

COMMITTEE OF THE WHOLE  
**PLANNING COMMISSION MEETING**

City and Borough of Juneau  
**Mike Satre, Chairman**

6:00 p.m.  
August 12, 2014

**I. ROLL CALL**

Dennis Watson, Vice Chairman, called the Committee of the Whole meeting of the City and Borough of Juneau (CBJ) Planning Commission (PC), held in the Assembly Chambers of the Municipal Building, to order at 6:00 pm.

**Commissioners present:** Dennis Watson, Vice Chairman; Karen Lawfer, Bill Peters, Ben Haight, Gordon Jackson, Dan Miller, Paul Voelckers

**Commissioners absent:** Mike Satre, Chairman, Nicole Grewe

**Staff present:** Hal Hart, Planning Director; Travis Goddard, Planning Manager

**Presenters:** Jim Calvert, McDowell Group, Inc.;  
Barb Sheinberg, Sheinberg Associates

**II. REGULAR AGENDA**

The McDowell Group, Inc. provided a brief overview of progress on the Juneau Economic Development Plan, including highlights of the significant trends and data from the scoping process.

The draft report is available at the McDowell Group, Inc., website:  
<http://www.juneaueconomicplan.org/>

Jim Calvert, Managing Principal with the McDowell Group, told the Commission they have teamed up with Barb Sheinberg of Sheinberg Associates to formulate the Juneau Economic Development Plan.

**SURVEYS AND ECONOMIC BASELINE RESEARCH**

Mr. Calvert said the purpose of this plan is to direct the community towards a stronger, more diversified economy. The plan lays out a ten-year time frame for this study, explained Mr. Calvert. It outlines the key forces they foresee to be shaping this economy for the next ten years, such as demographic and economic forces, he said. It's definitely an ambitious and

challenging project, said Mr. Calvert. They have been working on this project since February. They are developing a comprehensive volume of research to tell the community everything they have ever wanted to know about Juneau's economy, said Mr. Calvert.

Mr. Calvert stressed that community engagement is a huge part of this project, which he said is a project by the community and for the community. He said they have spent a huge amount of time and energy reaching out to the community conducting interviews, meeting with at least 25 various interest groups over the past three or four months. He said they are very gratified by the level of engagement the community has shown in this project. They have also conducted a lot of survey research; they have conducted a random telephone survey, and a household survey. A similar survey was also available online, as well as a business survey in which several hundred businesses participated. They met with numerous high school students. They have been very aggressive to get the community to be engaged in this process, and to keep them informed as they have been moving through this process, said Mr. Calvin.

They are now in the strategic plan development process. It is now time to review the data and figure out what it is telling them, said Mr. Calvert. The target is to be finished with this process and have a draft in front of the Assembly for its approval by December, said Mr. Calvert.

#### OVER-ARCHING THEMES

Per capita income in Juneau is higher than the national average by 12%. It is important to keep in mind, said Mr. Calvert, that the cost of living in Juneau is about 25% higher than the national average. The per capita income in Juneau is about \$55,000, which just barely keeps ahead of inflation, said Mr. Calvert. Per capita income statewide is about \$49,000 a year, said Mr. Calvert.

Jobs in Juneau have been growing very slowly at 0.5% for the annual growth rate. This is well below the statewide growth rate of change in employment, said Mr. Calvert. This is a mix of declining public-sector employment and increase in private sector employment, said Mr. Calvert. He said Juneau has lost about 400 public sector jobs over the past decade, and gained about 1200 private sector jobs. There are many more part time jobs in the private sector. He said it is essentially a flat growth rate in jobs over the past decade.

Unemployment is very low in Juneau. Juneau has lost about 20% or 200 of its federal government employees over the past 10 years, and those are high wage jobs, said Mr. Calvert. Mining jobs constitute about 700 jobs in Juneau at an average salary of about \$96,000 a year.

Juneau sees an influx of about 2,000 employees during the summer, largely due to the visitor and seafood industries, said Mr. Calvert. Local tax revenue is not keeping pace with inflation. There are a lot of forces contributing to this, noted Mr. Calvert, such as online sales, which are not subject to sales tax. There is a gap on the maximum sales tax which has not been adjusted in several years. Operating costs for the City continue to increase, while revenue for the City continues to decrease. Property tax revenue is just keeping pace with inflation, noted Mr. Calvert.

Over the next ten years the senior population of Juneau will essentially double, noted Mr. Calvert. This will have profound implications for Juneau's economy, labor force, provision of senior services, and keeping seniors within the community instead of losing those dollars to other states, said Mr. Calvert.

Over a third of Juneau's labor force is now composed of nonresident workers, said Mr. Calvert. And this trend is growing, he added. There are now about 6,000 nonresident workers in the Juneau labor force, said Mr. Calvert. This results in a lot of payroll dollars that leave the community.

In 2013 Juneau lost 200 jobs, said Mr. Calvert. This is a worrisome trend, he noted, that was driven largely by further government sector declines in both the federal and local governments. In addition there was some job reduction in the local government workforce and in the private sector as well.

#### SURVEY HIGHLIGHTS-HOUSEHOLD SURVEY

There were 563 individuals that took the survey online, 409 households were surveyed over the phone, and about 200 businesses were surveyed, said Mr. Calvert.

High cost of living and housing costs consistently came to the top of the list as barriers to economic well-being. The greatest barrier to the economic development for the community overall was perceived as housing costs, which again came out at the top of the list.

The most important economic development strategy for Juneau was maintaining the role for Juneau as the capital city, said Mr. Calvert. That was by far the most important strategy mentioned for Juneau, he said. Developing and maintaining year-round jobs for the community were seen as important, he said.

#### SURVEY HIGHLIGHTS-BUSINESS SURVEY

Housing was also foreseen by the business survey taken as the single most important challenge facing Juneau for the next five years.

Mr. Voelckers asked if there was enough data available to indicate that if there was more housing available if there would be more jobs available.

Mr. Calvert said it was a bit of a chicken and egg question, but that their perception was that one reason that jobs were not growing in Juneau was because there was not housing available. He said there does need to be a basic platform available to support jobs and the creation of job development.

Mr. Watson asked how a year-round job was defined. For example he asked if a school teacher position was defined as a year-round position.

Mr. Calvert responded that he that he felt most people would consider a school teacher position a year-round position. He said they left it to the discretion of the respondent.

Mr. Watson asked if the non-resident labor force was increasing due to the increase in tourism related businesses such and work such as seafood processing.

Mr. Calvert responded that is one of the businesses, and the construction industry was another area.

Businesses were asked to describe barriers to the success of their own business. Cost-of-living was at the top of the list, followed by availability of housing for employees. Businesses also ranked the preservation of Juneau as the state capital as the prime development strategy for Juneau. The state government preserves 4,000 jobs in Juneau and \$250 million in annual wages.

Mr. Jackson asked if Tlingit and Haida Central Council and SEARHC were surveyed as to their economic and employment contribution to the community.

Mr. Calvert responded that the Central Council and SEARHC are among the top ten employers in the community, and a very important part of the economic footprint of Juneau. He said a short answer to Mr. Jackson's question is "yes", they have been surveyed as to their contributions to the community. He said he couldn't answer off the top of his head if representatives of those communities had participated in the business surveys or not.

Mr. Watson asked if there has been any research on the comparative use of Juneau's use of Internet sales. He said Juneau's catalog sales 20 years ago were 15 times higher than the national average.

This has not been addressed on the study this time around, responded Mr. Calvert.

#### HIGH POINTS OF DEVELOPMENT PLAN

This plan is supposed to be strategic, with measurable goals, said Ms. Sheinberg. Ms. Sheinberg stated that the vision for the economic development principles was based directly on input from the Juneau community members and businesses from group and individual meetings and household and business surveys from February through this July.

*A vibrant, diversified, and stable economy built around a business climate that encourages entrepreneurship, investment, innovation, and job creation; and supports the environmental, cultural, and social values that make Juneau a great place to live and enjoyable place to visit.*

There are 10 key principles that guide Juneau's economic development efforts, she stated. The first is that year-round, family wage jobs are a priority, but that a diversity of employment opportunities are required.

- A climate that supports small business and economic entrepreneurship is essential.
- Locally owned and grown businesses are essential.
- Local government is required to make strategic investments in economic development.
- A healthy partnership is required between business, government, and nonprofit organizations that provide critical social services and safety nets.
- A healthy housing market is required for a strong economy.
- Social, cultural, recreation, fishing, and hunting opportunities are strong factors in people's decisions to live and invest in Juneau.
- Quality education system is required to support our work force.
- Environmental and business goals must be aligned to preserve the attributes that make Juneau an attractive place to live.
- Strategic development of transportation, energy, communications, and other infrastructure is necessary to keep to no competitive.

#### FRAMEWORK FOR ECONOMIC DEVELOPMENT

Ms. Sheinberg listed the six foundational areas, or framework for economic development that provide the opportunities and initiatives for economic development. She stated that they include:

- ✓ Economic pillars
- ✓ Trending opportunities, innovation and creativity
- ✓ Business climate
- ✓ Infrastructure
- ✓ Human capital
- ✓ Neighborhood business hubs

The strategic plan will include a set of ten year economic development initiatives that represent the CBJ's and communities' economic development priorities and commitment to action, and will guide CBJ fiscal and personal investment, said Ms. Sheinberg.

They currently have about 30 initiatives highlighted, stated Ms. Sheinberg, but they will be narrowed down to 10 initiatives. An example of an initiative is:

Increase independent visitor travel to Juneau: target markets are summer visitors arriving by plane, ferry, and yacht; winter visitors, especially from neighboring communities and Yukon; fall, winter and spring conferences and conventions. Ms. Sheinberg said they are focusing on the independent visitor here because they see this area as the real opportunity for growth.

They go from the broad brush from the Comprehensive Plan, and focus here in the Development Plan. Ms. Sheinberg said they have taken a handful of the initiatives that they suspect will rise to the top so that the next time they meet with the Assembly they can better identify them.

Mr. Watson suggested that with the consent of the Chairman that at a forthcoming meeting the Commission spend some more time with this Juneau Economic Development Plan draft.

Mr. Miller commented that there should be some strategy in place to incentivize senior citizens to stay in Juneau. Housing is too expensive to keep our children here in Juneau, said Mr. Miller. Retaining our citizens in Juneau should be a priority, said Mr. Miller.

Mr. Jackson commented that he is glad to see the Juneau Economic Development Plan being put together. He said he has watched Juneau decline over the past number of years, and he said he thinks this document will be helpful for the community.

Mr. Haight stated that he thinks the concept of building our culture to be more sustainable is an important one. Our aging population still has a value in a professional and technical capacity, stated Mr. Haight.

Ms. Lawfer stated that the economic development of women in this community is stagnated, and it starts from child-rearing age to retirement. It is a statistic that women outlive men, and if they don't have the retirement that they need to keep them in this community then it is an issue, she stated.

Mr. Peters stated that it is difficult to keep youth in our community when housing is not affordable and energy costs are rising.

Mr. Watson stated that he felt that having ten goals was too many. Mr. Watson stated he did not feel that an aging workforce was necessarily going to be a drag on the community. He stated that senior citizens today did not function as senior citizens did in previous generations. Mr. Watson said the senior citizens of today work longer, they earn more money and they spend it.

III. **OTHER BUSINESS** - None

IV. **REPORT OF REGULAR AND SPECIAL COMMITTEES** - None

V. **ADJOURNMENT**

The meeting was adjourned at 7:02 p.m.