Statement of Objectives

Background:

Located in Downtown Juneau, Telephone Hill is a bedrock hill that is optimally situated from all directions and within walking distance to stores, shops, entertainment centers, transportation, and over 5,000 jobs. Telephone Hills location makes it ideal for serving the downtown population, workforce, and tourism industries. The intent for the property upon acquisition was to foster economic and sustainable development in downtown Juneau. CBJ views Telephone Hill as well-suited for car-light, high-density residential development that maximizes limited downtown land.

Juneau Market:

In recent years, Juneau's population growth has slowed due to increased outmigration, lower birth rates, and an aging population. As such, Juneau's population has remained stagnant, however this has not corresponded with reduced housing or workforce demand.

Juneau sees a seasonal influx of workforce and housing demand due to a strong tourism industry and the state government. Local, State, and Federal government workers, including the U.S. Coast Guard, also have a strong year-round presence in Juneau. Workforce recruitment is often limited to housing availability as housing vacancy rates have dwindled since the COVID-19 pandemic. Additionally, Juneau's aging population has created demand for senior and assisted living facilities. Workforce demand, low vacancy rates, and increasing rents are evidence of a strong demand for temporary, small-unit housing such as apartments.

Juneau's non-residential market has seen very little activity over the past two decades. Large office and retail development has declined nationwide with industries unlikely to need additional space. Similarly, hospitality development has seen declines, particularly in Juneau where demand is very seasonal in nature. Due to high tourism and government presence, downtown Juneau already has a prevalence of restaurants and shops geared toward serving these industries making new non-commercial development an unlikely project to be feasible.

Project Objectives:

> *From the Place Guide: "The aspiration for Telephone Hill is to forge a vibrant neighborhood dedicated to new housing downtown that also integrates social, ecological, and historical aspects."*

CBJ seeks a **high-density, multi-family housing development** ideally providing **100-155 units**, with flexibility on building count, configuration, and phasing. Development should **support year-round and seasonal workforce**, provide **affordable housing**, and accommodate the **senior population**. The site should encourage **safe access for pedestrians** and provide **greenspace or recreation areas**.

What do we want?

Work from the redevelopment study, summarized in the Place Guide, show what is preferred for development. Scoring criteria will give preference to proposals that meet the list of wants, however no proposal will be excluded if a criteria listed below is not met. The project needs to maintain enough flexibility for the proposer to cost effectively develop the property while prioritizing community identified "wants" and "needs." The (*) items are the most important to the CBJ and will be weighted accordingly.

- Housing units*
- High density, 100-150 units*
- Minimum 20% affordable units*
- Mix of unit sizes
- Building height not to exceed 5 floors
- Incorporate "old Juneau" building design
- Preserve or reestablish tree canopy
- Improve pedestrian access
- Improve roadway
- Green space
- Workforce, senior & Coast Guard housing

What can be offered

- CBJ will demolish and clear the site to make way for development
    - Currently pursuing. Anticipated to begin demolition in Spring 2026 with completion being approximately 120 days from the commencement of work.
- No additional parking required
    - CBJ has expanded the downtown zero-parking zone to include Telephone Hill
- Market Analysis
    - Completed in 2023
- Tax abatement: Project would qualify for High Density Housing Tax Abatement program that provides 12-year tax abatement for developments with at least four new residential units. Total potential exemption does not include the school district's required exemption. Units may not be used as short-term rentals during the 12-year period.
- Deferred land sell
    - Depending on how closely the proposal meets the community's needs, the CBJ can sell the land for a nominal price and/or defer payment for the purchase of the land until the developer is realizing a return on their investment
- Gap funding or loan
    - Zero interest financing from the Affordable Housing Fund is available for the project at $50,000 per year per unit if 20% affordability is achieved up to $2M. (The assembly should consider dedicating the FY27 round of funding to this project).
- Permitting

- Subdivision / platting of this site is a minor development and requires approval from the Community Development Director. Subdivision does not require Planning Commission review or approval.
- Site is zoned Mixed Use, which does not have a maximum density. A housing development is considered a minor development and requires approval from the Community Development Director. Other uses, or mix of housing and other uses, may trigger a major development permit from the Planning Commission (CBJ 49.25.300 Table of Permissible Uses)

Other Considerations

CBJ would like to see these items incorporated into the proposal as nice to have items.

- Interpretive signage and wayfinding
- Historic markers
- Ground floor amenities
- Art or an installation that recognizes the history of the place

Contractor competency and ability to perform

Determining criteria for evaluation will be critical for selecting a contractor to ensure they have appropriate experience, capability, and capacity to complete the project. Evaluation criteria will populate a weighted scoring matrix that will be used by the evaluation team when reviewing contractor responses. Weights will be assigned to each criterion based off their importance to CBJ for project success. Common evaluation criteria for similar projects include: firm qualifications and experience, key personnel qualifications and experience (include resume), understanding of project requirements, method for accomplishing project, capacity and ability to meet project timeline, past record of performance with references, and their internal quality assurance/quality control process.