

**ASSEMBLY FINANCE COMMITTEE  
THE CITY AND BOROUGH OF JUNEAU, ALASKA  
Thursday, July 23, 2020, 12:00 PM.  
Zoom Webinar & FB Live Stream**

(webinar: <https://juneau.zoom.us/j/96422797035> or call: 1-346-248-7799 Webinar ID: 964 2279 7035)

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. APPROVAL OF MINUTES**

- a. **Wednesday, July 8, 2020**

**IV. ITEMS FOR DISCUSSION**

- a. **Ordinance 2020-40 An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed \$15,000,000 to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition or Propositions to the Voters at the Election to Be Held on October 6, 2020.**
- b. **Ordinance 2020-36: An Ordinance Appropriating up to \$3,000,000 to the Manager for a COVID-19 Nonprofit Sustainability Grant Program; Funding Provided by the CARES Act Special Revenue Fund.**

**V. NEXT MEETING DATE**

- a. **Wednesday, August 5, 2020**

**VI. 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](mailto:city.clerk@juneau.org)

**DRAFT**  
**City and Borough of Juneau**  
**Minutes - Assembly Finance Committee Meeting**  
**Zoom Webinar & Facebook Live Stream**  
**Wednesday, July 8, 2020**

**The AFC meeting convened immediately following a Special Assembly Meeting beginning at 5:00 PM**

**I. CALL TO ORDER**

The AFC meeting was called to order at 5:29 PM by Loren Jones, Chair.

**II. ROLL CALL**

Committee Members Participating Virtually: Mayor Beth Weldon; Loren Jones, Chair; Rob Edwardson, Alicia Hughes-Skandijs, Wade Bryson, Michelle Bonnet Hale, Marie Gladziszewski, Greg Smith

Committee Members Absent: Carole Triem

Staff Present Virtually: Rorie Watt, City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Rob Palmer, City Attorney; Robert Barr, Library Director

Others Present Virtually: Max Mertz, Economic Stabilization Task Force Co-Chair; Linda Thomas, Economic Stabilization Task Force Co-Chair, Kara Hollatz, Outreach Coordinator, Airlift Northwest

**III. APPROVAL OF MINUTES**

- a. The June 17, 2020 minutes were approved as presented.

**IV. ITEMS FOR DISCUSSION**

**a. Allocation of CARES Act Funds**

Mr. Watt described the new pie chart of actual expended and potential expenditures of CARES Act funding. CBJ has appropriated \$26.1 million and a number of other programs are in the queue. Mr. Watt brought the Assembly's attention to the Business Relationship Diagram, explaining that if there is an area of support that has not been contemplated, now is the time for the Assembly to ask either the Economic Stabilization Task Force (ESTF) to work on what that program might be, or staff through the Manager's Office. Mr. Watt reminded the Assembly of the expenditure deadline for the CARES Act funds of December 30, 2020.

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

Ms. Hale expressed concerns for Juneau's vulnerable population and residents that live paycheck to paycheck. She stated that the earlier PFD disbursement may mean that residents aren't using the funds to fill their oil tanks for the winter. She expressed her concern about Juneau's population staying warm, fed, and sheltered during the winter. She would like to see more focus on a food security program.

Mr. Watt responded to committee questions.

Ms. Gladyszewski expressed concerns about getting kids back to school safely, and inquired about personal protective equipment (PPE) to aid in doing this.

Mr. Watt responded to committee questions.

Chair Jones stated that the school has purchased PPE for teachers with the school's available CARES Act funding, but does not believe PPE has been purchased for students. If it is determined that students are also required to wear PPE, the school may be looking for additional funds to cover these costs.

Mr. Smith expressed concerns about the pie being seemingly quite served. He stated the unemployment bonus and eviction moratorium prohibitions will be going away at the end of the month, and is wondering what that will look like in August and September. He inquired about the ESTF, or someone else, doing a needs assessment in the community.

Mr. Watt reiterated that if there's an area in the community that is not being worked on, we need to start working on it now. He discussed further programs being considered that are meant to address community needs.

### **V. ITEMS FOR ACTION**

#### **a. Business Grant Program Phase 2/3**

Mr. Watt explained that the ESTF and JEDC are working together on recommendations for the phase 2/3 grant program. This item is not ready for Assembly action, as recommendations have not yet been finalized. Mr. Watt recommended that this item be continued.

**Motion: by Ms. Gladyszewski to keep the Business Grant Program Phase 2/3 in the Finance Committee until the Assembly hears from the ESTF.**

**No objection, motion passed unanimously.**

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

### **b. Non-Profit Grant Program**

Mayor Weldon presented the draft ordinance for the non-profit grant program, stating that the grant administrator for this program would be the Juneau Community Foundation (JCF).

Mayor Weldon responded to committee questions.

Linda Thomas, ESTF Co-Chair, responded to committee questions.

### **c. Airlift Northwest Request for Support**

Mr. Watt explained that Kara Hollatz with Airlift Northwest submitted a request to the ESTF, who tendered it over to the Manager's Office. Mr. Watt communicated with the region, determining that President Peterson with Central Council already provided \$1.0 million of support to keep the plane in Juneau. Additional letters of support have come in including from Mr. Jones from the ER, JEMA Practice, and Southeast Conference. Mr. Watt recommended that the Assembly consider \$500,000 of CARES Act funding provided that Airlift Northwest keep the plane in Juneau for the remainder of the calendar year. He stated that LifeMed has also made a request for CARES funding which the ESTF is reviewing tomorrow. Mr. Watt clarified that since Airlift Northwest is an entity of the University of Washington Medicine, they are ineligible for most of the available CARES Act funding.

Mr. Watt responded to committee questions.

Ms. Hollatz responded to committee questions, explaining that the PC 12 turboprop plane is unique in the sense that it can land on shorter runways to support many of Southeast Alaska's smaller communities. Additionally, it can be configured to hold up to two passengers at a time, and accommodates bariatric patients up to 450 pounds, while performing longer range flights, if needed. She further explained that a consequence of the plane leaving Southeast Alaska would be delayed patient care. With President Peterson's pledge, Airlift Northwest's plan is to keep the plane in Juneau until the end of the summer.

Mr. Watt explained to the Assembly that on his call with the other communities, he told them that Juneau's Assembly would want to know what other communities are doing. Mr. Watt encouraged the other communities to support the request with funds if indeed it was important to them.

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

**Motion:** by Mayor Weldon to have the attorney draft an appropriating ordinance for \$500,000 to Airlift Northwest of CARES Act money, and then it can be discuss it as it moves slowly forward as the Committee looks at the other requests.

**No objection, motion passed unanimously.**

*The meeting recessed at 6:30 PM.*

*The meeting reconvened at 6:40 PM.*

### **d. Consideration of Building Purchase for Sheltering**

Mr. Watt presented the memo from Mr. Ciambor about emergency cold weather shelter use background costs and point-in-time count numbers. Purchase of a building for this purpose would be eligible for CARES Act funding because it allows the purchase of a building for sheltering of vulnerable populations. Generally, CARES Act funds cannot be spent on the construction of a new building, but it could not be built quickly enough to be “necessary”. Mr. Watt requests that the Assembly does not object to a solicitation for building purchases that can be brought before the Assembly for consideration.

Mr. Watt responded to committee questions.

**Motion:** by Mayor Weldon to direct the City Manager to solicit available properties that could be acquired to meet the needs of operating a cold weather shelter and using CARES Act funding to do so.

**No objection, motion passed unanimously.**

### **e. Infrastructure Bond**

Mr. Watt explained that the ESTF has identified that finding ways to stimulate the economy is very important early on, and has therefore proposed an infrastructure bond package. The goal is economic activity in the construction trades and professional services trades. Mr. Watt cautioned the Assembly that the timeline for the bond package is very short, an ordinance would have to be introduced to get the bond package on the ballot and up for public hearing by August 3<sup>rd</sup>. Mr. Watt suggested that a good starting point for the bond package would include \$5 million for school roofs, \$5 million for parks, and \$5 million for the West Douglas Pioneer Road.

Mr. Rogers presented the debt service model to the Assembly. He explained that the absence of school bond debt reimbursement will require over \$5 million of

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

General Fund support in FY21 to prevent the Debt Service Fund from going negative. The status quo debt service mill rate model assumes that CBJ will receive 100% of the school bond debt reimbursement in FY22 – FY25. Mr. Rogers presented that any reimbursement percentage below 100% will cause the debt service mill rate to increase from the current rate without additional General Fund support. Through the model, Mr. Rogers further explained that between FY21 – FY23, about \$12 million of General Fund support is required to keep the debt service mill rate flat. This does not include the infrastructure bond package under consideration. Mr. Rogers concluded that yes, the City has debt capacity, but the question is what is the Assembly's tolerance in regards to the mill rate, how much does CBJ believe will be reimbursed for school bond debt, and how much is the Assembly willing to contribute to the Debt Service Fund from the General Fund, not really to pay debt costs but to deal with the fact that the State is not reimbursing for school bond debt.

Mr. Rogers and Mr. Watt responded to committee questions.

Hs. Hale expressed that she would like the Aurora Harbor improvements added to the list for consideration for the bond package.

Mr. Edwardson requested that evidence be provided to the Assembly that infrastructure does indeed stimulate the economy.

Ms. Gladziszewski inquired about utility projects being added to the list to reduce pressure on increasing utility rates.

Mr. Rogers explained that there are State loan programs that are preferable for utility projects as they come with lower interest rates. He also explained that the Assembly could consider taking out revenue bonds against future passenger fee or utility fee revenues.

The Assembly discussed options of refinancing the school construction bond debt and amortizing it over a longer period of time to reduce the stress on the Debt Service Fund. Mr. Rogers explained that the Assembly could also choose to buy down the mill rate through additional contributions of general funds to the Debt Service Fund. Mr. Watt explained that contributions of general funds will require additional use of reserves or further reductions to the Capital Improvement Plan.

Chair Jones stated that the Assembly may also want to consider the Augustus Brown Pool capital improvement project for the infrastructure bond, as sales tax revenues may not generate enough funding to complete this project in the short term. The Assembly is also already looking at a potential increase to the mill rate in FY22 for childcare. Mr. Jones stated further that the City only has three more

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

years of school construction bond debt, and it doesn't make sense to refinance it for an additional 25 years to avoid not paying it for the next three years.

Ms. Gladyszewski cautioned the Assembly that the infrastructure bond projects need to be widely supported and uncontroversial if the package is going to pass a public vote.

*The meeting recessed at 7:48 PM.*

*The meeting reconvened at 8:00 PM.*

**Motion: by Mayor Weldon to direct the City Manager to prepare a bond ordinance for introduction at a Special Assembly meeting on July 20<sup>th</sup>, which would include \$15 million for improvements to schools, parks, and extension of the West Douglas Pioneer Road to the water.**

**No objection, motion passed unanimously.**

**f. Arts/Culture Grants**

Ms. Hale introduced the ESTF's recommendation for a 2020 Juneau ArtWorks Program to the Assembly, to be administered by the JAHC.

Ms. Hale responded to committee questions.

Chair Jones stated that the Committee did not have any objections to Ms. Hale drafting an ordinance and bringing it back in front of the Assembly when available.

**g. Grants for Personal Protective Equipment and COVID Mitigation**

Mr. Palmer presented Ordinance 2020-37 to the Committee. He explained that the ordinance stitches together two concepts, the first being a reimbursement program for PPE for businesses, and the second to provide a financial incentive to businesses that require employees and customers to wear masks, or provide a disinfectant station.

Ms. Hale provided additional detail about the grant program.

Mr. Palmer and Ms. Hale responded to committee questions.

Ms. Gladyszewski inquired as to why this program concept couldn't be added to the Business Sustainability Grant Program that's already being administered.

Mr. Mertz, ESTF Co-Chair, stated that the Committee may not want to limit applicant participation to folks that have 20% or more harm from COVID.

## **Minutes - Assembly Finance Committee Meeting Wednesday, July 8, 2020**

Perhaps CBJ doesn't want to limit it to that and instead have the program be broader.

### **VI. INFORMATION ITEMS**

#### **a. Staff Update on Bond Refinancing**

Mr. Rogers explained that the bond refinancing that was performed in June saves the CBJ about \$300,000. The amount represents a future debt payment CBJ will not have to pay.

### **VII. NEXT MEETING DATE**

- a. Wednesday, August 5<sup>th</sup>, 2020

### **VIII. ADJOURNMENT**

*The meeting was adjourned at 8:29 PM.*



Presented by: The Manager  
Introduced: 07/20/2020  
Drafted by: Bond Counsel

## **ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2020-40**

**An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed Fifteen Million Dollars to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition or Propositions to the Voters at the Election to Be Held Therein on October 6, 2020.**

WHEREAS, improvements and renovations to the infrastructure and facilities of the City and Borough of Juneau, Alaska (the “City and Borough”) are needed in order to meet the current and future needs of the City and Borough; and

WHEREAS, the COVID-19 epidemic has placed unprecedented strain on the Juneau economy; and

WHEREAS, strained municipal revenues have caused certain public infrastructure projects to be delayed for lack of current funding; and

WHEREAS, economic stress and uncertainty has caused businesses to delay infrastructure projects that would have generated local economic activity; and

WHEREAS, history has demonstrated the economic stabilization and recovery benefits that accrue from public infrastructure spending in times of economic stress; and

WHEREAS, a number of school facilities are in urgent need of roof and facility repairs that have been deferred due to lack of funding; and

WHEREAS, the Parks and Recreation Department has worked with the community to develop detailed master plans to repair and improve specific parks, playgrounds, and other infrastructure that has reached the end of its useful life, yet remain unbuilt because of a lack of funding; and

WHEREAS, the community has developed master plans and other documents setting forth a vision for development of West Douglas for commercial and residential purposes; and

WHEREAS, certain projects listed in Section 3 below (the “Projects”) have been identified and approved by the Committee of the Whole as necessary to meet the needs of the City and Borough; and

WHEREAS, in order to provide funds for paying the cost of acquiring, constructing, renovating and equipping the Projects, it is deemed necessary and advisable that the City and Borough issue and sell its unlimited tax levy general obligation bonds in the principal amount of not to exceed \$15,000,000 (the “Bonds”);

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

**Section 1. Classification.** This ordinance is a noncode ordinance.

**Section 2. Findings.** The Assembly of the City and Borough hereby finds and declares that the acquisition, construction, renovation and equipping of the Projects identified in Section 3 hereof are necessary and are in the best interest of the inhabitants of the City and Borough.

**Section 3. Purposes.** The Assembly has determined that the City and Borough is in need of the following:

- Critical repairs to schools, including roof replacements;
- Repairs and capital improvements to municipal park infrastructure and recreation facilities; and
- Construction of the extension to West Douglas Pioneer Road.

The foregoing are herein referred to as the “Projects.” The cost of all necessary architectural, engineering, design, and other consulting services, inspection and testing, administrative and relocation expenses, costs of issuance of the Bonds and other costs incurred in connection with the Projects that is approved by the electors shall be deemed capital improvement costs of the approved Projects. The approved Projects may be completed with all necessary furniture, equipment and appurtenances.

If the City and Borough shall determine that it has become impractical to accomplish any portion of the approved Projects by reason of changed conditions or needs, incompatible development or costs substantially in excess of those estimated, the City and Borough shall not be required to accomplish such portions and shall apply Bond proceeds as set forth in this section.

Interest earnings on Bond proceeds may be used and applied by City and Borough, at the direction of the City Manager or his or her designee, for the Projects or for other capital improvements or for the retirement of the Bonds or other general obligation bonds of the City and Borough.

If the approved Projects have been completed in whole or in part, or its completion duly provided for, or its completion found to be impractical, the City and Borough may apply Bond proceeds or any portion thereof as provided in Section 10.10 of the Home Rule Charter.

In the event that the proceeds of sale of the Bonds, plus any other monies of the City and Borough legally available, are insufficient to accomplish the approved Projects, the City and Borough shall use the available funds for paying the cost of those portions of the approved Projects for which the Bonds were approved deemed by the Assembly most necessary and in the best interest of the City and Borough. No Bond proceeds shall be used for any purpose other than a capital improvement.

**Section 4. Details of Bonds.** The Assembly hereby authorizes the issuance of general obligation bonds in order to fund the costs of the Projects described in Section 3 (the “Bonds”). The Bonds shall be sold in such amounts and at such time or times as deemed necessary and advisable by the Assembly and as permitted by law and shall mature over a period of up to 20 years of date of issue. The Bonds shall be issued in an aggregate principal amount of not to exceed \$15,000,000. The Bonds shall bear interest to be fixed at the time of sale or sales thereof. Both principal of and interest on the Bonds shall be payable from annual tax levies to be made upon all of the taxable property within the City and Borough, without limitation as to rate or amount and in amounts sufficient with other available funds, to pay such principal and interest as the same shall become due.

The full faith, credit, and resources of the City and Borough are hereby irrevocably pledged to the payment of both the principal and interest on such Bonds. The exact form, terms, conditions, contents, security, options of redemption, and such other matters relating to the issuance and sale of said Bonds as are deemed necessary and advisable by the Assembly shall be as hereinafter fixed by ordinance and resolution of the City and Borough.

**Section 5. Submission of Question to Voters.** The Assembly hereby submits to the qualified electors of the City and Borough the proposition or propositions of whether or not the City and Borough should issue the Bonds for the purpose of financing the costs of the approved Projects at the regular municipal election to be held on October 6, 2020.

The City and Borough clerk shall prepare the ballot proposition(s) to be submitted to the voters as provided by this ordinance and shall perform all necessary steps in accordance with law to place these propositions before the voters at the regular election.

**Section 6. Ballot Proposition.** The proposition(s) to be submitted to the qualified voters of the City and Borough as required by Section 5 above shall read substantially as follows:

#### **Explanation**

The proposition will authorize the issuance of \$15,000,000 in general obligation bond debt for paying the cost of planning, design and construction of municipal infrastructure, facilities and related capital improvements, including the construction of West Douglas Pioneer Road, school roof replacements and municipal park improvements. The total annual debt service costs, assuming an interest rate of 3.5%, will be \$857,000. This amount of debt service would require an annual property tax levy of approximately 16.75 per \$100,000 of assessed value. This example of a property tax levy is provided for illustrative purposes only.

PROPOSITION NO. \_\_\_\_  
GENERAL OBLIGATION BONDS

To promote the health, well-being, education, and economic recovery of the community by repairing school facilities and roofs, improving and maintaining park infrastructure and recreation facilities, and extending the West Douglas Pioneer Road, shall the City and Borough of Juneau, Alaska, issue and sell its general obligation bonds, maturing within 20 years of their date of issue, in the aggregate principal amount of not to exceed \$15,000,000?

BONDS, YES ☐

BONDS, NO ☐

After voter approval of the proposition and in anticipation of the issuance of the Bonds, the City and Borough may issue short term obligations, under such date and in such amount, form, terms, maturity, and bearing such rate or rates of interest, all as may hereafter be fixed by ordinance of the City and Borough, consistent with limitations imposed by State law and by the Home Rule Charter and Code of the City and Borough.

**Section 7. Notice of Election.** The Assembly shall cause a notice of election to be published once a week for three consecutive weeks in a newspaper for general circulation in the City and Borough. The first notice shall be published not later than September 16, 2020, which is 20 days prior to the regular municipal election. The notice shall contain the information required by Section 10.5 of the Home Rule Charter of the City and Borough.

**Section 8. Effective Dates.**

(a) The authority to issue general obligation bonds proposed in Section 6 of this ordinance shall become effective on the day following the date the election results are certified for the regular municipal election held on October 6, 2020, if a majority of the qualified voters voting on the proposition set forth in Section 6 votes for the proposition.

(b) Section 6 of this ordinance authorizing the submission of the ballot proposition to the qualified voters of the City and Borough shall become effective thirty days after adoption of this ordinance.

Adopted this \_\_\_\_ day of August, 2020.

Attest:

\_\_\_\_\_  
Beth Weldon, Mayor

\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk

**Date:** July 17, 2020

**To:** Jeff Rogers, City and Borough of Juneau

**From:** Jim Calvin and Katie Berry, McDowell Group

**RE:** Infrastructure Project Economic Impacts

---

The City and Borough of Juneau (CBJ) contracted with McDowell Group to estimate the economic impacts of capital improvements potentially funded by a general obligation bond package, which may appear on the October municipal election ballot.

Three potential infrastructure projects, briefly described below, are considered in this analysis. For purposes of this economic impact analysis, each project (or collection of projects) is assumed to have a \$5 million budget.

### **School upgrades and roof repairs**

The Juneau School District has identified a number of Juneau schools in need of roof repair or replacement. While no specific projects have been identified for bond funding at this time, which schools would be subject to upgrades and repairs is not material to this economic impact analysis. It is assumed the work would occur in 2021.

### **Park improvements**

The Parks and Recreation Department requested general obligation bond funding to perform repairs and replacements to facilities at local parks, Treadwell Arena, Eagle Valley Center, and the Hank Harmon Rifle Range. Various projects were proposed, including playground replacements, facility roof replacements, parking lot improvements, and drainage repair. It is assumed the work would occur in 2021.

### **West Douglas Pioneer Road extension**

Extension of the West Douglas Pioneer Road would bring the gravel road from its current inland terminus to tidewater. While not currently open to motor vehicles, extending the single-lane road could eventually support commercial and residential development opportunities in the West Douglas Island area. It is assumed the work would occur over two construction seasons, in 2021 and 2022.

## **Economic Impacts**

The local economic impact of a construction project depends on the amount of wages paid, the place of residence of those employed, and the local availability of materials, supplies, and services required to complete the project.

Economic impacts occur at three levels:

- **Direct impacts:** based on jobs, payroll, and spending directly resulting from project expenditures.

- **Indirect impacts:** based on economic activity generated as construction companies purchase goods or services from other businesses in support of each project.
- **Induced impacts:** based on economic activity generated as employees spend their payroll dollars in the local economy.

Together, indirect and induced impacts are termed “multiplier” effects. In general, multipliers are relatively low in Alaska because few if any of the goods and materials consumed locally are produced locally (i.e., Juneau gets its groceries, household items, building materials, etc., through Lower 48 providers). Alaska communities typically see a relatively high percentage of spending quickly leave the economy (often referred to as “leakage”) because materials are not produced or otherwise available locally.

Relatively high wages can push construction-related multipliers up. Construction activity spans a variety of occupations, including special trade contractors (carpenters, roofers, electricians, plumbers, etc.), equipment operators and truck drivers, as well as architects, engineers, and contract administrators, among others. Construction-related workers in Juneau generally earn above-average higher wages.

**Table 1. Average Annual Employment and Wages, CBJ, 2019**

Industry	Average Annual Employment	Average Monthly Wages and Salaries	Average Annual Wages and Salaries
All Industries	17,951	\$4,397	\$52,764
All Private Companies	11,232	\$3,876	\$46,512
<b>Construction Related</b>			
Construction of Buildings	244	\$4,475	\$53,700
Heavy Construction	136	\$8,008	\$96,096
Specialty Trade Contractors	243	\$4,887	\$58,644
Architects & Engineers*	na	\$7,427	\$89,124

Source: Alaska Department of Labor and Workforce Development. \*Statewide average. Juneau-specific data is not available.

Industries that employ local residents in high-wage jobs have a larger induced economic impact, as employees spend their wages in the local economy. It is assumed the relatively small infrastructure projects considered in this analysis would mainly employ local workers.

Material purchases compose a high percentage of total costs for certain projects such as roof repairs. While some materials may be purchased through local distributors, specialized supplies and fixtures may not be available locally. For example, new playground equipment or industrial lighting fixtures purchased for a park upgrade might be sourced from a vendor outside Juneau. Equipment rentals and fuel are often key cost drivers in road construction projects. Both are readily available in Juneau.

## ANALYSIS OF ECONOMIC IMPACTS

The purpose of this analysis is to estimate the economic impact of \$15 million in capital improvements that encompass the three categories of projects described above. The impacts of each project would not necessarily be uniform, as each has its own set of labor and materials requirements. However, the analysis is intended to measure total impacts (and not to support comparison of the proposed projects). In any case, differences in multiplier effects would be relatively minor.

Economic impact modeling indicates spending related to the projects would directly support approximately 55 jobs in Juneau. Over an 18-month timeframe, the projects would directly generate a total of about \$6.0 million in payroll (wages and salaries plus employer-paid benefits). Local spending by contractors and their employees would support about 35 additional jobs and \$1.9 million in additional payroll. In total, the infrastructure projects would support 90 jobs at the height of the construction efforts and total payroll of \$7.9 million. Indirect and induced economic activity (output or total spending) generated by the projects would total approximately \$6.1 million, bringing the total impact to about \$21 million.

As noted above, the actual economic impacts of these projects will depend on which firms are hired to complete work, their employment of resident workers, and material/supply purchasing practices.

**Table 2. CBJ Infrastructure Construction-Phase Economic Impacts, 2021-2022**

Category	Peak Employment	Total Payroll	Total Output
Direct impacts	55	\$6.0 million	\$15.0 million
Indirect and induced impacts	35	\$1.9 million	\$6.1 million
<b>Total impacts</b>	<b>90</b>	<b>\$7.9 million</b>	<b>\$21.1 million</b>

Source: McDowell Group calculations

### LONG-TERM ECONOMIC BENEFITS

The preceding analysis considers only the short-term, temporary economic impacts associated with the capital improvement projects. While it is beyond the scope of this study to consider all the costs and benefits associated with this set of infrastructure projects, it is important to note that investment in infrastructure also have long-term economic (and other) benefits. Re-roofing projects, for example, may ensure building integrity and safety, and avoid costly and disruptive emergency repairs in the future. Similarly, investment in parks and recreation facilities can preserve functionality and the social benefits associated with those facilities. Extension of the West Douglas Pioneer Road may have the highest potential to support economic development, as it enhances access to high-value public and private property in an area designated for future community growth.

### TIMING OF INFRASTRUCTURE INVESTMENT

Investment in infrastructure can have value throughout economic cycles. While all infrastructure investments should be based on the premise that benefits will extend beyond the jobs and wages generated by the initial expenditure, spending on infrastructure during economic downturns can be used to support existing jobs that might otherwise be at risk. Infrastructure investment when economies are presently strong can be used to spur needed diversification or take advantage of specific development opportunities.

**Engineering & Public Works Department**

155 South Seward Street

Juneau, Alaska 99801

Phone: 907-586-0800 | Fax: 907-463-2606

DATE: July 22, 2020

TO: Loren Jones, Chair  
Finance Committee

FROM: Katie Koester, Director  
Engineering & Public Works

SUBJECT: Potential Projects for Proposed Bond Package

The purpose of this memo is to provide the Assembly with additional information on the potential projects that would be constructed with passage of the bond package proposed in Ordinance 2020-40. The proposed projects have been pulled from the Capital Improvement Plan with an emphasis on projects that will provide local employment and economic development. Please keep in mind cost estimates at this point are just that, estimates. As we work through design some projects will become more feasible and appropriate to achieve the Assembly's goals. This is why the bond language as proposed does not include a specific list, but maintains some level of flexibility. The Assembly will have the opportunity to vet the projects, and importantly, inform the voters between now and October. Authorization of any specific project will require Assembly approval when appropriating the bond proceeds, in addition to public process at the committee level for more detailed analysis.

**Parks**

The Finance Committee was presented with a memo dated July 2, 2020 from Parks and Recreation Director Schaaf outlining proposed Parks and Recreation projects (attached).<sup>i</sup> Parks and Recreation developed a list of park projects that are too large to be accomplished through the annual deferred maintenance appropriation in the CIP about a year ago, which they drew on for this list. Criteria used to come up with the recommend projects include: the park has a master plan and the project was listed as part of that plan; the project would employ local workforce; the project could be completed in the near term; the project addresses longstanding deferred maintenance needs; and the project was listed on the CIP 6- year.

Proposed projects include improvements to Adair-Kennedy Memorial Park, Treadwell Arena, Capital School Park, Melvin Park, Savikko Park, Cope Park, Eagle Valley Center, Diamond Park, and Hank Harmond Rifle Range totaling a rough estimate of \$7.5m. While this number exceeds the \$5m allocation that has been discussed for parks, the scope of work provides flexibility to tackle a portion of a proposed improvements for a particular park, or further prioritize specific elements of the park improvements as we move through the design and bid process. Discussing the list and how to spread the improvements throughout Juneau parks will include more public process and is great place for committee



work. Any work that is done advancing these projects will be time well spent as they have all been identified as necessary for maintaining Park and Recreation infrastructure, even if full funding comes at a later date.

### **Schools**

The school district submits a 6-year Capital Improvement Plan to the State Department of Education and Early Development (DEED) Annually. The top three priorities on that list are roof replacements, totaling \$5.25m. This list is also reflected in the CBJ 6-year CIP.<sup>ii</sup> These cost estimates were produced by Engineering last year and are just that, estimates. With design, we will be able to hone down on more accurate costs. The CBJ Assembly appropriated \$1.5m to replace the Gastineau Roof in the FY2021 CIP. The Assembly includes an annual \$1 million in the CIP for deferred maintenance projects at district schools. However, the cost of roof replacements eclipses what could be funded from this source, which is why conversation has focused around including roof replacements in a bond package.

### **West Douglas Pioneer Road (WDPR)**

#### *What has been done*

Over a two year period (Jan 2017- Sept 2018) a small local construction company, ENCO Alaska, constructed 3.5 miles of pioneer road between North Douglas Hwy and Middle Creek under a \$2.3 million CBJ construction contract. Prior to construction, over a six year period, the CBJ contracted with several local consulting firms to provide planning, environmental permitting, and survey and design assistance. A local consultant firm was also engaged to provide construction administration and inspection. Total project funding for all components of Phase I work (to Middle Creek) was \$3 million dollars, most of which was spent locally.

#### *Proposed Project*

The \$5m included in the bond package would fund 4.8 miles of new road to extend the WDPR southwards from Middle Creek to Point Hilda will involve a similar level of preconstruction planning, design and permitting effort as in Phase I. CBJ's LIDAR was used extensively during the design for phase I and has been utilized to select a preliminary road alignment for Phase II to Point Hilda. See the preliminary route map with landownership labeled.<sup>iii</sup>

The proposed road extension to Point Hilda is intended to be located on CBJ property for much of the route as practicable, but discontinuous land ownership patterns and topography will require partnering with Goldbelt and/or Forest Service.

#### *The Why*

The City and Borough of Juneau Comprehensive Plan, adopted by the Assembly in 2013, specifies CBJ and Goldbelt lands on West Douglas as a "New Growth Area". These lands are identified in the West Douglas Conceptual Plan that was adopted as an addition to the Comprehensive Plan. The purpose of the West Douglas road extension is to open up CBJ and Goldbelt lands for development and recreational access. In accordance with adopted community plans, the development is needed to allow for and facilitate community growth. Specifically, the purposes of the pioneer roadway include:

1. Allow direct access to parcels identified as “New Growth Areas” in the land development plans.
2. Allow easier access to the lands for planning, soils investigations, and marketing of the properties.
3. Allow access for detailed site specific study of smaller tracts.
4. Add value to the lands for subsequent sale and/or trade.
5. Allow for cultural use of the lands.
6. Allow for subsistence use of the lands.
7. Allow for recreational access to the lands.

By extending the road to Point Hilda, CBJ will gain direct access Development Areas 2 and 3, and set up a jumping off point for access to Development Area 4 (refer to map in Executive Summary - West Douglas Concept Plan).

---

<sup>i</sup> Memo dated July 2, 2020 RE: Parks Infrastructure Projects

<sup>ii</sup> CBJ Capital Improvement Plan – Division - Schools

<sup>iii</sup> Map: West Douglas Pioneer Road proposed route to water



**TO:** Rorie Watt, City Manager  
**FROM:** George Schaaf, Parks & Recreation Director  
**DATE:** July 2, 2020  
**RE:** Park Infrastructure Projects

The Parks & Recreation Department respectfully requests a general obligation bond to fund the following projects be considered for the October 2020 municipal election. These projects address longstanding deferred maintenance needs in some of Juneau's most heavily used parks, and implement adopted park master plans. Importantly, these projects would provide significant work for small and medium-size contractors and consultants affected by the economic impacts of COVID-19.

Facility	Scope of Work	Est. Cost
Adair-Kennedy Memorial Park	Replace restroom/concession building Replace utilities (water/sewer) Replace lighting Construct new entry plaza Repair track	\$2,500,000
Treadwell Arena	Replace leaking roof	\$1,100,000
Capital School Park	Replace playground Replace basketball court Replace retaining wall Improve drainage Construct new open play area Install security lighting	\$1,000,000
Melvin Park	Replace inoperable field lighting	\$1,000,000
Savikko Park	Replace playground Repave parking lot and improve drainage Replace curb and gutter Construct new entry plaza	\$750,000
Cope Park	Pave parking lot Install curb, gutter, and ADA sidewalks	\$500,000

(Continued)

Eagle Valley Center	Pave parking lot Repair drainage to prevent building damage	\$250,000
Dimond Park	Install ADA sidewalks Install adult fitness machine circuit Construct new dog park	\$200,000
Hank Harmon Rifle Range	Repair safety berms Improve drainage Replace shooting benches	\$200,000
<b>TOTAL</b>		<b>\$7,500,000</b>

## Adair-Kennedy Memorial Park



## Capital School Park





## Cope Park



## Savikko Park





## Hank Harmon Public Range



## Dimond Park



**Juneau School District Infrastructure Priorities for Bond Consideration**

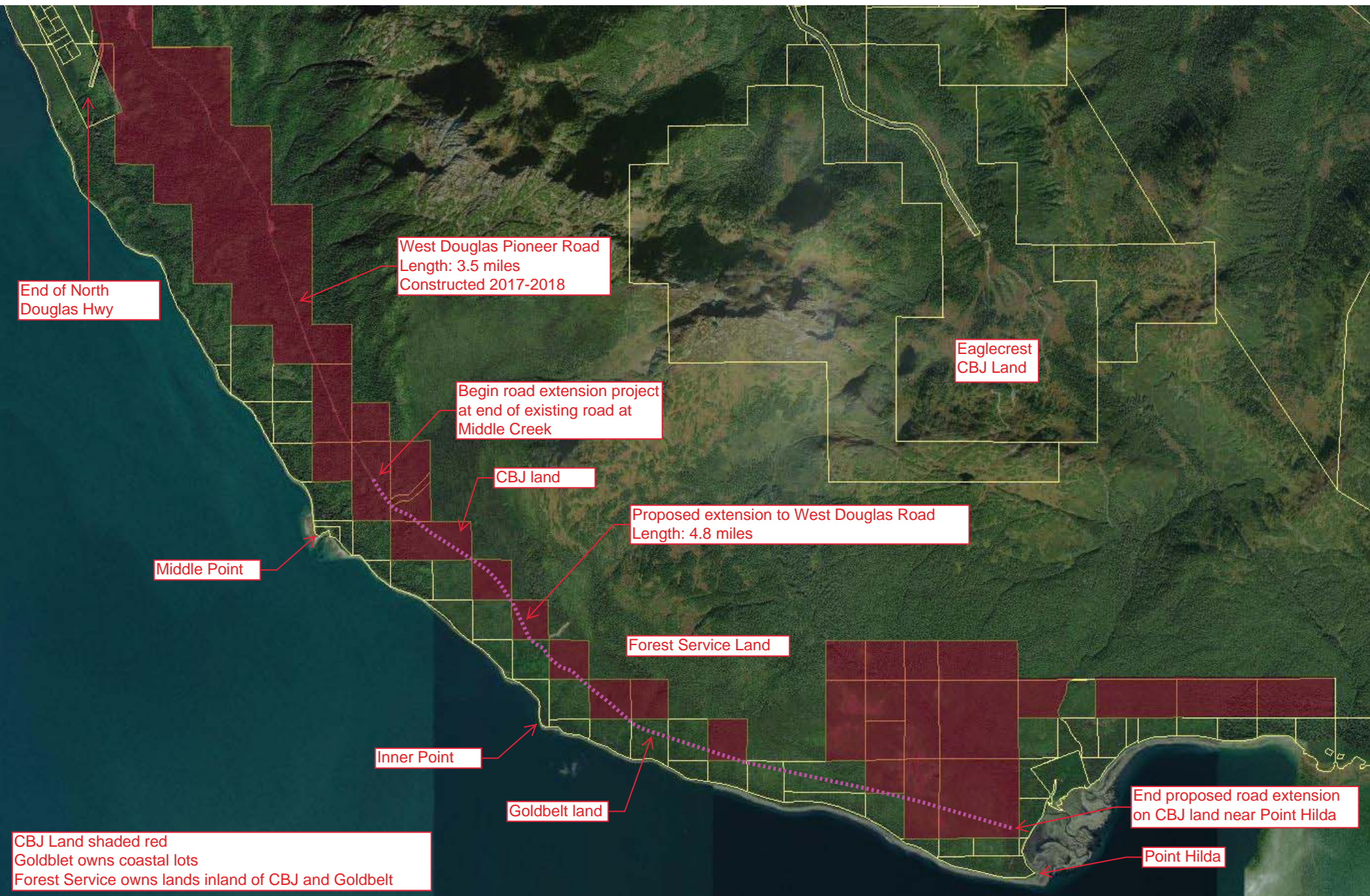
*Updated July 22, 2020*

<b>Roof Repairs, from DCCED Grant Request List</b>	<b>Estimated Cost</b>	<b>Running Total</b>
Sayéik: Gastineau Community School Partial Roof Replacement	\$ 1,600,000	\$ 1,600,000
Dzantiki Heeni Middle School Roof Replacement	\$ 1,750,000	\$ 3,350,000
Riverbend Elementary School Roof Replacement	\$ 2,800,000	\$ 6,150,000
Juneau-Douglas High School Roof Repair	\$ 525,000	\$ 6,675,000
Floyd Dryden Roof Repair	\$ 525,000	\$ 7,200,000
 <b>Boiler Room Renovations, from JSD CIP List</b>		
JDHS Boiler Room Renovation	\$ 1,471,250	\$ 1,471,250
MRCS Boiler Room Renovation	\$ 800,000	\$ 2,271,250
 <b>Roof Repairs, from DCCED Grant Request List + Boiler Room Renovations, from JSD CIP List =</b>		 <b>\$ 9,471,250</b>

*Thank you for supporting Juneau's schools!*

<b>SIX-YEAR DEPARTMENT IMPROVEMENT PLANS</b>							
Division	Project Description						
<b>Division</b>	<b>Priority</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>Future</b>
<b>Schools</b>							
JSD Buildings Major Maintenance/ Match	1	\$ 1,000,000					
Sayeik: Gastineau Community School Partial Roof Replacement	2	\$ 1,500,000					
Dzantik'I Heeni Middle School Roof Replacement	3	\$ 1,750,000					
Riverbend Elementary School Roof Replacement	4		\$ 2,000,000				
Juneau-Douglas High School Roof Repair	5			\$ 500,000			
Marie Drake Renovation	6				\$ 31,000,000		
Mendenhall River Community School Renovation	7				\$ 20,000,000		
Floyd Dryden Roof Repair	8					\$ 500,000	
<b>Schools Total:</b>		<b>\$ 4,250,000</b>	<b>\$ 2,000,000</b>	<b>\$ 500,000</b>	<b>\$ 51,000,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>





Presented by: Weldon, Triem  
Presented: 7/20/2020  
Drafted by: R. Palmer III

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2020-36**

**An Ordinance Appropriating up to \$3,000,000 to the Manager for a COVID-19 Nonprofit Sustainability Grant Program; Funding Provided by the CARES Act Special Revenue Fund.**

WHEREAS, the Economic Stabilization Task Force Recommended that the Assembly consider economic support to nonprofit suffering interruptions due to COVID-19 related closures and increases in services; and

WHEREAS, since early March 2020, the State of Alaska issued COVID-19 Health Mandates that reasonably restricted travel, gatherings, close personal interactions, schools, and medical and dental procedures; and

WHEREAS, since early March 2020, the Assembly issued COVID-19 directions regarding travel quarantines (Res. 2886), hunkering down (Res. 2885) and cloth face coverings (Res. 2890); and

WHEREAS, on April 9, 2020, the Centers for Disease Control and Prevention (CDC) renewed the No Sail Order and Other Measures related to cruise ships to prohibit certain cruise ships from transporting passengers to ports in the United States, which caused nearly all the forecasted cruise ship tourism to be canceled; and

WHEREAS, the public health mandates and directions protected the health of the people in the City and Borough of Juneau and nearby communities; and

WHEREAS, COVID-19 has caused severe economic harm to nonprofits in the City and Borough of Juneau because some nonprofits closed or severely limited operations, other nonprofits have had a substantial increase in demand for services due to COVID-19; and

WHEREAS, failing to protect economically vulnerable nonprofits from the severe loss of revenue or severe increases in provided services would result in further adverse impacts to Juneau's economic and social service network; and

WHEREAS, the COVID-19 Nonprofit Sustainability Grant Program is necessary due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); and

WHEREAS, the COVID-19 Nonprofit Sustainability Grant Program is being created by this ordinance and program expenses were not accounted for in the FY20 budget; and

WHEREAS, the COVID-19 Nonprofit Sustainability Grant Program expenses are incurred during the period that begins on March 1, 2020, and ends on December 31, 2020.

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. Appropriation.** There is appropriated to the Manager the sum of three million dollars (\$3,000,000.00) for a COVID-19 Nonprofit Sustainability Grant Program to be administered by the Juneau Community Foundation (Grant Administrator), with funds disbursed by the City and Borough of Juneau, and used consistent with this ordinance. This is an appropriation for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

**Section 3. Source of Funds:**

CARES Act Special Revenue Fund	\$3,000,000.00
--------------------------------	----------------

**Section 4. COVID-19 Nonprofit Sustainability Grant Program Terms.** The program is subject to the following terms and conditions:

- (a) **Administration.** The Manager is authorized to execute a grant agreement with the Grant Administrator for disbursement of COVID-19 Nonprofit Sustainability Grant Program funds. The Grant Administrator is responsible for assuring the program funds are disbursed only to eligible nonprofits. The Grant Administrator shall be provided a reasonable administration fee of up to \$25,000.00 based on actual expenses. The Grant Administrator shall provide the Manager with program status reports at reasonable intervals. The Manager shall provide updates to the Finance Committee or Assembly. The Grant Administrator shall return all unencumbered monies existing on December 1, 2020, back to the City and Borough of Juneau.
- (b) **Entity types.** Any nonprofit entity is eligible to apply if
  - (1) The entity was registered in Alaska on or before January 1, 2020;
  - (2) The entity is an Internal Revenue Service certified 501(c)3,4,6,7, 19, or 23 nonprofit;
  - (3) The entity had a physical presence in Juneau, Alaska, on February 15, 2020;
  - (4) A substantial purpose of the entity is to provide ~~direct~~ services to the general public in the City and Borough of Juneau. Faith-based nonprofits are eligible so long as they provide services that are promoted and available to the general public without regard to religious affiliation; and
  - (5) The entity has been or will be adversely affected by loss of revenue, program changes, and direct costs between March 1 and December 31, 2020, due to the COVID-19 public health emergency.
- (c) **Grant application.** A nonprofit seeking a grant must apply to the Grant Administrator and may provide the application and supporting documents electronically.



(d) **COVID-19 financial hardship.**

- a. For grants of \$5,000 or less, an applicant will be required to affirm and describe how the nonprofit has been impacted significantly by COVID-19. Further documentation to demonstrate the economic impact may be required in the initial application.
- b. For grants in excess of \$5,000, an applicant must provide verification and additional information about economic impacts between March 1 and December 31, 2020 due to the COVID-19 public health emergency using the form provided. Examples of verification required are: revenue lost (e.g. earned revenue lost due to social distancing, non-earned revenue lost due to decreases in grants, donations, fundraisers not held), increased personnel costs due to COVID-19 because of hiring additional employees or having to contract work out due to lost or shared employees, and direct expenses (PPE, moving to working remotely, COVID-19 related accommodations to ensure mandate compliance, etc.). The Grant Administrator may deem an application incomplete if it lacks sufficient information to reasonably award a grant.

(e) **Assertion of need.** An applicant shall disclose if the entity has applied for or received any other CARES Act grant or forgivable loan. A nonprofit that applied for or received any other CARES Act funding from CBJ, local, state, federal, or tribal governments may be eligible if (1) it provides satisfactory documentation that a nonprofit grant is still necessary to sustain operations and (2) the other grants or forgivable loan amounts do not exceed the amount the entity is eligible for under this program. Foundations, with assets over \$5,000,000 or the foundation arm of a nonprofit are not eligible for this program.

(f) **Sales and property tax compliance.** A nonprofit that is subject to any sales or property tax and has a delinquency as of March 1, 2020, is not eligible for a grant unless the nonprofit first executes a confession of judgment with the City and Borough of Juneau for all outstanding taxes. A nonprofit that is fully compliant with a confession of judgment payment plan is eligible.

(g) **Exceptions.** The Grant Administrator, after receiving direction from the Manager or designee, has the authority to make reasonable exceptions that match the intent of this grant program.

(h) **Maximum grant amount.** The maximum grant amount is determined on a sliding scale and based on fiscal year end 2019 gross revenue (excluding any recorded amount from in-kind donations or volunteer time).

- a. Up to \$5,000 for nonprofits with less than \$25,000 in annual revenue.
- b. Up to \$10,000 for nonprofits with more than \$25,000 and less than \$50,000 in annual revenue.
- c. Up to \$25,000 for nonprofits with more than \$50,000 and less than \$250,000 in annual revenue.



- d. Up to \$50,000 for nonprofits with more than \$250,000 and less than \$1,000,000 in annual revenue.
- e. Up to \$99,000 for nonprofits with more than \$1,000,000 in revenue.
- (i) **Gross revenue verification.** Gross revenue is verified by fiscal year end 2019 IRS Form 990 or audited financial statements. For those nonprofits who have neither of these, an unaudited statement for the fiscal year end 2019 will be acceptable. For nonprofit with gaming income, gross revenue will exclude payment of prizes and expenses. For those nonprofits serving areas outside of Juneau, gross revenue is based on their gross revenue for programs in Juneau.
- (j) **Grant Application Period.** The initial grant application period shall be completed within a time period defined by the Manager and Grant Administrator, but no later than thirty days following adoption of this ordinance. If after the initial grant application period there is still funding available, the Manager may direct the Grant Administrator to reopen the application period for a first come first served basis.
- (k) **Initial Priority.** All applications will be reviewed after the application period (not first come first served). The Manager is authorized to direct the Grant Administrator to proportionally allocate available funding if demand is greater than funding available. Any unallocated funds will be returned to CBJ by December 1, 2020, which are intended to be reprogramed.

**Section 5. Effective Date.** This ordinance shall become effective upon adoption. However, Section 2 of this ordinance is conditioned upon the City and Borough of Juneau receiving CARES Act funding from the State of Alaska.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2020.

---

Beth A. Weldon, Mayor

Attest:

---

Elizabeth J. McEwen, Municipal Clerk