



# Economic Stabilization Task Force

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Appointed by the City & Borough of Juneau's Mayor  
Meeting Minutes from May 21, 2020

## **Call to Order**

The Economic Stabilization Task Force meeting was called to order at 3:01 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: CDD Administrative Officer, Brenwynne Grigg; CDD Director, Jill Maclean; and CBJ Finance Director, Jeff Rogers

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

Special Guest Speakers: None

Mr. Forst asked that the economic impact of homelessness on businesses be added to the agenda.

## **Minute Review and Approval**

**MOTION:** by Mr. Forst for the meeting minutes for May 7 and May 11 to be approved with no changes. Seconded by Mr. Botelho.

***Hearing no objections, the motion passed.***

## **Update on Assembly Finance Review of Recommendations**

### *Business Sustainability Grant and Utility Payor Relief Programs Update*

Ms. Thomas reported on the Assembly presentations around the Utility Payor Relief and Business Sustainability Grant programs. The programs were forwarded to the full Assembly by a unanimous vote. An ordinance will be drafted for discussion at the May 28 Assembly meeting. The first round of the Business Sustainability Grants are complete save for ironing out some details, but the second and third rounds need additional work.

Mr. Botelho advocated for releasing the first round of grant funding and using the data received during the administration of the first round to inform the details of the second and third rounds. Additionally, he recommended an initial deadline for grant application submittals and a prioritization method for

funding in order to evaluate the full need of potential participants. He believes this would inform future rounds in a way that a “first come, first serve” approach could not.

Mr. Koelsch agreed on the immediacy of the need for the first round of funding and was in favor of evaluating rounds two and three of the program based off information received in the first round.

Mr. Mertz, Mr. Botelho, and Ms. Martinson discussed balancing the need for ensuring phase two and three funding of the Business Sustainability Grant program with the need for other types of support in the community unrelated to business. They emphasized the importance of the correct and fair distribution of CARES Act funding; they hoped the Assembly could provide guidance on the matter.

Ms. Thomas reported that, when discussing the grant program, the Assembly engaged in significant discussion on whether grant eligibility would be extended only to businesses who employ personnel.

Ms. Martinson advocated for extending the grant to businesses with the owner as the only employee. Examples of this business type could include massage therapy, salon services, art studios, new retail businesses, professional services, and others. She believe there is an assistance gap for this business owner, as they will not qualify for unemployment.

Mr. Forst shared that many of these businesses will be unable to retain their normal number of employees throughout the summer and winter due to the lack of business. If the grant can assist them with making their base-line payments on rent, however, they may be able to supply employment to people next summer.

Ms. Bell shared that the most recent JEDC indicators report states there are over 2,800 Juneau self-employed and independent contractors. Many of them are in fields such as professional, scientific, and technical services; fishing; real estate; health and social assistance; and retail trade, to name a few. Every one of these businesses will have business expenses, debt, and other obligations. She suggested that a small presentation of the composition of Juneau’s private sector, and the fragile nature of that private sector, could be helpful for the Assembly.

Mr. Koelsch agreed that self-employment should be eligible for a grant and the Task Force should not exclude this business population from the program.

Ms. Martinson feels the requirement of proof of year over year loss of income will ensure the grant is meeting a real need for a business that employs a person who would not otherwise qualify for unemployment or other programs.

The Task Force discussed the reality that some businesses who might normally employ personnel may receive the grant funding and have to work the business themselves as the owners, unable to employ many, just to get through until business picks up again. This will not necessarily help employ people immediately, but it might sustain the business long enough that the business is able to re-hire when their customer base is re-established. These unemployed personnel will need assistance in other ways, perhaps even in addition to state-federal

unemployment programs, especially when the additional federal support due to COVID-19 expires on July 31.

#### *Shop Local and Save Update*

Ms. Thomas shared that the Assembly would like the Task Force to continuing work on a “Shop Local and Save” program. She added that Travel Juneau has expressed interest in the administration of the program if the Assembly decides to implement one.

Mr. Botelho shared that Ms. Bell has identified a program in Winnipeg that may be of interest and asked that she share her findings at an upcoming meeting.

#### **Jobs Program**

Mr. Botelho met with Mr. Rogers to discuss guidance issued by the U.S. Treasury on whether a trail employment program would qualify for funding. It was determined the work needed to be directed at facilities which aid in the fight against COVID-19. However, after speaking with George Schaaf at CBJ Parks and Recreation, Dave Scanlan at CBJ Eaglecrest, and Ian Fisk at Juneau Parks Foundation, they are enthusiastic about the concept of putting young people to work on projects. There is an effort through the Alaska Outdoor Alliance for a \$2 billion appropriation from Congress directed at trail restoration and facility infrastructure projects in Alaska. The allocation would provide roughly \$750 million over a three-year period for a Civilian Conservation Corp and roughly \$1.25 billion over a five-year period for the actual projects. This effort is only at the proposal stage to the Alaska Delegation, but there is strong support among communities throughout the state. Mr. Botelho plans to meet with stakeholders to look at funding alternatives and logistics for job programs in Juneau the week of May 25.

Ms. Martinson stated that she appreciates the idea and feels it will assist the economic rebound by employing people who would otherwise have tourism related jobs. She feels this “pocket of time” provides an opportunity to offer job training to grow skills that our community needs.

Mr. Mertz expressed disappointment that it appears CARES funding cannot be used to fund a program such as this. He wondered if there might be an opportunity to look at funding additional jobs if the stipulation for replacing lost revenue is removed.

Mr. Mertz reported that he spoke with Wayne Stevens, President and CEO of United Way of Southeast Alaska, and Joan O’Keefe, Executive Director of SAIL, about adding an AmeriCorps-like component to this idea. He suggested identifying non-profits who have been harmed and that might need additional staffing for projects. He stated that trails provide one avenue for a jobs program, but social services could provide another.

Ms. Thomas mentioned a provision in the CARES Act language for a program that works to reduce unemployment and asked how that plays into the eligibility of a jobs program. Mr. Botelho replied that the problematic language pertains to trail restoration and facility infrastructure as capital projects, which are excluded.

## **Public Comment/Additional Ideas**

Ms. MacVay reported no new subject areas in public comments received since her last report.

Mr. Mertz asked Mr. Forst and Ms. Peters if they would meet with JEDC on the Shop Local App and report back to the Task Force. They agreed, stating that there was community interest in the program.

Ms. Thomas reported that she and Ms. MacVay met with Mr. Holst of JEDC to discuss public comments received on subject matters that were outside the scope of the Task Force, but for which JEDC might have resources to assist or refer. Ms. MacVay added that the collaborative relationship JEDC has with the Juneau Chamber of Commerce and other agencies could benefit some of the topic areas.

The Food Program Proposal brought before the Task Force on May 14 is an example of where JEDC can offer assistance.

Ms. Martinson asked if the Task Force should pursue more fact-finding initiatives regarding unemployment data in Juneau in order to assess the need. She suggested the data could include who is unemployed and what type of jobs they previously filled. This information could help estimate the number of jobs that might be reintroduced into the community – and when – based on the sector and the impacts they are seeing.

Ms. MacVay stated that she appreciated this approach because it would assist with projections on the number of unemployed people as assistance programs begin to expire. It could inform the Task Force on when programs such as rental assistance might see a larger demand.

## **Loan Program Update**

Ms. MacVay reported that she and Ms. Peters met with Mr. Holst to obtain information on the CBJ Emergency Loans program. To date, they have received \$4 million in loan requests, and approved \$2.5 million in loans. Around \$1 million in requests did not qualify for a variety of reasons and the rest of the requests are still active. JEDC currently has funds available to lend, but the demand has slowed. However, marketing the program could probably help move the rest of the funds.

Ms. MacVay updated the Task Force on discussions regarding using CARES Act money to add a forgiveness component to the loan program. Recommendations have been against this course of action due to an issue of equitability. Had the loan program been advertised at the onset as a grant, there would have been additional applicants and potentially more approvals, since a grant program is administered much differently than a loan program. There is some concern over the loan term of 30 months, as that could present difficulties for some businesses depending on their ability to rebound. JEDC may need some added flexibility in working with people.

Ms. MacVay reported that JEDC is in agreement that there will be an increased need this winter and spring. JEDC is currently developing a business survey for a current assessment of need. Inquiries about businesses' experience with PPP and EIDL, and whether they expect forgiveness, will be included in the survey.

Alternatives to loan programs that were discussed included angel investing, where the investor in the business is repaid in future revenue.

Ms. Peters added that many businesses applying for loans were more interested in grants.

Mr. Mertz asked if JEDC has a recommendation on a length of loan term that exceeds 30 months.

Ms. MacVay replied that it was too soon for an analysis to recommend a term. They suspect that as people begin to struggle with their debt service later in the year, JEDC will need clarification on the level of flexibility that is available in dealing with borrowers. As of May 17, the portfolio balance was at 2.86, which is \$140 thousand.

Mr. Forst expressed concern around PPP payments coming due in December, then additional payments for the CBJ Emergency Loan program coming due in the spring. This could be difficult for many businesses who may not be at peak operation. Extending the “no payment” portion of the loan program into next summer could be an option to consider.

### **AK CARES Update**

Mr. Mertz shared that he and Ms. MacVay spoke with Mr. Alan Wietzner, Interim Executive Director of AIDEA, about concerns around the AK CARES Grant program. Ms. MacVay then drafted a letter that the Task Force approved and submitted to the AIDEA Board prior to their meeting on May 20. By that time, word had circulated on the clause that excluded businesses who have received PPP and EIDL loans. AIDEA received many letters and comments on the subject. Mr. Mertz shared that he had an opportunity to testify at the meeting. Mr. Robert Venables, Executive Director of Southeast Conference, was also present and testified along similar lines. AIDEA heard the comments and testimonies and made the change to remove the clause excluding businesses who have received PPP and EIDL loans.

New guidance has not yet been released, but is expected soon. Credit Union 1 is administering the AK CARES Grant and, since the nearest branch is in Ketchikan, Mr. Wietzner is working to establish a contact for Juneau to assist with application processes. Once this is available, the Task Force will work on communicating that to Juneau.

### **Homeless Issue**

Mr. Forst spoke about the concerns of businesses in Juneau regarding this issue as they prepare to re-open. Zack Gordon Youth Center will re-open soon, which means the Glory Hall can no longer serve food out of their covered outdoor facility. As the Glory Hall transitions back to operating from their downtown location, he is concerned that dining activities that formerly took place inside the Glory Hall building will now take place outside on the sidewalks, due to COVID-19 space standards. Mr. Forst’s larger concern is that this activity will stifle businesses as they attempt to bring segments of the economy back online. He believes Juneau residents will be hesitant to bring their families downtown in this environment. He hopes the City can be proactive about finding an alternate location for the Glory Hall to distribute meals.

Ms. Thomas stated that the Task Force has received several public comments about cleaning up litter in the downtown, generally. She suggested the Task Force could examine programs that would employ people to assist with some of the issues being experienced downtown as well.

Mr. Forst stated the City has been actively cleaning the downtown and planting flowers.

Ms. Martinson shared that she recently discussed this topic with Mr. Bruce Denton, Vice-President of the Glory Hall Board of Directors. She believes that the Task Force could suggest actions to motivate a creative solution in order to avoid 85 people eating meals on the downtown sidewalks as businesses attempt to re-open.

Mr. Koelsch noted that he perceives an increase in un-housed individuals congregating downtown since the opening of a new campground. He shared that his recent experience in the downtown was not an experience that felt safe or family-friendly.

Ms. Maclean shared that Deputy City Manager, Mila Cosgrove, is on the phone and can speak to the food distribution situation in the downtown. Mr. Mertz thanked Ms. Cosgrove for joining the meeting and asked her to provide updates.

Ms. Cosgrove shared that CBJ has been communicating with the Glory Hall for several weeks on the need to re-locate the meal service area from the Zack Gordon covered playground area as they open for services to the teen population, who are quite fragile themselves. Some of these teens are experiencing homelessness and are couch surfing, and there is concern about intermixing the population of people experiencing homelessness with the teen population for a variety of reasons.

Mr. Botelho asked if a new location for the feeding station has been identified. Ms. Cosgrove replied that the Glory Hall has informed them of their intent to offer feeding services out of the Glory Hall facility. Ms. Martinson asked if current social distancing requirements would prevent patrons from eating inside the Glory Hall and asked if there was a plan for that possibility. Ms. Cosgrove replied that the Glory Hall can accommodate a limited number of people inside the facility but most people would likely disperse around the downtown. Mr. Forst and Ms. Martinson expressed concern for this plan and the environment this will create for the docks and sidewalks in the downtown, especially on South Franklin Street.

Ms. Cosgrove explained that individuals experiencing homelessness are citizens and have constitutional rights to be on the street and in public parks. The CBJ has maintained an increased police presence in the downtown throughout the COVID-19 pandemic to assist. Work continues with shelter providers to identify services that are needed.

Mr. Mertz asked Ms. Cosgrove to explain the integrative response that is happening between various non-profits, the City, and the State to address the homelessness issue in the downtown.

Ms. Cosgrove shared the history of the homeless shelter's location in the downtown. The COVID-19 situation required that the Glory Hall decompress their space by moving people out of the building. Around 8-10 individuals remained at the Glory Hall and around 26 individuals were placed at the Driftwood Hotel. The warming shelter, which was located at St. Vincent de Paul in the Valley, housed the additional people. As the warming shelter continued to experience an influx of additional people, it became apparent that additional space was needed. The EOC took temporary control of the Juneau Arts and Culture Center (JACC) as a temporary shelter in an effort to give people a place to go and maintain social distancing. There are many non-profits involved in this effort, which includes the Glory Hall; St. Vincent de Paul; the Division of Public Health; case management from Bartlett Regional Hospital; mental health services provided by JAMHI; and grant funding provided by the Mental Health Trust.

Mr. Mertz asked for an update on testing the homeless population for COVID-19 and if data has been collected that might provide some insight into their place of origin and other demographics of the population. Ms. Cosgrove replied that 78 individuals were tested and results should be available by May 22 or 23. She shared that the data collected included a standard medical screening process, questions around how they are feeling, and temperature checks. There is some exchange between the Pacific Northwest and State of Alaska homeless populations, but no more than what would be expected in other populations. This data is collected through the Homeless Management Information System (HMIS).

Mr. Mertz asked if there has been a change in the size of the homeless population in Juneau. Ms. Cosgrove replied that counts include the Glory Hall, the Mill Campground, the JACC, and the AWARE shelter. There are approximately 138 people in the shelter counts, but this number is approximate due to potential double counts. She continued to state that the domestic violence shelter has seen an increase, which is in line with a rise in domestic violence incident reports during the COVID-19 pandemic. Ms. Cosgrove feels that the homeless population has become more visible because there are less people on the streets in the downtown.

Ms. Thomas asked if there is any COVID-19 funding the City or non-profits might tap into to help with the additional challenges. Ms. Cosgrove replied that the City is looking at how CARES Act funding might be used to assist with the social services aspect of the COVID-19 response. The City is anticipating a potential gap in service in the inability of non-profits to accommodate the numbers they accommodated prior to COVID-19, due to social distancing standards and an increase in health protocols. Ms. Cosgrove added that the social service agencies in Juneau do a great job with very lean budgets, and that the City is looking at ways to fill gaps.

### **Good of the Order**

Ms. Martinson shared that the Assembly unanimously passed the Childcare Recommendation that dedicates \$1 million in aid at last night's meeting. Childcare programs will receive grant funding at 50% of enrollment, capped at \$1,000 per child. Childcare facilities also received a supply of PPE; she has received videos of excited and tearful providers opening their packages.

Ms. Peters encouraged the Task Force to continue looking at programs similar to "Shop Local and Save."

Ms. Thomas shared that Ms. Bell and Ms. MacVay are working on a matrix that will show statistics regarding funds coming into Juneau and where those funds are being distributed. This matrix will differentiate between Federal, State, and local programs.

Ms. Thomas is also following how Anchorage and Fairbanks are handling their CARES Act allocation, but to date, there has been little information released.

Mr. Mertz asked the Task Force for its opinion on opening meetings up to public comment. The Task Force discussed the topic and generally decided that the Task Force is a working group for the Assembly. If the Task Force needs expertise on a topic, then it will invite an expert to speak. There was concern that the agendas are already large, and if public comment is opened the length of meeting times will need to be extended. The current avenues for public participation are working, public comments are being submitted in a good quantity, and they seem thoughtfully crafted. It was suggested that the topic

of allowing public comment at Task Force meetings be revisited in a month. However, if there is a specific initiative or program on which the Task Force wants comment, it could consider opening comment for that meeting.

At 4:54 p.m., the meeting was adjourned.

**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