ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE (COW)
Meeting Minutes – April 11, 2022

I. CALL TO ORDER

The Assembly Committee of the Whole Meeting, held in the Assembly Chambers and broadcasted virtually via Zoom, was called to order by Deputy Mayor Gladziszewski at 6:00p.m.

II. LAND ACKNOWLEDGMENT

Mr. Bryson provided the following land acknowledgment: We would like to acknowledge that the City and Borough of Juneau is on Tlingit land, and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

III. ROLL CALL

Assemblymembers Present: Maria Gladziszewski, Wade Bryson, Alicia Hughes-Skandijs (via Zoom), Greg Smith, Michelle Hale, Carole Triem, 'Wáahlaal Gíidaak and Mayor Beth Weldon (via Zoom).

Assemblymembers Absent: Christine Woll

Staff Present: City Manager Rorie Watt, Deputy City Manager Robert Barr, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Deputy Clerk Diane Cathcart, Finance Director Jeff Rogers, Engineering/Public Works Director Katie Koester, CDD Director Jill Maclean

IV. APPROVAL OF AGENDA

None.

V. APPROVAL OF MINUTES

A. June 7, 2021 DRAFT Committee of the Whole Minutes – Revised
B. November 29, 2021 DRAFT Committee of the Whole Minutes

Hearing no objection the minutes were approved as presented.

VI. AGENDA TOPICS

A. New City Hall Update – Engineering/Public Works Director Katie Koester said that it is her hope with this topic before the COW that the Assembly will select the preferred location so that her staff can move forward to be able to do more work, answer all the various questions and begin to flesh out the project in anticipation of placing a question on the fall ballot. She said this will not be the end all of the conversation and there were be a lot more discussion in the future. She said that she really appreciated all the questions from the Assembly at the last meeting and she hopes that she covered those answers in the memo found in the packet. She also noted that there were two additional memos in the Red Folder: one from Mr. Rogers with a financial analysis and another from CDD re: parking scenarios and numbers.

Ms. Koester gave a brief overview of the Q&A from the Assembly as contained in her memo. She said she was available to answer any additional questions from Assemblymembers.

Mr. Bryson asked about the financial information the difference between the initial 2-3% interest rates vs. the proposed 5% interest rate quoted in the financial documents. Mr. Rogers said that when he spoke with their financial bond writer they said that it is possible the interest rates will be lower than 5% but not much under 4%.

Ms. Koester said that the recommendation before the COW tonight is to select the 450 Whittier location as the preferred location and then to have some additional discussion regarding the potential of possibly locating the Assembly Chambers in a shared space at Centennial Hall or a new Capital Civic Center. She said that the rationale for the recommendation would be to provide a possible cost effective measure and that a showcase piece should be in those chambers and it may be worth looking at having that at the Civic Center or Centennial Hall. She said that there are definitely cons related to that but the reason for bringing this forward is to be able to look into this further.

Ms. Triem said that she doesn't see how changing that might save $2.8 million and asked if this would mostly be something related to a mixed use space. Ms. Koester said that Centennial Hall meeting spaces need to be renovated and upgraded regardless of whether it is combined with the new City Hall. Mr. Watt said that concept would be to allow for a shared use space. If the Assembly approves the 450 Whittier site, that would be in close proximity and from an efficiency standpoint, it is a conceptual vision worth looking at primarily.

Ms. Hale said that it is an interesting idea to consider and most of the meetings are in the evening (Monday and Wed.) and she could see that the timing of the different kinds of events might work pretty well.

'Wáahlaal Gíidaak asked if there has there been any consideration of combination of all City Hall needed space was moved into Centennial Hall. Mr. Watt responded that the Capital Civic Center RFP is going out soon and it might be something that could look at having a new Conference Room #224 space on the ground floor of the new City Hall space. He said that with respect to combining the new City Hall and Centennial Hall, there were too many factors that it would make both projects complicated and from building code issues, it would make it too complicated.

Ms. Triem said when they talk about this again if they could get more information on the cost saving analysis for the Chambers room.

Mr. Smith expressed his concerns about folding the new City Hall in with the Capital Civic Center project and if funding for that fell through that they may end up having to meet in a tent outside somewhere. Mr. Watt addressed the concept and the fact that the earliest anything is likely to come about with the earliest possible occupancy of a new City Hall being somewhere within 2 years from now.

‘Wáahlaal Gíidaak asked about the $38,200,000 for the Whittier property and if that included the Centennial Hall Chambers scenario and whether or not it included the underground parking garage.

Ms. Koester replied that number does not include any renovations to Centennial Hall and that the $38.2 million does not include the underground parking which is estimated at $3.2 million for 38 spaces.

Ms. Hughes-Skandijs said that she was not wild about the concept of moving the Assembly Chambers into the Centennial Hall/Civic Center. She said that she loved Mr. Watt’s comment about not necessarily envisioning the space where the fire trucks were located in the current City Hall. She was not against meeting somewhere unconventional and if the new City Hall had a ground floor conference room like 224, that would be her preference. She said that she agrees with Ms. Triem about wanting a better cost estimate for any changes to the Chambers location. She said that she has heard the Centennial Hall/Civic Center being referred to a “The People’s Space” and she feels that City Hall is far more of “The People’s Space” than any other public building so it is appropriate that you have your meetings in City Hall even if that is a modest room with cubicles all around. She said that she spent a lot of time this last week in Egan, Hickel, and Miller Room at Centennial Hall and it doesn’t have to be grand. She said that CBJ has been remiss in improving Centennial Hall as it currently is but she advised caution about trying to marry more things to the Civic Center. She said that she likes the selection of 450 Whittier as the preferred alternative but wants the City Hall Chambers there.

Chair Gladziszewski said that there is a request from staff to make a motion on the preferred location and then they can move forward with additional discussion after a motion is put forward.

MOTION by Mr. Bryson for the COW to accept the preferred alternative of 450 Whittier and asked for unanimous consent. *Hearing no objection, the motion carried.*

Chair Gladziszewski said that staff will continue to go out with public outreach and bring back more information including the request for financials with respect to the cost saving measures. Ms. Hale said that Ms. Koester mentioned $3.2M for 38 parking spaces underground and she said that she would be interested in assessing the option of underground parking spaces similar to what is at the state museum. Ms. Triem asked if the Clerk staff could let them know how frequently the public meeting spaces are utilized. Ms. Gladziszewski said that a full analysis may be needed.

Mayor Weldon said that it is not just the Assembly but that the Planning Commission and other groups also use the Chambers and she would be concerned about conflicts between user groups etc… and she would not be in favor of using Centennial Hall for the Assembly Chambers space due to noise bleed and other cross use concerns.

B. Parking Ordinances 2022-04 and 2022-11
Ord. 2022-04 An Ordinance Amending the Parking Requirements of the Land Use Code.
Ord. 2022-11 An Ordinance Amending the Street Vending Requirements of Title 62 Regarding Parking.

Mr. Watt explained that approximately one year ago the Assembly asked the Planning Commission to look at the downtown parking code and ultimately landed on the code amendment in February. Assemblymember Bryson provided a map change. He said that Ms. Maclean's memo to the Lands, Housing, and Economic Development Committee was provided as a Red Folder item.

Chair Gladziszewski asked Ms. Maclean to give a brief update on what those proposed changes are.

Ms. Maclean said that this has been a 2 year process. She explained the current process which included the fee in lieu of program. Ms. Maclean noted that the current parking map is in the packet on page 73.

In looking at that map, PD1 and PD2 are shown in the light grey and darker grey areas. The bold line of the full map area is outlining the proposed Town Center Parking Area. She noted that in PD1 – they are allowed a 60% reduction fee in lieu of parking, and PD2 allows 30% reduction to fee in lieu of parking. She explained that the proposal is to repeal PD1 and PD2 completely and that everything within the Town Center Parking Area that it would be a straight 60% reduction to the fee in lieu of parking except where the small dashed dotted line area in the tight historic downtown and that would be the "no parking required" area. She said that approximately 4-5 years ago, they adopted parking waivers. She explained that was due to the fact that variances, which were incredibly hard to get and had a high threshold to meet, the Planning Commission proposed they not be allowed in the PD1 and PD2 districts because they were already getting a reduction. She said that after working on a number of other issues and seeing the difficulty developers faced in trying to develop property in the downtown area, the Planning Commission recommended that parking waivers be allowed borough-wide regardless of whether or not it was within one of these PD districts. They are trying to make it as easy as possible to redevelop and bring housing where it is needed.

She said that on top of that, they still have the fee in lieu of program and they are recommending that it be applied to anywhere within the proposed "Town Center" area. She provided a couple of scenarios that a developer may present in these types of situations. She then explained the "no parking required" area on the map, the ADA required parking spaces, and they tried to make the tight historic district with buildings that were wall to wall as equitable as they could with other buildings in the community.

Mr. Bryson said that he understands the reasoning for why they did the parking this way, and he asked about the amendment that he provided and wondered why it wasn't in the packet.

Chair Gladziszewski called for a 5 minute recess. Coming back from recess she asked if anyone had any further questions of Director Maclean.

Ms. Triem said that during the recess, she had asked Ms. Maclean questions about the Planning Commission's process and she asked Ms. Maclean to share her responses with everyone.

Ms. Maclean said that with respect to the no parking zone area, the Commission struggled with how tight that area should be. She said that part of what they were weighing was looking at the equity of parking generally across the borough. They really tightened it down to the properties in the core downtown area that were built without current codes, and are historic and built so close together that you would have to tear down properties in order to put parking in their spaces.

Ms. Gladziszewski asked Ms. Maclean to confirm that the properties in those districts could still apply for waivers or pay fee in lieu of parking. Ms. Maclean said that was correct, those areas already receive a reduced 60% parking requirement as compared to other borough properties and then can apply for waivers as well as pay a fee in lieu of parking spaces.

Ms. Hale commented that when this was discussed at the Lands, Housing, and Economic Development Committee, Ms. Maclean noted that there is on street ADA parking in this area which CBJ provides so it is not as if no ADA parking is available to that area.

Ms. Gladziszewski said she too was wondering why it was just this tight area and she spoke with Planning Commissioners about it. She said they spent long hours on this question/issue over the past two years and this was the best solution they came up with.

Ms. Hughes-Skandijs asked to clarify if they were talking about Mr. Bryson's amendment at this point or just the topic in general. Ms. Gladziszewski said they are talking broadly about everything and not Mr. Bryson's amendment at this time.

Mr. Smith asked if Ms. Maclean had any information about increases of development from other communities that have done away with parking required areas. Ms. Maclean said she explained to Mr. Smith during the break that at the last city she worked in which was in Massachusetts, it was a waterfront community somewhat similar to Juneau and has a historic downtown which has been turned into a National Park for the most part. She said that it had a zero parking requirement, there were two structured parking garages and a couple of surface lots. They had a no parking area in the downtown. She said it has been hugely successful and the city continues to grow, redevelop, and revive. She said that the one caveat she would mention is that they managed parking very well on street through meters. She said it wasn't always popular but you could find parking spaces, parking turned over and it did provide revenue for the city which then went towards funding amenities that they may not have had provided without those revenues.

Mr. Smith said he would like an expanded no parking area. He said he they will be addressing that in a little bit when they discuss Mr. Bryson's amendment. He asked Ms. Maclean to speak about why the parking lot on 2nd and Franklin wasn't included or also the Manila Square area.

Ms. Maclean explained that when they started working on this at the staff level, those were included. She said the issues that arose with development at the 2nd and Franklin site were tied directly to parking issues, and this all kicked off because of the Morris development site (next to the library). She noted that Eagle Rock Ventures (2nd and Franklin) provided some comments but that the Morris group didn't have any comments at the time as they had not yet finalized their plans. She said that when it came to the Planning Commission level, and possibly at the Title 49 Committee, they came back to the questions related to equity and what is fair and where do you draw the line. She said that because 2nd Street was vacant and the other sites were vacant, they could at least try to incorporate the ADA parking sites on site somehow and they could still do the fee in lieu of option if they wanted. She said the commission tried to keep it at the bare minimum of what it needed to be for the property.

Ms. Gladziszewski asked for a motion to move the ordinance so they could then discuss any amendments.

MOTION by Ms. Triem for the Committee to consider Ordinance 2022-04.

AMENDMENT 1 by Mr. Bryson to amend Ordinance 2022-04 as found in the red folder which reads:

> **Ord 2022-04 Amendment _____ (via Assemblymember Bryson)**
> Motion: I move to amend Ordinance 2022-04 as follows (two parts), which would extend the No Parking Required Area down South Franklin about two blocks:
> 1. Amend 42.40.200(a)(2), lines 7-12 of page 2 of the ordinance:
> *"(2) No Parking Required Area.* The No Parking Required Area, as depicted in Ordinance 2022-04 is adopted. The lots within the area bound by Gastineau Avenue, ~~Second Street,~~ Fourth Street, Seward Street, Gastineau Channel ~~Egan Drive, Ferry Way,~~ 490 South Franklin Street, and Layton Way are excluded from the parking requirements of this chapter. No additional parking is required for development in this area."
> 2. Amend Exhibit A of Ordinance as depicted in the "Bryson Amendment"

Mr. Bryson thanked Director Maclean for the information she provided and especially the part about not requiring buildings to be torn down in order to accommodate parking downtown. He said that he saw this as being able to correct a wrong that they had done as well as the ability to spur development. He said that it would be hard to compare the development of the last few waterfront properties in the downtown area to development elsewhere in the borough. He noted that the type of clientele that these downtown businesses attract are largely cruise passengers and independent travelers who would not need as much parking. He said that they could call the proposed ordinance good enough but if they do, without expanding the area, however, it would prevent development out of the range of those wishing to develop the last few open areas.

Ms. Hale objected and speaking to her objection, she said that Director Maclean laid out the options, including the option for waivers that was not available prior to the pandemic. She said that if they use up waivers, they could do fee in lieu. She thinks that the proposal that the Title 49 Committee and Planning Commission brought before them does the job and does it well.

Ms. Triem said that she would like to offer an amendment to Mr. Bryson's amendment.

AMENDMENT (1A) by Ms. Triem to cross out "Second Street" and replace it with "Fourth Street."

In speaking to her amendment, Ms. Triem thanked the Planning Commission for taking on this work for the past two years. She said that she appreciated their discussion of providing a narrow area for the no parking area to provide for equity. She said that while she appreciates that work and their perspective, they were looking at it through a different lens then the lens the Assembly may be using with its focus on its goals related to housing developments in the community. She said that she would like to expand the area up the hill to 4th street, she said that she knows that there are some vacant lots on 4th Street that would be excellent sites for possible housing developments.

Ms. Hughes-Skandijs asked if Mr. Bryson's amendment included the parking lot located to the north of 2nd Street. Ms. Gladziszewski said that lot is not included within the no parking area as provided for in Mr. Bryson's map.

Ms. Hughes-Skandijs noted that in that case, she was supportive of Ms. Triem's Amendment (1A) and for the same reasons noted by Ms. Triem with respect to housing development in the downtown area. She said this effort far predates her service on the Assembly and having attended a number of the Title 49 Committee meetings at which this was discussed, there was a sense from the Planning Commission that they didn't want to do too much too fast. She said that she doesn't share that opinion and she'd rather see them take a bigger step than that originally proposed. She noted that a similar amendment was offered by a Planning Commission member and while it failed, it did have some support from some of the Planning Commission members.

'Wáahlaal Gíidaak said she was supportive of both amendments but has a question about federal regulations. She asked if this impacts federal requirements for the city.

Ms. Maclean said that the federal regulations kick in whenever there is a parking space requirement. If there is one space required, that does require one ADA space. If zero parking spaces are required, then the federal regulations do not apply. She said that CBJ is aware of the need for ADA spaces and CBJ does provide on street ADA spaces as well as in the two parking garages and in the surface lot at the Downtown Transit Center (DTC).

Ms. Gladziszewski said that she too looked at this significantly. She spoke with Planning Commissioners on their process and this topic in particular. She said that those in the downtown area already receive a 60% reduction in parking requirements and that the cost of "free parking" is not free and in fact it cost the city $50,000/space to build a parking garage and the fee in lieu of cost is $10,000 and while it is nowhere near the $50,000 per space, it is something. She said that she is a proponent of the expertise of the Planning Commission that spent many, many hours discussing this.

Ms. Hughes-Skandijs asked if this Amendment (1A) failed, and the Assembly may want to do something specific for housing on the 2nd Street lot, would there be any timing or other issues that would prevent them from carving out something in particular as it may relate to that parcel.

Mr. Palmer said that there is nothing to curtail a future Assembly from considering another parking ordinance in the future. He said that speaking to this amendment in particular, if it should fail, it would curtail this particular Assembly from making exactly the same amendment until sometime after the October election when a new Assembly is in place.

Additional discussion took place regarding parliamentary procedures with respect to ordinances. Mr. Palmer explained that once they vote on an item, that body is precluded from reconsidering that item and taking a similar vote, in accordance with the Assembly's rules. He said that the exception to that is if they vote to suspend the Assembly's rules which they would need a supermajority to do.

Mr. Bryson commented that even though they are building 'no parking zones' where someone would not have to build parking, developers building housing are going to figure out something that will accommodate parking for those who will be living there. He said developers would do that so they could either sell the property or have customers come and visit it. He said they make the spot as large as possible so that when a developer says that their spot doesn't warrant a lot of parking spaces, they can get going on their development the fastest.

Ms. Hale said that she shared the objections to both amendments. She noted that CBJ just invested an enormous amount of effort and money into holding up its part of the deal with respect to the Peratrovich Plaza and that the Morris developers wouldn't even comment on the parking ordinance; they wouldn't play with us to that extent. She said that she doesn't know what that really means but it causes her concern and she doesn't want to give away the farm by saying it should be included in the no parking area.

Ms. Gladziszewski noted that Ms. Hale's comment was pertaining to the original amendment - Amendment 1 as opposed to Amendment 1A.

Roll call vote on Ms. Triem's Amendment (1A) to Mr. Bryson's Amendment 1
Yeas: Triem, 'Wáahlaal Gíidaak, Bryson, Hughes-Skandijs, Smith
Nays: Hale, Gladziszewski, Weldon
Motion passed 5:3

Ms. Gladziszewski asked for any additional discussion on Mr. Bryson's main amendment, as amended.
Ms. Hale repeated her earlier comments about options, the 60% that is already in place, the waiver options, and the fee in lieu option and she is not in favor of the amendment.

Ms. Gladziszewski noted that with respect to the Archipelago property, up until this ordinance may pass, they are in the PD2 area which only has a 30% reduction in parking requirements. If this ordinance should pass, it would automatically give them a 60% reduction.

Additional discussion took place with Ms. Hughes-Skandijs and Ms. Gladziszewski to clarify the map amendment before the body at this time and also what hypothetical options might be if this amendment failed.

Roll call vote on Mr. Bryson's Amendment 1 as amended
Yeas: Triem, 'Wáahlaal Gíidaak, Bryson, Smith, Weldon
Nays: Hale, Hughes-Skandijs, Gladziszewski
Motion passed 5:3

Ms. Gladziszewski asked if there was any objection in moving Ordinance 2022-04, as amended, to the Assembly for action. *Hearing no objection, the motion passed by unanimous consent.*

C. Ord. 2022-11 An Ordinance Amending the Street Vending Requirements of Title 62 Regarding Parking.

Ms. Gladziszewski noted that Ordinance 2022-11 goes along with the map, however, there are policy things to be can be debated on this. She said that the easy path would be to pass this ordinance and then punt all those discussions to another time. She then asked staff to provide some additional information about this ordinance.

Ms. Maclean said that the current food carts around town are permitted within the PD2 zone. She said that what this ordinance proposes is that what was the PD2 map, will now become the new Town Center area, excluding the 'no parking area.'

Mr. Bryson said that making vending on the street a little more difficult is not a bad thing for the city. Having vending on the street has some advantages as opposed to all the requirements that businesses in brick and mortar vendors have to comply with such as paying property taxes, providing restrooms, etc… He said that when CBJ gives a vending permit, there is very little oversight.

Ms. Hale said that they have not extended the no parking area, the COW just sent Ord. 2022-04 to the Assembly but the Assembly has not taken that action and it has not happened yet. She said that because of the action they just took in altering the maps and sending those to the Assembly, it really changes the equation on where vendors can or cannot be. She said that particularly in the

South Franklin Area, they should provide CDD and the Planning Commission an opportunity to take a second look at she said that she would like to decouple these two ordinances for the moment as there are complexities related to this that should be addressed.

Ms. Triem asked some real or hypothetical examples of the types of vendors they are talking about.

Ms. Maclean gave the example of Bernadette's food cart at Marine Park. She said that the Franklin Food court on Franklin Street is on its own property so that is not what they are talking about for this ordinance, this ordinance is only talking about those that are in the public rights of way.

Ms. Triem said that she agreed with Ms. Hale that this should be decoupled from the ordinance pertaining to parking. ‘Wáahlaal Gíidaak and Mr. Smith also agreed with decoupling the two ordinances.

Ms. Gladziszewski asked Ms. Maclean what her recommendation would be in light of the map changes that were just forwarded to the Assembly for action with Ordinance 2022-04. Ms. Maclean recommended that the committee direct staff to draft a new map, taking into consideration the new 'no parking area' that was discussed today, and to bring that with Ordinance 2022-11 back to the COW for additional review/discussion.

Ms. Gladziszewski noted that Ordinance 2022-11, without objection, would be held in the COW while it gets rewritten by staff and then brought back to the COW at a future meeting.

Ms. Gladziszewski called for a 10 minute recess at 7:38p.m.

D. Sales Tax on Food

Ms. Gladziszewski noted that packet pages 74-75 included the memo from Mr. Rogers that they had previously seen and at past meetings, they had decided on just considering SNAP foods and not other things. She said that they are now to the question about filling up the holes. If they remove the sales tax on food, it is approximately a $6,000,000 impact. She said that they need to decide how much of that $6,000,000 hole they need to consider filling up. She said that she doesn't believe the full membership agrees on whether they have to come up with the full $6,000,000 or not. She also said in the discussion they need to decide how those might be filled up. Some things would require only action by the Assembly while other things require action by the citizens of Juneau if they want to start looking at changing sales tax rates.

Mr. Smith asked if staff was able to determine whether or not individuals who use their SNAP benefits are already charged sales tax or not. Mr. Rogers confirmed that SNAP users do not currently pay sales tax when using their SNAP benefits.

Ms. Hale said that they are just beginning the budget process and that may complicate it but that it may also augment the conversation. She proposed that they fill up half the bucket with $3,000,000 since that is approximately the same amount of the online sales tax revenues and those revenues are coming from Juneau citizens.

Ms. Gladziszewski asked Mr. Rogers to clarify how much revenue the city brings in from the remote sales tax. Mr. Rogers said that for next fiscal year, it is forecasted to be around $3,000,000 and that the current fiscal year's sales tax revenue is anticipated to come in at approximately $2,500,000.

Ms. Triem said that she would like to fill as much of the $6,000,000 as possible. She said that it has been an ongoing decrease in revenue and they need to be planning for how to fill those holes, otherwise it will leave future assemblies short and having to take out of the budget reserves.

Mr. Bryson said he agrees with both Ms. Hale and Ms. Triem but would want to land somewhere in between the two amounts. He said that one of the things that will happen, they would be increasing Juneauites' purchasing power as that would improve the Juneau economy. He said that while he thinks it would be prudent to fill up to $4,000,000 of that hole, he doesn't see the need to go all the way up to $6,000,000.

Mayor Weldon said that she thinks other Assemblies couldn't do this as they didn't have the financial resources to fill the buckets but at this time, their financial picture is such that she doesn't agree with only half and thinks they should come pretty close to the full $5 - 6 million dollars needed.

Mr. Smith said that he agrees with the Mayor on this in getting pretty close. He said that while it may not need the full $6,000,000, it should be higher than 75%.

Ms. Hughes-Skandijs said that her initial preference is to try to fill it all the way or as close as they could get to that.

Ms. Gladziszewski said that she also agreed that people in Juneau are paying sales tax on remote items so that while she agrees that they should fill more than half it may not have to be all of the $6,000,000.

Ms. Hale said that they will have to dance around this somewhat as they start the budget process. She referred to the fund balance is getting bigger and bigger and that all those green bars showing increases the fund balance while there were only a few red dips and they need to look at evening those out over time. She said that it is the job of the Assembly to weigh all those factors and she will save her main discussion on that topic for when it comes time to discuss the budgeting process.

Ms. Gladziszewski said that they all agree on at least half and likely more. She said that the next question is how to fill them up. She said that things they have control over without going to voters for relate to the exemptions which are listed on packet page 76. Ms. Gladziszewski asked for any comments on any of those exemptions.

Mayor Weldon suggested they remove the exemption of sales “by” non-profit organizations. She said the non-profits are only collecting the tax and remitting it to the city, they aren’t paying for it themselves. She said that would provide for a $1.4 million amount.

Mayor Weldon also noted that she was not suggesting that they remove the exemption on the sales “to” non-profits.

Ms. Gladziszewski asked for any comments on the Mayor’s recommendation and if there was any agreement on that proposal from the members.

Ms. Triem asked if staff was able to determine if Girl Scout cookies would be subject to that or not. Mr. Rogers said that the simple solution is that if they exempt sales tax on food by the SNAP definition, items such as the Girl Scout Cookies and Boy Scout popcorn would be exempt even if they remove the exemption for sales ‘by’ non-profits. He also noted that if they do decide to exempt food, that will likely reduce the forgone revenue forecasts somewhat but he doesn’t have any way of knowing what those amounts might be for food exemptions.

‘Wáahlaal Gíidaak said that she does not agree with this proposal. She said that the non-profits that come to the top of her head provide a service to the community and a service that would then need to be provided by CBJ if those services weren’t provided for by the non-profits.

Additional discussion took place during which staff answered questions from Assemblymembers on how this may be implemented and any administrative burdens to non-profit organizations. Ms. Gladziszewski noted that they are not making definitive decisions at this meeting, as any changes would have to come before the Assembly by way of an ordinance for the ultimate action. Mr. Palmer and Mr. Rogers shared some additional information and Mr. Rogers shared a table that was contained in his memo from the Feb. 5, 2020 packet on this topic. He said that while some of this information is getting a little stale, it is about as much information as he can provide the Assembly. He noted that the $1.4 million is likely off the amount due to impacts by other categories such as medical exemptions that would not be taken into consideration.

Ms. Triem and Ms. Hale spoke to the impact this may have on consumers as well as providing equity for the different businesses selling goods similar to those that are sold by non-profit entities.

Ms. Gladziszewski said it appears that the committee would like to leave this topic on the list of those to be possibly considered.

Ms. Gladziszewski asked, in moving on to other exemptions, about the single item exemption “cap.” She said that currently, the ordinance has you only paying tax on the first $13,000 price of an item and she asked if Finances staff would have any data related to the concept of flipping exemptions from the first $13,000 to only taxing the values that exceeded $13,000 similar to what is done for property tax with the first $150,000 in being tax free.

Mr. Rogers said that is not likely something they would have any data for since they don't get transactional information and there are over 1,000 entities that use the single item exemption "cap."

Mr. Bryson said that changing the single item sales tax cap exemption would just lead people to make purchases outside CBJ. He noted that the first time this was considered was when it was when they looked at jewelry stores. Any disadvantage we create with purchasing items in Juneau backfires.

Ms. Hale said that Mr. Bryson makes a good point that the remote seller sales tax collection means that if someone in Juneau purchases something in another community, that purchase is supposed to be charged remote sales tax and remitted back to CBJ. She said that she doesn't think it is a good idea to make this change.

Ms. Triem said they are discussing this mostly as it relates to individual consumers. She asked if staff might have any data as this exemption related to sales by businesses to businesses.

Mr. Rogers said that is a good point and businesses buy a lot of equipment and goods from other businesses. He said that this conversation so far has been related to sales on goods. He said that if they also need to consider the impacts this would have on businesses that provide services to other businesses. Mr. Rogers then took provided an in depth explanation of the various caps and the regressive nature of sales tax. He did explain that we do tax the full cost of jewelry and they are not subject to the cap on a single item.

Mayor Weldon said that businesses often purchase items over the cap. She asked Mr. Rogers how good we are at collecting sales tax from other states for big ticket items like cars, etc…

Mr. Rogers said that one of the technical points is that we have a sales tax and not a 'use' tax. He explained that if you go to Seattle and bring it back in person, it is not subject to remote sales tax. The commission is working with auto dealers in Seattle and Anchorage to collect taxes on sales that are conducted in a remote way.

Ms. Gladziszewski asked about where we are with trying to Google to sign up and remit tax. It has been years since they started this. Mr. Rogers said that the commission will be force filing and estimating tax and eventually they will be filing legal action. He said that Google has been the most recalcitrant on this and the last remaining whale. Ms. Gladziszewski if the commission has sent legal notice to Google, and Mr. Rogers said they have.

Ms. Hughes-Skandijs said that she will take some of her questions off line to Mr. Rogers. She said that she appreciated Ms. Triem and Mayor Weldon bringing up the comments about business to business numbers and caps. Considering the goal on reducing taxes on things that everyone needs to live (food) not penalizing others.

Additional discussion took place regarding the single item for goods vs. services. Mr. Rogers will look at what the definitions might be for single item, what categories might look like if they were to “flip” the cap.

Mayor Weldon expressed concern about the “flip” concept and provided the example of a business purchasing a dump truck for $200,000. Using the flip model, if the exemption were on the first $12,800 then that would leave $187,200 subject to tax which would come out to $9,360 in tax to be paid.

Ms. Hale said that while the state is not likely to have a fiscal policy decision passed at the legislature this year, in the future they may and when they’ve discussed the possibility of a statewide sales tax. She noted that if a statewide sales tax is implemented, the exemptions in all the communities across the state will go away.

Members then discussed the pros and cons of many of the scenarios and asked staff a number of questions. They provided the following list of options to bring back to them at a future meeting:

- Single Item Exemption “Cap” and also what that might look like with a ‘flip’ scenario
- Single Service Exemption “Cap”
- Sales BY non-profit organizations
- Possible seasonal sales tax with a variety of options
- What a 5.25% (non-seasonal) sales tax rate might look like in comparison to a seasonal sales tax rate

Mr. Rogers said that he would not be able to give any model on what a flip might look like financially under the first bullet but he can begin pulling the other information together. Ms. Gladziszewski said that even if he can’t bring data on the flip item, she would like to still have it in the list of available options for consideration.

E. Eaglecrest Gondola Update

Mr. Watt explained that he provided a memo in the packet regarding Goldbelt Corporation expressing an interest in investing up to $10,000,000 towards the Eaglecrest gondola. He said that the Eaglecrest Summer Operations Task Force (ESOTF) met on March 31 and forwarded a recommendation for the Manager to negotiate directly with Goldbelt to develop a contract to be brought back to the Assembly for a debate. The Eaglecrest Board passed a motion on April 7 for the Eaglecrest Manager and City Manager to negotiate directly with Goldbelt for installation of the gondola and other facilities and that passed by unanimous consent. He said that the intent of the Eaglecrest Board is for Eaglecrest to have management/control of the operations and that motion passed by unanimous consent.

Mr. Watt said that when he was advised about Goldbelt's interest, he cautioned Eaglecrest and Goldbelt not to get in front of the Assembly and that they need to have a procedural discussion. He compared it to the same process they use when dealing with land negotiations. Those decisions by the Assembly would need to be made to 1) work with the first person in the door with a proposal, or 2) is there somebody else who might like to get involved. Mr. Watt said that his recommendation would be to strongly recommend CBJ negotiate with Goldbelt. He said that they are uniquely situated for a lot of reasons as he has detailed in his memo in the packet. Mr. Watt said that tonight he is looking for direction from the Assembly for the Manager to negotiate with Goldbelt and implicit with that is coordinating with the Eaglecrest Manager and Eaglecrest Board. He also noted that the Assembly may want to put sideboards on things similar to the one that the EB had that they did not want to lose control of the operations.

Mr. Watt said there is likely a lot more they could discuss on this as the devil will be in the details. However, he is heartened by Goldbelt's overture and he would strongly support a motion to direct negotiations. He also noted that Mr. Palmer may be able to provide additional information to the committee on where Mr. Scanlan is with respect to the current status on the gondola.

Mr. Palmer said that they have not yet paid any money for the price of the gondola but that will likely happen this week. The Eaglecrest Manager and a CBJ Engineer left for Austria earlier this morning to go and inspect the gondola. They should be inspecting it tomorrow afternoon and over the course of the next couple of days. He said that if everything goes well, they will sign the contract and start the payment process with would make the first payment of €150,000 and the second payment following at €750,000 and the deconstruction would start quickly thereafter. He said that the end result would be for the gondola to be decommissioned in Austria, put in containers, shipped to the nearest port in the U.S. Mr. Palmer said they are presently soliciting for that bid right now and the bids open at the end of this week or next week and they will have a better idea at that time what those transportation costs will be.

Mr. Palmer said that if the Assembly wanted them to store the gondola in Austria, that decision would need to be determined today.

Clerk's Note: Due to a power outage caused by high winds, the Assembly Chambers lost power during the last 10 minutes of the meeting. The power outage also prevented the recording from being disconnected so the recording has 10 minutes of blank video streaming.

Due to the power outage, the Committee of the Whole meeting was adjourned at 9:05p.m.