



Economic Stabilization Task Force

Appointed by the City & Borough of Juneau's Mayor
Meeting Minutes from May 14, 2020

Call to Order

The Economic Stabilization Task Force meeting was called to order at 3:03 p.m. by Mr. Mertz.

Task Force Members Present: Max Mertz, Linda Thomas, Susan Bell, Theresa Belton, Bruce Botelho, Eric Forst, Ken Koelsch, Lauren MacVay, Laura Martinson, and Terra Peters

Task Force Members Absent: None

Staff Present: EOC Planning Director, Robert Barr; CDD Administrative Officer, Brenwynne Grigg; CDD Director, Jill Maclean; CBJ Attorney, Robert Palmer; and CBJ Finance Director, Jeff Rogers

CBJ Assembly Members Present: Mayor Beth Weldon, Loren Jones, Alicia Hughes-Skandijs, and Greg Smith

Special Guest Speakers: None

Approval of Minutes

There were no minutes to approve.

Child Care Personal Protective Equipment (PPE)

Mr. Barr updated the Task Force on the status of the Task Force's Childcare Recommendation. The CBJ Assembly heard the Childcare Recommendation on April 27. The Assembly provided direction to the Task Force, after which the Lands and Resources Committee reviewed the recommendation on May 4. On May 13, the Assembly Finance Committee instructed staff to gather information for the purchase of supplies for childcare centers through the CBJ Emergency Operation Center (EOC). Staff are coordinating with Joy Lyon, Executive Director for the Association for the Education of Young Children (AEYC), to gather a list of needed supplies for one month of childcare operations. The EOC is purchasing these supplies for distribution as soon as possible. Next, the City is considering grants as a way to support childcare centers in sustaining their operations and affording the additional COVID-19 related supplies and resources. The EOC will continue to assist childcare centers if they are unable to source their own Personal Protective Equipment (PPE).

On May 13, the State of Alaska issued new guidance for Licensed Child Care Facilities under Health Mandate 016: Reopen Alaska Responsibly Plan, Attachment V.

Ms. Martinson asked if the EOC had heard any details on State of Alaska grant funding for childcare. She had heard that the promised three months of funding might be only one month of funding. Mr. Barr replied that Senator Jesse Kiehl and Representative Andi Story are addressing this topic, but he is unsure of the details.

Mr. Mertz shared that, as he understands the CARES Act, it seems the program will cover the financial needs in re-opening childcare centers, as their closures were an effect of COVID-19. He asked if Mr. Barr was looking into these details to soften the financial impact of purchasing childcare supplies. Mr. Barr replied that he is working closely with Mr. Rogers to address all the ways operations and supplies might qualify for CARES Act funding.

Ms. Martinson asked if Mr. Barr has discussed the topic of childcare centers charging tuition, regardless of children's attendance. She suggested that the Task Force brainstorm regarding a financial assistance program to help parents afford childcare costs. Mr. Barr replied that prior to COVID-19, discussions around a Childcare Development Block Grant were at the forefront; the need has only increased in recent times. Generally, the discussion involved a proposed reimbursement rate for parents with qualifying income, which is largely in line with current childcare rates, with some small exceptions.

Review Items in Matrix for Prioritization

Ms. MacVay summarized the matrix report provided in the packet, adding that asterisks mark the potentially actionable items to assist with prioritization.

Business Assistance

The topic of business assistance has received the most public comment. The Task Force provided the Assembly Finance Committee with a recommendation at their May 13 meeting. The Finance Committee requested revisions and a further simplified recommendation, which the Task Force will address at their May 19 meeting.

Ms. MacVay highlighted tax relief as a common comment from the public, and suggested providing landlords with tax relief if they offer reduced rent to tenants. Ms. MacVay also suggested investigating a forgiveness provision to the CBJ Emergency Loan Program for Juneau Businesses, administered by JEDC. This would involve a conversation with Brian Holst, Executive Director of JEDC, to gather information from their experience with the program.

Ms. Thomas spoke in favor of general relief for property owners, adding that mortgage payments are an item addressed in the recommendations to the Assembly.

Mr. Mertz asked if the Task Force wanted to develop programs in addition to the Utility Relief Program and the Business Assistance Grant Program that are in process.

Mr. Botelho suggested allowing the Assembly time to act on the business assistance programs currently before them while the Task Force works on other pressing issues.

Ms. Martinson agreed, stating the Assembly would like the Task Force to continue refining ideas brought before them. Assessing the need and developing a recommended funding level is still required. She added that some businesses are experiencing a 20% impact, while others are experiencing a 90% impact. She stated that the question is how CBJ's limited resources can account for those differences.

Mr. Mertz updated the Task Force on the Assembly's response to the Business Assistance Recommendations brought before them at their May 13 meeting. The Assembly Finance Committee asked that the Task Force simplify the program and recommend some general ideas regarding funding levels. Mr. Mertz will work on a recommendation to bring before the Task Force.

ACTION ITEM: The Task Force decided that Ms. MacVay would speak with Brian Holst to capture feedback on the CBJ Emergency Loan Program for Juneau Businesses.

Transportation and Infrastructure

Ms. MacVay gave an overview of public comments received that communicate how infrastructure and capital projects stimulate the economy.

Mr. Mertz advocated for targeted, well-designed capital projects during this time. He shared a public comment received from Mr. Bartholomew, advocating that this is an ideal time for the issuance of bonds for infrastructure improvements. He added that Senator Sullivan is pursuing infrastructure ideas and funding through Congress. Mr. Mertz suggested asking Mr. Bartholomew to provide input and information regarding this topic.

Mr. Botelho spoke in favor of the CBJ supporting new projects. He offered to assist in the research and development of a recommendation that emulates the “Project 80s” initiative in Anchorage.

Ms. Thomas expressed concern over the Assembly Finance Committee’s consideration of reducing the size of the Permitting Office. She worried that if regulatory environments remain the same, the progression of projects will be slow. She added that this is already causing some concerns in the industry and the Task Force should keep an eye on this.

Ms. Maclean provided context to the topic by explaining the proposed cuts to the Community Development Department (CDD). Positions and projects currently at risk include a Planner, a Commercial Plan Reviewer, and the Comprehensive Plan Update, which is a contractual expense benefitting the private sector. She added that some commercial projects have delayed their permitting due to the COVID-19 situation, but day-to-day home improvement projects have increased. CDD has existing Building Inspectors who are able to perform commercial plan review, and the department is examining how it can perform plan review more efficiently. With adjustments, she believes the department can make it work. Currently, CDD is permitting larger developments in 60 – 90 days, which is in line with many other communities in the nation. CDD has an interest in retaining the current CIP list and moving private sector projects forward.

Mr. Forst asked for an update on the Archipelago Project in the downtown. Ms. Maclean replied that the applicants received their Conditional Use Permit from the Planning Commission, but the Planning Commission denied the Variance Permit for parking. Currently, the city is examining ways of balancing the needed parking versus the perception of a parking problem. Parking reductions are available in certain districts, so one option is increasing the reductions further for the core business area in the downtown, but not in the residential areas. The project is currently in a holding pattern until a remedy is determined for the parking issue.

Mr. Botelho asked if the City has a timeline for action on the parking situation. He assumes the Archipelago owners are taking the position that neighbors to them have not strictly complied with parking regulations, due to grandfather clauses. He imagines they feel that it unfairly disadvantages them for the City to impose these guidelines, making it difficult to move forward with their project. He understands that the applicants for the Archipelago project are responsible for figuring out how to work within the guidelines, but asked if the City is assisting the project in any way with moving forward.

Ms. Maclean empathized, stating that parking was an issue she dealt with often in her former job. The city she worked in prior had zero parking requirements in the downtown, with the parking managed through meters and parking garages. When the Planning Commission first denied the Variance Permit, she intended to contact the Downtown Business Association (DBA) to learn what support may be present for a zero parking requirement, then research ideas for managing parking in a way that is culpable to businesses and residential neighborhoods directly abutting the downtown. COVID-19 became an issue and the topic took a backseat to other things. Ms. Maclean stated that she is in discussions with the Planning Manager to discover ways of conducting socially distanced public meetings for everyone who has a stake in the issue. She added that Mayor Botelho is correct in guessing how the Archipelago owners feel, adding that there have been few new construction projects or building additions that would trigger the parking requirement since the parking requirements changed and the Fee in Lieu Ordinance was adopted. Additionally, the accuracy of the monetary value of the Fee in Lieu requirement is called into question.

Mr. Forst stated that an indicator of a potential faulty parking requirement and/or Fee in Lieu requirement is that there has been no new development since the changes were made. He added that perhaps the City could build another parking garage to facilitate new development without the burden of providing parking.

Reducing Cost of Living in Juneau

Ms. MacVay shared that in the public comment category of reduced cost of living in Juneau, there is a focus on the elimination or reduction of taxes; the reduction of city wages; and assistance with utilities, transportation, and childcare costs.

Ms. Maclean reported that Mr. Barr received an email stating the State of Alaska has funding to distribute to Alaska childcare providers for the March payments only and plans to begin processing the payments this week. Applications for funding must have been received prior to the April 31 deadline. The State is currently working on funding for April and May payments for all applicants.

Ms. Thomas suggested that the reduction of city wages and the elimination or reduction of taxes is not within the scope of the Task Force, except for the Task Force's recommendations for business grants so businesses can pay their taxes. She added that the public comment items outside the scope of the Task Force might be material for the Juneau Chamber of Commerce to consider advocating, if the Task Force deemed fit to forward them.

Mr. Koelsch shared that, in his opinion, the reduction of taxes assists with economic stabilization, which is inside of the scope of the Task Force.

Mr. Mertz supported Ms. Thomas, stating that he felt the reduction of city wages is outside of the Task Force's scope and he felt commenters should be notified of such. In terms of tax policy, he believes the Task Force can make broad comments about appropriate tax levels, as they relates to the recovery from the effects of COVID-19. He added that the tax code would be an avenue to promote business.

Ms. Thomas agreed that the tax code is a potential avenue for stimulating business. She suggested that the City could decide on a flat percentage for property tax reduction, and reassess those tax rates next year after the majority of the impacts of COVID-19 are more apparent. She feels, however, that the Task Force should focus on utilizing CARES Act funding most effectively due to the timeliness of the issue. She asked that they err on the side of including a topic in the scope of the Task Force until they resolve any major disagreements on the matter.

Safety in Downtown Juneau

Ms. MacVay presented public comments that indicate a perception of decreased safety among many of downtown's users and businesses. She recommended discussing the issue with the DBA to examine possibilities for action.

Mr. Botelho agreed that the DBA would be the appropriate entity to examine this topic. He added that the risk for break-ins increases when buildings are not meaningfully occupied.

Mr. Forst advocated for this topic to be considered within the scope of the Task Force, since downtown businesses rely on bringing Juneau citizens downtown to shop. This need will be even greater this summer with the absence of tourists, and economic activity is easily thwarted if people are nervous about the safety of the area.

Ms. Peters agreed with Mr. Forst, stating that the current downtown environment is not safe or conducive for families to shop and do business.

Mr. Mertz asked Ms. Peters and Mr. Forst to work with the Downtown Improvement Group (DIG), the DBA, and the City, and present recommendations to the Task Force.

Mr. Botelho added that Travel Juneau might be available to provide assistance as well.

Liz Perry, President and CEO of Travel Juneau, provided a comment in the Zoom Chat.

"Liz from Travel Juneau here - Reminder that Alaska Travel Industry Association is working on safety/health protocols for a variety of visitor sectors, and will have a draft in a week or so. Have to jump on a call, but Travel Juneau is here to assist the ESTF. Thanks."

Meal Delivery Service

Ms. Thomas introduced Ms. Amy Skilbred, Executive Director of Juneau Community Foundation (JCF), and Mr. Larry Cotter, who were present to introduce a new Meal Delivery Program to the Task Force.

Ms. Skilbred referenced a report in the meeting packet which addresses this idea as being a "win, win, win" due to the social benefits, as well as the economic benefits, it provides to the local community. A Request for Proposal (RFP) is underway, which will focus on attracting one or two local restaurants who wish to supply daily lunch and dinner to people in need from July 1 – December 31, 2020. The Glory Hall and JCF are contributing financially to the effort, but the program needs additional support. Ms. Skilbred hoped to encourage the Task Force to recommend that the Assembly fund the remaining amount needed for this Meal Delivery Service Program out of municipal CARES Act allocation. Currently, preparing meals is consuming much of the Glory Hall's time, and they have few available resources for the other important tasks needed to keep the non-profit operating.

Mr. Cotter shared that the program seeks to provide 100 meals at lunch and 100 meals at dinner. They are open to the idea of several food providers coordinating in this effort to provide variety for the users of the program, and to share the economic benefit throughout the local food industry.

Mr. Botelho agreed with Ms. Skilbred that this program is a "win, win, win" and aligns with earlier Task Force discussions around helping Juneau help itself. He asked Ms. Skilbred what level of involvement she is requesting

from the Task Force. Ms. Skilbred asked that the Task Force promote the concept to city leadership. Mr. Forst, Mr. Mertz, and Ms. Bell expressed support for the program. Ms. Bell added that this leveraging of funds and aligning of facilities in need is a perfect model for targeting resources.

Mr. Mertz asked Ms. Skilbred to speak about the financial implications of the program in detail, and pinpoint the amount of CARES Act funding it will need.

Ms. Skilbred shared that JFC could potentially fund between \$25,000 and \$50,000, but she will need to speak with her Board. The Glory Hall can fund around \$10,000, which is half of their current food budget. CARES Act funding will need to support the remaining amount. The total cost of the program is projected to be between \$182,000 and \$1 million depending on the program level implemented, which the memorandum outlines in detail.

Ms. Thomas asked for a meeting with JEDC to determine if this program is an example of where the Task Force and JEDC might collaborate.

ACTION ITEM: Ms. Thomas and Ms. Lauren will meet with JEDC on this topic, bringing the results from the conversation back to the Task Force.

The Task Force discussed whether this is inside of the scope of their mission.

Ms. Skilbred shared that, while the Task Force is ascertaining this, she and Mr. Cotter will working on the RFP, and discuss which non-profit will assume the administration of the program, so that more information is available quickly. Mr. Mertz recommended relating the program to the COVID-19 situation for funding purposes.

Good of the Order

Ms. Martinson thanked Ms. Bell for joining the Task Force and, due to her economic expertise, asked her to provide suggestions for beneficial Task Force actions.

Mr. Mertz asked the Task Force for a meeting at 3 p.m. on Tuesday, May 19.

Mr. Mertz also introduced Mr. Eric Schumacher, who had been listening to the meeting. Mr. Schumacher is a Juneau resident and recent college graduate interested in this work. He asked the Task Force to consider him as a resource and potential intern.

Meeting Adjournment: 4 p.m.

Appointed Task Force Members

Max Mertz, Co-Chair • Linda Thomas, Co-Chair • Susan Bell • Theresa Belton • Bruce Botelho

Eric Forst • Ken Koelsch • Lauren MacVay • Laura Martinson • Terra Peters