



**PARKS & RECREATION ADVISORY COMMITTEE
MEETING AGENDA
MONDAY, OCTOBER 12, 2020
5:30 P.M.
ZOOM WEBINAR**

This meeting will take place virtually via **Zoom Webinar**. To join the Zoom Webinar, go to <https://juneau.zoom.us/j/99151816022> or call: 1 253-215-8782. **Webinar ID: 991 5181 6022**. Members of the public wishing to provide public comment during the meeting can do so by clicking the “Raise Hand” button (online Zoom Webinar) or press *9 (telephone).

Agenda Item	Presenter	Action Requested
I. Call to Order	C. Mertl	
II. Approval of Agenda Agenda Changes	C. Mertl	<i>If no changes:</i> Motion to approve
III. Approval of Minutes Meeting of July 7, 2020 Meeting of August 4, 2020		
IV. Public Participation on Non-Agenda Items	C. Mertl	
V. New Business Dimond Park Field House	G. Schaaf	
VI. Unfinished Business Montana Creek Road Discussion	G. Schaaf & M. Elfers	
VII. Information Items		
VIII. Committee, Liaison, and Board Member Reports Chair Report Liaison to the Assembly Board Member Liaisons Other Board Member Business	C. Mertl Wade Bryson Liaisons All	
IX. Adjournment	C. Mertl	



TO: Parks & Recreation Advisory Committee
FROM: George Schaaf, Parks & Recreation Director
DATE: October 9, 2020
RE: October 12, 2020 Meeting

DIRECTOR'S REPORT

Please find enclosed the information supporting your agenda topics for this meeting. The meeting is anticipated to last two hours and will take place via **Zoom Webinar**. To join the Zoom Webinar, go to <https://juneau.zoom.us/j/99151816022> or call 1-253-215-8782. **Webinar ID:** 991 5181 6022.

NEW BUSINESS

A. Dimond Park Field House – Requested by G. Schaaf [Page 12-17]

Dimond Park Field House, Inc. (DPFHI) and the Juneau Community Foundation would like to transfer ownership of the Dimond Park Field House to the City & Borough of Juneau, and for the Parks & Recreation Department to operate the facility effective January 1, 2021. The Field House is privately owned and is located on land leased from CBJ; it is managed by Eaglecrest Ski Area under a contract with DPFHI. Due to the COVID-19 pandemic, DPFHI expects its cash reserves will be exhausted by the end of the year. In the event that DPFHI ceases operations, the terms of the land lease stipulate that ownership of the facility will transfer to CBJ. The Department worked with Eaglecrest and DPFHI for several months to plan an orderly transition, to avoid a scenario where ownership reverts to the City without a plan to continue operations. Under this plan, overall management of the Field House would fall under the Treadwell Arena Manager.

The Parks & Recreation Department is a logical home for the Field House, and acquiring this facility would address a longstanding need for indoor space for our programs and activities. The 2019-2029 Parks & Recreation Master Plan identifies this lack of indoor space as a service gap for the Department. The Department would absorb FY21 operating costs for Q3 and Q4 into its existing budget. Going forward, we estimate operating the Field House would require approximately \$160,000 per year in additional General Fund support, representing a 60% cost recovery ratio. The increased cost is largely due to Parks & Recreation employees being paid more than Eaglecrest employees under CBJ salary schedules. The Department intends to request a corresponding increment as part of the FY22 budget process.

I request that you recommend the Assembly accept the donation of the Dimond Park Field House, to be managed by the Parks & Recreation Department. 3 of 17

SUGGESTED MOTION:

The PRAC recommends that the Assembly accept the donation of the Dimond Park Field House to be managed by the Parks & Recreation Department, and appropriate additional funds necessary to support maintenance and operations for the remainder of FY21.

UNFINISHED BUSINESS

A. Montana Creek Road – Requested by G. Schaaf

Earlier this year, the Juneau Nordic Ski Club (JNSC) requested that Montana Creek Road be closed to motorized users during the winter from November to May 1 beyond the Hank Harmon Rifle Range (see July 31, 2020 memo). At its regular meeting on August 4, 2020, the PRAC asked staff to solicit public comment regarding this proposal. We created a dedicated web page for people to submit comments online between August 23rd and September 30th; comments were also accepted via U.S. Mail and email. Comments received prior to August 23rd were also included in the record. The request for comments was promoted throughout CBJ social media in August and September, as well as an [information release](#) sent to state and local media on August 26th. Department staff also shared information on various local radio programs in September. In addition to comments received prior to August 4th, the Department received written comments from 827 individuals, as well as an online petition signed by over 1,200 people (including 536 Juneau residents). All comments are available on the [Parks & Recreation website project page](#).

Parks & Recreation staff met with state and federal land managers on September 23rd, including the Alaska Department of Natural Resources, Alaska Department of Transportation & Public Facilities, Alaska Department of Fish & Game, and the U.S. Forest Service. We learned that ADF&G is preparing a detailed report on Montana Creek, which will include anadromous fish stream mapping and an assessment of the impacts of motorized use on natural resources. All agencies agreed to reconvene after the ADF&G report is finalized to discuss long-term management of motorized use in the Montana Creek watershed.

Parks & Recreation staff also met several times with the Juneau Nordic Ski Club, Juneau Snowmobile Club and individual park users. We organized a joint meeting of these stakeholders at the Hank Harmon Rifle Range on September 25th to encourage the groups to work together on shared use. Two scenarios were offered for shared use at this meeting, but the user groups were unable to agree on a path forward. Staff requested each group present these options to their members and boards after the meeting.

This is a very challenging problem of how to allocate scarce resources between multiple users, and there is no scenario where everyone will be completely satisfied. Recognizing this, I recommend that Montana Creek Road be managed so that the area's recreational resources can

be shared among motorized and non-motorized users during the winter. Staff will present ^{4 of 17} several options to accomplish this goal at the October 12 meeting.

INFORMATION ITEMS - *None*



PARKS & RECREATION ADVISORY COMMITTEE

TUESDAY, July 7, 2020 – 5:30 PM

Zoom Webinar

I. Call to Order at 5:30 p.m. – C. Mertl, Chair

Present: Josh Anderson, Alex Beebe-Giudice, Edric Carrillo, Ron Crenshaw, Kirk Duncan, Chris Mertl, Will Muldoon, Emily Palmer, Tom Rutecki

Staff Present: George Schaaf, Director; Michele Elfers, Deputy Director; Lauren Verrelli, Staff Liaison

II. Agenda Changes – None

III. Approval of Meeting Minutes – None

IV. Public Participation on Non-Agenda Items –

A. Jenifer Shapland: I sent a letter on June 28 to ask for the closure of the Montana Creek Road. Currently it is unlocked and it is being used by motorized users endangering human powered users and damaging land along the corridor there.

C. Mertl: The letter has not yet been distributed to the entire PRAC, as the Department is working on gathering information for a future meeting.

Jenifer Shapland: What I am asking the department do tonight is to lock the gate while you figure out if it can be unlocked.

G. Schaaf: It is a complicated situation back there. The road is a city street, which then turns into State land at the bridge and then Forest Service land. The city code allows motorized vehicles (ATV & snow machines) to use city streets when they are impassable due to snow and ice. In the summer time, the gate is closed when the caretaker closes the HHRR. One other thing to note, to close a city street, the Parks & Rec Director or the PRAC cannot make that call, the City Manager has to. I have talked about this request with the City Manager and several Assembly members and their desire is for it to come to the PRAC and for the PRAC to consider it. The Department has not had a chance to pull everything together yet but plan to bring it back to the PRAC in August.

B. Wayne Carnes (N. Douglas): I am a member of the JNSC but I am not speaking on behalf of the board. I support all three agenda items next month, I suggest adding a Biathlon Range item, which would be added to the existing rifle range, and be a year round facility.

C. Mertl: Would be best to talk to the Department that can be brought to the PRAC.

Wayne Carnes: For some information on the JNSC grooming on the Montana Creek Road, as far as working with the motorized users, there is nothing formal we have engaged in as a club. For the most part, the powered users stay off the tracks but it is not a 100% thing. There is a kissing gate during the winter months that has been left open, which allows ATV's and snow machines to drive pass the gate. When the ski trails are wrecked, it takes hours of volunteer time to restore the trail to something that can be safely skied.

V. New Business –

A. Welcome, Alex & Ron:

R. Crenshaw: When I moved to Anchorage in 1970 and I got involved with the City of Anchorage Parks & Rec Board. Worked for the State Parks as a park planner and then worked for the City of Anchorage developing trails, parks and land acquisitions. Towards the end, managed the City of Anchorage recreation facilities. After retirement, moved down to Juneau. Personal interests include tennis, skiing, biking, hiking and all outdoor activities. I am interested in planning, sports and avoiding conflict among users.

A. Beebe-Giudice: I have worked in outdoor adventure and tourism all over the state of Alaska. Currently working for ABAK as their operations manager. I want to help the community develop ownership of our natural areas within CBJ. Promoting responsible use and helping commercial operators, private businesses and citizens to join together to enjoy and promote the responsible use of our parks and other areas around town. I love being outside, working with kids and exploring all the great outdoor opportunities.

B. 2019 Annual Report:

C. Mertl: Included in your packet is our 2019 Annual Report.

W. Muldoon: I move that the PRAC accept the 2019 Annual Report.

No objection. 2019 Annual Report approved.

VI. Unfinished Business – None

VII. Information Items –

A. COVID-19 Impacts & Department Operations Updates:

G. Schaaf: In mid-March, everything changed as we shifted gears to focus on COVID-19. We created a Continuity of Operations Plan (COOP) for the department to reference. We closed most of our facilities including DPAC, AGB, ZGYC, Mt. Jumbo Gym and suspended all programs and sports. Our parks, trails, playgrounds, the Eagle Valley Center and the Arboretum have remained open the entire time. During the closure, we deep cleaned all our facilities. Staff impacts include 105 employees laid off, 33 employees reassigned and 13 vacant positions not filled. We worked with Juneau Public Health on our phased reopening plans for the department. At this time, DPAC and ZGYC have reopened to the public. The financial impacts are between \$242,000 to \$374,000 loss in revenue but we also have a reduced costs of \$300,000.

B. Capital Improvement Program Update

M. Elfers: The Economic Stabilization Task Force recommended to the Assembly to allocate \$1M of CARES Act funding to a program that would focus on hiring people for workforce development. It is called the COVID-19 Conservation Corps (CCC), which will expire on December 31, 2020. Of that \$1M, \$450,000 went to Trail Mix, \$200,000 to Parks & Rec and \$350,000 went to Eaglecrest. Each organization is hiring people and they will be working around the community focused on outdoor productions and trail maintenance/projects. We put a portion of the money to our YEP Program with ZGYC which allowed them to have two crews this year. Some of the current CIP that are in progress are: 1) Chicken Yard Park improvements will be happening this later summer.. 2) Adair-Kennedy waterline project will be upsizing the waterlines, which will allow the

bathrooms to be used more frequently. 3) Kaxdigoowu Heen Dei Trail was completed in early summer. We relocated the paved trail off the Mendenhall River.

C. Suggest Items for August PRAC Meeting

G. Schaaf: Things that will be coming to the PRAC in the coming months will be the Montana Creek Road discussion, Hank Harmon Rifle Range agreement and mountain biking opportunities.

VIII. Committee, Liaison, and Board Member Reports

A. Chair Report— A board member requested getting a board email, what would it entail for the PRAC to get one?

L. Verrelli: We would be creating a PRAC email with the juneau.org handle. If anyone emailed it, it would distribute to everyone's personal email. Currently, people who want to contact the board email the main Parks & Recreation email.

D. Cathcart: One thing to think about, any requests for public records would then sweep your personal emails. Empowered Board have these emails but Advisory Boards do not. I would caution you to go down this route.

C. Mertl: The will of the PRAC is to leave it as is.

W. Muldoon: I would like to see all email communications be sent to the PRAC.

B. Liaison to the Assembly Report— None.

C. Liaison Reports—

Aquatics – W. Muldoon: Discussed pools reopening plans; AGB renovation changes.

YAB – T. Rutecki: \$316,000 of grant money was distributed to the organizations.

Eaglecrest – E. Palmer: None.

Jensen-Olson Arboretum – E. Carrillo: None.

Lands – C. Mertl: Eagles Edge land donation is moving forward.

Park Foundation – C. Mertl: Coordinating with CBJ on the cabin build.

Treadwell Arena Board – K. Duncan: Talking about reopening plans and roof replacement.

TrailMix – R. Crenshaw: assigned at this meeting.

1% for Art – J. Anderson: None.

Other Member Business –

T. Rutecki: I would like to start the discussion again about a location for ORV's in town.

J. Anderson: I've made proposals for all over town and there's always something wrong with the location. I think the City needs to make a proposal to the user group.

G. Schaaf: I would be happy to meet and talk about where we are.

R. Crenshaw: if there is a working group on this topic, I would be happy to participate.

Subcommittee created on ORV: W. Muldoon, J. Anderson, R. Crenshaw

Adjournment – 7:46 p.m. Having no other business before the board.

Respectfully submitted by Lauren Verrelli, Recreation & Public Services Manager, 9/16/2020



PARKS & RECREATION ADVISORY COMMITTEE

TUESDAY, AUGUST 4, 2020 – 5:30 PM

Zoom Webinar

I. Call to Order at 5:30 p.m. – C. Mertl, Chair

Present: Josh Anderson, Alex Beebe-Giudice, Edric Carrillo, Kirk Duncan, Chris Mertl, Will Muldoon, Emily Palmer, Tom Rutecki

Absent: Ron Crenshaw

Staff Present: George Schaaf, Director; Michele Elfers, Deputy Director; Lauren Verrelli, Staff Liaison

II. Agenda Changes – None

III. Approval of Meeting Minutes –

A. From January 7, 2020 – J. Anderson moves to approve the minutes; no objection.

Minutes adopted.

B. From March 3, 2020 – J. Anderson moves to approve the minutes; no objection.

Minutes adopted.

IV. Public Participation on Non-Agenda Items – None

V. New Business –

A. Montana Creek Road

G. Schaaf: Montana Creek Natural Area Park land management is complicated. It is one of our largest natural area parks and is surrounded by USFS and DNR land. DOT deeded the road to the timber bridge to CBJ in 2007. Beyond the timber bridge is DNR land. State land allows ORV and snow machines use in the area and the Montana Creek Road gives access to this land. Back in 2012, there was a lot of resource damage and illegal dumping. To address this, we installed trail cameras and installed a gate in 2014 near the HHRR. The gate was an outcome of many conversations with user groups, DNR and USFS and would be closed each night and opened in the morning by the caretaker at the HHRR. The gate has been very successful, as the dumping have decreased. The area has become extremely popular with Nordic skiers and has brought in a lot more use of the park. As the area has become more popular, there is now more conflict between users, particularly between snow machines and Nordic skiers in the winter time. In CBJ Code 67.01.090, you cannot operate motorized vehicles on parkland, just roadways and parking lots. In addition, there is CBJ Code 72.02.455 that allows snow machines or ORV's to be driven on roadways when that road is impassible because of snow or ice. The last tool we have for us is CBJ Code 72.01.09 that allows that City Manage to close a street. There are multiple users groups that use this area and before we take any action that could negatively affect a user group, we need to go through a public process. We are hearing two requests for Montana Creek Road. One is the seasonal closure at the gate; we would need to engage with stakeholders, invite written public comment and bring it back to the PRAC hopefully in October. The other is the potential year-round closure at the gate, which would have more impacts for a lot more people; we would need to engage with the USFS, DNR, stakeholders, invite written

public comment.

E. Palmer: I agree we need to hear from more user groups before we take action.

J. Anderson: I am not here advocating for one side or the other; unfortunately, the ORV crowd keeps getting pushed aside. It would be nice to instead of keep closing off areas, if we could find an area for that user group to help relieve some of the pressure on the areas where other groups want to play. It would be great if the user groups could get together and work it out. I do not want us to keep shutting the door to other recreation.

E. Carrillo: Looking at the map, you cannot access the DNR or USFS land without going through the City land, is there any ramifications for cutting off public access to those lands? I think more information is needed before we can make a decision.

G. Schaaf: That will be one of our first questions to those organizations.

C. Mertl: If we close the area off to motorized use, would that prohibit the JNSC to use their grooming machine?

G. Schaaf: No, we would need an agreement to allow grooming back there.

PUBLIC COMMENT –

Allison Smith (Twin Lakes): I support the seasonal closure. I use the area heavily for Nordic skiing. Montana Creek is a unique area since the snow stays there the longest. I urge you to adopt a seasonal closure to preserve it for Nordic skiing.

Mara Jennings (Mendenhaven): I am a volunteer board member with Trout Unlimited Tongass Chapter with 150 members in Southeast Alaska. We are lucky to have a Montana Creek in our backyard with it being the best urban and wild trout fishing around town. We have collaborated with CBJ in the past to get buffers around Montana Creek as part of the comprehensive plan. The watershed upstream is home to Dolly Varden, coho, steelhead and trout. We are concerned about the impact of ORV use on the watershed past the bridge. A survey of the area earlier this summer show that ATVs are causing substantial impacts to the small tributaries that are used as rearing areas for small juvenile fish. We're sympathetic with having a place for ATV users to ride but Montana Creek is not the place.

C. Mertl: A lot of the upper watershed is State land and out of CBJ jurisdiction. Do you feel that if there is a designated trail with bridges for ATV that we could allow controlled motorized use back there?

Mara Jennings: Anything that allows easy access for users to do allowable activities helps decrease the impact of restricted activities.

Wayne Carnes (North Douglas): I am representing the JNSC that has over 600 members. We are requesting the continued winter closure of Montana Creek Road and a permanent installation of the pedestrian "kissing" gate from November 1 to May 1. Grooming started about 15 years ago and they now have regular grooming efforts on a daily basis. Last year the club groomed 156 days. Last year with the kissing gate dismantled, it allowed unauthorized motorized users to drive through and tear up the tracks. Snow machiners have thousands of acres to go ride around Juneau. Motorized users are incompatible with skiers, snowshoers and hikers on this narrow roadway. Having another public process is unnecessary since it was in 2014. We are not asking for anything new, we are asking for the existing agreement to be continued.

Luke Mather (Russell Rd.): My family and I frequently took advantage of Montana Creek last winter for Nordic skiing. I also taught some youth Nordic skiing lessons through the 4H Club. Based on the nature of the limited space, it is not compatible to have motorized vehicles moving up and down that corridor when there are folks Nordic skiing, especially young kids.

Shawn Eisele (6th St.): I urge you not to make this too big of a deal. Keep the gate locked during the winter months for Nordic skiing. Someone has mentioned that you are going to get conflicts when you close an area off to people and I want to clarify that you are not closing an area off to people, you're selecting how an area is going to be used. ORVs are damaging use; one user can destroy the use for skiing for hundreds and can wreak havoc on the streams.

Gary Mendivil (Canter Ct.): Urge you to close the section of Montana Creek Road beyond the gate during winter months. This is consistent with existing plans and policies adopted by CBJ.

John Thedinga (Wilma Ave.): I am an avid Nordic skier and volunteer trail groomer. I support closing the road during the winter. I am concerned about safety on the road. Having skiers and motorized vehicles is not a safe situation.

Fred Hiltner (N. Douglas): I am on the JNSC board but speaking as a citizen. I am requesting that Parks & Rec puts in a winter closure on Montana Creek Road. Thanks to Anderson and Carrillo in developing an area for ATV riders. I agree that putting effort into a new area would save a lot of conflict between users groups. Safety is very important.

Ben Williams (Douglas): I am a volunteer groomer and avid Nordic skier. A couple of the cases out there this past winter were caused by motorcycles. Grooming is volunteer money and time. These motorcycles and ATVs take advantage of the groomed terrain.

Marina Lindsey (Mendenhall Valley): I support continued closure of the gate so Nordic skiers can use the Montana Creek area safely. About 15 years ago, Ray Howard was the president of the snowmobile group. He did a wonderful job working with both groups to merge the interests and work together. I support both groups to talk again. I support that we need to find another area for motorized groups.

Tim Blust (N. Douglas): I am a board member on the JNSC. The public process was already completed in 2014.

PUBLIC COMMENT ENDS –

T. Rutecki: We are hearing that we already went through the process.

G. Schaaf: The focus of the public process back in 2012 was focused on the resource damage, dumping and vehicles getting stuck in the unmaintained snow. Those were the topic of discussion when we were going through the public process about installing the gate. The public process was not about the use of the area for Nordic skiing and ORVs. We put the gate in as a physical barrier but did not take legal action to close the road to motorized vehicles. Currently, it is not illegal for people to ride motorized vehicles on the road. We want to go through a public process because we know there is other user groups; we want to give them an opportunity to be heard as well.

C. Mertl: Have you gotten any complaints from motorized users since the gate went up?

G. Schaaf: No, we have not.

C. Mertl: Can we do a seasonal closure for a year to see if we get any input from the ORV users?

G. Schaaf: The PRAC can make that recommendation.

K. Duncan: I think we need to hold off on making any decision and wait until staff makes a recommendation at the next meeting.

C. Mertl: The Department will do some additional research, get public comment, and bring it back to the PRAC with a recommendation.

VI. Unfinished Business – None

VII. Information Items –

A. Infrastructure Bond

G. Schaaf: The full Assembly approved to place the \$15 million general obligation bond package on the October municipal election ballot. The intent is to break it up into three buckets -- \$5 million for school facilities, \$5 million for Parks & Rec facilities and \$5 million for street repairs and deferred building maintenance. It is possible that the school roofs will cost more than \$5 million so they could pull from the other buckets.

B. Biathlon Course

M. Elfers: There is a small group of JNSC members that approached Parks & Rec with a proposal to construct a biathlon course in the Montana Creek Natural Area. They have showed us a conceptual design, their goal is to apply for grant funding this fall & winter. We will have more information later this fall for the PRAC.

C. Mertl: Does Parks & Rec allow recreational shooting on parkland?

M. Elfers: There would need to be special use allowance in the area.

VIII. Committee, Liaison, and Board Member Reports

A. Chair Report— None.

B. Liaison to the Assembly Report— Next year's construction environment will look different.

C. Liaison Reports—

Aquatics – W. Muldoon: AGB reopening talks; talking about management side of things.

YAB – T. Rutecki: None.

Eaglecrest – E. Palmer: Received CCC funding, busy with trail development & maintenance.

Jensen-Olson Arboretum – E. Carrillo: None.

Lands – C. Mertl: None.

Park Foundation – C. Mertl: Cabin is moving along; discussing bond.

Treadwell Arena Board – K. Duncan: Open on a limited basis for user groups + private rentals.

TrailMix – R. Crenshaw: None.

1% for Art – J. Anderson: None.

Other Member Business – None.

Adjournment – 7:41 p.m. *Having no other business before the board.*

Respectfully submitted by Lauren Verrelli, Recreation & Public Services Manager, 9/20/2020



TO: Rorie Watt, City Manager
FROM: George Schaaf, Parks & Recreation Director
DATE: October 9, 2020
RE: Dimond Park Field House

Dimond Park Field House, Inc. and the Juneau Community Foundation have asked CBJ to assume ownership and operation of the Dimond Park Field House. You asked me to evaluate the proposal, identify pros/cons, and estimate operating costs. This task is complicated by the COVID-19 pandemic, which has severely impacted facility use, schedules, and revenues. The information contained in this memo represents our best estimates based on the information available at this time.

BACKGROUND

The Dimond Park Field House is a privately owned facility located within Dimond Park on land leased from the City & Borough of Juneau. The building is owned by Dimond Park Field House, Inc., and has been operated by Eaglecrest under a management agreement since 2008.

The Dimond Park Field House was conceived by the Juneau Community Foundation in 2005. A number of local sports organizations contributed to the project, including the Juneau Soccer Club, Midnight Suns Baseball & Softball, and Juneau School District sports teams. The CBJ agreed to lease land in Dimond Park for \$1 per year. A grant from the State of Alaska provided \$4 million in tobacco taxes for construction of the facility, which was completed in 2008. Wells Fargo also provided some funding in exchange for naming rights, which have now expired. A nonprofit organization, Dimond Park Field House, Inc., was established in 2008 to accept ownership of the facility upon completion. Since 2008, this organization has contracted with Eaglecrest Ski Area to manage the facility for \$25,000 per year.

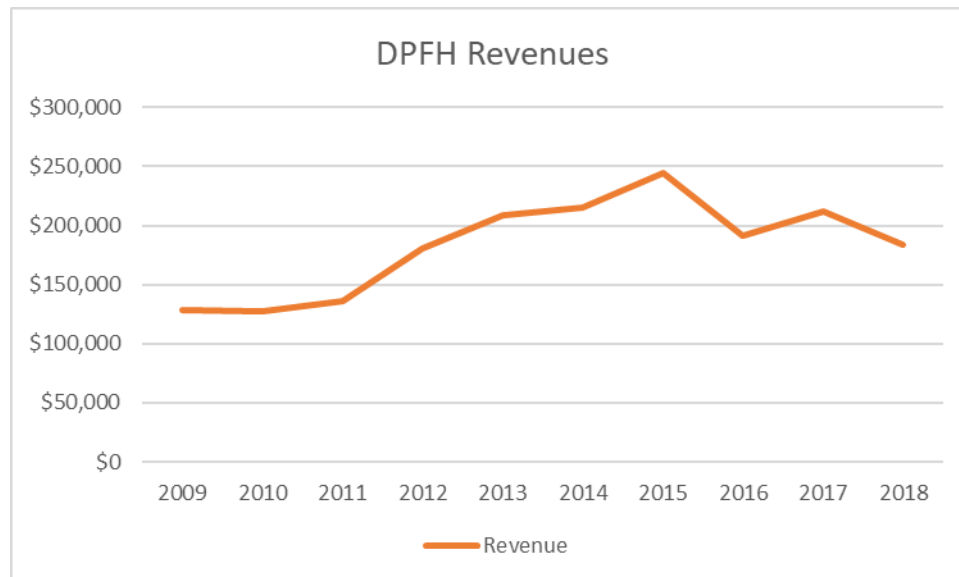
The building was manufactured by Garco and built by North Pacific Erectors. The field is lit with sodium vapor lights and the building is electrically heated, with electricity costs running about \$50,000 per year. The artificial turf field is in good condition and was installed directly over gravel; there is no cement slab. Aside from the turf field, the facility includes a small office, restrooms, batting cage room, and an overhead track. The track does not meet the requirements of the Americans with Disabilities Act because the building is not equipped with an elevator. Our Facilities Maintenance Division is in the process of completing a facility assessment, but generally the major components and systems appear to be in good shape.

The Field House has remained open for limited hours during the summer months with operations focused on track usage and the "Turf for Tots" program averaging 25 hours per week. Various user groups compete for scheduled time the rest of the year. Youth sports organizations are prioritized above adult activities, with the Juneau Soccer Club and Midnight Suns accounting for the lion's share of use. Preference is given to the Juneau Soccer Club and Midnight Suns during peak times.

Excluding depreciation, Dimond Park Field House, Inc. has generated a modest profit in most years:

Year	Profit / (Loss)
2009	(\$33,370)
2010	(\$2,077)
2011	(\$13,728)
2012	\$25,188
2013	\$41,262
2014	\$40,494
2015	\$35,174
2016	\$60,398
2017	(\$28,646)
2018	(\$55,062)

Revenues have generally dipped since 2015:



CURRENT SITUATION

The Dimond Park Field House has been closed since March due to the COVID-19 pandemic. As of September 23, 2020, Dimond Park Field House, Inc. reports having about \$80,000 cash on hand. The organization currently owes Eaglecrest approximately \$75,000 in deferred payroll costs and management fees. This amount will increase to about \$90,000 by the end of the year. Dimond Park Field House, Inc. has applied for a CARES grant totaling \$80,000; a decision is expected from the State of Alaska in the next few weeks.

Due to unavoidable fixed costs and a lack of revenue, the Juneau Community Foundation and Dimond Park Field House, Inc. believe it is in the best interest of the community for Parks & Recreation to assume ownership and management of the facility. Eaglecrest does not want to operate the facility after December 31, 2020.

DISCUSSION

Under the terms of the lease for the land on which the facility is built, CBJ will become the owner of the Field House if Dimond Park Field House, Inc. becomes insolvent or ceases operations. The building cannot be sold or leased to any other public or private entity. None of the existing user groups are interested in managing the facility, and we have been unable to identify any other organizations with the capacity to operate it. The question at hand is whether CBJ is willing to operate the Field House after it becomes the owner.

The Parks & Recreation Department is a logical home for the Dimond Park Field House. The Treadwell Arena Manager would oversee operations as there are many similarities between the two facilities. Many people already assume the Department manages the facility and are surprised to learn that it is privately owned and managed under an agreement with Eaglecrest. The Parks & Recreation Department's Master Plan (2019-2029) identifies the lack of indoor gym space as a major gap in the Department's services. According to the National Recreation & Parks Association, the Department should operate two indoor gym facilities to serve a community of Juneau's size. Currently, the Department's only indoor gymnasium is Mt. Jumbo Gym. Mt. Jumbo is inadequate for most programs, and the building has reached the end of its useful life. The Dimond Park Field House could also allow Parks & Recreation to significantly reduce the amount of money it pays Community Schools to use school gyms.

The Field House is a large facility and many building systems have passed the midpoint of their expected 20-year service life. Our Facilities Maintenance Division estimates that maintenance costs will be about \$40,000 per year. This cost notwithstanding, our Facilities Maintenance Division is already overwhelmed due to the construction of several large facilities in recent years, without any additional staff of resources (e.g. Dimond Park Aquatic Center, Consolidated Public Works Facility, and Mendenhall Valley Public Library). We have already reduced maintenance citywide, and adding the Field House would require further reductions unless we can hire additional maintenance staff.

To better understand the long-term capital needs of the facility, we commissioned PDC Engineers to evaluate the building's condition and estimate future repair costs and capital costs:

<u>Short Term (0-1 year)</u>	<u>\$31,000 - \$44,000</u>
• Fire protection systems • Change locks • Air Handling Units • Install dehumidifiers • Repair turf	
<u>Medium Term (1-5 years)</u>	<u>\$330,000</u>
• ADA improvements • Upgrade HVAC controls	
<u>Long Term (5-10 years)</u>	<u>\$500,000</u>
• Replace HVAC components • Replace turf field	

Benefits of Parks & Recreation owning and managing the Dimond Park Field House include:

- Provides needed indoor space for Parks & Recreation programs, reducing the need to rent JSD facilities through Community Schools.
- Access to the Field House could be included with memberships to other Parks & Recreation facilities, including the pools, Treadwell Arena, and Zach Gordon Youth Center. This would lead to increased use and value to the public.
- As a CBJ facility, future repairs and improvements would be eligible for municipal bonds.
- The facility would be utilized by Parks & Recreation 12 months a year.
- Parks & Recreation has the ability to handle reservations, memberships, passes, and payments through its existing point-of-sale system.
- The facility would be maintained by the Parks & Recreation Department's Facilities Maintenance Division, extending its service life and reducing deferred maintenance costs in the future.
- The \$25,000 annual management fee paid to Eaglecrest would no longer be necessary.

There also could be some **drawbacks**:

- As a private facility, current management is empowered to make tough decisions about schedules and pricing without political influence (e.g. Assembly).
- User groups that advocated for construction of the Field House enjoy some degree of preference in scheduling and use of the facility. As a public facility managed by Parks & Recreation, use would be allocated according to a scheduling policy adopted by the Department. It would be our intent to accommodate existing schedules, though some adjustments to schedules and fees will be necessary to maximize use and revenue as a public facility.
- Operating costs would increase due to higher standards for building maintenance, and because Parks & Recreation employees are paid more under a different salary schedule than Eaglecrest staff.

The attached *pro forma* budget for FY22 makes several assumptions: (1) revenues in FY22 will be flat compared to FY20, (2) the facility will be staffed by CBJ Parks & Recreation employees, (3) the facility will be open year-round, and (4) maintenance will be provided by the Facilities Maintenance Division of Parks & Recreation. This budget shows that Parks & Recreation would require a \$175,000 increment in FY22, representing a cost recovery ratio of approximately 50% -- this is substantially higher than our aquatics facilities (33%), but less than Treadwell Arena (60%). General Fund support could be reduced by increasing revenue through expanded programming and sponsorships in the future.

Due to uncertainties surrounding COVID-19, it is very difficult to predict operating costs for the near term (i.e. Q3 and Q4 of FY21). Our best estimate is that expenditures would total approximately \$50k to \$80k between January 1, 2021 and June 30, 2021. The Parks & Recreation Department would attempt to absorb these costs into our FY21 budget (this will likely require a larger supplemental appropriation at the end of the year).

CONCLUSION

The Dimond Park Field House is a critical piece of our community's recreation infrastructure. Due to COVID-19, however, the facility's business model is no longer viable. The owner of the facility, Dimond Park Field House, Inc., and the Juneau Community Foundation believe it is in the best interest of the public for Parks & Recreation to assume ownership and management of the facility. The Dimond Park Field House fits well within the Department, and it would be easy to integrate the facility into our

programs. The additional General Fund support required to operate the Field House is relatively modest compared to the benefits of continued operation and expanded programming.

There is no scenario where ownership of the facility does not revert to CBJ, so the question is whether CBJ will operate the Field House going forward. Rather than allow the facility to be mothballed, I recommend that we proceed with a thoughtful transition in operations from Eaglecrest to Parks & Recreation, with a formal handover on or about January 1, 2021. The Department would absorb operating costs through June 30, 2021, and would need a supplemental appropriation this year of \$51,000 to \$64,000 to pay for short-term repairs and maintenance of the facility through June 30, 2021.

EXPENDITURES

ACCOUNT	DESCRIPTION	FY20 Revised
20946XX01-5100	Vacancy Factor	(2,000)
20946XX01-5110	Salaries	124,900
20946XX01-5111	Overtime	3,500
20946XX01-5116	Accrued Leave	-
20946XX01-5120	Benefits	107,100
20946XX01-5130	Workers' Comp	10,200
Personnel Svcs Subtotals		243,700
20946XX01-5201	Mileage	-
20946XX01-5202	Travel & Training	-
20946XX01-5310	Telephone	3,800
20946XX01-5320	Printing	300
20946XX01-5322	Advertising	500
20946XX01-5332	Electricity	50,000
20946XX01-5333	Heating Oil (and Propane)	-
20946XX01-5334	Disposal	-
20946XX01-5335	Water	1,400
1.20946080.5336	Sewer	5,300
20946XX01-5340	Repairs	-
20946XX01-5345	Building Mtc Charges	40,000
20946XX01-5361	Equipment Maintenance (Fleet)	-
20946XX01-5362	Vehicle/Equip Replacement	-
20946XX01-5370	Special Policies & Property	9,700
20946XX01-5375	General Liability	-
20946XX01-5380	Dues & Subscriptions	-
20946XX01-5389	Fleet Gasoline	-
20946XX01-5390	Contractual Services	15,000
20946XX01-5397	Bank Card Fees	2,600
20946XX01-5480	Office Supplies	500
20946XX01-5481	Postage	-
20946XX01-5485	Consumable Inventory	-
20946XX01-5490	Materials & Commodities	6,000
20946XX01-5491	Safety Equip & Supplies	-
Operations Subtotals		135,100
TOTAL EXPENDITURES		378,800

REVENUES

ACCOUNT	DESCRIPTION	FY20 Revised
	Rents	\$ 203,865
TOTAL REVENUE		\$ 203,865
Roaded Service Area Support		\$ 174,935