

**SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

January 30, 2020 7:00 PM

Assembly Chambers
Joint Meeting with the Docks and Harbors Board Meeting No. 2020-04

I. CALL TO ORDER / ROLL CALL

II. APPROVAL OF AGENDA

III. AGENDA TOPICS

A. Joint Meeting with the Docks & Harbors Board

- A. Port Development Project Updates
- B. Harbor Project Updates
- C. Board Priorities
- D. Tideland Leasing Process
- E. South Franklin Dock Tideland Lease Request
- F. Study/Planning Updates
 - 1. Small Berth Planning
 - 2. Dock Electrification
 - 3. NCL
 - 4. Museum Concept

B. Ordinance 2020-05 An Ordinance Authorizing the Manager to Dispose of Eight Lots in the Vintage Business Park, Located near 3041 Clinton Drive, to Torrey Pines Development for Fair Market Value.

In August 2019, CBJ acquired eight lots located in Vintage Business Park for \$1.519M, for the purpose of developing assisted living housing primarily for seniors. The CBJ solicited proposals to develop the proposed housing and Torrey Pines Development was determined to be the best and most qualified bidder. During negotiations, a proposal was made for Torrey Pines to purchase the eight lots for fair market value for the construction and operation of 80 units of senior housing, assisted living, and memory care.

The Assembly Committee of the Whole heard the proposal on January 6, 2020, and recommended that the Manager proceed with negotiations for the sale. This ordinance was introduced at the Assembly meeting on January 13, 2020 and referred to the Planning Commission for review.

Your packet contains additional information as requested by the Assembly related to this project.

The Planning Commission reviewed this project at its meeting on January 28 and is forwarding its recommendation to the Assembly for consideration. It would be appropriate for the Assembly to make a motion to set Ordinance 2020-05 for public hearing at its meeting of February 3, 2020.

The City Manager recommends the Assembly pass a motion to set this ordinance for public hearing at the February 3, 2020 Assembly meeting.

C. Resolution 2878 A Resolution in Support of the City and Borough of Juneau's Application to Acquire Tideland from the State of Alaska.

This resolution would support the CBJ's request to the Alaska Department of Natural Resources for the conveyance of tidelands along the downtown waterfront to the municipality. These tidelands could be managed to facilitate development of the Port of Juneau by supporting the development of a floating berth at Franklin Dock and continuation of the development of the seawalk.

Lease of tidelands to the Franklin Dock and negotiation for land rights for the seawalk extension would require subsequent Assembly process and approvals, including an ordinance authorizing the lease of municipal tidelands to the Franklin Dock and appropriation of funding for a seawalk project or projects. Acquisition of these tidelands would put these issues before the Assembly. If the CBJ does not acquire the tidelands, Franklin Dock would simultaneously negotiate with both CBJ and DNR for tideland rights necessary for the development of their proposed floating berth. Acquisition of the tidelands does not cause or require any specific subsequent action by the Assembly.

The City Manager recommends that the Assembly place this resolution on the agenda for the February 3, 2020, regularly scheduled Assembly meeting.

D. Staff Reports: Senior Housing

IV. PUBLIC PARTICIPATION ON NON-AGENDA-ITEMS

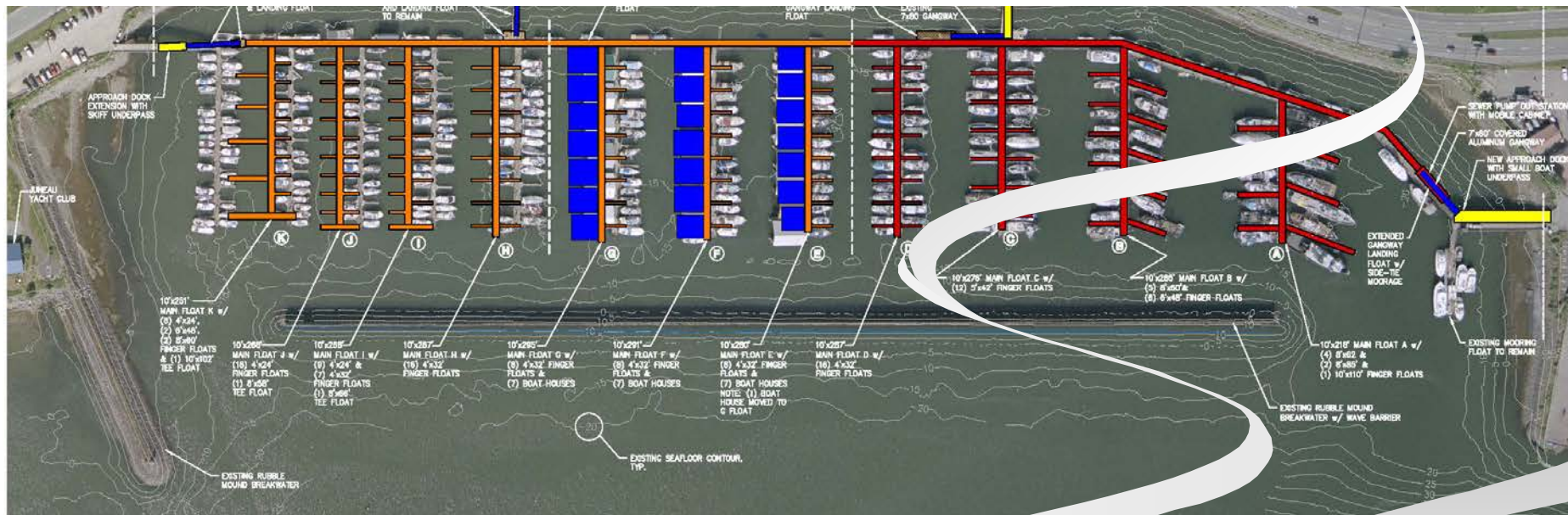
V. ADJOURNMENT

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

Aurora Harbor Phase II



Aurora Harbor Phase III



MOORAGE FLOAT SUMMARY		
SLIP LENGTH	EXISTING CAPACITY	PROPOSED CAPACITY
34 FT	184	78
34 FT	138	125
EXTENDED MOORAGE (42 TO 45')	42	43
42 FT	36	36
44 FT	0	70
60 FT - 63 FT	30	27
65 FT	7	5
105 - 115 FT	0	3

NOTE:
ADDITIONAL SMALL VESSEL SIDE-BY-SIDE MOORAGE IS AVAILABLE ON SHORE SIDE OF HEADWALK FLOAT, NOT COUNTED IN EITHER EXISTING OR PROPOSED MOORAGE SUMMARY, APPROX. 35 VESSELS (UP TO 34' LENGTH).

AURORA HARBOR

SCALE IN FEET
0 40 80 160 FT.



ENGINEERS, INC.

1540 Glacier Highway Box 100
Juneau, Alaska 99801
Phone: 587-586-2053
Fax: 587-586-2099
www.gadlinejuneau.com

SHEET TITLE
DATE: 7/2



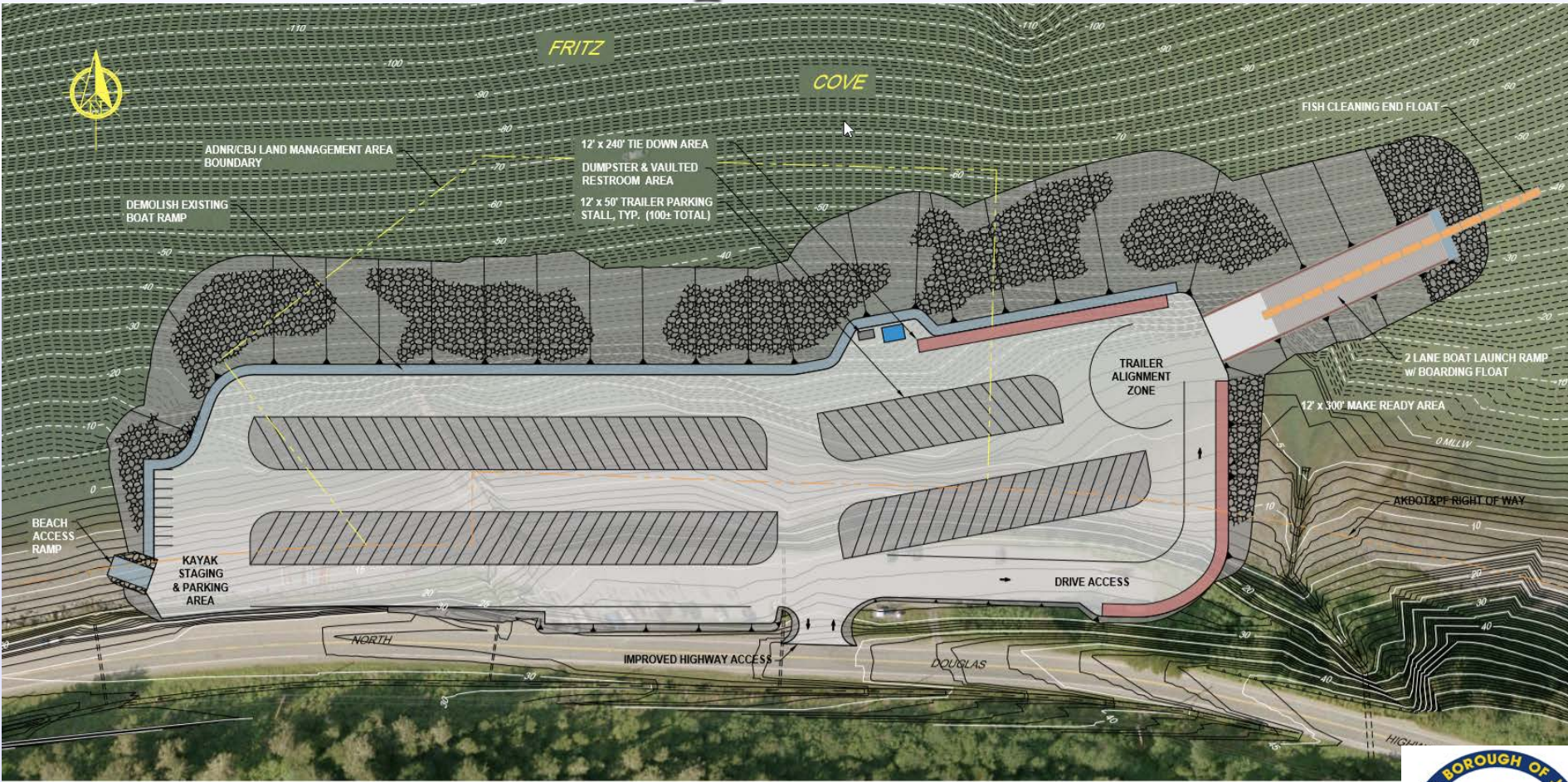
Statter Harbor Improvements



Statter Harbor Master Plan



North Douglas Launch Ramp Expansion



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

Ordinance 2020-05 An Ordinance Authorizing the Manager to Dispose of Eight Lots in the Vintage Business Park, Located near 3041 Clinton Drive, to Torrey Pines Development for Fair Market Value.

MANAGER'S REPORT:

In August 2019, CBJ acquired eight lots located in Vintage Business Park for \$1.519M, for the purpose of developing assisted living housing primarily for seniors. The CBJ solicited proposals to develop the proposed housing and Torrey Pines Development was determined to be the best and most qualified bidder. During negotiations, a proposal was made for Torrey Pines to purchase the eight lots for fair market value for the construction and operation of 80 units of senior housing, assisted living, and memory care. The Assembly Committee of the Whole heard the proposal on January 6, 2020, and recommended that the Manager proceed with negotiations for the sale. This ordinance was introduced at the Assembly meeting on January 13, 2020 and referred to the Planning Commission for review.

Your packet contains additional information as requested by the Assembly related to this project.

The Planning Commission reviewed this project at its meeting on January 28 and is forwarding its recommendation to the Assembly for consideration. It would be appropriate for the Assembly to make a motion to set Ordinance 2020-05 for public hearing at its meeting of February 3, 2020.

RECOMMENDATION:

The City Manager recommends the Assembly pass a motion to set this ordinance for public hearing at the February 3, 2020 Assembly meeting.

ATTACHMENTS:

Description	Upload Date	Type
□ Ordinance 2020-05	1/27/2020	Ordinance

Presented by: The Manager
 Introduced: 01/13/2020
 Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-05

An Ordinance Authorizing the Manager to Dispose of Eight Lots in the Vintage Business Park, Located near 3041 Clinton Drive, to Torrey Pines Development for Fair Market Value.

WHEREAS, a 2014 study identified that assisted living, primarily for seniors, was a gap in the continuum of care in Juneau and demands for assisted living facilities would increase dramatically over the next three decades; and

WHEREAS, on August 19, 2019, the CBJ acquired eight lots in the Vintage Business Park for \$1.519 million (#2019-003599-0); and

WHEREAS, the CBJ subsequently solicited proposals to develop assisted living, primarily for seniors, on the eight lots; and

WHEREAS, Torrey Pines Development proposes to develop 80 units (88 beds) of assisted living and memory care with a wide range of proposed senior services and amenities; and

WHEREAS, the proposed units include a combination of Medicaid eligible and private pay beds with studio and 1-bedroom options for assisted living and private and semi-private beds for Memory Care, with a total project cost of approximately \$32 million; and

WHEREAS, the Manager informed the Assembly Committee of the Whole on December 9, 2019, that Torrey Pines Development was the best bidder and the CBJ would initiate negotiations consistent with CBJC 53.09.250(b); and

WHEREAS, as part of the proposal, Torrey Pines Development requested the option to purchase the eight lots; and

WHEREAS, the Assembly Committee of the Whole reviewed the status of negotiations on January 6, 2020, and authorized the Manager to negotiate with Torrey Pines Development for the sale of the eight lots.

THEREFORE BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Authorization of Sale. The Manager is authorized to sell the following real property subject to the following essential terms and conditions:

(A) **Property Description.** The property is described as all in the Juneau Recording District, First Judicial District, State of Alaska, constituting approximately 2.35 acres, and further described as follows:

1. Lot 31A, Block C, according to Plat 2016-19, and subject to the terms and provisions of the Access Easement and Option Agreement between Pacific Investment Group LLC and Juneau Senior Housing Partners Limited Partnership recorded April 20, 2018 (#2018-001676-0) and together with the easement for ingress and egress in favor of Lot 31A, Block C, across a portion of Lot 26A, Block C Vintage II Subdivision according to Plat 2016-19; and
2. Lots 32, 33, 34, 35, 36, 37, and 38 Block C, Vintage II Subdivision according to Plat 85-58;
3. Subject to reservations, exceptions, easements, covenants, conditions, and restrictions of record, if any.
4. Any lot consolidation required due to the assisted living development plan will become the legal description for this ordinance.

(B) **Sale.** The sale encompasses the eight parcels described in Section 2 paragraph A.

(C) **Lot Consolidation.** Buyer shall pay for all costs associated with any required lot consolidation (CBJC 49.15.403) to develop the assisted living facility.

(D) **Use of Premises.** Buyer agrees to use the land for the sole purpose of an assisted living facility consistent with the competitive bid proposal.

(E) **Purchase Payment Schedule.** The first thirty-six months of payments are deferred. Buyer shall purchase the property over a twenty-year term as follows: 1) equal monthly payments of \$4,430.00 totaling \$53,160.00 per year for years four through and including year ten; and 2) monthly payments of \$12,658.00 totaling \$151,896.00 for years eleven through and including year twenty which is the fair market value of the property.

(F) **Taxes.** Buyer shall be responsible for any and all taxes related to or arising out of the possessory interest and for the improvements on the premises.

(G) **Hold Harmless.** Any purchase and sale agreement shall require the Buyer to indemnify, defend and hold harmless the City and Borough, its officers and employees, volunteers, consultants and insurers for any claim related to or arising out of Buyer's use, operation, or maintenance of the premises during the term of this sale.

- (H) **Costs.** The Grantee is responsible for all closing costs and fees, including but not limited to title company fees, recording fees, and surveying.
- (I) **Title Insurance.** A title insurance policy shall be obtained, paid for by Grantee.
- (J) **Type of Deed.** The property shall only be conveyed with a quitclaim deed.
- (K) **Option to Buy.** The Buyer may elect to complete early purchase of the property by paying in advance at any time.
- (L) **Other Terms and Conditions.** The Manager may include other disposal terms and conditions as the Manager determines to be in the public interest.

Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2020.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

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

Resolution 2878 A Resolution in Support of the City and Borough of Juneau's Application to Acquire
Tideland from the State of Alaska.

MANAGER'S REPORT:

This resolution would support the CBJ's request to the Alaska Department of Natural Resources for the conveyance of tidelands along the downtown waterfront to the municipality. These tidelands could be managed to facilitate development of the Port of Juneau by supporting the development of a floating berth at Franklin Dock and continuation of the development of the seawalk.

Lease of tidelands to the Franklin Dock and negotiation for land rights for the seawalk extension would require subsequent Assembly process and approvals, including an ordinance authorizing the lease of municipal tidelands to the Franklin Dock and appropriation of funding for a seawalk project or projects. Acquisition of these tidelands would put these issues before the Assembly. If the CBJ does not acquire the tidelands, Franklin Dock would simultaneously negotiate with both CBJ and DNR for tideland rights necessary for the development of their proposed floating berth. Acquisition of the tidelands does not cause or require any specific subsequent action by the Assembly.

RECOMMENDATION:

The City Manager recommends that the Assembly place this resolution on the agenda for the February 3, 2020, regularly scheduled Assembly meeting.

ATTACHMENTS:

	Description	Upload Date	Type
☐	Res 2878	1/29/2020	Resolution
☐	Res. 2878 Exhibit A Map	1/28/2020	Exhibit

Presented by: The Manager
Introduced:
Drafted by: R. Palmer III

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2878

**A Resolution in Support of the City and Borough of Juneau's
Application to Acquire Tideland from the State of Alaska.**

WHEREAS, A.S. 38.05.825 requires the Alaska Department of Natural Resources shall convey to a municipality tide or submerged land requested by a municipality that is occupied or suitable for occupation and development; and

WHEREAS, the City and Borough of Juneau (CBJ) intends on occupying and developing a triangle shaped area of tide and submerged land owned by the State of Alaska by extending the Seawalk and by improving the cruise ship docking area; and

WHEREAS, the CBJ constructed the Seawalk as a public walkway intended to provide a continuous pedestrian path along the downtown waterfront area; and

WHEREAS, the Seawalk currently extends from Marine Park to the Franklin Dock on South Franklin Street; and

WHEREAS, the CBJ desires to potentially extend the Seawalk from the Franklin Dock to the AJ Dock located on Jacobsen Drive; and

WHEREAS, in order to extend the Seawalk, the CBJ will need to acquire an interest in certain tide and submerged lands, which includes unsurveyed lands currently owned by the State of Alaska; and

WHEREAS, the CBJ has applied to the State of Alaska Department of Natural Resources to acquire the tide and submerged lands adjacent to ADL 108124 and ADL 106678, which are both owned by the CBJ; and

WHEREAS, the area requested for conveyance is depicted on Exhibit A; and

WHEREAS, acquiring these tide and submerged lands will further support the CBJ's current lease to Franklin Docks Enterprises of the southerly fraction of Block 87, ATS 3, which will improve cruise ship docking; and

WHEREAS, upon approval or conditional approval, the CBJ will conduct a survey of the area to provide legal boundaries; and

WHEREAS, the Assembly finds that upon balancing the interests, it would be in the public interest for the City and Borough to request and accept conveyance of the tide and submerged lands consistent with A.S. 38.05.825.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. The Assembly of the City and Borough of Juneau requests that the State of Alaska Department of Natural Resources approve the CBJ's application to acquire the tidelands depicted in Exhibit A.

Section 2. Upon conveyance by the State of Alaska, the Manager is authorized to accept any land identified in Exhibit A.

Section 3. Effective Date. This resolution shall be effective immediately after its adoption.

Adopted this _____ day of _____, 2020.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

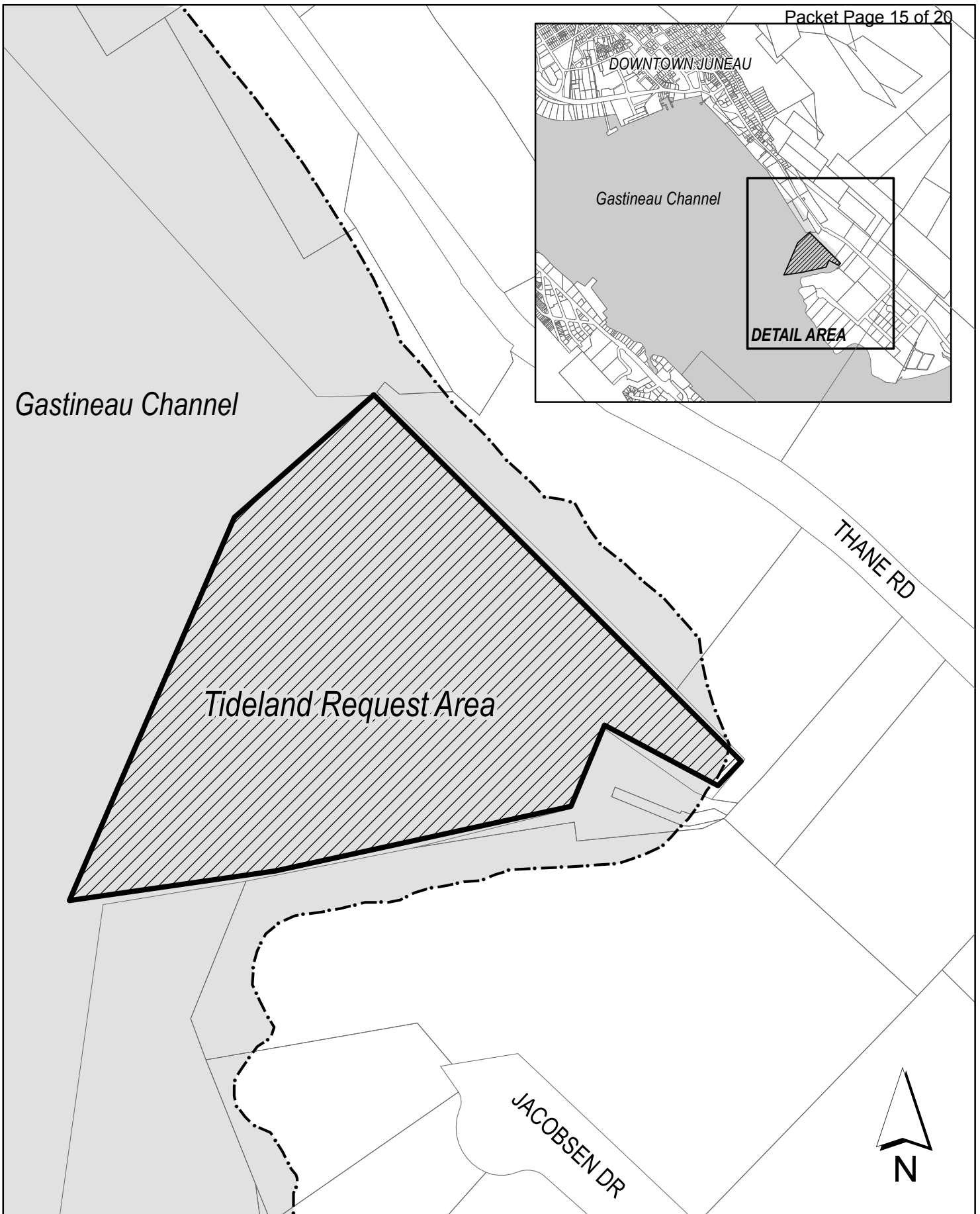
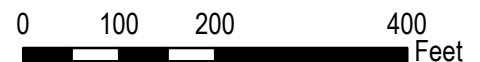


EXHIBIT A - Resolution 2878



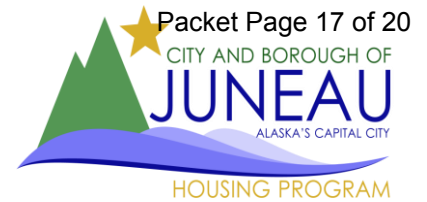
**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Staff Reports: Senior Housing

ATTACHMENTS:

Description	Upload Date	Type
☐ Senior Housing References	1/29/2020	Staff Report
☐ Senior Housing Financing	1/29/2020	Staff Report
☐ Vintage Park Loan	1/29/2020	Exhibit

MEMORANDUM



155 S. Seward St. Juneau, Alaska 99801
Scott.Ciambor@juneau.org
Voice (907) 586-0220
Fax (907) 586-5385

Date: January 30, 2020

TO: CBJ Assembly

FROM: Scott Ciambor, Chief Housing Officer 

Re: Additional Information for Torrey Pines Development Sealed Competitive Bid Proposal

At the January 8, 2020 Assembly Finance Committee, CBJ staff were asked to provide additional information about the Torrey Pines Development assisted living proposal.

Reference Checks

Torrey Pines Development provided a list of references as part of the sealed competitive bid proposal. The references provided the following comments:

Torrey Pines Development References	
Name/Title	Comments
Tim DeWan Pacific Western Bank	• Worked with Torrey Pines/Bayshire for 7-8 years; • Provided a loan for a senior care project in Escondido; loan paid off on-time/on budget; • Also provided financing for a senior care acquisition; paid as agreed; • Great team to work with; lots of senior housing experience, especially Scott Kirby
Nancy Pepper Preferred Bank	• Helped facilitate 3 loans for Torrey Pines Development; all successful • Quality of construction is really good; • Solid development group that really works through issues; gave an example of the Oceanside project with a grading permit that was delayed for 6 months and a plan approval that took 4 months – not their fault. Admired Torrey Pines Development for sticking it out.
Betty Stidolph Juneau Resident	• Visited Torrey Pines Development senior assisted living project with her husband in San Diego; • Impressions: really nice facility; top of the line; well-maintained; well taken care of with quality ancillary services like space for physical therapy/entertainment; • Was concerned about acceptance of Medicaid and if Torrey Pines were prepared for the wage/benefit packages necessary to operate -- but staff answered those questions and had done due diligence on these issues in Juneau; • Juneau would benefit greatly from this type of a project.
Dan Dobron Pacific West Development	• Known and worked with Matt Parks for 20 years; superb person, easy to work with, and likes to see things done the right way; • Worked on their Oceanside project; complicated site but worked through all the issues;

	Zero issues with Torrey Pines; always on-time payments and they had solid backing with their equity partners.
Jeff Bullick Lusardi Land Company	- Worked on a few bid projects with Torrey Pines Development; - Buildings are nice; great facilities; - Impression is that Matt/Tom tell you what they are going to do and then do it (positive); great to work with; - Jeff has referred 3 residents to their projects to live.

Ownership Structure of Torrey Pines Development Assisted Living Projects

The CBJ Assembly asked for more information about Torrey Pines Development projects in terms of ownership structure. The table below provides information for three Torrey Pines Development projects. Torrey Pines Development has additional senior assisted living holdings as well.

Project Name & Location	Felicita Vida Senior Living 930 Monticello Dr, Escondido, CA 92029
Developer	Torrey Pines Development
Operator	Bayshire Senior Communities
Opening Date (# of Years Operating)	Purchased land March 2011. Construction began December 2013. Operating since August 2015.
Project Type	New Construction
Product Mix	91 units/123 beds
Size	80,000 square feet
Project Cost	\$29,000,000

Project Name & Location	Heritage Hills of Oceanside 2108 El Camino Real, Oceanside, CA 92054
Developer	Torrey Pines Development
Operator	Bayshire Senior Communities
Opening Date (# of Years Operating)	Purchased land March 2014. Construction began August 2015. Operating since September 2017
Project Type	New Construction
Product Mix	48 units/64 beds
Size	38,000 square feet
Project Cost	\$29,000,000

Project Name & Location	Vista del Lago Memory Care 1817 Avenida Del Diablo, Escondido, CA 92029
Developer	Torrey Pines Development
Operator	Bayshire Senior Communities
Opening Date (# of Years Operating)	Purchased land June 2014. Renovations completed June 2015. Operating since June 2015.
Project Type	Renovation
Product Mix	54 units/96 beds
Size	36,000 square feet
Project Cost	\$14,500,000



City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801

Telephone: 586-5240 | Facsimile: 586-5385

DATE: January 27, 2020

TO: Mayor and Assembly

FROM: Rorie Watt, City Manager

RE: Senior Housing Additional Information – Loan vs. Grant

The Assembly asked for additional information regarding the possibility of loaning the proposed senior housing project \$6.5M, in lieu of providing a grant of \$2M.

The developer advised that from their perspective they would proceed with the project with either a \$2M grant or loan of \$6.5M with a loan repayment schedule as shown in the attached schedule. In effect, the loan allows the developer to avoid getting a commensurate amount of high risk venture capital. It is possible that the loan (if enacted) would not run to full-term, that a refinancing of the facility would occur sometime after full occupancy is obtained.

While a loan may seem initially appealing (in theory, the Assembly would get the money back), the Assembly should be advised that since the loan funds would supplant some capital funding, then the banks and venture capital investors are essentially telling us that the loan carries that same risk. I would also note that in addition to accepting some risk, the Assembly should consider the opportunity cost of tying up that sum of money for a period of time.

Last summer, the Assembly updated municipal code related to our investment policy and after careful consideration chose a relatively conservative (low risk) investment strategy. If the Assembly wishes to obtain greater return on municipal investments, then it may be appropriate to consider more aggressive investment strategy, incrementally escalating its appetite for investment risk (perhaps starting by considering lesser risky options like investing an amount in the stock market).

NPV of Lease to Buy at Vintage Park

Land Loan Assumptions	
Discount Rate:	1.50%
Land Value:	\$1,519,000

Development Loan Assumptions	
Loan Amount	\$ 6,500,000
Interest Rate	2.0%
Interest Payment (Year)	\$ 130,000
Interest Payment (Month)	\$ 10,833

Year	Land Loan	Development Loan			
1	\$0	\$0	Tax Abatement Period (12 Years)	Ground Lease Period	Con- struction Period
2	\$0	\$0			
3	\$0	\$0			
4	(\$53,160)	(\$130,000)			Facility Lease Up
5	(\$53,160)	(\$130,000)			
6	(\$53,160)	(\$130,000)		Purchase Period	Development Loan Period (10 Years)
7	(\$53,160)	(\$130,000)			
8	(\$53,160)	(\$130,000)			
9	(\$53,160)	(\$130,000)			
10	(\$53,160)	(\$130,000)			
11	(\$151,900)	(\$130,000)			
12	(\$151,900)	(\$130,000)			
13	(\$151,900)	(\$130,000)			
14	(\$151,900)	(\$130,000)			
15	(\$151,900)	(\$130,000)			
16	(\$151,900)	(\$130,000)			
17	(\$151,900)	(\$130,000)			
18	(\$151,900)	(\$130,000)			
19	(\$151,900)	(\$130,000)			
20	(\$151,900)	(\$6,630,000)			
Net Present Value:	(\$1,542,505.15)	(\$6,679,394.71)			