSI is pleased with the professionalism and outcome of the study, and the excellent support provided by the JEDC. The study legitimizes anecdotal evidence with updated statistics and projections and will be used to support further development and to secure an assisted living facility operator. The complete study can be downloaded from link above.

VISION

At this point in time, our vision for the most-preferred scenario is a campus model. As the demand study reveals, an 80-bed assisted living facility is the highest priority in the senior continuum of care, and would be the first phase of construction on such a campus. An assisted living building would include a new community Senior Center, which is also badly needed in Juneau. The Senior Center would serve meals and provide activities to both the assisted living residents and other seniors in the community. A new non-profit center, (to be funded separately by United Human Services of Southeast Alaska), will house the Southeast Aging and Disability Resource Center (ADRC) and be on the campus serving much of the same aging population. The campus would also provide opportunity for private developers to construct (also badly needed) condos or apartments for independent seniors. Some mixed use businesses could enhance this vision helping to make a true senior community integrated within Juneau.

Our preferred assisted living model would provide basic assisted living and some memory care for residents. Ideally a hospice bed and 1 to 2 rehabilitation transition beds would be in the facility as well, since there are none in Juneau. To increase the local workforce needed to support an assisted living facility, a collaboration with University Alaska Southeast nursing and certified nursing assistant programs is being explored, with an eye to providing a workplace training lab on site. Including a few affordable staff apartments adjacent to the facility is recommended, and would meet some of the demand in Juneau for affordable housing.

The vision includes acquiring land that doesn't require expensive site development, and preferably has utilities on or nearby the property. The site should have access to some services, in a safe walking area, and near a bus line. To remain active and as healthy as possible, seniors do not want to be isolated.

NEXT STEPS

Exploratory conversations and meetings have encouraged SCSSI to apply for pre-development support through a partnered program offered and funded by the Rasmuson Foundation, the Mental Health Trust Authority, the Foraker Group, the Mat-Su Health Foundation and the Denali Commission. Now that the Market Demand Study is complete, and in order to move the project to a higher professional level and not lose momentum, application is currently underway. There is no guarantee that SCSSI will be accepted in the program, but indicators are positive. With city and state budgets very tight, getting a multi-million dollar project off the ground will require many partners and creative financing. Pre-development assistance will help

provide feasibility and assessments which are necessary for substantive collaborations and public/private partnerships.

PARTNERSHIPS and LOCATION

One of our most valued partners in this project has been the City and Borough of Juneau. CBJ's support for the market demand study and conversations with the City Manager and staff have all been encouraging and much appreciated. Now, however, is the time for conversations to turn into more action for this project to move forward and be a success.

A site for the project is still unknown. SCSSI has researched dozens of various properties, both privately held and those owned by the City, and met with CBJ Community Development, Lands and management staff a number of times. Finding appropriate land is difficult and expensive. This needs to be done before many of the pre-development tasks can be accomplished.

One way the City can continue to partner in this project is to donate land that may be unsuitable for an assisted living facility but useful for other types of development. We could sell that land to help pay for suitable land.

Other ways, which have been under discussion, is for the City to provide land, which it would continue to own, and lease it to the owner/operator of the facility for a reasonable annual fee, or to outright gift the land for this special purpose.

So far, CBJ has not offered land that suits the special requirements for assisted living. We continue to be hopeful, but if none is found, then we respectfully request continuing our partnership with you in finding creative ways to finance and acquire land.

~

We respect and appreciate that the City and Borough of Juneau has many responsibilities and challenges. Stewardship of our citizenry is one of them. Without question, taking care of our senior population is essential for our long-term economic well-being. Developing an assisted living facility, creating more independent accessible housing, and providing incentives toward small, "mom and pop" private assisted living homes are critical elements for a stable and vibrant local economy. This project is not just about creating a place—it is about preserving and sustaining a community. We continue to look to CBJ for creative solutions and to work together as active partners.

**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

North Franklin Parking Lot Proposal

ATTACHMENTS:

	Description	Upload Date	Type
☐	Update memo from Greg Chaney - 2015-02-26	2/26/2015	Cover Memo
☐	Memo from Greg Chaney	2/5/2015	Cover Memo
☐	Juneau Legacy Properties Proposal	2/5/2015	Exhibit
☐	Letter from Steve Soenksen	2/6/2015	Exhibit
☐	Minutes from Lands Committee discussion - 2/9/2015	2/26/2015	Appeal

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 S. Seward St., Juneau, Alaska 99801
Greg_Chaney@ci.juneau.ak.us
Voice (907) 586-0205
Fax (907) 586-5385

TO: Assembly Committee of the Whole

FROM: Greg Chaney, Lands and Resources Manager



DATE: February 26, 2015

SUBJECT: Juneau Legacy Properties Proposal L.P. - Alternative Use for the
CBJ North Franklin Parking Lot – Status Update

During the February 9th 2015 Lands Committee meeting, one member was absent and the chair declared a conflict and stepped down. Therefore, only two Assembly members remained to discuss the issue. Assembly member Nankervis stated that he was uncomfortable with only two members of the Assembly making a decision about this topic when the entire Assembly participated in making the original decision. He therefore suggested that the item be referred to the Committee of the Whole for further deliberation. Deputy Chair Ms. Becker agreed, and with the Mayor's permission, they directed the topic to the Committee of the Whole.

The items related to this topic that were contained in the Lands Committee packet have been included in this Committee of the Whole packet for reference including minutes from the Lands meeting and a letter that was submitted by Mr. Soenksen representing Juneau Legacy Properties L.P. after the packet deadline. Mr. Soenksen's letter indicated that Juneau Legacy Properties could not obtain financing for purchase of the North Franklin Parking Lot if the sale came with a reversion clause.

There have been several informal inquiries from adjacent business owners and the public about the status of this property since the Assembly directed Lands to pursue a negotiated sale of the North Franklin Parking with Juneau Legacy Properties. Many have commented that they did not feel that the original public notice was sufficient.

Recommendation

Lands staff recommends that because little progress has been made in the nine months since the Juneau Legacy Properties proposal was submitted, the Committee of the Whole discuss the possibility of seeking alternative proposals for CBJ's Second and Franklin parking lot.

Alternatives include:

- Approving selling the property to Juneau Legacy Properties as a fee simple transaction without a reversion clause. (Sale of the property without a revision clause will prevent the City from being able to assure a desired outcome.)
- Determining that it is the public's best interest to continue to use the property for a CBJ managed parking lot.

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 S. Seward St., Juneau, Alaska 99801
Greg_Chaney@ci.juneau.ak.us
Voice (907) 586-0205
Fax (907) 586-5385

TO: Assembly Lands Committee 
FROM: Greg Chaney, Lands and Resources Manager
DATE: February 5, 2015
SUBJECT: Juneau Legacy Properties Proposal L.P. - Alternative Use for the
CBJ North Franklin Parking Lot – Status Update

At the April 7, 2014 CBJ Assembly meeting, the Assembly adopted a motion that gave Lands and Resources staff 30 days to solicit proposals for alternative uses for CBJ's parking lot located at North Franklin and Second Street.

The Lands Office received several inquiries, but only one proposal to purchase the North Franklin Parking Lot was received by the May 8th deadline (Attachment 1). This application was from Steve Soenksen, of Juneau Legacy Properties L.P. (JLP), proposing to purchase the lot, for the purpose of constructing 29 units of workforce housing. Also included with the proposal were 990 square feet of commercial space and 22 parking spaces on the ground floor.

CBJ Lands staff have had several meetings with JLP during the last nine months. Lands has attempted to develop a mutually agreeable project timeline with benchmarks however due to several factors, a timeline has not been established. A significant concern has been that financing agencies have been reluctant to participate in a project that includes a reversion clause. In addition, the project has not found financing because it would be difficult to recoup the cost of basic construction at current apartment rental rates.

JLP has investigated the possibility of building a larger building in hopes that the economies of scale would make the project more likely to provide an acceptable return on the investment. Various combinations of incorporating more stories, including more commercial space, decreasing the size of the apartments to increase the number of apartments or potentially receiving a property tax credit have all been considered. These discussions have not yielded results that have furthered the project's objectives.

Lands staff meet with Mr. Soenksen on December 16, 2014 to discuss the status of the project. At the conclusion of that meeting it was decided that JLP would provide the Lands Division with a project status letter by January 15, 2015. The intent of the letter was to allow JLP the opportunity to propose any modifications to the original project description, provide an update concerning financing options, discuss a strategy for a realistic reversion clause and propose an

outline for a project timeline with milestones. Unfortunately, this letter has not been submitted. If a letter is available in time for the Lands Committee, it will be provided at the meeting.

Recommendation

Staff recommends that if Juneau Legacy Properties L.P. has submitted a status update letter by the Lands Committee meeting, the merits of the letter be discussed at the meeting or scheduled for a later meeting if the issues are too substantive to address in the time available.

Alternatively if no letter is available, Lands staff recommends that because little progress has been made in the nine months since the JLP proposal was submitted, the Lands Committee discuss the possibility of seeking alternative proposals for CBJ's parking lot located at North Franklin and Second Street.

05/08/2014

Dear City and Borough of Juneau:

Please consider this our Application and submittal for RFP 14-266, "Alternative uses, North Franklin Parking Lot."

With this narrative, we hope to address the four criteria described in the RFP, and to introduce and describe the attached conceptual graphics and image sheets. Where referenced in the text, the image sheets are underlined.

1. Positive impact on housing

We discovered that 11 housing units were lost on this site about 2003 when the previous buildings were demolished and replaced with a city owned, single level parking lot. We would like to provide replacement plus expanded housing opportunities on this site. Recent housing studies indicate a strong need for 1-2 person apartments, primarily one bedroom units available for market rate short term and seasonal rentals. We believe that a mix of unit types would meet more of the local needs.

We are proposing a multi-family structure with 29 residential units on this property. The attached Concept for Upper Levels graphic shows our current proposed mix of new studio, one bedroom and two bedroom units. To provide greater detail as to how these units could be laid out, we also show the Concept for One Bedroom Apartment at a larger scale.

A total of 29 units are considered at this time. This includes 10 units each of the three upper levels with one apartment lost on the first floor due to providing an entry lobby. A different mix of rental units could be chosen which could push the total unit count up to 40 units. This is a concept plan; the final mix and size of apartments may be different and will be developed based on further study of the markets and the requirements of potential financial partners and lenders. Further financial analysis may shift the numbers and types of units until a feasible option is reached.

2. Potential to provide other street level uses

This building concept would begin with a concrete structure on the first level and three stories of light frame construction above. Our Parking Level & Site Concept drawing shows a

substantial ground floor retail opportunity at the intersection of 2nd and Franklin streets, which will help reduce the visual impact of the remaining ground level parking.

3. Parking management strategies

The construction method we envision allows us to retain most of the ground floor as surface parking. Our initial analysis, described in the Parking Level and Site Concept, shows 22 spaces, roughly what is currently available on this lot. This layout is similar to CBJ Parking Lot study by Tetra-Tech but would provide vertical connections to the residential levels above. Additional parking solutions including CBJ Tetra-Tech parking facility design may be considered. Based upon our interpretation of the CBJ parking code, this should provide adequate parking for the apartment residents and possibly for others.

4. Overall concept design quality

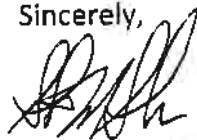
In addition to meeting the need for housing, parking, and other street front uses, it is important to have an attractive, high quality structure that is compatible with the downtown core. We have looked at some case study buildings built in other cities to address similar downtown housing needs. These are reflected in the images we present on our Precedents and Case Studies graphic. These will be further studied as project programming moves forward. Our final result may look something like these.

We plan to incorporate energy efficiency into the design, create quality living places with low maintenance exterior and interior finishes. We want to design a good neighbor building to the downtown core that will provide quality rental units for many years to come.

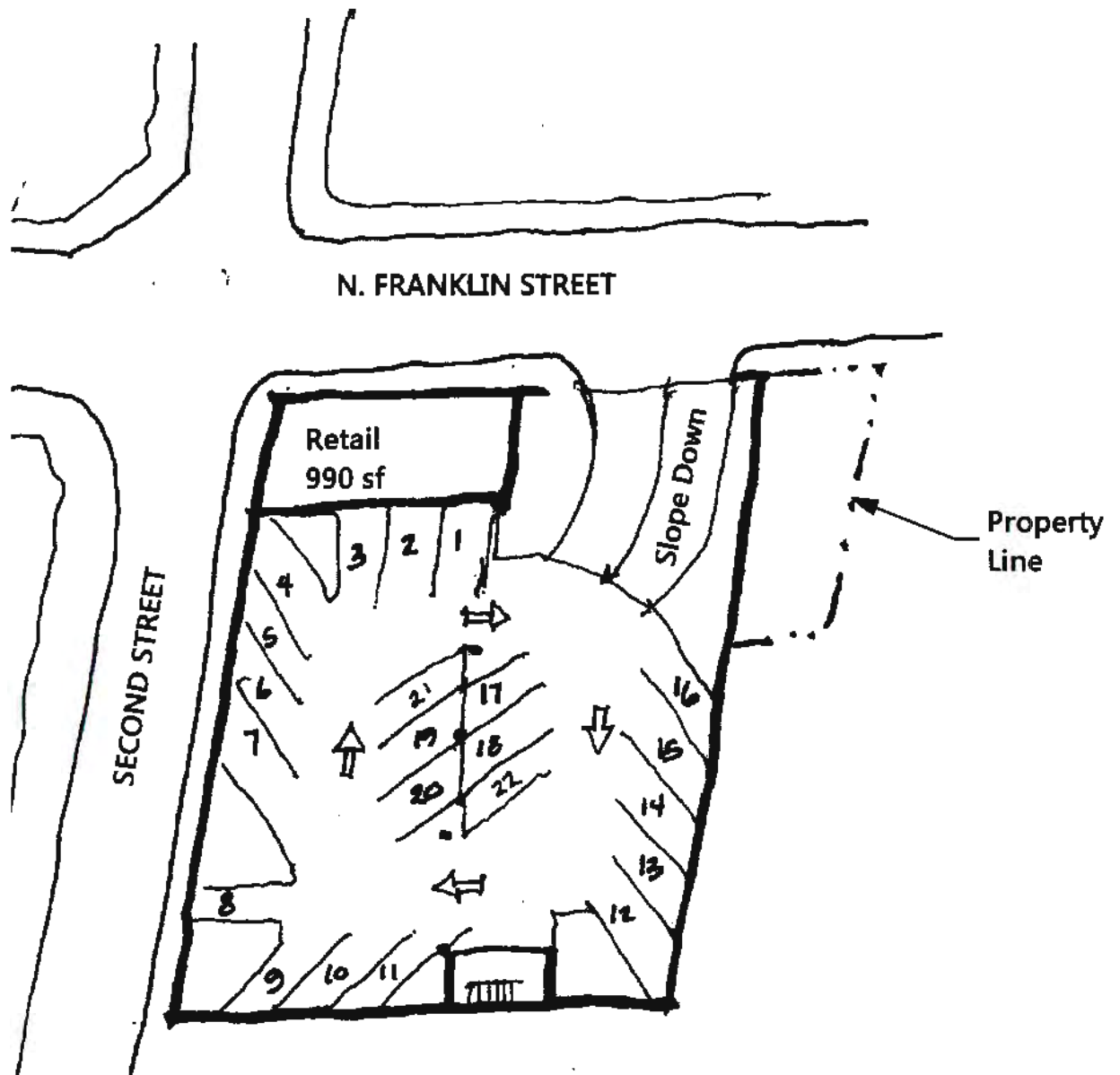
Until we know if and under what terms and conditions we can acquire the site, we are limited to this concept stage of project design.

Therefore, per the Request for Proposal "**Alternative Uses-North Franklin Lot RFP 14-266**," we make application to the City and Borough of Juneau to direct staff to negotiate with us to sell or transfer city owned property located at Second Street and North Franklin Street, (formerly known as the JAMI property), which currently holds a surface parking lot.).

Sincerely,



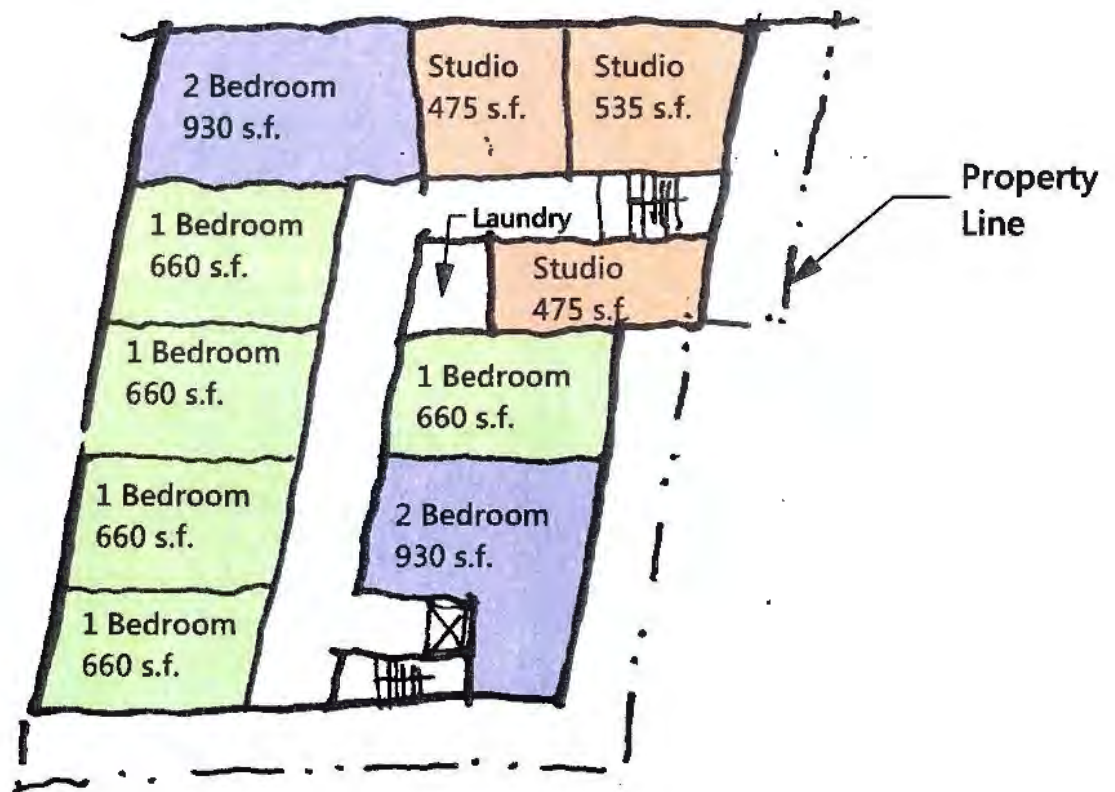
Steven Soenksen, General Partner
Juneau Legacy Properties, LP



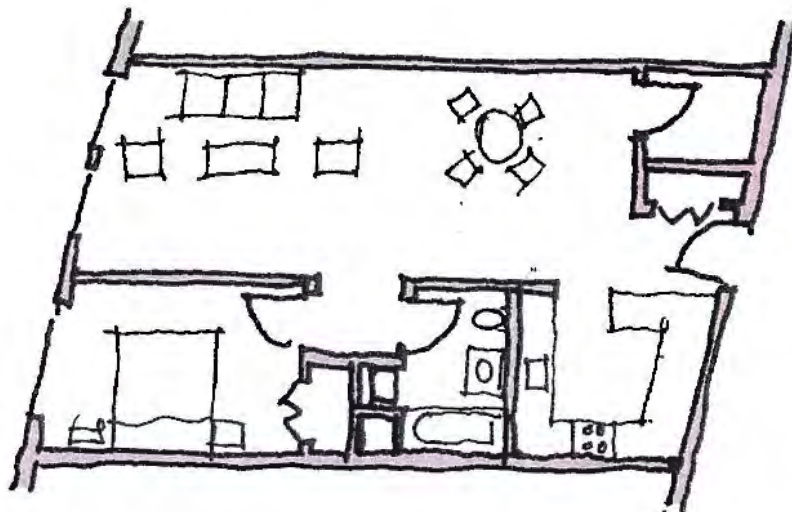
Parking Level & Site Concept

JUNEAU LEGACY PROPERTIES LP

Proposed Apartment Building, Second & Franklin St., Juneau Alaska



Concept for Upper Levels



Concept for One Bedroom Apartment



Precedents & Case Studies - some ideas for what our building may look like

JUNEAU LEGACY PROPERTIES LP

Proposed Apartment Building, Second & Franklin St., Juneau Alaska

Greg Cheney
CBJ Lands Director
155S Seward St
Juneau, Ak 99801

12-22-2014

RECEIVED

FEB 06 2015
CBJ Manager's Office
Via E-mail
Greg Cheney

Dear Greg:

Thank you for our recent meeting to discuss the possibilities for the site at Second and Franklin Street in Juneau. I think our recent meeting has been helpful to clarify issues and lay out a pathway forward.

We discussed the process and probability of financing and putting together a successful project. We looked at the draft timeline you presented our group with initially and talked about our findings to date.

We want to proceed with our original proposal and obtain the ability to purchase this property to construct a multi-story, multi-family apartment building. It will be a 4 story structure with the ground level as parking and the upper levels for residential use as submitted previously. This concept building can be feasibly built on the site with some planning and development permitting milestones that appear possible to achieve.

But it appears the draft timelines Reversion milestones will not work for us or our intended financing. We explained that these clauses undermine the property purchase and negate normal property sale transactions. Our finance program will not find participants until we have site control, or a formal, (normal) process to acquire it. Reversion clauses are not favored in the financial community.

We would like you to proceed with drafting an appropriate transfer agreement, acceptable to the CBJ for us to purchase the property. We are looking forward to moving this project ahead. But we need certainty that we can purchase the property under reasonable conditions that will allow us to finance project expenses and build the project.

The Assembly has shown support to consider the sale of the property for our proposal to construct multi-family housing in the downtown core area. A fair market value has been determined. The timeline you presented will generally work but the reversion clauses are not workable. Let us proceed with transaction arrangements to get this project moving forward.

Please let me know if you would like to discuss further details.

Steve Soenksen

**ASSEMBLY STANDING COMMITTEE MINUTES
LANDS AND RESOURCES COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
MINUTES**

February 9, 2015, 5:00 PM.
Assembly Chambers

I. ROLL CALL

Jesse Kiehl called the meeting to order at 5:00pm.

Members Present: Mary Becker; Jesse Kiehl; Jerry Nankervis

Members Absent: Kate Troll

Other Assembly Members Present: Mayor Sanford; Debbie White; Karen Crane; Loren Jones

Liaisons Present: Mike Peterson, Docks & Harbors Board; Bill Peters, Planning Commission

Liaisons Absent: Jeff Wilson, Parks & Recreation Advisory Committee

Staff Present: Greg Chaney, Lands Manager; Jessica Beck, Lands Specialist

II. APPROVAL OF AGENDA

Property Tax Abatement was removed from the agenda at this portion of the meeting. It was later reinstated by the Chair and the Remote Subdivision discussion was removed.

III. APPROVAL OF MINUTES

A. January 26, 2015

The minutes of the January 26, 2015 Lands Committee were approved.

IV. PUBLIC PARTICIPATION

Wayne Coogan: This is related to the (Honsinger Pond & Lemon Creek) gravel pit trade. In the trade there are appraisals. If we trade the gravel pit appraised at its current zoning with a piece of property at a different zoning. I'm assuming he received instructions for zoning as is in addition to prospective zoning, which is not in existence yet. It troubles me that were going to trade property for other property that's value is prospective. The party to the deal has control of the zoning. It seems very messy to me. The easiest way out would be to give the applicant his zoning and let him contribute to the economy with his zoning and take the gravel pit property and liquidate it for cash. If we follow the Economic Plan, it suggests to do just that. It says that you have an economy that is fragile here in Juneau and that we need to provide more industrial property. If we proceed with this land trade, we are ignoring the advice we paid for.

Dave Hanna: I'm here to speak on the same subject as Mr. Coogan - the proposed land trade. Mr. Hanna distributed a letter to all members of the Assembly. We have an issue in the face that we only have two immediately prospectively available large tracts of industrial land in this community and were looking at taking one of them out of circulation. That's one of the biggest impediments to business development in this town right now is lack of land that's available to be utilized. We're proposing to take it out of the tax base. Right now we're looking for more property tax. That is property that the City could sell for cash. They could take that land and put it out there for businesses we feel we're lacking in the community right now. There's a lot of opportunity for the City to capitalize on the property next to Costco. The fourth issue I want to talk about is the fairness. Why should we just turn this property over to somebody when it should be put out there for everybody to bid on. If the city thinks we need it for Airport use, we all saw how difficult it was to get it permitted to extend the runway 500 feet. Let's let Mr. Bicknell do the heavy lifting. He can get it permitted. He can get it developed. If you need a little bit of it for airport use, it would be far cheaper for him to go through this property than have the City go through the process. What's ironic is the fifth point in my letter. That's the fact that if any of you have lived here a long time, have watched that channel evolve over the years, it is an evolving process and relentless process. Many years ago that was bare sand. Then little islands formed out there. Now they have forests on them. The area that is where the fireweed are, just a few short years ago that was inundated by hightide. It no longer is. It has

alders and spruce and they are indeed encroaching into that. In a few short years, the fireweed won't be there unless someone wants to go out there on their hands and knees and pluck every seedling from the ground every fall. What are we going to save? Not what we intended.

Gary Bowen: Thank you for your time. I own a 240 acre claim, opposite Secon's property in Hidden Valley and I plan to develop that land. I need road access to it. Secon is having problems with easements. I hope you can figure it out. I can't afford to chopper in equipment. I've got potential employees to help clear the land. The state has already told me I can sell the timber. I need road access.

Mr. Nankervis: Where in relation to the property that's in question. Are you talking about across the river?

Mr. Bohen: I own the mineral rights on the state land in the corner from Secon's property in Hidden Valley. 240 acres. I've had that for a number of years. It's going to work one way or another. I'll get investors and equipment. People need to go to work. They're tired of being in the soup line.

V. AGENDA TOPICS

A. North Franklin Parking Lot Proposal

Jesse Kiehl declared a conflict of interest and stepped down. Mary Becker took over as Chair for this agenda topic only.

Mr. Hamilton: I would just like to have some clarification on the statute of limitation on the proposal to buy the lot and it's been on the table for quite some time. I would like to know what the statute of limitation is. The parking lot is an economic generator for the community and that end of town. I really don't want to see that lost to the private sector. It's utilized by the local businesses there.

Joanie Waller: In June 2014 I testified to the Assembly asking for more public involvement on the change of the use of this property. I feel like in offering that up for the proposal for the group to build on, it was an automatic change of use. The local residents never had a say in changing it from a parking lot. I feel like just because there's housing shortfalls it doesn't mean that should take precedent over the parking shortfalls. I felt like from the get go, once it got locked up... actually the first time I found about it was from an appraiser. I would like to buy the driveway to the attached lot but I'm not sure what the process is or if I'm shutout from that process or have to buy it from the group.

Mr. Chaney: This has been going on for several months, maybe close to a year. The North Franklin Parking Lot is near the Baranof Hotel. It previously had JAMI and Colonial apartments. The City acquired the property and removed those and put in a parking lot to meet the parking demand. The property was appraised at approximately \$500,000 on April 30th. Juneau Legacy Properties proposed to put in a multi-use building with apartments, retail space and parking. I've been working with Juneau Legacy Properties for the intermediate time. We've gone back and forth with potentially modified plans - they've looked at making the building higher, adding more apartments by making them smaller, and many things have been changing but they've come back to the original proposal. The big problem they've come up with is that they can't get financing if there's a reversion clause. Meaning if we sell the property to them, we can't have any control after that point. Lending institutions won't finance it because they don't want to give a loan on something we can take back. So, in a fee simple sale (without the reversion clause), the buyer can do what they want the next day after it's sold. That's why I've come back to get some direction, to see if fee simple sale, if that's appropriate. When I got direction from the Assembly, I was directed to get some kind of reversion clause so that we would get what we intended or it would return to us. "In His Hands" didn't build what we wanted and we (CBJ) ended up getting it back through tax foreclosure, but it wasn't a pleasant experience. That's my question to you. I've had many calls from neighbors and businesses who have expressed concerns that they didn't have enough opportunity to speak at the time of the proposal.

Mr. Nankervis: When you put out notice, why and what did it entail?

Mr. Chaney: Juneau Legacy Properties came to us and said they would like to put in a multiple-use structure. We went to the Assembly with the proposal. In title 53, we can either get permission to

negotiate directly or we can go out for proposals. The Assembly directed us to seek other proposals. We were given a 30 day time limit before we had to come back. We noticed it like a public hearing, and we probably should have noticed it like a land sale.

Mr. Nankervis: Did we have any other proposals?

Mr. Chaney: We had no other proposals. The Assembly reviewed the proposal and decided to move forward with entering into negotiations with Juneau Legacy Properties. We haven't been able to come up with a plan that works for everybody. The reversion clause is the final issue that hasn't been resolved. I don't feel comfortable selling it without a reversion clause. They can't get financing with one.

Mr. Nankervis: From the people who testified, what is the statute of limitations?

Mr. Chaney: "Statute of limitations" is not the right term, but how long does this go on before we have a cutoff date? There was no calendar set. We don't have a timeline. This is a good point to come back and ask for further direction.

Mr. Nankervis: Easement?

Mr. Chaney: It's interesting; we can see the property isn't a rectangle. It has a little ear that sticks out that provides parking for the adjacent property. Juneau Legacy Properties asked to buy the whole property and we never discussed that as a separate issue.

Mr. Nankervis: If it sold, would that issue reside with the new owner?

Mr. Chaney: We haven't sold it so that agreement could look however you want to.

Mr. Nankervis: Mr. Chaney is looking for some sort of direction and if memory serves me correct, we made that decision to the Committee of the Whole or the Assembly. We've gone from nine people having a say in that to two of us right now. I'm not comfortable making that decision as 50% of that decision. Could we wait until we have more people?

Mr. Chaney: If you want to wait for another meeting, that's your prerogative. Or, if you want to refer it to the Committee of the Whole.

Ms. Becker: Can you remind me what we said about the reversion clause?

Mr. Chaney: It wasn't that specific. I was directed to come up with an arrangement and bring it back for review. We're still negotiating.

Mr. Nankervis: If it went back to the Committee of the Whole, since we were all involved in it, I would be okay with that.

Ms. Becker: I would be okay with that. Unless the Mayor objects, I think this should go to the Committee of the Whole. And he said yes, so we'll do that.

B. Changing the Tax Deferral on Certain Subdivided Properties to a Tax Abatement

Mr. Chaney: This is a taxation issue. The Finance Director had some quick comments on this. He said the "CBJ is doing many things to assist with increasing housing units and affordable housing. I do not recommend we use property tax exemptions as proposed as a part of our housing action. We are just completing an effort to reduce current tax exemptions and it does not appear warranted to start creating them again. From a tax policy perspective exemptions are not an effective way to maintain the balance between what drives increased public service costs and workloads and who should pay. Housing is a priority and there are many ways to facilitate and support this. I would not recommend a tax exemption as proposed at this time."

Mr. Kiehl: We have all had the opportunity to review the letters in our packet. Is there discussion?

Mr. Nankervis: I think this is more appropriately at the Finance Committee.

Motion: Mr. Nankervis: I move we forward this to the Finance Committee for review.

Mr. Kiehl: Thank you. This falls within the Lands Committee topics. I'll take the opportunity to speak in favor of the proposal. This can be one piece in helping out. We're in short supply of measures to drive high density development. Our community is in need of high density development. I think the Lands Committee can make an appropriate recommendation to the Assembly. It would be a recommendation to the Assembly to make a recommendation to the Legislature.

Ms. Becker: I'm in favor of moving it forward because we did talk about this when they did a tax deferral. It's not that we won't ever get our taxes back. It's the first part of the improvements, it will wait until the property is sold and the property owner will pay the tax. The builder won't pay it. We'll

wait until the buyer buys it. I'm in favor of sending to the Assembly with a letter to send to the Legislature.

Motion: Mr. Nankervis: That was I left out in my first motion was to approve it and forward it to the full Assembly.

Hearing no objection, motion passes.

C. Housing First Request for \$90,000 Grant from the Juneau Affordable Housing Fund

Mandy O'Neal Cole, representing the Affordable Housing Commission, said the Commission wrote a letter recommending a \$90,000 grant from the Juneau Affordable Housing Fund for the Housing First project. At our February meeting, we heard from the Housing First working group about their need for some predevelopment funding. They estimate \$90,000 to be used for architectural services and environmental testing. They are preparing a very competitive application for a Special Needs Housing Grant. That application requires additional architectural drawings, soil testing and some things that cost money. The working group doesn't have that cash on hand. Those services are to prepare a stronger grant. They came to us asking for that money as a grant. We have been talking about low interest or no interest loans which means they would pay it back at some time. This is not that case. This is a request for a grant. Their operations costs will be so high that they will need subsidy throughout the life of their project. We argued long and hard to see if this is something we could entertain because we want the money to be a revolving fund. We talked a lot about what the options are for Housing First. They have identified this as the most time sensitive option. We decided that this is something we want to recommend. We think projects that have repayment are the priority. The benefit of having a local housing fund is the ability to be flexible. There will be projects that we hope have repayment. We weighed the benefit to the community versus the loss of \$90,000 that we couldn't recoup. We want the Housing Action Plan to come up with strategies to capitalize the Juneau Affordable Housing Fund. While there are projects that have repayment, there are other projects that can't afford to repay. We also noticed that the housing fund has grown. It has \$545,000 today. That is from repayment of other loans. We were preliminarily approved by this committee for \$75,000 for the Accessory Apartment Grant program. The Housing First \$90,000 would leave us with \$380,000 which is close to what we had in the fund in 2010. Since 2010 we've had 3 preliminary plans for the fund - two of which were withdrawn and one that was funded for predevelopment costs. While having a strategy for repayment is important, we are also really excited that 32 units will be resulted from this \$90,000 investment. We are hoping to find ways to grow the fund, rather than just relying on repayment from borrowers.

Mr. Nankervis: What you're looking is going from \$540,000 to \$380,000 that is both non repayment funds.

Ms. O'Neal Cole: We're hoping to grow it, not just through repayment of loans. It's part of our Housing Action Plan. It could come up with strategies to could capitalize the fund that we haven't thought of yet. We had \$400,000 in 2010 and a \$90,000 legislature appropriation. Those were the only sources thus far and we think there are other sources out there.

Mr. Nankervis: Are you under any obligation to disperse this money by a deadline?

Ms. O'Neal Cole: The \$77,000 earmarked for the accessory apartment grant program did have a deadline, but we got it extended by 1 year. That money should be used first but we were able to ask for extensions and are under the impression that they will be given.

Mr. Kiehl: \$75,000 for the Housing Action Plan, is before the \$545,000?

Mr. Chaney: Yes, that would be before the \$545,000.

Mr. Kiehl: Is there some reason why this \$90,000 must come from this fund, as opposed to the \$1.5 million the CBJ has committed?

Mr. Chaney: My understanding is that it would be for preparing for the SNHG grant. The conventional wisdom is that Juneau's ahead because we don't have a Housing First project. Anchorage, looking at the points, they are ahead of us. They are very experienced and have a very competitive application. If Juneau doesn't do something, it's questionable if we'll get it. With this money they can beef up their application.

Ms. O'Neal Cole: If we were judged right now, we would be behind the in the points compared to the other applications. It's not just points based but the points do matter. The \$90,000 would help to bring their points up.

Mr. Kiehl: What I'm driving at is, when the Assembly committed \$1.5 million, it wasn't the last dollar. There ought to be strategies in the Housing Action Plan to refill the Affordable Housing Fund, but it's not there yet. It seems to be entirely responsible and it seems to be within the scope of our \$1.5 million commitment, we could advance \$90,000 for their SNHG grant. It would be appropriate for the Finance Committee to decide which funding source to use for the first \$90,000. I have grave concerns on drawing down on the Affordable Housing Fund.

Ms. O'Neal Cole: We talked about this issue at the Affordable Housing Commission meeting. We were under the impression that the \$1.5 million was not available until after the SNHG grant was approved.

Mr. Kiehl: I must have missed that...

Ms. O'Neal Cole: I suspect that if there was a way to get the \$90,000 in advance of the \$1.5 million, they would be in favor of that.

Ms. Becker: I'm having similar hesitations as Mr. Kiehl. How much is the SNHG grant?

Ms. Lavishchuk: It's \$3 million in funds that is available now for construction, \$1.2 million in operating funds, with \$400,000 available each year for 3 years and a potential of operating support for SNHG project for the duration of the project. The resolution language does say \$1.5 million is contingent upon the SNHG application award. That was our impression.

Ms. Becker: This \$90,000 is just to write the grant?

Ms. Lavishchuk: The \$90,000 is to perform development and design work which will make our project shovel ready. It would involve soils analysis, architectural work. One of the big points in the application are points for energy. This project needs to have a very developed energy system. The Anchorage system has a great energy system. This would help develop plans for a system that is ready.

Ms. Becker: You would use some of it to develop the parts you are putting into the grant? And, there are a number of different aspects of that.

Ms. Lavishchuk: Correct. There is a schedule of work that needs to be done.

Ms. O'Neal Cole: My understanding is that the grant is being written Ms. Lavishchuk and other partners, but these funds are for professional services.

Mr. Kiehl: I have taken the opportunity to look up the Resolution 2708, and it is not contingent.

Mr. Nankervis: In the life of this fund, we have had one loan?

Ms. O'Neal Cole: We have had one \$13,000 loan to St. Vincent for predevelopment. That was the reason behind the Accessory Apartment program. the fund is too small to be great for large projects, but it is of the scale for predevelopment funds, but predevelopment funds are riskier because if the development doesn't happen, then you're left with an inability to repay that fund.

Mr. Kiehl: It would certainly remain my desire to refer this to the Finance Committee. I remain strongly supportive of the Housing First project. Assistance in technical and professional services that could make the grant application a winning application, will probably pay off. The fund source remains a question to me. That would be my suggestion, to refer this to our Finance Committee.

Ms. Becker: Is this time sensitive?

Ms. Lavishchuk: It is incredibly time sensitive. Several things have changed since the Assembly commitment. The Municipality of Anchorage pledged a similar amount. Another thing is that the SNHG grant deadline got pushed to March 31st. March 31st is just around the corner. This is an incredibly competitive process. We are at a disadvantage being a small city trying to compete with Rural Cap, which is a huge organization with lots of experience. Anything we can do to strengthen our application, really increases our chances. One more comment, these funds in other communities, they are revolving funds that do a combination of grants and loans. The \$90,000 are important to us because of the SNHG grant. If the Juneau doesn't get the SNHG grant then the Housing First project will still be a priority so whatever work comes out of it, it can still be used far down the line. The money will not be wasted.

Mr. Nankervis: I believe this is pretty time sensitive. If the SNHG grant doesn't come through, the money will still have been spent on a project that is going to move forward.

Motion: Mr. Nankervis: I move we forward for review and approval to the full Assembly.

Mr. Nankervis: I think it will accomplish what I believe you are trying to do, which is by getting it to Finance will get everyone to look at this. If this gets on the next Assembly agenda, that should give us enough time. That's my thinking behind the motion.

Mr. Kiehl: Just for clarification, you would recommend the committee payment of the grant from the

Affordable Housing Fund?

Mr. Nankervis: Forwarding this to the Assembly as presented.

Ms. Kiefer: I just wanted to let you know that the Finance Committee will be taking up the Housing First 1.5 million dollars and where it will come at the February 18th meeting.

Ms. Becker: Are you saying this \$90,000 should be included with the discussion at the Finance Committee.

Ms. Kiefer: We said we would come back with how to find the \$1.5 million. If you want that as an action item on the Committee agenda, it is already on that agenda.

Ms. Becker: That makes sense to me. Then we can talk about it. I like having it on Finance agenda, then we can have it on our list of what we're going to fund. I would ask that the maker the motion change it from Assembly to the Finance Committee.

Motion: Mr. Nankervis: Now to the Finance Committee.

Hearing no objection, motion passes.

D. Continued Discussion on Ordinance 2015-02; An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Remote Subdivisions Area Map for Hidden Valley Tract B, Located in the Upper Lemon Creek Valley, from "Not Remote" to Remote.

Due to lack of time to discuss this substantial item, it was moved to the March 2, 2015 meeting for discussion.

VI. STAFF REPORTS

I would like to comment that I spoke with a representative from the housing arm of the Rasmussen Foundation last week and he was incredibly impressed with what we're doing here in Juneau. He indicated he would like to work with us further.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Mr. Peters: Happy to be here for my first meeting and I'm looking forward to working with you.

Mr. Peterson: No report.

VIII. ADJOURNMENT

The meeting adjourned at 5:56pm.