ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
December 10, 2018, 5:30 PM.
Assembly Chambers - Municipal Building

Assembly Work Session - No Public Comment

I. ROLL CALL

Deputy Mayor Maria Gladziszewski called the meeting to order at 5:30 p.m.

Assemblymembers present: Mayor Beth Weldon, Mary Becker, Jesse Kiehl, Loren Jones, Rob Edwardson, Carole Triem, Wade Bryson, Maria Gladziszewski and Michelle Hale

Assemblymembers absent: None

Staff present: City Manager Rorie Watt, City Attorney Rob Palmer, Deputy Manager Mila Cosgrove, Municipal Clerk Beth McEwen, Chief Housing Officer Scott Ciambor; Community Development Director Jill Maclean, Emergency Manager Tom Mattice, Finance Director Bob Bartholomew, Port Director Carl Uchytil, Port Engineer Gary Gillette

II. APPROVAL OF AGENDA

The agenda was approved as presented.

III. APPROVAL OF MINUTES

A. **September 24, 2018 Assembly Committee of the Whole Minutes**

B. **October 22, 2018 Assembly Committee of the Whole Minutes**

MOTION by Ms. Becker to approve the minutes with minor corrections. *Hearing no objection, the minutes of the September 24 and October 22, 2018 Committee of the Whole meetings were approved.*

IV. AGENDA TOPICS

A. **Affordable Housing Fund Discussion**

Chief Housing Officer Scott Ciambor gave a presentation regarding the Affordable Housing Loan Fund. He gave an overview of the background of the Affordable Housing Loan Fund and the timelines involved with the recommendations regarding a way to improve how those funds are administered and distributed. He gave the committee information about a similar program in place in the City of Vancouver, WA as a model to follow for what CBJ might want to do moving forward. Mr. Ciambor explained that whether the administration/review of the Affordable Housing Loan Fund applications are done by staff or through the Affordable Housing Commission, it is still up to the Assembly ultimately to make the final decisions on how much funding would be given out and to which projects.

Ms. Gladziszewski noted that the question for the COW is whether to move this function from the Affordable Housing Commission over to staff.

Mr. Ciambor answered a number of questions from Assemblymembers regarding the eligible uses of the funds, how, when, and under what circumstances they would have as to whether the funds would be used as grant funds or loan funds. Mr. Ciambor explained that the grant funds are eligible for use by non-profit entities but that the for-profit sector would need to apply for the loans and grants would not be available to the for-profit developers.

Mr. Ciambor explained that the long term affordability for housing is one of the key goals to the program and extra points could be added to the scoring of the applications for those or similar issues if the Assembly wanted to identify their areas of importance.

Mr. Kiehl asked that they build in language to the application that prioritizes loans over grants to keep the corpus of the fund available for revolving loans. Mr. Ciambor said he would try to work on some language in the application relating to the priorities of uses of the Affordable Housing Funds.

Ms. Hale noted that her read of the materials had the loans going to private developers who would take out zero interest loans to build affordable housing whereas the grants were being used by non-profits to provide things such as housing for homeless persons.

Additional discussion took place regarding the proposed process, how priorities would be determined by the Assembly and carried out in the application/review process. Discussion also took place regarding the replenishment of loan funds and sources for additional monies to go into the Affordable Housing Fund. Mr. Watt also noted that the prior Assembly, when it put the Sales Tax extension on the ballot, it put in $2,000,000 in funding to be raised over five years going into the loan fund at $400,000 per year. Additional funds in future years may come from sources such as the federal government, and/or any settlement dollars received from the sale of the Gastineau Apartments property.

MOTION by Mayor Weldon to direct staff to draft a resolution which moves control of the Affordable Housing Fund to the Assembly and remove it from the Affordable Housing Commission including Mr. Kiehl's amendment [regarding loan priority language to be developed by Mr. Ciambor]. *Hearing no objection, the motion carried.*

Mayor Weldon said that given the adoption of the above motion, the adoption of the Housing Action Plan, the hiring of the Chief Housing Officer and a Homelessness/Housing Coordinator, are there any functions left for the Affordable Housing Commission or do we thank them for their service on this very difficult board and dissolve the commission.

Mr. Ciambor said that much of his work comes through the housing action plan and through the City Manager. Mr. Watt noted that this is a detailed weedy issue and he does not see that the Affordable Housing Commission has been able to send advice to the Assembly in a meaningful manner. Mr. Watt commented that this is a detailed/weedy issue and it is hard to get time on the Assembly's agenda to bring these issues in depth to them for decision making. He said he has not seen that the commission has been able to find a path to community and provide helpful advice to the Assembly. He said they have a put a lot of focus on the issue, and as a result, the Assembly has adopted the Housing Action Plan and created the staff needed to address it. Mr. Watt said that he feels it is at a point that staff can now do the work and get the information to the Assembly for decision making most effectively.

Ms. Gladziszewski asked if it was the consensus of the body to refer the Affordable Housing Commission and its possible sunset to the Assembly Human Resources Committee for review and consideration. *Hearing no objection, that will be the next steps for the Affordable Housing Commission.*

B. **Ordinance 2018-41 An Ordinance Amending the Land Use Code Relating to Alternative Residential Subdivisions.**

Ms. Gladziszewski noted that they discussed this ordinance at the last COW meeting and asked that it be brought back with some requested changes. Ms. Maclean was present to answer any questions from the Assembly.

Mr. Kiehl said he appreciated the Title 49 Committee for its additional level of work on this ordinance. He said that he had an opportunity to discuss the changes with CDD Director Maclean earlier in the day and said he would only suggest one change to the six bullet points as spelled out in Ms. Maclean's December 6, 2018 memo and that would be to remove the word "separated."

MOTION by Mr. Kiehl to amend the ARS Ordinance 2018-41(b) to include 6 bullets from the December 6, 2018 memo with the removal of word "separated" such that the first section would read:

> 49.15.920(e)(3)(F) Density (p.4):
> Five percent in the RR, D-1, D--3, D-5, and D-10SF zoning districts, and ten percent in the D-10, D-15, D-18 and LC zoning districts for providing shared use pathways to facilitate safe pedestrian and bicycle movement within the development and to ensure non-vehicular access to open space, common facilities and to public services

Hearing no objection, the motion passed.

C. **Waterfront Infill Development (Archipelago Area)**

Mr. Watt provided information regarding the amended appraisal. He noted that in September, the Assembly asked him to enter the negotiations to make sure the values were being looked at properly. He worked with Docks and Harbors staff and they gave direction to the appraiser to value all the pieces of the land components. The appraiser has done that and the appraisal is in the packet. He said there was one slight change that happened along the way resulting a little more property to the city to accommodate proper turning radius in the vehicle staging area. In the red folder is a subset updated appraisal that shows the new net amount of $922,175. The full updated appraisal has been posted online for everyone to see.

Mr. Watt said with respect to the broader project, he is not asking for the Assembly COW to decide on whether or not to do the project, but rather to consent to receive an ordinance authorizing a purchase and sale agreement between CBJ and Morris Communications. He said he has spent a lot of time on this with Mr. Uchytil, Mr. Gillette, Mr. Palmer, and their staff and he is quite comfortable on the values if they are going to move forward, he said in light of all the pieces taken into consideration, he believes it would be a fair, reasonable, and responsible way to calculate the value between the parties. He said there have been many other questions alongside this. Given the high cost of the project, do the merits of the project encourage them to do it? That is a different question than what he is asking at this time. There has been another question about if this project unduly benefits the adjacent property owner. He said in speaking to that briefly, all of our waterfront development projects have been a benefit to property owners nearby and even less nearby. As an example, the 16b cruise ship berths and seawalk projects have benefited the downtown retail district. Similarly, this project would benefit the uplands owner but it is pretty normal. It happens to be a key position piece of property in this area and it happens to be one of the few options for adding staging and open space on the waterfront so he doesn't fault them for their good decision for having property in a good location.

Mr. Watt said he feels the appraisal is fair and reasonable and results in less money towards Morris than was originally anticipated so he is asking the Assembly to agree to the introduction authorizing the purchase and sale. Ultimately, when they have that ordinance at public hearing, the public can come and testify and tell them what they think and that would be the time the Assembly makes the ultimate decision to authorize the purchase and sale and authorizing the transfer of funds or not.

Ms. Gladziszewski thanked Mr. Watt for doing the work the Assembly had requested and she opened it up for questions from the Asssembly.

Mr. Edwardson said he had a pro forma question that he has previously asked; for us to draw up an ordinance, does that create an estoppel situation? If the property owner saw the drafting of an ordinance as a positive sign and started investing in changes, would CBJ be at risk at all? Mr. Palmer answered "no" to Mr. Edwardson's questions.

MOTION by Ms. Becker that an ordinance be introduced authorizing the purchase and sale agreement and that ordinance be sent to the Assembly for further discussion and asked for unanimous consent.

Ms. Gladziszewski asked if anyone else had any questions or discussion before taking vote on the motion.

Mr. Kiehl asked about the reference in the assessor's report relating to the right to object language. Mr. Watt referred them to page 40 of the appraisal as found on packet page 107. He noted that the area shaded in purple in figure 4.6 is the area that is subject to the limited right to object. He said that generally he would prefer not to buy or create encumbered property that is subject to discussion at a future date. He said that Morris felt it was important to them, they wanted to invest in their property and they wanted to be sure there was some way to comment on CBJ's area. He said it is a limited portion and results in a fairly significant amount of money credited to the city. He said the vast majority of the proposed CBJ development would not be encumbered by that right to object.

A lengthy discussion took place regarding the right to object language with Mr. Palmer and Mr. Watt providing additional explanation in answer to questions from Assemblymembers. Members also asked what the impacts would be if this language was struck from the negotiated language. Staff explained that the resulting cost in striking this clause would be approximately $250,000 CBJ would have to pay. Mr. Watt also gave information to the members about the ins and outs of the negotiations and that the Morris company felt strongly about the inclusion of this verbiage in the agreement. Due to the concerns raised by the Assemblymembers, Mr. Palmer said he was willing to draft the ordinance to be brought back to the Assembly for their consideration and amendment, if they wish to make changes. Ms. Hale asked what the process would be if they did object.

Mr. Bryson asked, outside of the right to object clause, how the balance of the project was favorable to the city and if the Manager could provide more detail on that. Mr. Watt explained that in light of the various property line changes and needs being met, both parties have something the other one wants and both substantially benefit from the proposed negotiation. He said from a property line standpoint, it makes perfect sense. Once those property lines are changed, the projects each party wants to develop can happen more economically. With respect to the macro questions he mentioned earlier such as "Given the cost of the project, do the project benefits merit it?" He said that is a separate matter he'll leave to the Assembly to decide. He said what they are really talking about is commercial activity that would impede or compete. The Wee Fishee Shop is a good analogy and Mr. Kiehl raised the scenario about public events which would be a temporary use. He said they need think about those types of uses and that these are details that should be worked out.

Additional discussion took place regarding the language related to what would or wouldn't be classified as "improvements."

Ms. Gladziszewski asked if there was any objection to the motion by Ms. Becker.

Mr. Jones noted his objection.

Ms. Gladziszewski called for a roll call vote on the motion authorizing the Manager to draft an ordinance to authorize the purchase and sale agreement between CBJ and Morris to be brought back to the Assembly for introduction.

Ayes: Becker, Bryson, Edwardson, Hale, Kiehl, Triem, Weldon, Gladziszewski
Nays: Jones
Motion carried 8:1

Ms. Gladziszewski and Mayor Weldon thanked Mr. Watt for his involvement in the negotiation process at the request of the Assembly and also thanked Messrs Uchytil, Gillette, and Palmer for their work as well.

D. Emergency Planning

Mr. Watt introduced Emergency Programs Manager Tom Mattice. Mr. Mattice is extremely effective in his role and highly regarded both locally and around the state. He also has other duties, notably avalanche forecasting which is really important to the community. While he doesn't often appear before the Assembly, he is a key reason we are able to be ready and respond in the event we have to call up the Emergency Operations Center (EOC).

Mr. Mattice said that in light of the recent earthquake in Anchorage and its aftermath, this is a good time to talk about emergency planning and response within our jurisdiction. He explained that Juneau has a lot of hazards that we face and there are a lot of hazards that we look at individually and develop emergency operations plans around those. We have a number of annexes to the Emergency Operation Plan (EOP) which deal with specific hazards to the jurisdiction. Most planning lies in "All Hazards" planning. Whether it is a cruise ship with a problem, a landslide, or an airplane with a problem, we know that mass casualties, sheltering our people, transportation are the common denominators to all emergency responses.

Mr. Mattice went through the steps that are followed when an emergency happens and how the Emergency Operations Center works and who is involved in the Incident Command system. He also instructed them on the role of the Assembly with respect to emergency declarations in the event of an emergency. Everyone working on an emergency is done through the EOC process which has evolved significantly in Southeast Alaska over the last decade.

Mr. Mattice also reminded everyone about the importance of personal preparedness because if people aren't prepared at home, they don't show up to work or to support the organization. It is also important to think about communication in the jurisdiction and he recommended everyone have a NOAA weather radio which is the one thing that can come on and alert you at anytime when all other forms of communication are turned off or not working. The NOAA radio will turn on in an emergency situation and you would grab your go bag and evacuate and you have everything you need to walk out the door and be able to plan and respond.

Mr. Mattice encouraged each member to have a "Go Bag" as well as Family and Reunification Plans which are available on the state's website at www.Ready.Alaska.Gov.

Ms. Gladziszewski thanked Mr. Mattice for coming before them with this information.

E. Assembly Goals (Updated documents to be provided at the meeting)

Deputy City Manager Mila Cosgrove provided an update of the spreadsheet with the Assembly Goals as arrived at during the December 1, 2018 Assembly Retreat.

She noted that the packet that came out had the consolidated goals front and back with the tally sheets but also, each individual goal had a separate page with tallies above the line and the things that did not have enough tallies to make the main list or were already completed. Ms. Cosgrove noted that the spreadsheet also included the "re-voting" of the economic development piece that everyone provided to Ms. Cosgrove.

Mayor Weldon thanked all the Assembly for a good retreat in which everyone was very engaged in the process. She also thanked Ms. Cosgrove for all her work before, during, and after the retreat and to Ms. McEwen for her work the day of the retreat.

MOTION by Mayor Weldon to adopt the goals as presented.

AMENDMENT #1: Mr. Jones said he thought under the Housing goal that the third and fourth items (Comprehensive Plan and Area Plans) were moved to the Economic Development goal. Ms. Cosgrove said it would be easy enough to move those around, it was listed under the Housing goal when the multi-voting had occurred.Hearing no objection, that amendment passed.

Ms. Hale extended her thanks to Mayor Weldon for running an interesting and engaged goal setting session and great thanks to Ms. Cosgrove for all her work.

AMENDMENT #2: Mr. Kiehl asked for an amendment under Economic Development and that would be to the Economic Development goal that fell just below the cut off line and that was "Identify future industrial land." He said that has been on our list in the past and over the years he has served on the Assembly, they have seen the shortage of industrial land in Juneau be a problem. There has been conflict just within the past few months over how much commercial vs. industrial land we have and it is important that the Assembly keep this high on the task list. We have seen the shortage of Industrial Land become a problem and even in the recent past. He said that if you are going to have a city you are going to have businesses that don't smell good or make noise and he asked that the goals be amended to include "Identify future industrial land" to the Economic Development goal. Hearing no objection, that amendment passed.

Hearing no objection, the Goals were adopted as amended above.

V. EXECUTIVE SESSION

A. CLIAA Litigation Update

MOTION by Mr. Kiehl to recess into Executive Session to discuss a matter, which by law may be kept confidential, specifically the CLIAA litigation update as it may have a deleterious affect on the finances of the City and Borough of Juneau.

There being no public individual to speak to the motion and no objection from the Assembly, the meeting entered into Executive Session at 6:54p.m.

The Assembly returned from Executive Session at 8:44p.m. and reported that they gave direction to the City Attorney and the City Manager regarding the pending litigation with CLIAA.

VI. ADJOURNMENT

There being no further business to come before the committee, the meeting was adjourned at 8:45p.m.

Respectfully submitted,
Beth McEwen, MMC
Municipal Clerk