SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes - April 20, 2015

MEETING NO. 2015-11: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 6:00 p.m. by Mayor Merrill Sanford.

I. CALL TO ORDER / ROLL CALL

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

Assembly Absent: None.

Staff Present: Kim Kiefer, City Manager; Rob Steedle, Deputy City Manager; Laurie Sica, Municipal Clerk; Bob Bartholomew, Finance Director; Kirk Duncan, Parks and Recreation Director, Eric Feldt, Planner.

Others Present: Craig Dahl, Juneau Chamber of Commerce (JCoC); Lance Stevens JCoC; Rich Caulfield, University of Alaska Southeast (UAS); Lauren MacVey, Juneau Economic Development Council (JCED); Brian Holst, JEDC; Craig Jennison, Juneau Convention and Visitors Bureau (JCVB); Elizabeth Arnett, JCVB; Bruce Denton, Downtown Improvement Group (DIG) and Glory Hole Board; Jim Ramiel, Downtown Business Association (DBA); Linda Thomas, JCoC, etc.; Wayne Jensen, Alaska Committee; Nicole Grewe, CBJ Planning Commission, USFS; Greg Fisk, DBA, Fisheries Development Committee; Evelyn Russo, DBA; Mitch Jackson, JEDC; Margot Waring, JEDC; McHugh Pierre, Goldbelt, Inc.; Kevin Ritchie, Catholic Community Services (CCS); Rick H (CCS)? Greg Stopher, Southeast Alaska Building Industry (SEABIA); Howard Lockwood; Russ McDougal, Affordable Housing Commission, SEABIA; Eva Bornstein, JEDC...

II. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

<u>*Steven Soenksen*</u>, Juneau Legacy Properties, spoke about the Franklin Street project. He said he made an application to CBJ a year ago and paid a fee to the city to pursue a sale of property at the corner of 2nd Avenue and Franklin Street. They met with the Lands Director, and received a timeline. They provided financial information to CBJ. They need an agreement that says the CBJ will sell or transfer property development rights to the property. They had several meetings with financial partners and lenders and while there was much interest, most were looking to see what the city would do to assist with this project. Normal market conditions are sometimes not present in Juneau. This means that the cost of construction and the economics of new construction of multi-family project are higher than can be paid back through rent. The timelines are generally feasible but the reversion clause, even after the commitment of financing, would not work with a normal lender's policy. Also, reversion clauses beyond the sale and transfer of the property would negate any lender's participation. The issue is that we can not get financing, we can not obtain financing until there is a clear transfer agreement from the city and in one year they do not have that. Once there is a term letter of commitment for financing, through the lender, we would have two years to construct the building. We would purchase the property at that point. Any reversion clauses are not workable for us or anyone else. The property has gone back out to the public to see if there is interest from any other parties in the party. He asked the Assembly to look local first as those that were interested in this project are a partnership of business and design professionals to try to help the city solve the

housing problem and it has taken over ten months to produce a sales agreement. Since 1998 over 150 units of housing have gone out of service downtown. In the past 30 years, it is closer to 300, with almost no replacement. The reasons are economics. We need to create a business environment where housing solutions can be funded. At an estimate of $200,000 per unit, 300 units of replacement housing will cost approximately $60 million. If including the Willoughby District potential, 400 housing units are needed there. He said he would like to work with the Assembly to figure out how to solve the housing issues in Juneau.

III. AGENDA TOPICS

A. Juneau Economic Development Plan Discussion

Mayor Sanford welcomed all of the participants to the meeting and said he was eager to hear from everyone. He reviewed the contents of the meeting packet, and spoke about the effort to get feedback on the Juneau Economic Plan from various organizations in the community on how those groups could participate in implementation of the plan. He said the plan was a ten year plan and with help, the plan could be accomplished. This meeting was a starting point.

Introductions were made around the room. He asked the group to focus on the Goals and Action items document and invited comments and suspended the rules for casual conversation. One of his goals for the meeting was to identify key players or champions for various action items in the plan.

Ms. Kiefer distributed and reviewed the Assembly goals. 8 of 12 one-year goals relate directly to the Juneau Economic Plan, including adopting the subdivision ordinance, promote housing availability and affordability, adopt economic development plan, provide $1.5 towards construction of Juneau Housing First, promoting greater availability and affordability of childcare, implement new transit routes and infrastructure improvements, downtown revitalization, and identifying routes and permitting of the Northwest Douglas highway extension. There were other goals that were 2-5 years out that relate, including construction of the North Douglas Highway, downtown parking, investigate park and ride system, continue AJ Mine review, partner with non-profit and other government agencies to address homeless and public inebriate issues, review CBJ's incentive structure for additional housing, and decide access to Pederson Hill and promote co-development.

Ms. Kiefer provided an update on the permitting stage of the West Douglas road extension.

Mayor Sanford said that the North Douglas Crossing was on the back-burner at this time. Mr. Holst said he and Ms. Thomas served on the West Douglas Development Planning Group and JEDC could support that organization were it to be formed again. Mayor Sanford said he did not believe formation of such a group was timely. Margot Waring said the North Douglas Neighborhood Association had not been informed about the West Douglas road extension and would like to participate. Russ McDougal asked if the Lands Committee had discussed land sales in that area. Mayor Sanford said yes, there were lands but this was still a ways out for any development.

Mr. Holst spoke about JEDC's support of the work of the Airport Board. Mr. Stevens said that freight costs were an issue in various parts of the plan and that could not be solely on the Airport Board to handle this issue. Mayor Sanford encouraged the Chamber to participate in this discussion and Mr. Dahl said the Chamber was forming a working group on freight costs overall and could be assigned various parts of the plan that were interrelated. Ms. Thomas said the issue involved transportation throughout the community and this is a reason to look at West Douglas more. Private industry played a major role in the freight rates.

Regarding Juneau Senior Housing development, Mr. Holst said work on this issue defined in 1-A, B,and C was moving along. Ms. Kiefer said CBJ was meeting with partners for identifying property potentials for use.

Regarding increasing the depth and breadth of local, skilled health care workers, Mr. Caulfield said UAS had programs in a number of allied health fields. Mr. Soenksen said that any number of individuals in the public would be interested in participating or volunteering and he noted mixed generation care facilities - such as senior / child day care combinations. Kevin Ritchie said said CCS provided hospice and home care, respite care and CCS was happy to help with transportation and senior center issues - overall CCS was very able to participate in the plan.

Mr. Stevens asked if Objective 2, 3-B involved regulations regarding home health and if this task would include addressing those. Mayor Sanford acknowledged that issue and would look into this. Mr. Jones said that most rules were established by the state due primarily because of medicare regulations.

Regarding Objective 4 - improving senior access to services and activities, Mr. Hold said the collection of data had been done and would be done periodically regarding Juneau senior needs. Regarding the senior transportation services, CCS does significant work in this area, and the city has taken on the supporting role. JEDC would be happy to take on a role if needed but would step aside due to the work of others. Kevin Ritchie said that United Way was working on a senior food program.

The group questioned the intent of Objective 4, Action 4-F. Mr. Kiehl suggested that SAIL had a similar program for those with disabilities.

Regarding Objective 5 to create a talent pool of residents, and to increase opportunities for meaningful volunteer activities, Mr. Holst spoke on JEDC's efforts. Mr. Stevens said that United way had an ongoing program that could be enhanced.

Regarding the goal of prepare and attracting a labor force that fits Juneau's needs, Ms. Becker suggested adding the Alaska Committee to the responsible parties for that goal.

Regarding the goal of increasing childcare, AEYC was added as a responsible party. Mr. Holst said investigation into a 80-100 child daycare facility in Action item 2-B was turning out to be expensive, and it needed existing infrastructure and a subsidy. Ms. Crane said that some businesses should be providing day care, such as CBJ, the hospital, and larger employers in town, and we should take a look at what those types of facilities need. Ms. Troll suggested reworking Item 2-b to incorporate more likely outcomes. There was discussion about adding Juneau School District to many areas of the plan, including Rally and the Afterschool Coalition.

The group continued to work through the sections of the plan and take notes on additional key players and potential champions for action items. [A copy of the roles and responsibilities assigned at the meeting are attached as an addendum to these minutes.]

Mr. Holst walked through a proposal from JEDC requesting funds to implement the plan. He forsaw this as an annual contribution of $99,600 for each of ten years. He said this was proposed outside of their current core funding because there were many areas of the plan that were new and different in which JEDC could assist the community mobilize the plan. Ideally JEDC would have core budget and an additional supplement for the plan.

Ms. Troll asked if the plan included the additional items for supporting studies and costs to implement specific plan items. Mr. Holst said no. JEDC was already working on many of the initiatives and there would be synergy in adding coordination of community efforts. They wanted to maintain their core functions, and add an element of coordination.

Mayor Sanford spoke about the idea of including an economic development employee within CBJ to implement the economic development plan, including the housing issue. Ms. Kiefer said she looked at bringing back a special projects officer to implement the economic development plan, the NOAA fisheries plan, the housing action plan and the climate action plan. This would be a full time position, range 19, and the cost for salary and benefits would be just a bit over $100,000.

Mayor Sanford said those were two ideas to implement the economic plan, and there may be other ideas.

Mr. Jennison said that JCVB, Chamber, JEDC, Housing First and Alaska Committee, among others, have gone through this plan and so much has gone back to JEDC. He recommended JEDC's proposal as a way forward that made sense.

Mr. McDougal said JEDC was already moving on these issues and and many time hires are made they are outsiders without background.

Mr. Dahl said he agreed with the approach to support coordination by JEDC. There had to be a core place and with central, tight, effective control, JEDC would be in the best position to do this work.

Ms. Troll said either way, it would require a community commitment.

Mayor Sanford said Ms. Kiefer as the City Manager was currently being handed off the plan and in charge of determining any meetings for the plan. Mayor Sanford said he did not want individual department heads of CBJ being contacted directly for work and information about plan activities. The Assembly would consider implementation and move forward within a month to determine a course of action.

Mayor Sanford said on May 6 the Assembly would discuss the JEDC proposal and staff proposal at the Finance Committee meeting.

Mayor Sanford asked that all information on the plan implementation be brought forward to the Committee of the Whole as a method of communication.

The Assembly discussed Assemblymembers taking specific action items as "champions."

Mr. Nankervis preferred topics come back to the Committee of the Whole rather than having individual members champion items as members were subject to terms of office.

Mr. Jones said that the Assembly had to make decisions on the whole and being champions of a part may present some connotation to the community. To put a visible stamp of approval as a champion on a part of the plan may put us in a difficult position when looking at the plan as a whole. We need to present neutrality. We all have areas of expertise.

Mr. Nankervis said any one of the Assemblymembers can ask questions about a specific area and how issues are moving.

Ms. Troll said she was looking at where the natural interests lie and knowing that was helpful to her. She looked at it as a team effort. She would not only wear the fisheries champion hat.

Ms. White said she was very close to the childcare issue as it was a part of her business, as well as the housing issue. It was her area of expertise and the area she had a voice to speak to.

Ms. Becker agreed with Mr. Jones said the Assemblymembers already look into specific items and do research so that should not stop.

Mr. Kiehl said he would like to work with staff on the tax abatement issues.

Mayor Sanford acknowledged the specific interests of Assemblymembers and encouraged the members to participate and provide input on any of the plan initiatives. He did not mind having an interested Assemblymember help to keep the plan rolling forward. The Assembly at the COW, Finance and at its meetings would be making the decisions. He said if Assemblymembers had the time, he encouraged it.

Mayor Sanford said there was significant demonstrated interest in the community on the Juneau Economic Plan and people want to see action. He was delegating his work to Ms. Kiefer from this point forward.

Ms. Gladziszewski said it was slightly unclear about identifying leads on each action item and having the manager be the lead. Mayor Sanford said it was still a work in progress in assigning work items and prioritizing the work to be done. He said it was important to maintain momentum.

IV. ASSEMBLY COMMENTS AND QUESTIONS

None.

V. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 9:07 p.m.

Signed:__________________________
Laurie Sica, Municipal Clerk

Signed:______________________________
Merrill Sanford, Mayor