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DATE: December 18, 2023
TO: Michelle Hale, Chair, Committee of the Whole
FROM: Denise Koch, Director, Engineering & Public Works
SUBJECT: Office Space - Request for Information (RFI)

Office Space RFI:

At the November 6, 2023 Public Works and Facilities Committee (PWFC) Meeting, staff were directed to issue a request for information (RFI) for office space for CBJ workers.

Currently, CBJ downtown office staff occupy City Hall, Marine View, Municipal Way, Sealaska Plaza, and the Seadrome. The Marine View lease expires on June 30, 2024 and the Sealaska Heritage Institute recently purchased the Municipal Way Building and required that CBJ consolidate office space to vacate the first floor. The current 16,000-square-foot City Hall houses less than 40% of CBJ's downtown office staff.

CBJ paid \$831,784 in rent in FY23 for the leased offices in Marine View, Municipal Way, Sealaska Plaza, and the Seadrome building. The overall average rent cost was \$2.06 per square foot.

The draft RFI for office space is attached to this memo. Ideally, there is a space to lease that is large enough for all office employees in CBJ.¹ However, we've included additional scenarios that would accommodate fewer staff. The RFI seeks information on buildings located anywhere in Juneau. We are seeking a five-year initial term with four additional 5-year options to renew. (The maximum term in code is 35 years and staff have proposed 25 years total.) Please note that IT and telecommunication needs will likely require costly upgrades, especially in buildings older than 10 years old. IT has staffing limitations and a small contractual budget. Therefore, the cost of contracting additional cabling work will be additional costs that CBJ should expect to cover in a CIP separate from the RFI.

In the RFI, staff requested information on three sizes of commercial properties:²

- Scenario 1 provides a large enough space for all office employees including City Hall staff (164), with space needs of approximately 46,000 gross square feet. Assembly Chambers would also move in this scenario.
- Scenario 2 provides enough space for all office employees EXCEPT for those in City Hall (99), with space needs of approximately 33,625 gross square feet.

¹ A May 2023 commercial real estate report concluded that there were no properties available for sale that met CBJ's criteria.

² Based on square footage and parking space needs laid out in the 2019 NorthWind Architects and Raincoast Data CBJ DTC City Hall Addition Study. Current space used is closer to 50,000 sq ft, but the Marine View building especially has many space inefficiencies that were adjusted for in this study.

- Scenario 3 provides enough space for only the employees in the Marine View building, with space needs of approximately 17,000 gross square feet.

Issuing an RFI does not obligate the CBJ to issue an RFP, award a contract, or pay any costs incurred in the preparation of a response to this RFI. However, it would provide the Assembly and City Manager with sufficient information to proceed with decisions on whether to lease different properties – if desired.

Action Item: Make any suggested changes to the RFI approach. Then move to approve issuing the Request for Information (RFI) for available office space in the community.

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The City and Borough of Juneau (CBJ) is seeking letters of interest from realtors, contractors, developers, building owners or lessors, interested in providing office space for one of the three following scenarios:

- Scenario 1: All CBJ downtown office workers and Assembly Chambers move into a new space that includes Assembly Chambers: Approximately 46,000 gross square feet of office space for 164 employees and must have on-site parking for visitors.
- Scenario 2: Most CBJ downtown office works move. Staff and Chambers remain in City Hall. Approximately 33,625 gross square feet of office space for 99 employees and must have on-site parking for visitors.
- Scenario 3: Only CBJ staff in Marine View relocate: Approximately 17,000 gross square feet of office space for 50 employees and must have on-site parking for visitors.

The office space can be located anywhere in Juneau. The CBJ will consider a lease that consists of an initial term of 5 years with four five-year options to renew, at CBJ's sole discretion.

ADA compliant restrooms must be available, and staff must have access to reliable restroom facilities in the building. If the space is on the second floor or higher, the building must have an elevator. The property must have on-site parking for visitors. It should have at least one kitchen space and several conference rooms. Basement space is only acceptable for storage.

The ideal space will include a lobby/waiting area, and a supply storage/equipment area of at least 200 square feet. The lobby/waiting area should be separated from the workspace and file storage/equipment areas to allow staff to maintain confidentiality while visitors are present. The space should have a separate exit for staff to ingress/egress the suite without going through the lobby/waiting area, and ideally the lobby would have restrooms for visitors.

CBJ is considering alternative space where economically and operationally advantageous. CBJ will use the information it receives in response to this advertisement as the basis to develop a cost/benefit analysis and to determine whether to competitively bid this office space request, begin direct negotiations, or take other appropriate action.

If you are interested in providing office and assembly space to the City and Borough of Juneau, Alaska, respond in writing no later than **[ONE MONTH FROM ISSUE DATE]**. Responses must indicate compliance with the items below and include a name, owner contact information, and building location/address:

- Size of proposed building
- Number of existing conference rooms/meeting spaces
- The space shall be ADA compliant, or made to be ADA compliant
- Please detail available parking or your parking plan.
- Note any access to public transit.
- Please specify what kind and number of data ports are available, if the space has CAT6, CAT6A, or CAT5E cabling, and the network closet or data center that data ports connect to

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- Compliance with applicable building codes and applicable OSHA standards for occupancy
- Estimated date of when office space could be ready for CBJ occupancy
- Provide estimated tenant improvement allowances
- Services included in lease (e.g. utilities, janitorial, etc.), and/or estimated costs not included in lease if available
- Estimated cost per square foot, based on a five-year base with four, five-year renewal options.

This RFI does not obligate the CBJ to issue an RFP, award a contract or pay any costs incurred in the preparation of a response to this RFI. Do not submit total price/cost quotes with your response. A Notice of Award for space may not be made as a direct result of this RFI. Contact information will be kept on file for any future related Request for Proposal (RFP) solicitations or lease negotiations.