

**ASSEMBLY STANDING COMMITTEE  
COMMITTEE OF THE WHOLE  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

January 29, 2018, 6:00 PM.

Municipal Building - Assembly Chambers

Assembly Worksession - No Public Testimony

**I. ROLL CALL**

**II. APPROVAL OF AGENDA**

**III. APPROVAL OF MINUTES**

- A. **January 3, 2018 Committee of the Whole Minutes**
- B. **January 18, 2018 Committee of the Whole**

**IV. AGENDA TOPICS**

A. **RecycleWorks Update**

B. **Energy Strategy**

The draft Juneau Renewable Energy Strategy can be found here: [www.juneau.org/sustainability/energy\\_plan.php](http://www.juneau.org/sustainability/energy_plan.php)

C. **Meander Way - Mendenhall River Bank Stabilization**

D. **Indemnification - Alaska Department of Transportation Permits**

E. **Essential Public Facilities**

**V. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: [city.clerk@juneau.org](mailto:city.clerk@juneau.org)

**ASSEMBLY STANDING COMMITTEE  
COMMITTEE OF THE WHOLE  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

January 3, 2018, 12:00 PM.

Assembly Chambers - Municipal Building

Assembly Worksession - No public testimony

**I. ROLL CALL**

Deputy Mayor Jerry Nankervis called the meeting to order at Noon in the Assembly Chambers.

Assemblymembers Present: Mary Becker, Rob Edwardson, Maria Gladziszewski, Norton Gregory, Loren Jones, Ken Koelsch, Jerry Nankervis, and Beth Weldon.

Assemblymembers Absent: Jesse Kiehl,

Staff present: Rorie Watt, City Manager; Amy Mead, Municipal Attorney, Mila Cosgrove, Deputy City Manager; Laurie Sica, Municipal Clerk; Greg Chaney, Lands & Resources Manager; Rob Steedle, Community Development Director.

**II. APPROVAL OF AGENDA**

Hearing no objection, the agenda was approved as presented.

**III. APPROVAL OF MINUTES**

**A. December 4, 2017 Committee of the Whole Meeting**

Hearing no objection, the minutes of the December 4, 2017 meeting were approved with a correction to complete the last sentence in the first paragraph on page 2 of 8.

**IV. AGENDA TOPICS**

**A. Annexation**

Mr. Watt said the Assembly needed to decide which areas should be included in any annexation petition and the process to be followed. He would like the COW to forward a recommendation from this meeting to the Assembly on its January 22 meeting.

Mr. Nankervis said he would like to look at the areas separately and then decide on a process. Ms. Gladziszewski asked if it is possible to do different processes for different areas. Ms. Mead said it was possible, it increased the public process, and the initial filing needed to be amended regardless.

Mr. Nankervis asked to discuss the areas for annexation first and asked about area A. Ms. Mead said A (Tracy Arm) includes the area already in the existing, pending petition before Local Boundary Commission (LBC). The pending petition could be adjusted to include only that area. Ms. Mead said LBC contacted Ms. Mead and said the petition was filed as an election petition, but recommended a legislative process instead as there are no residents in this area and they felt the legislative process was more appropriate. Whatever process the Assembly chooses, the LBC can amend the process to what it sees is the best fit.

MOTION, by Koelsch, to proceed with including area A in the annexation request. Hearing no objection, it was so ordered.

Mr. Watt reviewed the areas included in area B (Glass Peninsula/Pack Creek). The deviation in the

area beyond the model borough boundary includes the entire watershed area of Pack Creek. All the uses in the area currently relate to Juneau, including tourism and Forest Service activities based out of Juneau.

In Mr. Kiehl's absence, Mr. Nankervis referred to Mr. Kiehl's email referencing a "sliver of land" in this area and asked for clarification regarding Mr. Kiehl's intent. There was no clarification.

Ms. Gladziszewsk said the model borough boundary seemed like a logical boundary and asked about the proposed deviation. Mr. Watt provided a map of the area with more detail and said that this recommendation follows geographic boundaries, which are preferred by LBC, instead of artificial lines.

Mr. Gregory asked if there were any residents in that area. Ms. Gladziszewski said there was a forest service bunkhouse for temporary summer residence only to her knowledge.

MOTION, by Koelsch, to include in the annexation petition area B indicated in red on the NE admiralty island map and on Map 2 as area B, as forwarded by the Lands Committee. Hearing no objection, it was so ordered.

Mr. Watt said that the Lands Committee did not recommend adding area C (area north of Model Borough Boundary and south of Hawk Inlet on Admiralty Island) on map 2. He noted in a memo from Ms. Cosgrove that there is potential for mineral exploration in that area, and the current boundary that encompasses Greens Creek is close to the actual mining operations, and it could be important to include pending future mining development in the area for the mine to not cross borough boundaries. The model borough boundary does not follow geographic features. Ms. Gladziszewski asked if it was possible to redraw the line for area C to make it follow geographic lines.

MOTION, by Gregory, to include area C in the annexation petition.

Ms. Gladziszewski asked to amend the motion to include a modification to provide for a geographic boundary.

Mr. Gregory said he preferred to see the change first.

Hearing no objection, it was so ordered.

Mr. Watt reviewed area D (Funter Bay, North Peninsula of Admiralty Island, Horse and Colt Islands). This is close to the Haines Borough boundary on the west, Glacier Bay Model Borough on the Southwest and the Chatham Model Borough on the south, which may all have interest in that area. The Horse and Colt neighborhood contains several recreational properties and one business, all which have a close nexus with Juneau. There has been significant comment from Funter Bay about potential annexation.

Mr. Edwardson said this area is basically protected area, what is the virtue of CBJ annexation? Mr. Watt said if area D is annexed, the private properties in that area are subject to property tax, zoning, school service (not transportation), in addition to areas that are protected from development in the Admiralty Monument. The state anticipates that all areas will be in a borough eventually and CBJ should include the areas into its borough that make the most sense.

Mr. Edwardson asked if there is any future cost to the city due to annexation - such as how much will it cost CBJ to provide services compared to the gain in any taxes. Mr. Watt said there will be property tax, business sales tax if there are any businesses, planning and zoning development applications, provision of school services, no fire protection and the land is not in the fire service area, but CBJ would respond with emergency services such as ambulance, and some police response, depending on the level of crime. The argument made is that people residing in these areas use CBJ services now, such as roads, hospitals and airports.

Ms. Weldon asked if the other boroughs mentioned as model boroughs are actively seeking borough status. Mr. Watt said not that he was aware of that and he spoke about the disincentive to borough formation in school funding. CBJ did not anticipate the Petersburg borough filing its annexation when it did, and CBJ's petition was put in a secondary position to that of Petersburg.

Ms. Mead said the LBC, on its own accord or by the legislature, may form a borough and its entire purpose is to "borough-ize" the state.

Ms. Weldon said there are several emails from Funter Bay residents that opposed borough formation. There are old state docks there and if CBJ annexed this property, does this become a borough responsibility? Ms. Mead said yes.

Mr. Nankervis asked if the state has a timeline for borough-ization. Ms. Mead said no.

Mr. Jones said that 30 years ago there was significant discussion about LBC initiating boroughs but he does not recall that this has ever happened, and questioned whether that was a real concern. Ms. Mead said this is a different environment, as there has not been a derth of petitions coming to the LBC. The one time LBC initiated boroughs was the Model Borough Boundary establishment.

Ms. Gladziszewski asked if something was happening now that would encourage borough-ization - what likelihood will some other borough scoop this up- if it is going to be in a borough, it should be in Juneau's. Ms. Mead said the reason for this discussion was based on the Petersburg annexation petition. The model borough boundaries provide no guarantee of inclusion of an area into a borough. She had not heard of any recent direction to LBC to borough-ize.

Mr. Jones said the majority of objections come from Funter Bay, Horse and Colt Islands. If the petition is filed and it is granted, what legal recourse does the Assembly have to carve out the areas for specific services such as planning and zoning, and taxation at a different rate - what kind of rules could we set to provide more satisfaction to those residents.

Ms. Mead said as a Home Rule Borough, school, taxation and planning are required. All other services are extra. We are required to charge a certain tax rate areawide, and there are additional service areas that can be added on to the areawide tax rate. Mr. Watt said a borough is required to charge 2.6 mills for schools. He explained the current base rates and additional service area rates.

Mr. Edwardson asked if the petition could annex Funter Bay and create a service area in which the residents of Funter Bay would not be required to pay for the required services, and would only have to pay for the services that they received.

Ms. Gladziszewski reviewed the existing mill rate from the budget book..

Ms. Edwardson referred to a bill that extends emergency services beyond borough boundaries. Ms. Mead said she would return information to the Assembly on that topic.

Mr. Jones said he was looking at ways to not charge for services not provided, but to cover costs such as the dock repair. These seem to be naturally different from other locations and asked if there was a way to "grandfather in" these areas.

Ms. Becker asked about any obligation to inform the residents about what the taxes would be before the request was submitted to LBC. Ms. Mead said there is a public hearing required, the information submitted is put into the application, and there is plenty of opportunity for discussion and then the LBC makes a decision.

Ms. Gladziszewski asked if Shelter Island pays the same base mill tax rate as other property owners in Juneau and Mr. Watt said yes, the 6.9 mill tax rate. Mr. Watt said he owns property on Shelter Island.

MOTION, by Becker, to include map area D into the annexation petition.

Ms. Weldon asked how many permanent residents are living in Funter Bay. Audience members reported 30 property owners with 2 full time residents.

Mr. Koelsch amended the motion to put all of area D into the annexed area with the exception of Funter Bay. He said this is the area of most concern, and the Assembly can come back to this area later, when we can make it more fair to people who are that far away from the borough now.

Ms. Becker asked if it would be difficult to annex in the future if another borough showed interest. Ms. Mead said it puts CBJ in a secondary position, similar to when the Petersburg borough filed its initial petition. Ms. Mead said that LBC has the final review over borough boundaries.

Ms. Gladziszewski said it might be difficult to draw such a small area and she would rather spend time on fair taxation of remote properties. She objected to the motion.

Mr. Edwardson said he thought there were more than two permanent residents on Horse and Colt, and it may not be fair to them if Funter were left out, so he opposed the motion.

Roll call:

Aye: Nankervis, Weldon, Koelsch

Nay: Becker, Edwardson, Gladziszewski, Gregory, Jones

Motion failed, 3 ayes, 5 nays.

Hearing no objection, the main motion passed.

Ms. Mead spoke about the process - by election, or by legislative review. Both require the same petition, the same public hearing, and everything up to the final LBC decision. If the LBC approves, legislative review requires filing the matter with the legislature, which has 45 days to disapprove or it is effective. The local option requires a vote of the people within the annexing borough and the areas to be annexed and it must be passed by a majority vote of both areas.

The Assembly discussed the issue of voting.

MOTION, Gregory, to include areas A,B, and C in one area for legislative review and area D in a separate area also for legislative review.

Mr. Jones asked if he could determine the number of registered voters in Funter Bay and Horse and Colt Island by the next meeting and Ms. Mead said yes.

Mr. Nankervis objected to the motion and passed the gavel. He did not see the reason to separate the areas if there is legislative review for both.

Mr. Edwardson said he supported the motion as D stood a chance of being more controversial and did not want to stall the process.

Ms. Mead said the LBC could amend the local petition, and forward what it thought was best to the legislature.

Ms. Becker thought it could appear that we had too many reservations regarding D.

Roll call:

Aye: Edwardson, Gregory, Jones, Koelsch

Nay: Becker, Gladziszewski, Nankervis, Weldon

The motion failed, 4 ayes, 4 nays.

MOTION, by Jones to seek legislative review for areas A, B, C, and D in a combined annexation

*petition to the LBC.* Hearing no objection, it was so ordered.

Mr. Watt said that the matter would be returned to the Assembly in the form of a resolution for public hearing at the January 22 regular Assembly meeting.

**V. ADJOURNMENT**

There being no further business to come before the committee, the meeting was adjourned at 1:10 p.m.

Submitted by Laurie Sica, Municipal Clerk

**ASSEMBLY STANDING COMMITTEE  
COMMITTEE OF THE WHOLE  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

January 18, 2018, 2:00 PM.

Municipal Building - Assembly Chambers

Special Committee of the Whole work session -no public testimony.

**I. ROLL CALL**

Deputy Mayor Jerry Nankervis called the meeting to order at 2:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Mary Becker, Rob Edwardson, Norton Gregory, Loren Jones, Jesse Kiehl, Ken Koelsch, Jerry Nankervis, and Beth Weldon.

Assemblymembers Absent: Maria Gladziszewski

Staff present: Amy Mead, Municipal Attorney, Mila Cosgrove, Deputy City Manager; Laurie Sica, Municipal Clerk; Nathan Coffee, Engineer/Arch I.

**II. APPROVAL OF AGENDA**

Hearing no objection, the agenda was approved, noting that there were no minutes for approval.

**III. APPROVAL OF MINUTES**

None.

**IV. AGENDA TOPICS**

**A. Discussion with AVISTA/Hydro-One Representatives**

Deputy Mayor Nankervis made introductions. Invited guests included Dennis Vermillion, President of AVISTA Corp and Chairman of the Board for AEL&P; Connie Hulbert, AEL&P President and General Manager; Scott Morris, CEO and Chairman of AVISTA; Mayo Schmitz, CEO and President of Hydro One.

Mr. Nankervis asked how a merger of AVISTA and Hydro One would benefit Juneau. Mr. Morris said that Juneau will have an ownership structure that honors the agreement AVISTA made with Bill Corbus when AEL&P was sold to AVISTA. Mr. Corbus was the CEO and major shareholder and he had a fiduciary responsibility to get full and fair value for his shareholders, which he did. What was important to Mr. Corbus was for the next owner to share his values, caring passionately about the community, the employees and customer service. Connie Hulbert will continue to be the President and General Manager and the 62 employees will continue to provide great service, be a part of the community, and this is a partnership. Juneau will get another great company with 125 years experience that cares about the company, the customers and the employees.

Mr. Nankervis said that there are two concerns. Mr. Corbus did not choose Hydro One, and not only did he not choose Hydro One, it is a foreign company. Mr. Nankervis asked if any changes were anticipated and if so, in what time frame. Mr. Morris said they chose to enter this relationship because they share values with Hydro One. Our employees are our greatest asset and we continue to contribute to the community. Any changes will be based on decisions made locally by Ms. Hulbert and her team, and not by AVISTA or Hydro One. We value Ms. Hulbert's decision making. Regarding any business decisions, they will be lead locally. Mr. Schmitz said there is an agreement between Hydro One and AVISTA that characterizes that exact relationship and the only structural change will be that he will join the Board of Directors of AVISTA. AVISTA will choose their board independently of

Hydro One. He and Mr. Morris will select the Board who will represent Hydro One, which will be selected from the Pacific Northwest. He said Hydro One has one of the strongest balance sheets of like companies in North America and through this transaction, S&P has confirmed that AVISTA gets a credit upgrade so their cost of capital goes down. There are mutual benefits, including their buying power, and this will effect efficiencies and productivity for all. Mr. Morris spoke about Hydro One's immediate contribution to the AVISTA Foundation, which will benefit Juneau.

Mr. Nankervis said that at the last Finance Committee meeting, testimony was provided that stated that there were 55 commitments addressing local security in an agreement in Washington, and that the Alaska filing had none of those items included. Ms. Hulbert explained that these were agreements pertaining to the rate payers in Washington before the State of Washington regulatory authority, and to the extent that any of the commitments pertains to Alaska, they would be honored, and this was explained to RCA. An example was abiding by labor agreements and no loss of personnel.

Ms. Hulbert said there are a myriad of documents to safeguard the Snettisham project to the Juneau community. The state purchased the project from the Federal Government, and it was determined that the cost to the ratepayer would be lowest if it remained in state ownership. The State did not want to be an owners so bonds were obligated to be paid by AEL&P, and AEL&P pays for the maintenance and operation and a contribution to a renewal and replacement project. AIDEA was issued the Certificate of Public Convenience and Necessity to operate. The agreement allows a sister company to AEL&P to take over the project, however, it would be more expensive to the rate payer if this happened as there were costs including the FERC license, borough property tax and US Forest Service Transmission line agreements that the state was not required to pay and would be passed on to the rate payer if sold. The RCA approves any transfer, and RCA has stated that for rate making purposes all that can be included is what the state has paid, so there is no incentive for anyone to pay \$500 million in which they can only include \$82 million in rates. There is no sense in monetizing an asset that provides 2/3 of the power to the community. There is a right of first refusal, and at some time if it makes sense and the Snettisham company tries to sell, CBJ has the right of first refusal.

Mr. Morris said that there is one transmission line to Juneau from Snettisham - the power is "islanded" and it would be so expensive to built a transmission line to another location to sell the output, so that electricity will stay here forever as there is no where else for it to go.

Mr. Nankervis asked Mr. Vermillion how he would he assure that his policy and operational decisions would meet the best interest of the local community.

Mr. Vermillion said he had been the Chairman of the AEL&P Board for three and a half years. There are five people on the Board of Directors, including himself, Ms. Hulbert, Mark Pease who is the CFO of AVISTA, Marianne Durkin, General Council of AVISTA and Karen Feltes who is the Sr. Vice President. This is the oversight to the operation of AEL&P. Ms. Hulbert and her team are management of AEL&P and as a board we delegate management authority as best as they see fit. They are local and know the needs of the community, and know what it takes to run a safe and reliable power company. The board's responsibility is to ensure that they meet their goals. He said the board has no worries about their service.

Ms. Weldon asked if AEL&P will remain a union shop and the answer was yes.

Ms. Weldon said she has heard a concern that a move to a foreign company will strip money from AEL&P and if there is an avalanche, there will be no resources for addressing problems. Ms. Hulbert said that this change will provide AEL&P with additional resources. It makes no sense to strip the economic resources of a company that is viable. If there is an emergency, there will be additional equity in the picture. We had some concerns in weathering the last avalanche. Mr. Schmitz said the units stand on their own merits and the funds are not mixed. These mergers give growth opportunities - these things are "ring-fenced." Ms. Hulbert said that it is more benefits to customers to pay dividends to AVISTA over time. Regulatory rates are set on a formula. The cost of equity is higher than the cost of debt - it is counterintuitive but we can't let equity get too high - we do not want to be

too highly leveraged and it is a balancing act.

Ms. Weldon asked about Juneau Hydropower tapping into the Snettisham transmission line. Ms. Hulbert said Juneau Hydropower has asked for an agreement and we provided a flowchart for the interconnection process and we are working on it with them. We have received a request, we provided a process. Mr. Scott discussed technical aspects of such a connection. He said that at this time there is not a load or demand for this project. We have heard that Juneau Hydropower wants to serve Kensington. There are costs involved and if Kensington wants to do that, that is fine, as long as our customers do not have to pay for that connection. Ms. Hulbert said Avista is serving Greens Creek and we have an interruptible agreement that Juneau residents do not have to pay. To build the project to serve Kensington, we have to beef up our system, and if they close down, the customers we have now need to pay for those costs. The mine would have to sign an agreement for x number of years to guarantee the investment.

Mr. Gregory asked about the district heating project. Mr. Vermillion said it could make sense for the community, and AEL&P could provide for the load, as it is in our service area. It would increase our demand and we would need to do a study and identify a supply curve and we could build a project that could meet our needs - such as Sweetheart Lake. Ms. Hulbert said AEL&P is regulated and currently Juneau Hydropower is not regulated. We are the sole certified provider to provide the service in this service area - we are obligated to provide service to customers in our area.

Mayor Koelsch asked about the mining agreements in place. Ms. Hulbert said that AJT started as a mining company, and AELP bought it in 1973, the power and 2/3 of the mining unit on Douglas was sold to AELP, and 2/3 on the Juneau side was sold to CBJ. AJT and CBJ have a mining unitization agreement - we both own the mining properties and it is easier to negotiate with one owner than two, this was the theory. AVISTA ended up with the mining properties - there are some contracts on the properties for use, such as the zip line, which help pay the property tax. There are no plans to change any property management arrangements in place.

Ms. Becker asked which company would make a final decision to build any new project. Ms. Hulbert said we call on AVISTA in lieu of calling on a consultant for advice. The Board ultimately makes a decision. At AELP, she and six high level managers make ten-year plans - we outline the budget and we give it to the board and the board of AEL&P approves it. AEL&P is still the same legal entity. What has changed with AVISTA is the board - there are four experienced utility managers on the AVISTA board. Ms. Becker asked if there was anything blocking the opening of the AJ mind in the proposed merger. Ms. Hulbert said no.

Mr. Kiehl asked under what conditions and terms could the governance structure change. Mr. Vermillion said they do not expect any changes. It is not part of the approval of the RCA. AVISTA has owners of a wholly owned subsidiary, we could change the makeup of the AELP board, the only thing that could change would be the board members. The governance is included in the agreement. The Chair of AVISTA makes the determination of who serves on the AEL&P boards.

Ms. Hulbert said that AEL&P had no obligation to make a return to AVISTA. Each year we look at our books to see what makes sense, we propose to the board what the dividend should be. We can't be too highly leveraged and we keep an eye on our rates. Mr. Morris said utilities make money based on the capital investment in the community. There is a need to balance system reliability and safety with the cost to the customers. Sometimes equipment needs to be replaced - backup equipment is needed, and there is a rate process around those types of needs - the utility profits from that as well. If Ms. Hulbert wants to spend money, we are all for it. Ms. Hulbert explained the thinking behind the capacity at the Lake Dorothy project.

Mr. Schmitz said we provide a five-year capital program to our board of directors. He explained that their board doesn't have links to the Canadian government. The cost to capital goes down - for AEL&P and AVISTA based on Hydro One's strong balance sheet. The money stays local, and in regulated environment, we have no method to "harvest" funds - we only accentuate operations. We share best practices, best efficiencies. All businesses have their own call centers.

Mr. Edwardson asked what benefit Hydro One received from this merger. Mr. Schmitz said diversity of earnings - diversification of regulators, a stronger balance sheet, an ability to operate with less equity and sharing best practices and efficiencies. There is no reduction of employment - he spoke about fleets, call centers, forestry business, and influence over outcomes - we hope that AEL&P and AVISTA grow their businesses and expand opportunities. He spoke about his experience working in Montana with a low population and a high need. We hope this creates greater capacity, security and the returns will be opportunity and innovation. We reduced rates for our customers in Toronto by 30% and made significant investments in the local economy. We are incentivized to create efficiencies, and make the rates lower. AEL&P becomes an international business. He spoke about the exchange of staff between companies, succession plans, and relationships with First Nations. Mr. Schmitz - spoke about Kodak and the need to evolve to new innovative systems - this gives us the scale and scope to stay on the leading edge. All of our companies are over 100 years old and we need to be able to stay on our best foot and be able to pivot.

Mr. Nankervis thanked the representatives for this opportunity to ask questions.

## **V. ADJOURNMENT**

There being no further business to come before the committee, the meeting adjourned at 3:20 p.m.

Submitted by Laurie Sica, Municipal Clerk



**Engineering & Public Works Department**

155 South Seward Street

Juneau, Alaska 99801

Phone: 907-586-0800 | Fax: 907-463-2606

DATE: January 29, 2018

TO: Jerry Nankervis, Chair  
Assembly Committee of the Whole

FROM: Michele Elfers, RecycleWorks Manager  
Engineering & Public Works Department

RE: RecycleWorks Land Update

The Planning Commission, at the January 23 meeting, recommended to the Assembly the approval of the sale of the four lots in Lemon Creek where the water utility and Household Hazardous Waste programs are currently located. This memo serves to outline the steps and a rough timeline for the proposed sale and related purchase of the CMI lot.

1. Appraisals of CMI and CBJ lots – The appraisals are expected in early February.
2. Environmental Site Assessment (ESA) – Phase I is complete for all lots, Phase II is recommended and involves drilling and sampling. An underground oil tank exists on the water utility site and an older tank was previously removed.
3. Purchase and Sales Agreement- Currently being drafted, but will need the ESA and appraisal information for negotiation of sale/purchase price and agreement.
4. Adoption of ordinances authorizing the proposed sale and purchase – The schedule is tentative and mostly based on the ESA timeline, but it is likely that the purchase and sale of the lots would have a public hearing at the Assembly in April or May.

Related to the purchase and the sale of the lots is the increase to user rates. With the updated appraisal and ESA information, the proposed user rate increase will be finalized and presented to the Assembly with the proposed sale and purchase agreement in April or May.



## Community Development

(907) 586-0715  
PC\_Comments@juneau.org  
www.juneau.org/plancomm  
155 S. Seward Street • Juneau, AK 99801

### PLANNING COMMISSION NOTICE OF RECOMMENDATION

Date: January 23, 2018  
File No.: CSP2017 0017

City and Borough of Juneau  
CBJ Assembly Members  
155 S Seward Street  
Juneau, AK 99801

Proposal: A consistency review for purchase of one lot and the sale of four CBJ owned lots in an Industrial (I) zone.

Property Address: 5436 Commercial Boulevard, 5233 Shaune Drive, and 1721 Anka Street

Legal Description: Lot 41, SSG IV; Lot 42, SSG IV; Lot 4, SSG; Lot 5, SSG; Lot 3, Horn 2

Parcel Code No.: 5B1201390030; 5B1201390040; 5B1201020040; 5B1201020050; 5B1201040052

Hearing Date: January 23, 2018

The Planning Commission, at a regular public meeting, adopted the analysis and findings listed in the attached memorandum dated January 11, 2018 and recommended that the City Manager direct CBJ staff to sell four lots (Lot 41, SSG IV; Lot 42, SSG IV; Lot 4, SSG; Lot 5, SSG) to the Alaska Brewery.

Attachments: January 11, 2018 memorandum from Tim Felstead, Community Development, to the CBJ Planning Commission regarding CSP2017 0017.

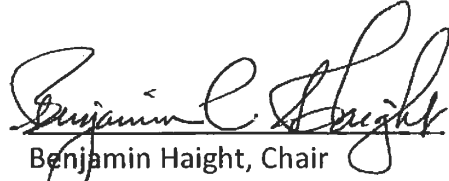
This Notice of Recommendation constitutes a recommendation of the CBJ Planning Commission to the City and Borough Assembly. Decisions to recommend an action are not appealable, even if the recommendation is procedurally required as a prerequisite to some other decision, according to the provisions of CBJ 01.50.020(b).

City and Borough of Juneau  
CBJ Assembly  
File No.: CSP2017 0017  
January 23, 2018  
Page 2 of 2

Project Planner:



Tim Felstead, Planner  
Community Development Department



Benjamin Haight, Chair  
Planning Commission



Filed With City Clerk

January 29, 2018

Date

cc:

Plan Review

**NOTE:** The Americans with Disabilities Act (ADA) is a federal civil rights law that may affect this development project. ADA regulations have access requirements above and beyond CBJ - adopted regulations. The CBJ and project designers are responsible for compliance with ADA. Contact an ADA - trained architect or other ADA trained personnel with questions about the ADA: Department of Justice (202) 272-5434, or fax (202) 272-5447, NW Disability Business Technical Center (800) 949-4232, or fax (360) 438-3208.



(907) 586-0715  
CDD\_Admin@juneau.org  
www.juneau.org/CDD  
155 S. Seward Street • Juneau, AK 99801

**DATE:** January 11, 2018

**TO:** Planning Commission

**FROM:** Tim Felstead, Planner  
Community Development Department

A handwritten signature in black ink, appearing to read 'Tim Felstead', is written over the printed name.

**FILE NO.:** CSP2017 0017

**PROPOSAL:** A consistency review for purchase of one lot, and the sale of four CBJ owned lots in an Industrial (I) zone.

**GENERAL INFORMATION**

**Applicant:** City & Borough of Juneau, Division of Lands & Resources, and  
Department of Engineering and Public Works (RecycleWorks Program)

**Lot purchase:**

**Property Owner:** Construction Machinery Industrial LLC

**Property Address:** 1721 Anka Street

**Legal Description:** Lot 3, HORN 2

**Parcel Code No.:** 5B1201040052

**Lot Size:** 237,088 square feet (5.4428 acres)

**Comprehensive Plan Future  
Land Use Designation:** Light Industrial (LI)

**Zoning:** Industrial (I)

**Utilities:** Public sewer/public water

**Access:** Anka St

**Existing Land Use:** Commercial storage

Planning Commission  
File No.: CSP2017 0017  
January 11, 2018  
Page 2 of 7

**Lot Sale:**

Property Owner: City & Borough of Juneau (managed by Public Works)

Property Address: 5436 Commercial Boulevard; 5233 Shaune Drive

Legal Description: Lot 41, SSG IV; Lot 42, SSG IV;  
Lot 4, SSG; Lot 5; SSG

Parcel Code No.: 5B1201390030; 5B1201390040;  
5B1201020040; 5B1201020050

Lot Size: 65,818 square feet - four lots combined (1.51 acres)

Comprehensive Plan Future  
Land Use Designation: Light Industrial (LI)

Zoning: Industrial (I)

Utilities: Public sewer/public water

Access: Commercial Blvd; Shaune Drive

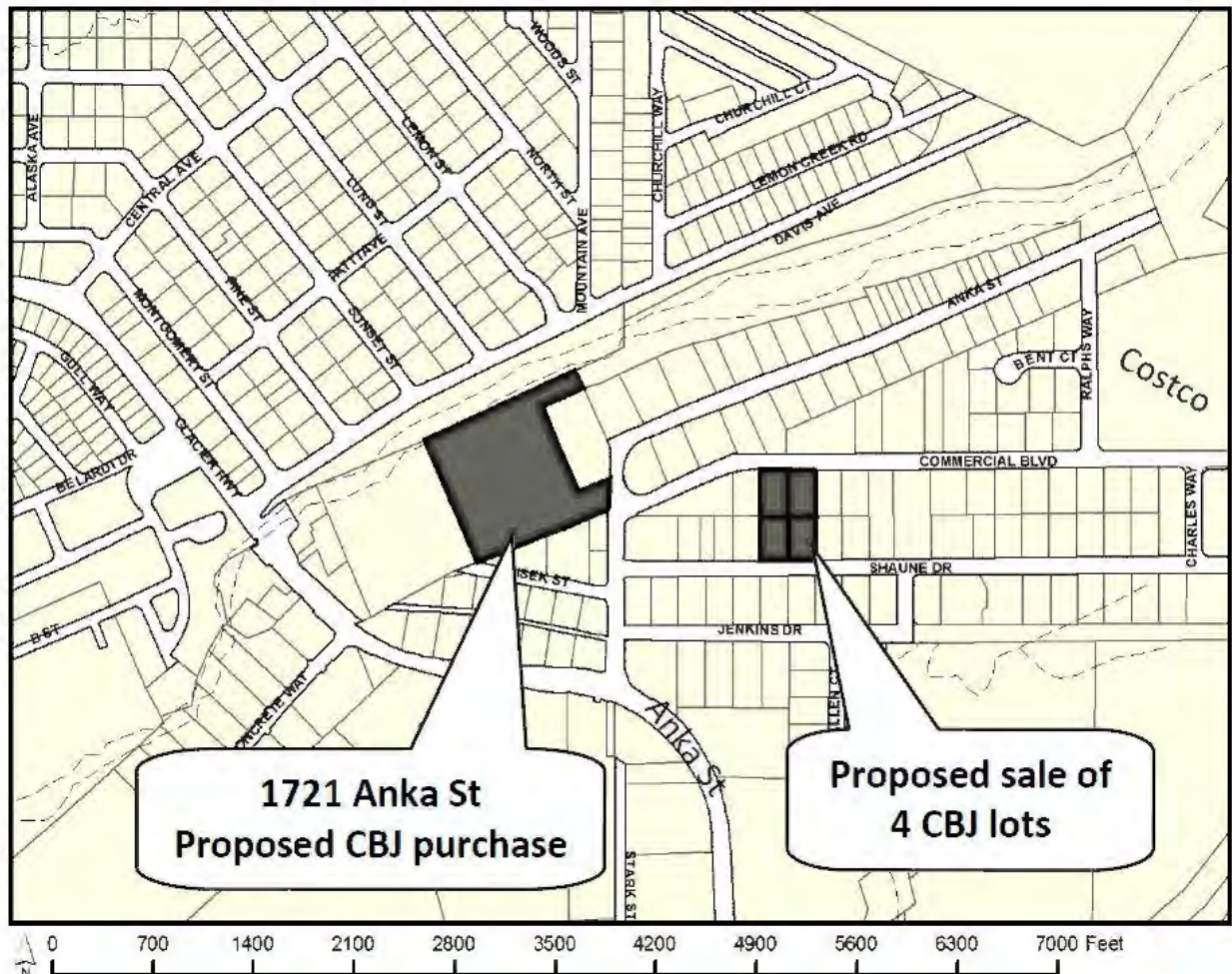
Existing Land Use: CBJ Household Hazardous Waste collection facility;  
CBJ Public Works Water utility offices

Surrounding Land Use:

| <b>Direction</b> | <b><i>Lot purchase</i></b>               | <b><i>Lot sale</i></b>                        |
|------------------|------------------------------------------|-----------------------------------------------|
| <b>North</b>     | Lemon Creek, Vacant (GC, RR)             | Commercial Boulevard,<br>Commercial Misc. (I) |
| <b>South</b>     | Group quarters (GC)                      | Shaune Drive, Industrial (I)                  |
| <b>East</b>      | Commercial miscellaneous,<br>Anka St (I) | Industrial mix (I)                            |
| <b>West</b>      | Vacant (GC)                              | Vacant (I)                                    |

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### VICINITY MAP



### ATTACHMENTS

- Attachment A      Application including background information on proposed land purchase and sale, and November 20, 2017, memorandum on RecycleWorks program to Assembly Committee of the Whole
- Attachment B      Photographs of locations

### PROPOSAL

CBJ is proposing to sell four lots in the Lemon Creek Industrial area (lots front onto Shaune Drive and Commercial Boulevard). This will require existing CBJ Household Hazardous Waste and Water Utility facilities on these lots to be relocated.

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## **BACKGROUND**

The Alaskan Brewery has requested to purchase the subject CBJ owned lots to allow expansion of their adjacent production facility. There are obvious benefits to the brewery expanding on adjacent property rather than seeking new locations. The brewery currently leases approximately two-thirds of the Water Utility building to provide office space for their operations. The CBJ Household Hazardous Waste collection center and CBJ Water Utility building are currently located on the subject lots.

While not in the scope of the Planning Commission review regarding the lot sale, it is pertinent to discuss where the CBJ facilities currently existing on the subject lots will be relocated.

As described in the November 20, 2017, memorandum from CBJ Engineering and Public Works to the Assembly Committee of the Whole (see Attachment A), the CBJ RecycleWorks program intends to purchase a privately owned lot on nearby Anka Street. The sale to the brewery of the CBJ owned lots will partly fund the purchase of the Anka Street lot. This will allow CBJ to establish an easily-accessed location for related services to include the relocated Household Hazardous Waste facility, the Recycling Facility (currently located at the Waste Management facility at the landfill), and a pilot composting facility. The Water Utility offices would move to the currently vacant 'Valley Shop' on Barrett Avenue, in the Industrial Boulevard area (adjacent to the Capital Transit facility). The water utility control system (supervisory control and data acquisition – SCADA) servers and computers would be relocated to the Salmon Creek Water Treatment facility.

## **ANALYSIS**

CBJ 49.10.170 describes the duties of the Planning Commission including the review and recommendation of land disposals to the Assembly as described in Title 53.

### ***49.10.170 Duties***

***(c) City and borough land acquisitions, disposals and projects.*** *The commission shall review and make recommendations to the assembly on land acquisitions and disposals as prescribed by Title 53, or capital improvement project by any City and Borough agency. The report and recommendation of the commission shall be based upon the provisions of this title, the comprehensive plan, and the capital improvements program.*

Title 53 requires that all negotiated land sales and leases undergo a review by the Planning Commission before final authorization by the City Assembly.

### ***53.09.260 - Negotiated sales, leases, and exchanges.***

***(b) Planning commission review, final assembly approval.*** *Upon satisfactory progress in the negotiation or competition undertaken pursuant to subsection (a) of this section, and after review by the planning commission and authorization by the assembly by*

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January 11, 2018  
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*ordinance, the manager may conclude arrangements for the lease, sale, or exchange or other disposal of City and Borough land. The final terms of a disposal pursuant to this section are subject to approval by the assembly unless the minimum essential terms and the authority of the manager to execute the disposal are set forth in the ordinance enacted pursuant to this subsection. The disposal may not be executed until the effective date of the ordinance.*

Unlike for sales or leases of CBJ Lands, Title 53 does not state that the Planning Commission is required to review land acquisitions.

***53.04.020 - Acquisition by purchase or eminent domain.***

*(a) Upon the appropriation of funds for the purpose, the manager may acquire real property or an interest therein at a price the manager determines does not exceed fair market value. The manager may acquire such property through negotiation or eminent domain, including the use of a declaration of taking. Except upon the determination of a court or the master in an eminent domain proceeding, or upon the approval of the assembly by motion, the manager may not acquire property under this section at a price which is higher than fair market value of the property.*

According to the CBJ Land Use Code Table of Permissible Uses (CBJ 49.25.300), the expansion of the brewery production on CBJ lots may require a Conditional Use Permit, depending on the size of the expansion (Use 4.050 Light Manufacturing). The relocation of CBJ facilities to the lot proposed for purchase for the combined RecycleWorks facilities (Use 11.110- 11.130) and relocation to the vacant Valley City Shop of the Water Utility (Use 10.220) including accessory office space will all be permissible uses for their respective zoning districts and will not require Conditional Use Permits. The relocation of the SCADA system is an accessory use to existing operations at the Salmon Creek Water Treatment facility.

**Conformity with Adopted Plans**

2013 Comprehensive Plan

The sale of the CBJ lots to allow expansion of the Alaska Brewery production facility is consistent with the following policies:

*POLICY 5.1 TO DEVELOP AND SUSTAIN A DIVERSE ECONOMY, PROVIDING OPPORTUNITIES FOR EMPLOYMENT FOR ALL RESIDENTS. (p.44)*

*Implementing Actions:*

*5.1 – IA1 Work with private-sector industries and businesses and public sector agencies that are interested in locating or expanding within the City and Borough of Juneau, and consider offering land, tax incentives, or other benefits to encourage new development.*

*POLICY 5.11. TO ENCOURAGE THE LOCATION AND GROWTH OF LOCALLY-BASED BASIC*

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*SECTOR INDUSTRIES THAT PROVIDE YEAR-ROUND, FULL-TIME EMPLOYMENT AND PROVIDE TAX REVENUES THAT SUPPORT PUBLIC SERVICES. (p.58)*

The purchase of additional land by CBJ is outside the scope of this review; however the sale of the CBJ lots will assist in the purchase of a larger parcel of land for the RecycleWorks program facilities and allow for future expansion of that program. The facility would include Household Hazardous Waste, recycling drop off and processing, and composting facilities. The Comprehensive Plan notes diversion of waste from the landfill, where possible, is important.

*POLICY 12.4. TO FACILITATE THE REDUCTION OF WASTE MATERIALS GENERATED AND DISPOSED BY HOUSEHOLDS AND BUSINESSES THROUGH PROMOTION OF AN AGGRESSIVE SOLID WASTE DIVERSION PROGRAM INCLUDING ACTIVITIES FACILITATING WASTE PREVENTION, REUSE AND RECYCLING. (p.203)*

In particular, the Comprehensive Plan states that the *Final Solid Waste Management Strategy for the City and Borough of Juneau – 2008* should be implemented in full. This strategy includes providing a centralized location for recycling, reuse initiatives, and composting. Therefore, a large parcel of land between 10-25 acres would be ideal. It was also noted that a smaller parcel may have to suffice since parcels of that size in suitably zoned, accessible, and buffered locations are in short supply in Juneau.

Appropriate uses of CBJ owned property is encouraged, even those parcels not identified for immediate disposal.

*POLICY 17.2. TO HOLD CERTAIN LANDS IN THE PUBLIC TRUST, AND TO DISPOSE OF CERTAIN LANDS FOR PRIVATE USE WHEN DISPOSAL SERVES THE PUBLIC INTEREST. (p.226)*

#### 2016 Land Management Plan

While not a plan adopted into Title 49, the Land Management Plan is adopted by CBJ ordinance and is relevant to this review.

The sale of the CBJ lots is supported by the policy of Title 53 regarding management of CBJ lands states and referenced in the 2016 CBJ Land Management Plan:

#### ***CBJ 53.09.010 Land Management Policy***

*It is the policy of the City and Borough to manage its real property as a municipal resource and to use, retain and dispose of both improved and unimproved land to realize the maximum benefit of the municipality and its residents, including encouraging beneficial private economic activity and facilitating the provision of public services, guiding a rational growth pattern, preserving land for public and private use for present and future generations of City and Borough residents, meeting the need of City and*

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*Borough residents for private ownership, and stabilizing land values without making land available for purposes of speculation.*

The 2016 Land Management Plan indicates that these particular lots proposed for sale should be 'retained'. As explained in correspondence from the CBJ Attorney (see Attachment A), a process according to Title 53 should be followed to address the issue that the lots to be sold have been identified for retention. Approval of the sale by the Assembly would effectively amend the status that was established in the adopted 2016 Land Management Plan; this CSP review by the Planning Commission will result in a recommendation to the Assembly as part of the land sale process.

#### Lemon Creek Area Plan (2018)

The following goal in the Lemon Creek Area Plan supports sale of the CBJ lots to allow for the growth of the Brewery production facility.

*Goal 2: Create thriving commercial and industrial areas that support industry and neighborhood.*

#### **Habitat**

There are no habitat concerns identified related to the proposed sale of the CBJ lots. Lemon Creek (adjacent to the lot proposed for purchase) is a cataloged anadromous stream and is subject to the 50-foot no-disturb buffer. This will be addressed through appropriate permits at the time of development.

#### **Flood Hazard Zone**

A small strip of land along the banks of Lemon Creek on the lot proposed for purchase is in the flood zone where special development regulations would apply. This also overlaps with the 50 foot anadromous stream buffer for the lot and would be undevelopable anyway.

#### **FINDINGS**

CDD staff finds the proposed disposal of the subject CBJ owned lots to the Alaska Brewery is consistent with the CBJ Land Use Code and is consistent with adopted plans and studies.

#### **RECOMMENDATION**

Staff recommends that the Planning Commission forward the subject proposal to the Assembly with a **recommendation of approval**.

**DEVELOPMENT PERMIT APPLICATION**

|                                             |                                   |                                |
|---------------------------------------------|-----------------------------------|--------------------------------|
| Project Number<br><b>CSP 2017-0017</b>      | <b>CITY and BOROUGH of JUNEAU</b> | Date Received: <b>11/22/17</b> |
| Project Name<br>(City Staff to Assign Name) |                                   |                                |

|                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                         |                                   |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------|
| <b>PROJECT / APPLICANT INFORMATION</b>                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Project Description</b><br>CBJ RecycleWorks proposed to the Assembly the sale of 4 CBJ lots in Lemon Creek and the purchase of one lot in Lemon Creek. The division requests comments from the planning commission on the land disposal and acquisition per 49.10.170 and 53.09.260. |                                   |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>PROPERTY LOCATION</b>                                                                                                                                                                                                                                                                |                                   |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | Street Address<br>see attached.                                                                                                                                                                                                                                                         | City/Zip                          |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | Legal Description(s) of Parcel(s) (Subdivision, Survey, Block, Tract, Lot)<br><b>HORN 2 LT 3, 5561V LT 41, 556 LTS</b>                                                                                                                                                                  |                                   |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | Assessor's Parcel Number(s)<br><b>5-B12-0-104-005-2, 5B1201390030, 5B1201020050,</b>                                                                                                                                                                                                    |                                   |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>LANDOWNER/ LESSEE</b>                                                                                                                                                                                                                                                                |                                   |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | Property Owner's Name<br>see attached.                                                                                                                                                                                                                                                  | Contact Person:                   | Work Phone:                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | Mailing Address                                                                                                                                                                                                                                                                         | Home Phone:                       | Fax Number:                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | E-mail Address                                                                                                                                                                                                                                                                          | Other Contact Phone Number(s):    |                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>LANDOWNER/ LESSEE CONSENT</b> ****Required for Planning Permits, not needed on Building/ Engineering Permits****                                                                                                                                                                     |                                   |                                        |
| I am (we are) the owner(s) or lessee(s) of the property subject to this application and I (we) consent as follows:<br>A. This application for a land use or activity review for development on my (our) property is made with my complete understanding and permission.<br>B. I (we) grant permission for officials and employees of the City and Borough of Juneau to inspect my property as needed for purposes of this application. |                                                                                                                                                                                                                                                                                         |                                   |                                        |
| X _____<br>Landowner/Lessee Signature Date                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                         |                                   |                                        |
| X _____<br>Landowner/Lessee Signature Date                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                         |                                   |                                        |
| NOTICE: The City and Borough of Juneau staff may need access to the subject property during regular business hours and will attempt to contact the landowner in addition to the formal consent given above. Further, members of the Planning Commission may visit the property before the scheduled public hearing date.                                                                                                               |                                                                                                                                                                                                                                                                                         |                                   |                                        |
| <b>APPLICANT</b> If the same as OWNER, write "SAME" and sign and date at X below                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                         |                                   |                                        |
| Applicant's Name<br>Michele Elfers                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                         | Contact Person:<br>Michele Elfers | Work Phone:<br>586-0931                |
| Mailing Address<br>CBJ 155 S. Seward Street                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                         | Home Phone:                       | Fax Number:                            |
| E-mail Address<br>Michele.Elfers@juneau.org                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                         | Other Contact Phone Number(s):    |                                        |
| X <u>Michele Elfers</u><br>Applicant's Signature                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                         |                                   | <u>11/22/17</u><br>Date of Application |

-----OFFICE USE ONLY BELOW THIS LINE-----

|                                                                                                                               |                                     |                                                                                                |             |                      |                                      |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------|-------------|----------------------|--------------------------------------|
| <b>STAFF APPROVALS</b>                                                                                                        | <input checked="" type="checkbox"/> | <b>Permit Type</b>                                                                             | <b>SIGN</b> | <b>Date Received</b> | <b>Application Number(s)</b>         |
|                                                                                                                               |                                     | Building/Grading Permit                                                                        |             |                      |                                      |
|                                                                                                                               | <input checked="" type="checkbox"/> | City/State Project Review and City Land Action                                                 |             | <b>11/22/17</b>      | <b>CSP20170017</b>                   |
|                                                                                                                               |                                     | Inquiry Case (Fee In Lieu, Letter of ZC, Use Not Listed)                                       |             |                      |                                      |
|                                                                                                                               |                                     | Mining Case (Small, Large, Rural, Extraction, Exploration)                                     |             |                      |                                      |
|                                                                                                                               |                                     | Sign Approval (If more than one, fill in all applicable permit #'s)                            |             |                      |                                      |
|                                                                                                                               |                                     | Subdivision (Minor, Major, PUD, St. Vacation, St. Name Change)                                 |             |                      |                                      |
|                                                                                                                               |                                     | Use Approval (Allowable, Conditional, Cottage Housing, Mobile Home Parks, Accessory Apartment) |             |                      |                                      |
|                                                                                                                               |                                     | Variance Case (De Minimis and all other Variance case types)                                   |             |                      |                                      |
|                                                                                                                               |                                     | Wetlands Permits                                                                               |             |                      |                                      |
|                                                                                                                               | Zone Change Application             |                                                                                                |             |                      |                                      |
|                                                                                                                               | Other (Describe)                    |                                                                                                |             |                      |                                      |
| ***Public Notice Sign Form filled out and in the file.                                                                        |                                     |                                                                                                |             |                      |                                      |
| Comments: <b>Check with Beth on whether acquisition part of this needs review by PC. T49 says to follow procedure of 153.</b> |                                     |                                                                                                |             |                      | Permit Intake Initials<br><b>JMM</b> |

NOTE: DEVELOPMENT PERMIT APPLICATION FORMS MUST ACCOMPANY ALL OTHER COMMUNITY DEVELOPMENT DEPARTMENT APPLICATIONS

## CITY/STATE PROJECT AND LAND ACTION REVIEW APPLICATION

|                |                              |                    |               |
|----------------|------------------------------|--------------------|---------------|
| Project Number | Project Name (15 characters) | Case Number<br>CSP | Date Received |
|----------------|------------------------------|--------------------|---------------|

## TYPE OF PROJECT REVIEW:

☐ City Project Review
 ☒ City Land Acquisition /Disposal
 ☐ State Project Review

## DESCRIPTION OF PROJECT

See narrative

Please attach a cover letter to fully explain the project if there is not adequate space on this form.

## CURRENT USE OF LAND OR BUILDING(S):

Lots for disposal - CBS Hazardous waste collection - public works.  
 lots for acquisition - Construction Machinery yard.

## PROPOSED USE OF LAND OR BUILDING(S):

- Lots for disposal - AK browsing  
 - Lots for acquisition - CBS Recycling Centre including compost.

## PROJECT NUMBERS ASSOCIATED WITH PROPOSAL:

Is this project associated with any other Land Use Permits? ☒ No ☐ Yes Case No.: \_\_\_\_\_

Capital Improvement Program # (CIP) \_\_\_\_\_

Local Improvement District # (LID) \_\_\_\_\_

State Project # \_\_\_\_\_

## ESTIMATED PROJECT COST:

\$ NA

- Land off sale - not subject to fees.

For more information regarding the permitting process and the submittals required for a complete application, please see the reverse side.

If you need any assistance filling out this form, please contact the Permit Center at 586-0770.

## CITY/STATE PROJECT FEES

|                  | Fees     | Check No. | Receipt | Date  |
|------------------|----------|-----------|---------|-------|
| Application Fees | \$ _____ | _____     | _____   | _____ |
| Total Fee        | \$ _____ | _____     | _____   | _____ |

NOTE: MUST BE ACCOMPANIED BY DEVELOPMENT PERMIT APPLICATION FORM

&

EVEN IF THE PROPOSED PROJECT IS ASSOCIATE WITH OTHER LAND USE PERMITS, THIS APPLICATION MUST BE FILLED OUT Attachment A: Application

RecycleWorks Disposal and Acquisition Proposal for land in Lemon Creek

CBJ Purchase

| <u>Owner</u> | <u>Address</u> | <u>City and Zip</u> | <u>Lot</u>  | <u>Contact</u> |
|--------------|----------------|---------------------|-------------|----------------|
| CMI          | 1721 Anka St   | Juneau, 99801       | HORN 2 LT 3 | Ken Gerondale  |

CBJ Sell

|                           |                      |               |                  |
|---------------------------|----------------------|---------------|------------------|
| CBJ Public Works (Salt B) | 5436 Commercial Blvd | Juneau, 99801 | SSG IV LT 41, 42 |
| CBJ Public Works          | 5433 Shaune Drive    | Juneau, 99801 | SSG LT 4 and 5   |



**Kyle Paw**

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**From:** Amy Mead  
**Sent:** Wednesday, November 29, 2017 5:10 PM  
**To:** Michele Elfers  
**Cc:** Roger Healy; Rorie Watt  
**Subject:** RE: RLS RecycleWorks

Hi Michele

I'm going to outline the necessary process for all of the moving pieces because some of the action described below requires process (or doesn't require process) being envisioned below. There is definite benefit to bringing the global picture forward to the assembly so they're tracking all of these moving pieces but you might want to reconsider how that is going to happen because there's an assembly motion piece needed that isn't identified below. I just want to be sure I've communicated what the actual required process is for all the pieces in case you guys see some efficiencies you can build in....

**Land purchases.** These do not need PC approval. Rorie has the authority under 53.04.020 to purchase property for FMV once the money is appropriated. FMV needs to be established and appropriating ordinance drafted by Finance. You can certainly bring together as information to PC but they don't need to comment on the acquisition; not their role.

- 1. Appraisal needed**
- 2. Negotiate sale document terms (does not need assembly process)**
- 3. Appropriating ordinance (Finance)**

**Land sale** I think the facts are that AK Brewery contacted CBJ with the idea that they buy the four lots, and in considering that, the idea came up for the purchase being contemplated above. If that is indeed the case, there should be an application filed with Lands under 53.09.260 because that is the code section that allows for us to do a negotiated sale. Unfortunately, the Land Management Plan identifies the two lots being contemplated for sale as being "retained" – so we do need to go through this process:

- 1. Assembly needs to pass a motion authorizing the manager to negotiate the sale with AK Brewery.**
- 2. Rorie starts negotiating that sales agreement**
- 3. the proposed sale gets taken to PC**
- 4. The Assembly adopts an ordinance authorizing the sale.**

That highlighted part has to get before the Assembly (not a committee) ASAP for all of this to proceed. Earliest opportunity is 12/18.

**User rate ordinance** I'll start drafting this. I might need more information; I'll see what I can pick apart from memo.

**Central treasury loan.** (if this goes forward), this is just an ordinance. See 57.05.045.

Also keep in mind – (regarding the sale and disposal) the ordinances are not what takes time. The sales agreements take time. Give yourself enough room to work with us to get those agreements drafted. It'll either be Teresa or Palmer. Once the agreements are drafted, those become the "text" of the ordinances, not the other way around. This is important because if there is some negotiating around one of our "boilerplate" terms from the code, that modified language must be in the ordinance. Additionally, the sales agreement is usually attached to the ordinance as an exhibit.

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**From:** Michele Elfers  
**Sent:** Wednesday, November 29, 2017 3:57 PM  
**To:** Deb Senn; Amy Mead  
**Cc:** Roger Healy  
**Subject:** RE: RLS RecycleWorks

Deb and Amy,

I met with Rorie today and he would like us to be on the 12/13 Finance Committee with a draft of the user rate ordinance. Sorry to drop this on you, I thought we had more time. The other three ordinances, land purchase, land sale, and loan, can wait until the COW on 1/29 or the Finance Committee on 2/7. Here is the tentative schedule:

1. 12/13 Finance Committee – introduce user rate draft ordinance
2. 1/23 Planning Commission – get comments on land sale and purchase
3. 1/29 COW or 2/7 Finance Committee – introduce other three ordinances, bring user rate ordinance back
4. 2/12 Assembly introduce
5. 3/5 Assembly Public Hearing

Michele

---

**From:** Michele Elfers  
**Sent:** Tuesday, November 28, 2017 8:20 AM  
**To:** Deb Senn  
**Cc:** Amy Mead  
**Subject:** RE: RLS RecycleWorks

Deb and Amy,

I am so sorry I did not forward the memo that went in the packet for the meeting. In my head I was thinking it would be assigned an attorney and we would work through the issues as it is complicated. But really, I should have attached the memo so you know what the heck we are talking about.

Here is a brief rundown.

**Land Purchase and Sale:** RecycleWorks/Public Works is proposing selling the 4 lots in Lemon Creek (HHW and water utility operations) to the AK Brewing Company. Aerials are attached. This money would be used to partially fund the purchase of a 5.4 acre lot on Anka Street. Water Utility will move to the Valley Shop next to Capital Transit bus barn and HHW would will move to the Anka Street lot. The intent of the purchase is to relocate HHW and consolidate RecycleWorks programs, so we would move recycling from the landfill to this new lot and begin a pilot composting program. The lot is adjacent to our current contractor for Junk Vehicles and we are in year 1 of a 10 year contract with them.

**User Rate Increase:** This land purchase/sale and consolidation plan requires a user rate increase for funding, the increase is in the attached memo in a chart. The proposal is to increase the \$4 monthly fee (\$48 annual) that is assessed on dwelling units for the program over 4 years to \$8 monthly. We also propose to make a pilot/voluntary commercial recycling fee mandatory. This fee is based on annual tonnage recycled and is shown in the attached chart in the memo.

**Central Treasury Loan:** As the consolidation and purchase will be supported by user rate increases over 4 years, there is a cash flow issue that can be resolved with a central treasury loan. Bob suggested this last year when we started working on this proposal. I met with him yesterday and he is thinking on other options for financing so there is a chance the loan piece could change to something else. I think we will get this resolved in the next week or two as we are finalizing our financial model.

There is a lot more detail I can provide, but I kept it brief in the email. Let me know if you have any questions. Our tentative schedule is:

Planning Commission January 23<sup>rd</sup> for land purchase/sale comments  
Finance Committee February 7<sup>th</sup> with draft ordinance

Thank you!  
Michele

---

**From:** Deb Senn  
**Sent:** Monday, November 27, 2017 5:05 PM  
**To:** Michele Elfers  
**Cc:** Amy Mead  
**Subject:** FW: RLS RecycleWorks

Hi Michele,

I left you a voicemail earlier. You will want to discuss this RLS with Amy. She tells me that Law will need much more information for this RLS. The RLS status has been changed to 'Pending Action by Department' in the RLS database. No attorney has been assigned pending further discussion.

Deb

Deb Senn, Office Manager  
City and Borough of Juneau - Law Department  
155 S. Seward Street, Juneau, Alaska 99801  
Ph: (907)586-0270; Email: [deb.senn@juneau.org](mailto:deb.senn@juneau.org)



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---

**From:** Amy Mead  
**Sent:** Monday, November 27, 2017 4:52 PM  
**To:** Deb Senn; Robert Palmer  
**Subject:** RE: RLS RecycleWorks

We need a lot more information. What are the user rates they want to propose?  
A loan from central treasury to buy and sell what property?

---  
Amy Mead  
CBJ Municipal Attorney  
(907) 586-5340

**From:** Deb Senn  
**Sent:** Monday, November 27, 2017 3:42 PM  
**To:** Amy Mead; Robert Palmer  
**Subject:** RLS RecycleWorks

Amy / Rob,

Michele Elfers submitted an RLS last Wednesday for an ordinance needed within a month relating to the RecycleWorks Program. This request is based on a Motion by Loren Jones at the 11/20 COW meeting (RLS is below). No backup came with the RLS. Loren's Motion is below. What do we need from Michele in order to draft this ordinance? The minutes/motion below do not seem sufficient, but maybe you have information on this subject I'm not aware of.

Please advise if any pre-ordinance steps need to take place first, such as those relating to the purchase of the Anka Street property, or determining the user rates. I also left a voicemail message for Michele today requesting a call back.

Deb

**MOTION, by Jones, to direct staff to draft an ordinance to authorize rate increases and negotiate the purchase of the Anka Street property.**

Mr. Edwardson objected. He said he would like more organized information on the subject of the vote.

Ms. Gladziszewski appreciated Mr. Edwardson's comment and said that could be forthcoming during the work on the ordinance.

Mr. Jones said he had sat through many presentations on this topic and was comfortable moving forward in a timely manner.

Mr. Edwardson said that it would be illustrative for the public to see a fiscal note on this matter.

Mr. Kiehl supported the motion and said there would be more opportunities to analyze and discuss the matter.

Mayor Koelsch asked how the \$2 million voter approval factored into this equation. Ms. Elfers said that would supplement the user rates to avoid more rate increases.

Roll call:

Aye: Becker, Gladziszewski, Gregory, Jones, Kiehl, Weldon,  
Koelsch

Nay: Edwardson

Motion passed, 7 ayes, 1 nay.

Click here to view (new) or Draft Ordinances for RecycleWorks program > Edit Item

OK Cancel

Attach File | Delete Item

\* indicates a required field

Brief keyword description \* Draft Ordinances for RecycleWorks program

Service Requested \* Resolution/Ordinance/Regulation

Specify your own value:

Use "Specify Your Own Value" only if your need is not listed in the drop-down. If this is a Contract request be sure to complete a Contract Preparation Request.

Need By \* within a month

Specify your own value:

If you have a specific deadline, choose "Specify Your Own Value" and enter the date using M/D/YYYY format.

If you put anything other than a date in this "Other" field, it will sometimes make your ENTIRE request invisible to Law. Comments regarding an item's urgency belong in the DETAILS field.

Dept \* PUB WORKS - WASTE MNGMNT

Dept Approval By \* Roger Healy

Who in your dept approved making this request?

Contact \* Michele Elfers

Phone Number \* 586-0931

Details of Your Request \*

Based on Assembly direction at Monday's COW, we need to draft an ordinance on user rates, a loan from central treasury, to buy property and to sell property. We will go back in January to the Assembly with this information.

Please be specific

Deb Senn, Office Manager  
City and Borough of Juneau - Law Department  
155 S. Seward Street, Juneau, Alaska 99801  
Ph: (907)586-0270; Email: [deb.senn@juneau.org](mailto:deb.senn@juneau.org)



**Engineering & Public Works Department**

155 South Seward Street

Juneau, Alaska 99801

Phone: 907-586-0800 | Fax: 907-463-2606

**DATE:** November 20, 2017

**TO:** Jerry Nankervis, Chair  
Committee of the Whole

**FROM:** Michele Elfers, RecycleWorks Manager

**SUBJECT:** RecycleWorks Fee Schedule and Site Location

**Background:**

Over the last year, there have been several Assembly presentations<sup>1</sup> on the RecycleWorks program which focused on current opportunities and challenges, long term goals and objectives, and sustained fiscal viability. Those presentations outlined that in order to achieve the Assembly's long term goal of waste stream diversion from the landfill, the Assembly needs to consider and take action on two critical issues: Fee schedule and Site location.

In making these decisions, the Assembly must balance the needs of the existing program, the desire to increase diversion of waste from the landfill, the ability of the citizens to afford rate increases and the desire to control the management of the programs.

**Proposed Fee Schedule Adjustments:**

The RecycleWorks program is currently funded through a \$48/year residential user rate charged via CBJ utility bills (\$4/month) and a Motor Vehicle Registration Tax (MVRT) of \$22/year charged on non-commercial vehicles which is collected and transmitted through the State of Alaska DMV. Currently, there is no MVRT in place for commercial vehicles.

For FY18, revenue to the program is approximately \$1.1M and expenditures are estimated at \$1.3M. The shortfall is covered through the Waste Management Enterprise Fund balance. In order to grow the program and achieve the goal of additional diversion from the landfill, the CBJ needs to provide for a stable revenue base to fund operations. The Assembly and voting public took the first step in that direction with the recent infusion of \$2M in 1% sales tax funding. The 1% helps to stabilize the program, but does not cure the problem.

The table below constitutes staff's proposed fee structure. Residential rates would increase over a period of 4 years from \$4.00 a month to \$8.00 a month. Commercial rates are currently structured as a flat rate and are not mandatory. Approximately \$2500 will be collected from the voluntary

<sup>1</sup> May 31, 2017, Assembly Finance Committee – 1% sales tax discussion

April 10, 2017, Lands Committee Presentation: <http://www.juneau.org/pubworks/documents/Lands4-10.pdf>

March 20, 2017, Assembly Committee of the Whole:  
<http://www.juneau.org/pubworks/documents/COWRWFinal3-16.pdf>

November 20, 2017 Assembly Committee of the Whole  
RecycleWorks Fee Schedule and Site Location

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commercial permit program this year. Moving forward, it is proposed that the commercial rate is mandatory and that for larger commercial customers the fee will increase based on overall tonnage. Increasing the MVRT or addressing a commercial vehicle tax is not being proposed at this time but could be considered as an option in the future.

**Existing and Proposed Annual RecycleWorks Program User Rates**

|                  | <b>Residential</b> | <b>Commercial<br/>up to 3 tons</b> | <b>Commercial<br/>up to 20 tons</b> | <b>Commercial<br/>up to 50 tons</b> | <b>Commercial<br/>over 50 tons</b> |
|------------------|--------------------|------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| <b>Existing</b>  |                    |                                    |                                     |                                     |                                    |
| FY 18            | \$48               | \$100                              | \$100                               | \$100                               | \$100                              |
| <b>Proposed:</b> |                    |                                    |                                     |                                     |                                    |
| FY19*            | \$72               | \$100                              | \$100                               | \$100                               | \$100                              |
| FY20             | \$84               | \$ 100                             | \$100                               | \$100                               | \$100                              |
| FY21             | \$96               | \$100                              | \$ 500                              | \$2,000                             | \$5,000                            |
| FY22             | \$96               | \$100                              | \$500                               | \$2,000                             | \$5,000                            |

\* In FY 19 commercial rate becomes mandatory and assessed on the utility bill.

In considering these rates, it may be helpful to put them in perspective. The average consumer pays approximately \$430 annually for garbage and recycling curbside pickup, and the cost of disposal at the landfill is \$195 per ton for the public.

**Site Location:**

The Alaskan Brewing Company continues to be interested in acquiring the 4 CBJ lots adjacent to their property in Lemon Creek to expand their manufacturing facility. The appraised value of these 4 lots is \$2,600,000. The water utility occupies two of these lots and the Household Hazardous Waste (HHW) facility occupies the other two. Both programs can be relocated to allow for the sale of the property. At the April 10, 2017 Lands Committee, a recommendation to authorize the City Manager to begin negotiations directly with the Alaskan Brewing Company for the sale of the four lots was forwarded to the Assembly.

Alternate locations for CBJ programs have been evaluated. The water utility can move to the former Valley Street Maintenance Shop property (adjacent to Capital Transit) which is vacant.

Currently, the RecycleWorks program is spread over several locations in Lemon Creek: the HHW facility on Commercial Drive, junk vehicle processing with Skookum on Anka Street, and recycling with Waste Management at the landfill. While the current facilities and site distribution have functioned adequately for the last few years, the growth in recycling we have seen with the drop box containers has shown that the landfill facility has reached maximum capacity. Additionally, when considering future growth opportunities, having multiple facility locations does not lend itself to operational efficiencies or to customer convenience. If the overall goal is to increase the amount of diversion to the landfill, then making disposal easier for the customer will help us to achieve this goal.

November 20, 2017 Assembly Committee of the Whole  
RecycleWorks Fee Schedule and Site Location

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At the April 10, 2017 Lands Committee, 4 potential site options for RecycleWorks were presented: Valley Street site, Lemon Creek Gravel Pit, Waste Management site, and the CMI (formerly Channel) property on Anka Street.

The HHW program needs public access, indoor and outdoor storage space, and paved areas for large containers to be loaded for shipping of materials. It would be possible to locate the HHW program to the Valley Street Shop, but the site would be operationally difficult for public access and container loading especially if combined with water utility operations. The location is inconvenient for the public and it would limit overall program growth.

The Gravel Pit area in Lemon Creek could be developed, but the cost of development is higher than any of the other options and it ties up a piece of property that potentially could be used for a better purpose. Industrial land is sparse and this parcel represents significant future potential for growth.

The other two options, the CMI property on Anka Street and contracting for expanded services with Waste Management at the landfill both allow for current and future operational program needs to be met, but represent different long term outcomes.

The 5.4 acre property owned by CMI, LLC is for sale at 1721 Anka Street for \$3,300,000. This parcel meets current and future RecycleWorks needs. It is paved, has adequate room for growth and is centrally located for the public. It has the added advantage of being adjacent to the CBJ junk vehicle program currently operated by Skookum under a 10 year contract. The HHW program could be moved into the existing building with minimal renovation and the recycling program could be relocated here with a covered structure similar to the salt storage bay at the CBJ Streets Shop at 7 mile Glacier Highway, and a pilot composting program could be initiated.

It is also possible to expand operations at the Waste Management site with significant capital investment. The recycling building at Waste Management (WM) needs to be replaced due to physical and operational problems, and if the goal is to co-locate services, an additional structure to house HHW would need to be constructed. WM indicated that to make this investment, a long term contract of 10-20 years with a higher rate to include amortized capital costs, lease costs, and operational costs would be required. At the end of the lease period, CBJ would be back in the position of determining how best to provide for the future of the program.

### **Considerations:**

Juneau does not have ownership over our waste stream and there is not a private sector competitive market for solid waste disposal. This means that as a municipality we have been dependent on private companies to haul and process our waste which limits our decision making ability on long term solid waste disposal options. In making a decision about site location, the Assembly must weigh how much control the city should have over managing our solid waste stream.

The proposal to buy the CMI property for the HHW, recycling and compost programs gives us some ownership and decision making power to affect the cost of solid waste processing and disposal into the future. With the sale to the Alaskan Brewing Company and the relocation to the CMI property, CBJ will have the option to contract with private operators on our property, manage how recycling is processed, grow the local beneficial reuse of our waste, and extend the lifespan of the landfill.

November 20, 2017 Assembly Committee of the Whole  
RecycleWorks Fee Schedule and Site Location

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The chart below summarizes points for consideration:

| <b>RecycleWorks Facility Ownership and Management<br/>Pro's &amp; Con's</b> |                                                                 |                                                                                                    |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
|                                                                             | <b>Public Operator</b>                                          | <b>Private Operator</b>                                                                            |
| <b>Public Land</b>                                                          | Can recoup infrastructure investment over long term.            | Can recoup infrastructure costs over long term, potentially lower operating costs.                 |
| <b>Private Land</b>                                                         | Infrastructure costs have to be recouped over life of contract. | Infrastructure costs have to be recouped over life of contract, potentially lower operating costs. |

**Conclusion:**

The proposed fee schedule and sale of the 4 CBJ lots would allow for program relocation, consolidation of HHW and Recycling programs, and the initiation of a pilot composting program. The requested action items are:

1. Direct staff to draft an ordinance authorizing rate increases for Assembly consideration.
2. Motion to begin negotiations for sale of CBJ property and purchase of the Anka Street property.

SIMILAR CSP

# **CITY/STATE PROJECT AND LAND ACTION REVIEW APPLICATION**

|                |                              |                    |                                                   |
|----------------|------------------------------|--------------------|---------------------------------------------------|
| Project Number | Project Name (15 characters) | Case Number<br>CSP | Date Received<br>APR 27 2017<br>PERMIT CENTER/CDD |
|----------------|------------------------------|--------------------|---------------------------------------------------|

**TYPE OF PROJECT REVIEW:**

CSP 20170010

☐ City Project Review
 ☒ City Land Acquisition /Disposal
 ☐ State Project Review

**DESCRIPTION OF PROJECT**

The applicants own a legally non-conforming, triangular, 14,000 sq. ft. lot at 11259 N. Douglas Highway and are purchasing adjacent CBJ property on either side of their lot to make it rectangular in shape. The CBJ Assembly has authorized the Manager to enter into negotiations for a land sale to Mr. Dwight Scott Williams and Ms. Carol Colp for approximately 14,000-22,000 square feet of CBJ property located at USS 3559 Lot 2.

Please attach a cover letter to fully explain the project if there is not adequate space on this form.

**CURRENT USE OF LAND OR BUILDING(S):**

CBJ property USS 3559 Lot 2 (LND-1421) is listed in the 2016 Land Management Plan as "retain/dispose." The CBJ has future plans to subdivide the lot; the applicants' request does not hinder future CBJ development of the lot.

**PROPOSED USE OF LAND OR BUILDING(S):**

The applicants are acquiring CBJ property to make their lot rectangular. With the additional property, the applicants intend to build a small house on the lot.

**PROJECT NUMBERS ASSOCIATED WITH PROPOSAL:**

Is this project associated with any other Land Use Permits? ☒ No ☐ Yes Case No.: \_\_\_\_\_

Capital Improvement Program # (CIP) \_\_\_\_\_

Local Improvement District # (LID) \_\_\_\_\_

State Project # \_\_\_\_\_

**ESTIMATED PROJECT COST:** \$ Less than \$100,000

For more information regarding the permitting process and the submittals required for a complete application, please see the reverse side.

If you need any assistance filling out this form, please contact the Permit Center at 586-0770.

**CITY/STATE PROJECT FEES**

| Fees                      | Check No. | Receipt | Date  |
|---------------------------|-----------|---------|-------|
| Application Fees \$ _____ | _____     | _____   | _____ |
| Total Fee \$ _____        | _____     | _____   | _____ |

**NOTE: MUST BE ACCOMPANIED BY DEVELOPMENT PERMIT APPLICATION FORM &**

**EVEN IF THE PROPOSED PROJECT IS ASSOCIATE WITH OTHER LAND USE PERMITS, THIS APPLICATION MUST BE FILLED OUT**

# DEVELOPMENT PERMIT APPLICATION

|                                             |                                   |                |
|---------------------------------------------|-----------------------------------|----------------|
| Project Number                              | <b>CITY and BOROUGH of JUNEAU</b> | Date Received: |
| Project Name<br>(City Staff to Assign Name) |                                   | APR 27 2017    |

|                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| INFORMATION                                                                                                                                                                                                                                                                                                              | <b>Project Description</b><br>The applicants own a legally non-conforming, triangular, 14,000 sq. ft. lot at 11259 N. Douglas Highway and are purchasing adjacent CBJ property on either side of their lot to make it rectangular in shape. The CBJ Assembly has authorized the Manager to enter into negotiations for a land sale to Mr. Dwight Scott Williams and Ms. Carol Colp for approximately 14,000-22,000 square feet of CBJ property located at USS 3559 Lot 2. |                                                                                                                                                      |                             |
|                                                                                                                                                                                                                                                                                                                          | <b>PROPERTY LOCATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                      |                             |
|                                                                                                                                                                                                                                                                                                                          | Street Address<br>11259 North Douglas Highway                                                                                                                                                                                                                                                                                                                                                                                                                             | City/Zip<br>Douglas/99824                                                                                                                            |                             |
|                                                                                                                                                                                                                                                                                                                          | Legal Description(s) of Parcel(s) (Subdivision, Survey, Block, Tract, Lot)<br>USS 3559 Lot 2 <span style="float: right;">Tract C Entrance Point</span>                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                      |                             |
|                                                                                                                                                                                                                                                                                                                          | Assessor's Parcel Number(s)<br>6D1201090030 <span style="float: right;">6D12 0 11 001 0</span>                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                      |                             |
|                                                                                                                                                                                                                                                                                                                          | <b>LANDOWNER/ LESSEE</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                      |                             |
|                                                                                                                                                                                                                                                                                                                          | Property Owner's Name<br>City and Borough of Juneau                                                                                                                                                                                                                                                                                                                                                                                                                       | Contact Person:<br>Greg Chaney                                                                                                                       | Work Phone:<br>907-586-0205 |
|                                                                                                                                                                                                                                                                                                                          | Mailing Address<br>155 S. Seward St.                                                                                                                                                                                                                                                                                                                                                                                                                                      | Home Phone:                                                                                                                                          | Fax Number:                 |
|                                                                                                                                                                                                                                                                                                                          | E-mail Address<br>Greg.Chaney@juneau.org                                                                                                                                                                                                                                                                                                                                                                                                                                  | Other Contact Phone Number(s):<br>907-586-5252                                                                                                       |                             |
|                                                                                                                                                                                                                                                                                                                          | PROJECT / APPLICANT                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>LANDOWNER/ LESSEE CONSENT</b> <span style="float: right;">***Required for Planning Permits, not needed on Building/ Engineering Permits***</span> |                             |
| I am (we are) the owner(s) or lessee(s) of the property subject to this application and I (we) consent as follows:                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| A. This application for a land use or activity review for development on my (our) property is made with my complete understanding and permission.                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| B. I (we) grant permission for officials and employees of the City and Borough of Juneau to inspect my property as needed for purposes of this                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| X                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      | April 25 2017               |
|                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      | Date                        |
| X                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
|                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Landowner/Lessee Signature                                                                                                                           | Date                        |
| NOTICE: The City and Borough of Juneau staff may need access to the subject property during regular business hours and will attempt to contact the landowner in addition to the formal consent given above. Further, members of the Planning Commission may visit the property before the scheduled public hearing date. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| <b>APPLICANT</b> <span style="float: right;">If the same as OWNER, write "SAME" and sign and date at X below</span>                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| Applicant's Name<br>SAME                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| Contact Person:                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| Work Phone:                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| Mailing Address                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| Home Phone:                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| Fax Number:                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| E-mail Address                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| Other Contact Phone Number(s):                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
| X                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                             |
|                                                                                                                                                                                                                                                                                                                          | Applicant's Signature                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Date of Application                                                                                                                                  |                             |

|                 |                                                                                                                                |                                                                                                |         |               |                       |                            |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------|---------------|-----------------------|----------------------------|
| STAFF APPROVALS | Y                                                                                                                              | Permit Type                                                                                    | ***SIGN | Date Received | Application Number(s) |                            |
|                 |                                                                                                                                | Building/Grading Permit                                                                        |         |               |                       |                            |
|                 | ✓                                                                                                                              | City/State Project Review and City Land Action                                                 |         | 11/27/17      | CSP20170010           |                            |
|                 |                                                                                                                                | Inquiry Case (Fee in Lieu, Letter of ZC, Use Not Listed)                                       |         |               |                       |                            |
|                 |                                                                                                                                | Mining Case (Small, Large, Rural, Extraction, Exploration)                                     |         |               |                       |                            |
|                 |                                                                                                                                | Sign Approval (If more than one, fill in all applicable permit #'s)                            |         |               |                       |                            |
|                 |                                                                                                                                | Subdivision (Minor, Major, PUD, St. Vacation, St. Name Change)                                 |         |               |                       |                            |
|                 |                                                                                                                                | Use Approval (Allowable, Conditional, Cottage Housing, Mobile Home Parks, Accessory Apartment) |         |               |                       |                            |
|                 |                                                                                                                                | Variance Case (De Minimis and all other Variance case types)                                   |         |               |                       |                            |
|                 |                                                                                                                                | Wetlands Permits                                                                               |         |               |                       |                            |
|                 |                                                                                                                                | Zone Change Application                                                                        |         |               |                       |                            |
|                 |                                                                                                                                | Other (Describe)                                                                               |         |               |                       |                            |
|                 | ***Public Notice Sign Form filled out and in the file.                                                                         |                                                                                                |         |               |                       |                            |
|                 | Comments:<br>Lot will be undisturbed but improved on current situation - SUBDIVISION REQUIRED<br>DOT Driveway permit attached. |                                                                                                |         |               |                       | Permit Intake Initials<br> |

NOTE: DEVELOPMENT PERMIT APPLICATION FORMS MUST ACCOMPANY ALL OTHER COMMUNITY DEVELOPMENT DEPARTMENT APPLICATIONS  
 FORMS/2010 Applications Revised November 2009

## Attachment A: Application



**View of Household Hazardous Waste collection facility from  
Commercial Boulevard (brewery in background)**



**View of Water Utility facility from Shaune Drive  
(brewery in background)**



**View of entrance of lot proposed for purchase (Anka St);  
Skookum vehicle recycling on right of photo**

## **RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU**

**Serial No. XXXX**

### **A resolution adopting the Juneau Renewable Energy Strategy**

WHEREAS, CBJ Resolution 2593 adopted the Juneau Climate Action and Implementation Plan to lower Juneau's greenhouse gas (GHG) emissions by decreasing area wide consumption of energy in general and fossil fuels in particular; and

WHEREAS, a top action of the Juneau Climate Action and Implementation Plan was to develop an Energy Plan for Juneau; and

WHEREAS, the 2013 Comprehensive Plan contains numerous policies regarding community energy use, including establishing a long-term energy plan and to implement that plan for the affordable and sustainable use of energy in the community, increasing public understanding of how individual and CBJ government energy decisions affect individual consumer costs, as well as livability and sustainability of the community, and maximizing the ratio of local, renewable-sourced energy to imported fossil-source energy in Juneau's internal energy economy; and

WHEREAS, estimates show that 77% of Juneau's internal energy is from fossil fuels; and

WHEREAS, these imported fossil fuels cost the community about \$140 million per year, most of which goes out of the local economy; and

WHEREAS, nearly all electricity used in Juneau comes from local, renewable hydroelectricity, and this has provided some of the lowest and most stable energy rates in the state; and

WHEREAS, energy use and cost significantly affects the Juneau economy and housing affordability; and

WHEREAS, the Juneau Commission on Sustainability drafted a scope of work for a Juneau Energy Plan and, in conjunction with the Community Development Department , worked with a consultant, , to write an Energy Plan; and

WHEREAS, Background information and high level strategies were identified from which more detailed action plans could be developed

WHEREAS, a target of 80% of Juneau's energy to come from renewable energy by 2045 has been proposed with no limitations or caps on the amount of any energy used; and

WHEREAS, development of new renewable energy sources, such as hydroelectricity is market driveni, has economic implications for the community by keeping local energy dollars local; and

WHEREAS, the strategy identifies that many of the actions in the Juneau Climate Action and Implementation Plan provide a strong basis for reducing community energy use and using existing

hydroelectricity more efficiently, and presented a prioritized list of these actions CBJ should begin to immediately implement; and

WHEREAS, the Draft Energy Plan was presented to the Assembly on July 25, 2015 followed by an extensive period of public consultation; and

WHEREAS, the Juneau Commission on Sustainability, in conjunction with the Manager's Office organized a series of education sessions to inform the public about Juneau's electricity system, electric vehicles, renewable energy heating systems, and future renewable energy systems in Alaska; and

WHEREAS, in 2013 CBJ spent approximately \$8 million dollars on energy use; and (does this include JSD, Bartlett, enterprise entities?)

WHEREAS, CBJ has periodically implemented a successful number of actions to improve energy efficiency of its buildings and operations such as geothermal heat pump systems in CBJ buildings, beginning transformation to electric vehicles and buses, LED streetlights and other actions; and

WHEREAS, CBJ collects data on its energy use but does not regularly analyze and report on this data to illustrate savings that have been, or could be, made by CBJ operation or facilities; and

WHEREAS, at its June 14, 2017 meeting the Juneau Commission on Sustainability voted to recommend adoption of the Juneau Renewable Energy Strategy – a revised version of the draft Juneau Energy Plan - by the Assembly, and also recommend the Assembly direct CBJ staff to develop actions necessary to implement four key strategies:

- Implement a CBJ energy management program to make the organization a leader in energy efficiency and adoption of renewable energy
- Reduce Juneau's dependence on fossil fuels for space heating
- Reduce Juneau's dependence on fossil fuels for transportation.
- Support efforts to provide new renewable energy supplies for Juneau; and

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:**

**Section 1.** That the document identified as the Juneau Renewable Energy Strategy, 2017, is approved and adopted as the strategy to guide community energy decisions

**Section 2. Effective Date.** This resolution shall be effective immediately after its adoption.

Adopted this XX day of XXXXXX 2018.

# **JUNEAU RENEWABLE ENERGY STRATEGY**

**PRESENTED BY:**

**STEVE BEHNKE (JCOS)**

**DUFF MITCHELL (JCOS)**

**TIM FELSTEAD (CBJ)**

*Ron Gile ©*

# **JUNEAU COMMISSION ON SUSTAINABILITY**

***"A SUSTAINABLE COMMUNITY SEEKS TO ADVANCE THE  
ECONOMIC, SOCIAL, ENVIRONMENTAL AND  
GOVERNMENTAL WELL-BEING OF THE COMMUNITY WITHOUT  
COMPROMISING THE OF LIFE OF FUTURE GENERATIONS."***

***CBJ RESOLUTION 2528.***

# JUNEAU RENEWABLE ENERGY STRATEGY

[HTTP://WWW.JUNEAU.ORG/SUSTAIN/ENERGY\\_PLAN.PHP](http://www.juneau.org/sustain/energy_plan.php)

## Juneau Renewable Energy Strategy

Setting the scene and priority actions



C.B.J. Resolution XXXX  
XXXXX.XX, 2017



City and Borough of Juneau  
Juneau, Alaska  
www.juneau.org

## Juneau Renewable Energy Strategy

Annex 1 – Public comments



City and Borough of Juneau  
Juneau, Alaska  
www.juneau.org

# PRESENTATION ROADMAP

- PURPOSE
- BACKGROUND
- GO FORWARD

**PURPOSE:  
ADOPT  
JUNEAU  
RENEWABLE  
ENERGY  
STRATEGY BY  
RESOLUTION**

~WHY?

~\$140 MILLION SPENT  
ANNUALLY ON ENERGY  
IMPORTED TO THE  
COMMUNITY

~\$8 MILLION SPENT  
ANNUALLY ON ENERGY BY  
CBJ

~JRES REPRESENTS  
JUNEAU COMMUNITY  
VALUES

~JUNEAU CAN AND  
SHOULD BE A SUSTAINABLE  
ENERGY WORLD LEADER

# BACKGROUND

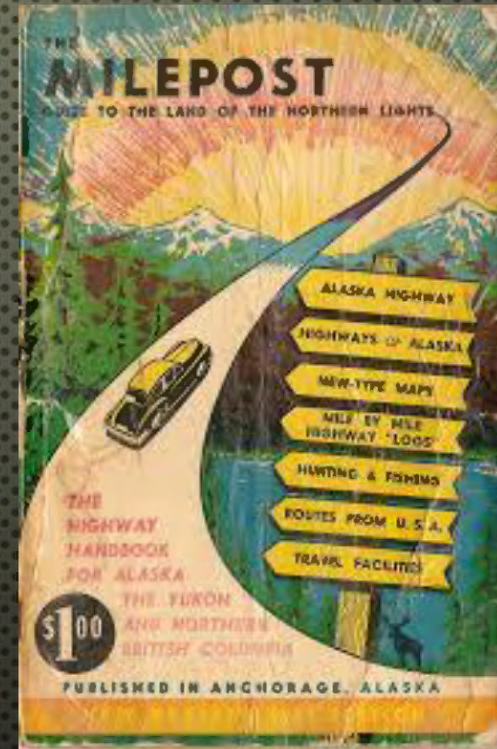
~NOTHING HAPPENS BY  
ACCIDENT

~JUNEAU WAS PRODUCING  
AND USING RENEWABLE  
ENERGY BEFORE THE FOSSIL  
FUEL AGE- TREADWELL  
DITCH, GOLD CREEK,  
ANNEX CREEK, SALMON  
CREEK

~JUNEAU HAS RESOURCES-  
NATURAL RENEWABLE  
ENERGY RESOURCES  
COMBINED WITH TALENT,  
LEADERSHIP, AND  
COMMUNITY "WILL"

~VALUE DRIVEN

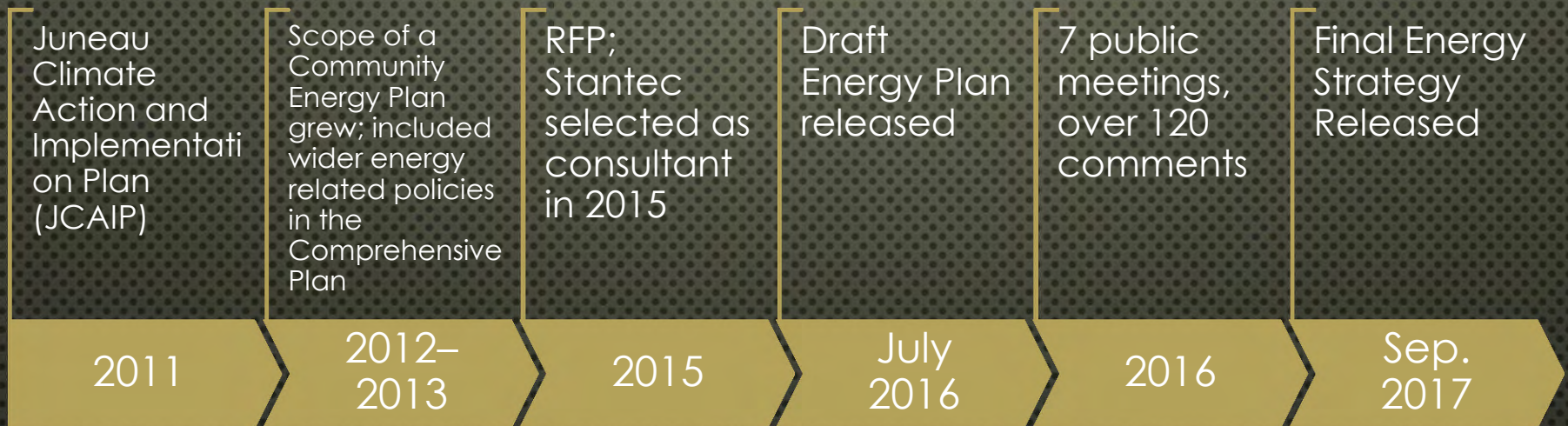
# STRATEGY VS. PLAN



Directional Guide (Strategy) vs. Mile by Mile & Step by Step (Detailed Plan)

Resolution vs. Ordinance

# HOW DID THE STRATEGY DEVELOP?



100's of Volunteer Hours of Commissioners, staff and public involvement throughout the multi-year process

# **COMMUNITY GOAL: 80% RENEWABLE ENERGY BY 2045**

**Conversion/transformation**

**Supports established GHG reduction goals**

**Four priority strategy areas**

**Supplements established JCAIP actions**

# FOUR PRIORITY STRATEGIES

- A. IMPLEMENT A CBJ ENERGY MANAGEMENT PROGRAM TO MAKE THE ORGANIZATION A LEADER IN ENERGY EFFICIENCY AND ADOPTION OF RENEWABLE ENERGY
- B. REDUCE JUNEAU'S DEPENDENCE ON FOSSIL FUELS FOR SPACE HEATING.
- C. REDUCE JUNEAU'S DEPENDENCE ON FOSSIL FUELS FOR TRANSPORTATION.
- D. SUPPORT EFFORTS TO PROVIDE NEW RENEWABLE ENERGY SUPPLIES FOR JUNEAU.

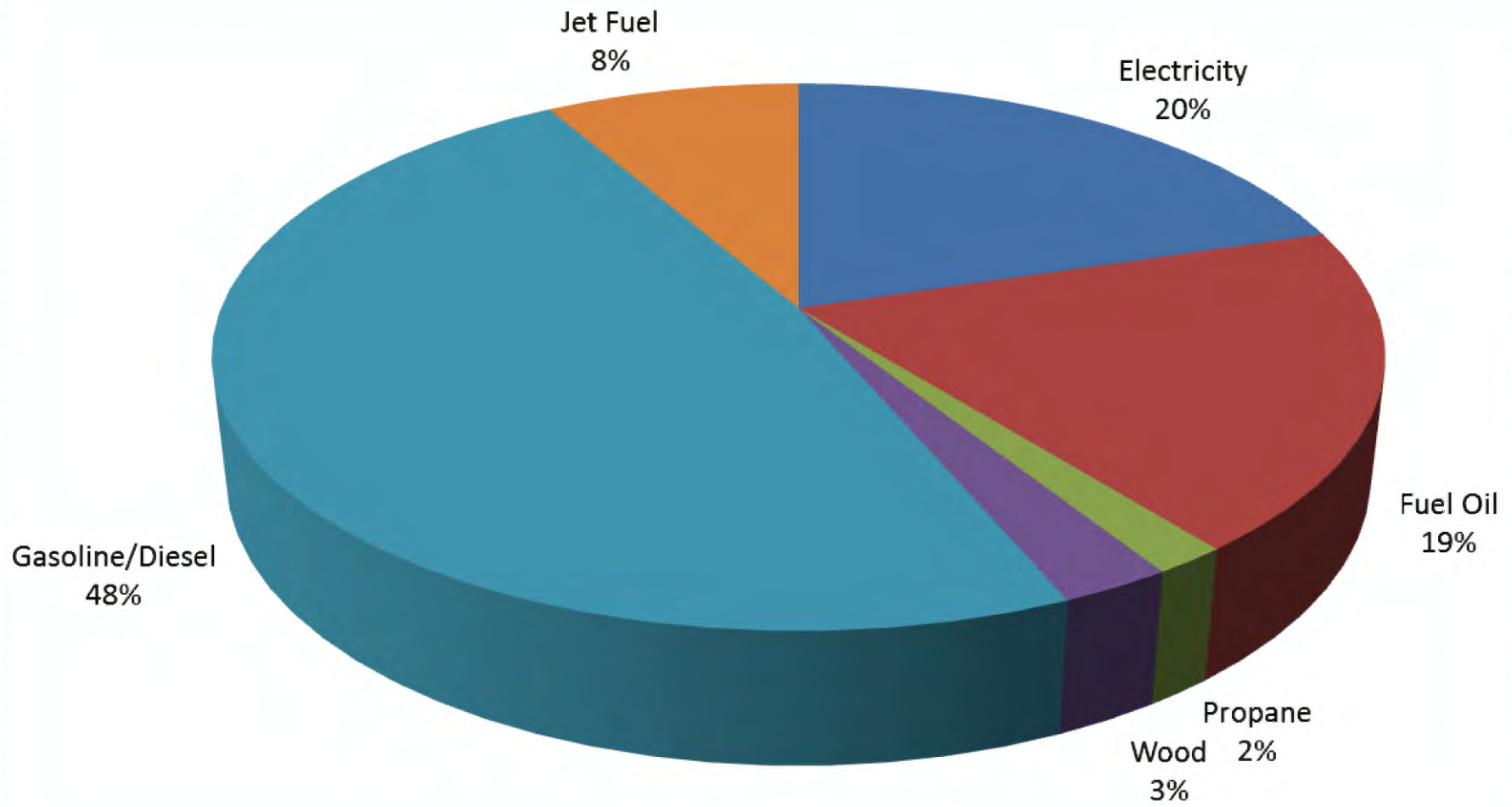
# MOVING JUNEAU FORWARD-RENEWABLY

1. ADOPT A COMMUNITY TARGET OF TRANSFORMING JUNEAU'S ENERGY USE TO 80% RENEWABLE SOURCES BY THE YEAR 2045.
2. REQUIRE DEVELOPMENT OF ACTION PLANS FOR EACH OF THE STRATEGIES IDENTIFIED, AND TO BEGIN IMPLEMENTING PRIORITY NEAR-TERM ACTIONS USING THE PRIORITY ACTION LIST AS A GUIDE TO DIRECT EARLY EFFORTS.
3. DIRECT THE CBJ ORGANIZATION TO IMPLEMENT A FORMAL ENERGY MANAGEMENT PROGRAM.
4. DIRECT THE CBJ, THROUGH THE JCOS, TO MONITOR COMMUNITY ENERGY USE AS A WHOLE, BY UPDATING THE JCAIP ENERGY AND GHG EMISSIONS INVENTORY AT LEAST EVERY THREE YEARS.
5. PROVIDE FUNDING DIRECTION AND CBJ STAFF ALLOCATIONS TO ACCOMPLISH THESE RECOMMENDATIONS,
6. DIRECT JCOS, WITH CBJ STAFF ASSISTANCE, TO REVIEW PROGRESS ANNUALLY ON THESE RECOMMENDATIONS.

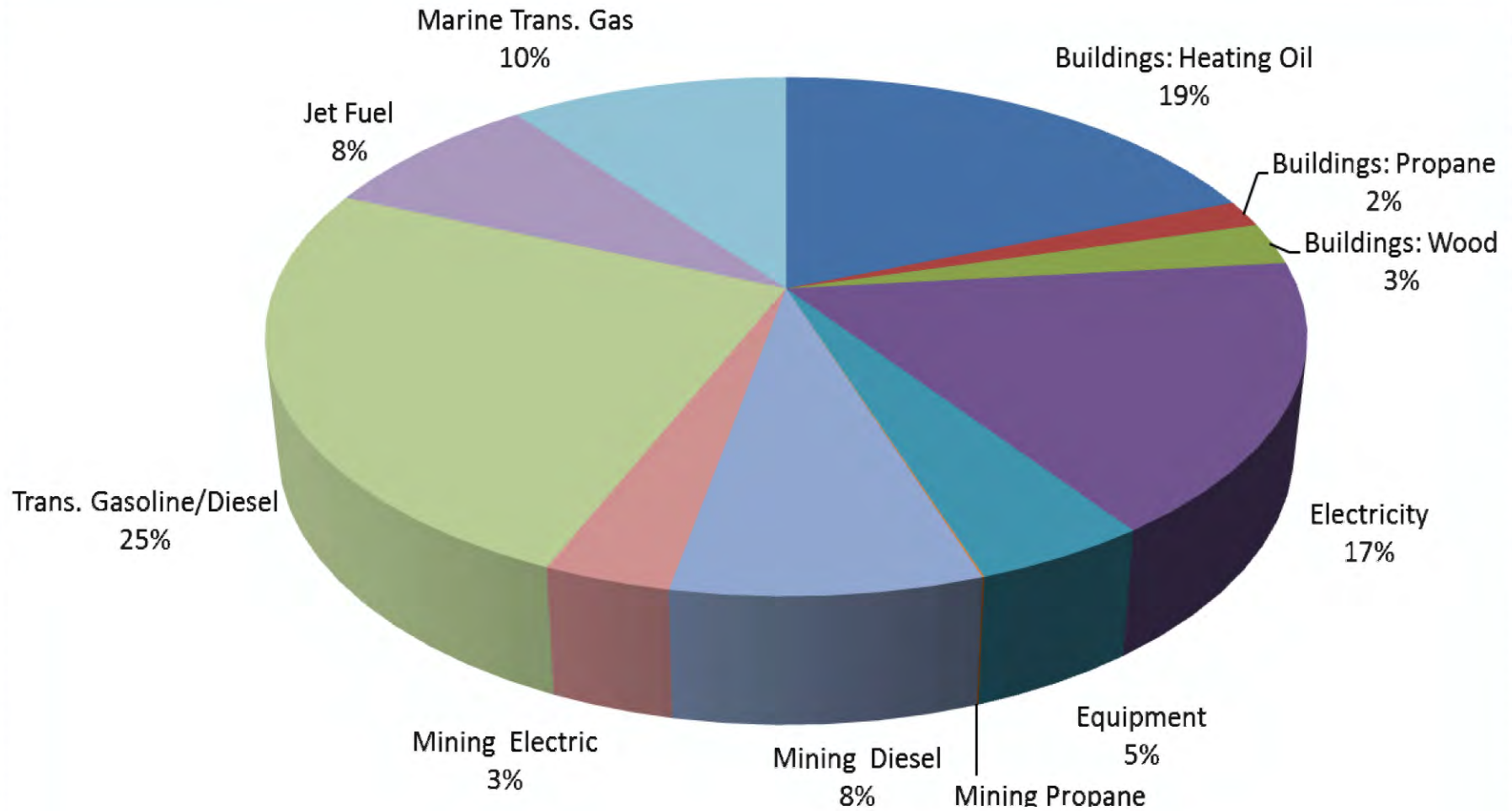
# OUTLINE

|                         | Content                                                                                                                                                                                                                                                                     |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Where are we now?       | <ul style="list-style-type: none"><li>• A profile of the physical and socio-economic features of CBJ</li><li>• An inventory of <u>available</u> energy consumption using latest available data</li></ul>                                                                    |
| Where are we going?     | <ul style="list-style-type: none"><li>• A business as usual forecast of energy use from the baseline year 2010 to 2045</li></ul>                                                                                                                                            |
| Where do we want to go? | <ul style="list-style-type: none"><li>• Proposed energy reduction targets to work towards</li><li>• An overarching framework and key strategies, including the City's role and the community partners that will contribute to the strategy's success</li></ul>              |
| How will we get there?  | <ul style="list-style-type: none"><li>• A plan including several high level strategies lead by CBJ and a collaborative approach to implementation</li><li>• Specific actions and policy tools that will advance energy use reductions in each of the strategies .</li></ul> |

# JUNEAU ENERGY USE BY FUEL SOURCE



# JUNEAU ENERGY USE BY SECTOR

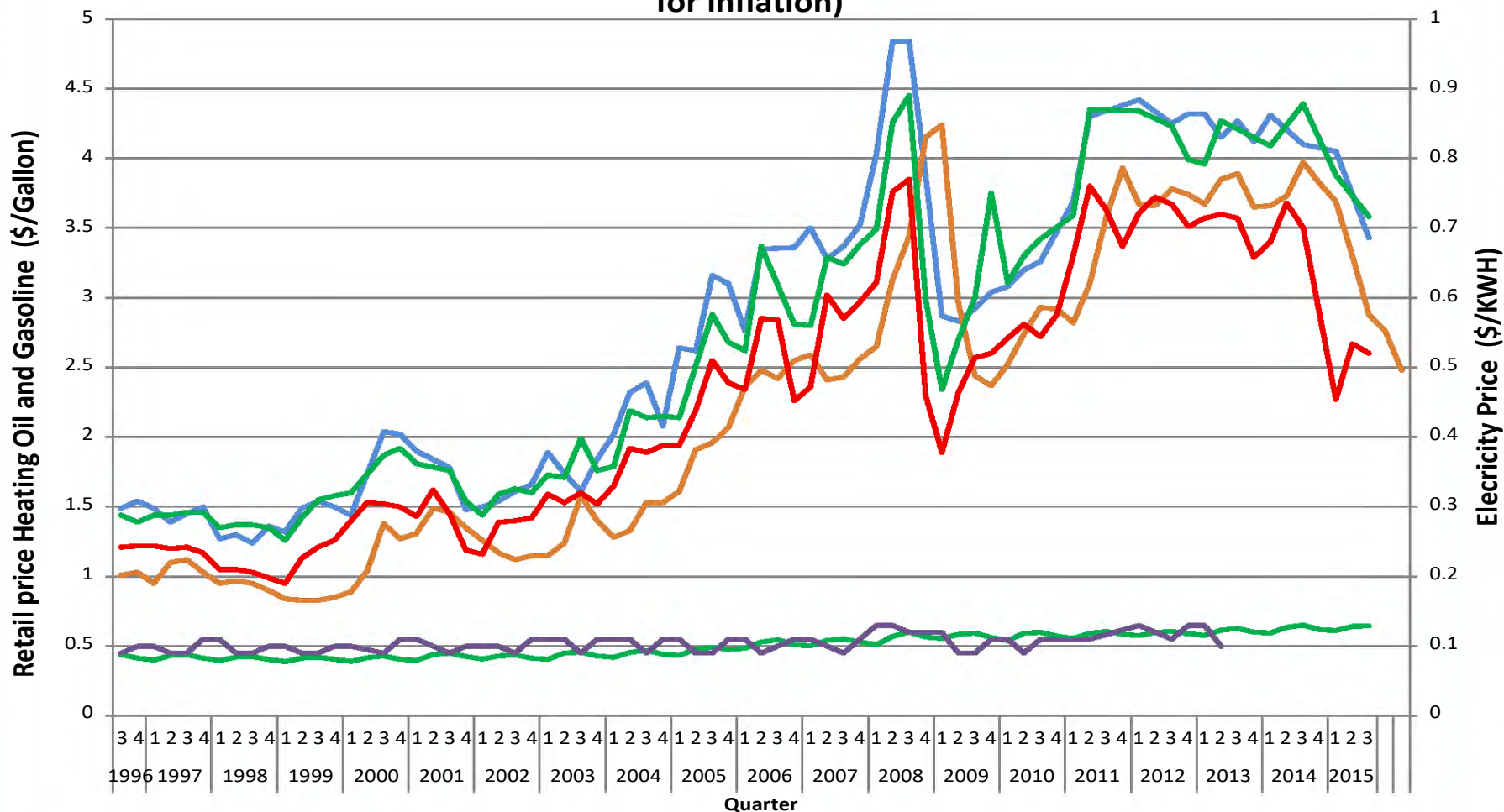


# SUPPORTING INFORMATION

- CURRENT DEMAND AND SUPPLY OF ENERGY
- IMPACT OF INCREASED SUPPLY/DEMAND OF ELECTRICITY
- INCREASED USE OF OTHER EXISTING ENERGY SOURCES

# FUEL PRICE VOLATILITY

**Juneau and National Residential Retail Energy Prices 1996 to 2015 (not adjusted for inflation)**

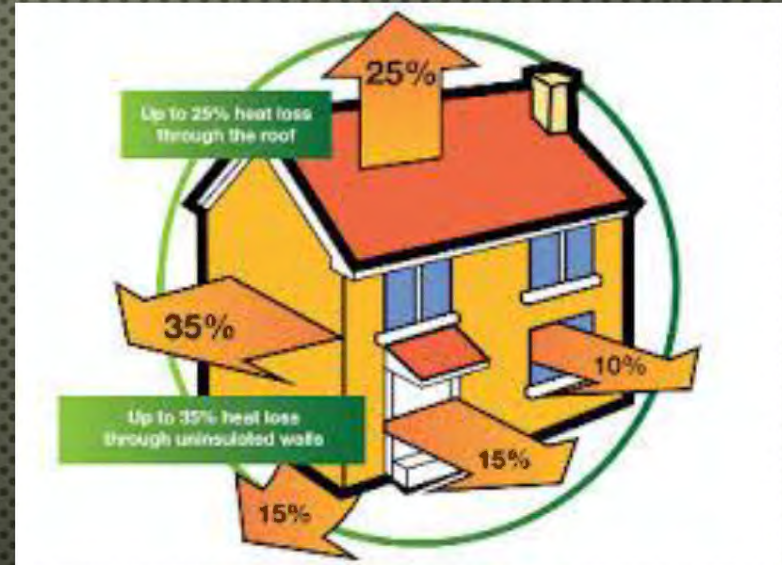


Source: UAF Food Cost Survey; US Energy Information Agency

Juneau Heating Fuel #1 National Heating Fuel Juneau Gasoline National Gasoline National Electricity Juneau Electricity

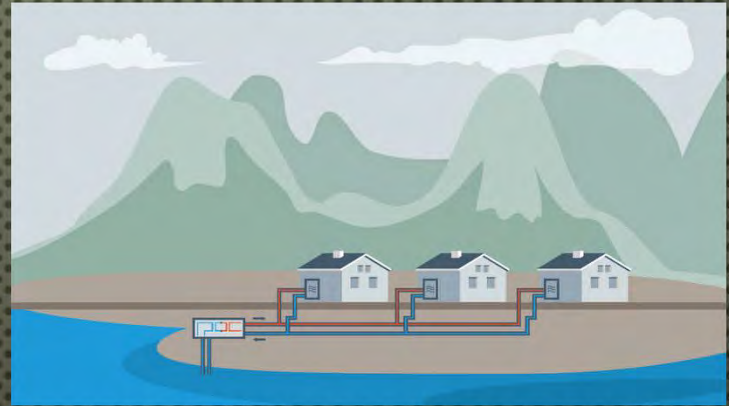
# SUPPORT ENERGY EFFICIENCY MEASURES FOR ALL BUILDINGS

- UPDATE BUILDING CODE FOR NEW CONSTRUCTION.
- EXPLORE POLICY OPTIONS FOR RETROFITTING EXISTING BUILDINGS.
- CONVENE WORKING GROUP TO REVIEW COMMERCIAL BUILDING CODE.
- DEVELOP CASE STUDIES TO DEMONSTRATE SUCCESS STORIES.
- EXPLORE FUNDING OF INCENTIVES USING FEDERAL AND STATE RESOURCES.
- LEVERAGE WEATHERIZATION PROGRAM TO INCREASE THE NUMBER OF RETROFITS IN RESIDENTIAL SECTOR.



# DISTRICT HEATING FOR MULTIPLE LOCATIONS IN JUNEAU

- DEVELOP A BUSINESS MODEL IS FOR A DISTRICT HEATING SYSTEM. IDENTIFY ECONOMIC ADVANTAGES AND DISADVANTAGES.
- EXPLORE POTENTIAL LOCATIONS INCLUDING WILLOUGHBY AND STATE/FEDERAL BUILDINGS.
- IDENTIFY HEAT LOAD AND MARKET SIZE TO DETERMINE ECONOMIES OF SCALE REQUIRED TO MAKE DISTRICT HEATING VIABLE.
- ASSESS THE FEASIBILITY OF USING RENEWABLE ENERGY RESOURCES.
- DEVELOP A PRELIMINARY RATE DESIGN FOR THE SYSTEM.
- BUSINESS MODEL SHOULD INCLUDE ASSESSMENT OF LOADS, SERVICE TERRITORY, DISTRIBUTION PIPE NETWORK, ANALYSIS OF ENERGY OPTIONS AND PLANT SETTING, AND ANALYSIS OF OWNERSHIP AND OPERATING MODELS.



# REDUCE JUNEAU'S DEPENDENCE ON FOSSIL FUELS FOR TRANSPORTATION

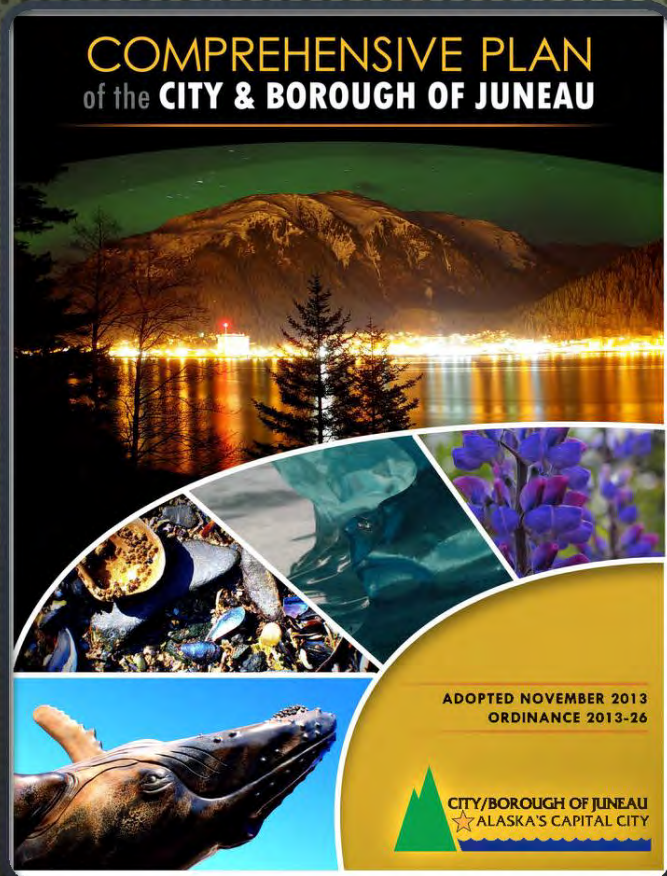
- EXPLORE ACTIVE TRANSPORTATION AND OPPORTUNITIES TO SUPPORT ELECTRIC VEHICLES.
- CONSIDER PARKING POLICIES TO SUPPORT ELECTRIC VEHICLES.
- ASSESS CENTRALIZED FLEETS FOR CBJ INCLUDING APPROPRIATE VEHICLE CHOICE (INCLUDING ELECTRIC VEHICLES).



# REDUCE SPACE HEATING DEPENDENCY ON FOSSIL FUELS

- ASSESS TECHNICAL AND FINANCIAL ISSUES OF ELECTRIFICATION OF SPACE HEAT FOR RESIDENTIAL MARKET.
- CONDUCT A BIOMASS STUDY IN CBJ.
- ASSESS BUILDING CODE OPTIONS TO SUPPORT ALTERNATIVES TO FOSSIL FUEL SPACE HEAT.
- STUDY IMPACT OF INCREASED ELECTRIFICATION ON ELECTRICITY SYSTEM.
- STUDY THE POTENTIAL FOR THE USE (EXPANSION) OF AIR SOURCE HEAT PUMPS AND/OR BIOMASS FOR CBJ AND OTHER GOVERNMENT OWNED BUILDINGS.





# ENHANCE LAND USE REGULATIONS SUPPORTING ENERGY EFFICIENT, COMPACT, MIXED USE DEVELOPMENTS

- THE COMPREHENSIVE PLAN HAS MANY RECOMMENDED ACTIONS.
- CONTINUE TO IMPLEMENT RECOMMENDED ACTIONS.
- DEVELOP METRICS TO MONITOR PROGRESS AND DO SO.



# QUESTIONS?



**Engineering & Public Works Department**

155 South Seward Street

Juneau, Alaska 99801

Phone: 907-586-0800 | Fax: 907-463-2606

DATE: January 29, 2018

TO: Mr. Jerry Nankervis, Chair  
Assembly Committee of the Whole

FROM: Roger K. Healy, P.E., Director of Engineering and Public Works

SUBJECT: Meander Bend

**Recent Developments**

On January 3, 2018, the CBJ received a letter (attached) from the Natural Resources Conservation Service (NRCS) requesting commitments to the proposed project, and giving the CBJ until January 19, 2018 to provide clarity and commitment to sponsorship of non-NRCS provided funding and subsequent project commitments (i.e., permitting, available lands, etc.). The CBJ requested an additional ninety days beyond the January 19<sup>th</sup> date, and the NRCS granted that time extension – April 17, 2018.

The NRCS also identifies that there is a 220-day time frame for project completion once funding is approved (Congress has yet to act on Emergency Watershed Protection Program {EWPP} funding) and funding is transferred to Alaska.

Since the November 20, 2017 COW meeting, CBJ staff have requested additional information from federal and state agencies regarding the impacts to FEMA flood elevations from this project. FEMA revised Juneau's Mendenhall Valley flood elevation mapping several years ago, prior to the recurring and major jokolhaups. In discussions with regulators, there are two potential increases in the FEMA flood elevations that could result from this project progressing.

First, with present FEMA mapping data preceding the jokolhaup events, the reassessment of the Mendenhall River Valley in general, the Meander Bend and upstream areas in particular, would very likely result in a raise in FEMA base flood elevations (BFE). Prior modeling did not account for the jokolhaups, new modeling would, raising the BFE and potentially requiring more properties to secure flood insurance. This raise in BFE would be triggered by the new mapping effort required for this project.

Secondly, the NRCS has modeled the expected 'backwater' (raise in river surface elevation) from construction of this project to be approximately 0.7 feet at the project's upstream end, thence tapering upstream to an imperceptible difference near the north end of Marion Drive. This backwater is the result of constricting the river's flow through the Meander Bend project area. Because of the near adjacency of the houses, and the structural need for the 1.5:1 rock rip rap slope, the river's channel will be constricted because of the rip rap impeding on the present channel, thereby creating the 0.7 foot backwater.

If the project were to proceed, the CBJ would have to create new mapping of the BFE that accounts for both the 0.7 foot backwater and the 'jokolhaup effect' raise in BFE. The CBJ would be the entity that would lead the FEMA BFE map revision. There is a substantial procedural process in

finalizing the Flood Insurance Rate Maps (FIRMs), including coordination with FEMA and a required public process.

If structures are within FEMA flood designations, the home owner is mandated to secure flood insurance if they have a federally regulated mortgage. If a property is subjected to a raise in the FEMA flood elevation from the project, that property would not only have a greater potential for more serious damage, but also be required (if applicable mortgage) to secure a higher flood insurance rate.

### **Neighborhood Process**

The CBJ has not initiated a new polling of the neighborhood since last fall. For reference, the results of that informal polling are:

|                                                  | Number of<br>Votes | Percent of<br>total<br>responses |
|--------------------------------------------------|--------------------|----------------------------------|
| In Favor of LID                                  | 15                 | 62.5%                            |
| Opposed to LID                                   | 9                  | 37.5%                            |
| Willing to provide no cost Easements for Project | 20                 | 83.3%                            |
| Will not provide no cost Easements for Project   | 4                  | 16.7%                            |

In conjunction with the above polling, the neighborhood alternatively proposed a Capital Improvement by Agreement that limited property owner contributions to \$40,000 per property, with the remainder of non-NRCS covered costs being borne by the CBJ. While originally estimated at a \$1.12 million CBJ contribution, the likelihood of this amount increasing is very high given the BFE mapping efforts the CBJ would have to undertake, in addition to the previous tasks of permitting. The easement costs have yet to be determined.

### **Alternative Design**

The NRCS letter offers an alternative to the design that NRCS has provided. The local sponsor, CBJ, could hire an engineering firm to develop an alternative design. There are costs associated with this offer. Rather than the NRCS providing design on their budget, the CBJ would have to secure the funds soon to plan, permit, and complete a new design. Additionally, the key wording in NRCS's letter is 'pay up to 75% of the cost of construction'. NRCS would reserve a review and approval process for construction participation, once the design is done. Finally, the CBJ would not relieve itself of the 'local sponsor' status, thereby keeping its requirement for maintenance of the project for at least ten years. Residents have expressed a wish to have the project reduced in size and scale. Any reduction will likely carry with it a greater risk of damage or failure, not only missing the residents' need for long term property protection, but also saddling the CBJ with a future cost of repair or replacement. This path is not recommended.

### **Summary**

The provisions of the EWPP program/funding and the complications of finding consensus on a long linear project that requires all residents to agree are not a match. Because of the river's erratic erosions, each homeowner has their own assessment of property risk and project reward. The neighborhood has worked hard at consensus and their efforts are applauded. However, near consensus does not meet project and program funding needs.

There are other areas along the Mendenhall that may be applicable to the EWPP in the near future. The bend above Vintage Park is about to cut through, probably resulting in increased erosion on

both sides of the river above Brotherhood Bridge. Rip rap armoring of these slopes may be applicable to the EWPP program, and the logistics in project delivery would be much easier due to limited ownership and easier access.

### **Considerations**

All previous studies of the Mendenhall River system conclude that with continued glacial rebound combined with the Mendenhall Lake sediment trap, the river will continue to cut downward. The Mendenhall Valley sediments are easily erodible sands, silts, and gravels. In summary, the river will continue to erode and in all likelihood more residents will find themselves in similar situations to those on Meander Way. Haphazard bank protection is not in the long term interests of river property owners. Channel modifications from property-specific bank protections may cause active erosion in areas not previously impacted.

A river-length analysis may be in the long term best interests of the river owners. Other programs within the NRCS and the Army Corps of Engineers (ACOE) may best suit this longer term view. The Watershed & Flood Prevention Operations Program (WFPOP) within the NRCS is one of these programs. The advantages of this program are that the federal agency conducts a broader river analysis recommending specific projects for construction. Also, the project funding are direct appropriations from Congress. The disadvantages of this program are that project delivery for construction is typically at least 7 years, the program has had a gap in funding from 2010 until 2017, the match rates are higher, and project funding are direct appropriations from Congress. The CBJ was a recipient of an ACOE project with construction of the Gold Creek Flume.

Other communities (i.e., Kenai Borough) have created Flood Service Areas to address full or partial funding of specific projects or programs related to a particular watershed or flood prone areas. With creation of the area, a special assessment or levy, is assessed. In Kenai's example, the assessment may not exceed 0.5 mills, unless otherwise approved. This type of approach may be applicable to the Mendenhall.

cc: Rorie Watt, City Manager  
Tom Mattice, Emergency Program Manager  
Amy Mead, City Attorney



**JAN 02 2018**

**Via Certified Mail – Return Receipt Requested  
7016 1370 0000 1393 8256**

Tom Mattice  
Emergency Programs Manager  
City and Borough of Juneau  
155 South Seward Street  
Juneau, Alaska 99801

Mr. Mattice,

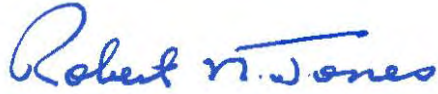
On September 23, 2016, I received a letter from you on behalf of the City and Borough of Juneau (CBJ), requesting Emergency Watershed Protection Program (EWPP) assistance for severe bank erosion on the Mendenhall River caused by glacier outburst floods. The proposed project was submitted to the national EWPP waitlist for funding on November 17, 2016. The project remains on the waitlist pending approval of a supplemental appropriation for the EWPP from Congress. The Natural Resources Conservation Service (NRCS) remains unsure when Congress will pass the next supplemental appropriation for the EWPP. When a supplemental appropriation is passed, projects on the waitlist are generally funded shortly thereafter with little or no advance notice. Once funding for the project is approved in Washington D.C. and transferred to Alaska, there is a 220-day time frame for project completion.

As I am sure you are aware, that can be a difficult and ambitious project timeframe especially for large complex projects such as the work being proposed for the Mendenhall River EWPP. My primary intent in sending this letter is to remind CBJ of the emergency nature of the EWPP and the need to have all administrative details ironed out and ready well in advance of project funding. The CBJ has had over a year to make sponsorship decisions and prepare for construction of the project. It is my understanding that there continue to be lingering issues that are not yet resolved. I am establishing January 19, 2018, as a target deadline for CBJ to have all sponsorship details ironed out for the project. If you feel this is unreasonable and would like to propose an alternative deadline I am open to considering such a request as long as it doesn't extend existing uncertainties too far into the future.

I have also been informed that some of the affected homeowners and/or CBJ believe the project is over-designed. The NRCS stands by the design concept that we have proposed. However, I did want to bring to your attention that it is acceptable for CBJ or the local homeowners to hire a consulting engineering firm to perform a separate design. The cost of the design would not be cost-shared by NRCS but the EWPP could still be used to pay up to 75% of the cost of construction of the project. If this course of action is of interest to CBJ or the affected homeowners, please contact Brett Nelson, State Conservation Engineer (SCE) at (907) 761-7717 or by e-mail at [Brett.Nelson@ak.usda.gov](mailto:Brett.Nelson@ak.usda.gov) so he can provide you with details of what the consulting engineering firm design would need to include to qualify for EWPP funding.

Alaska  
Natural Resources Conservation Service  
800 West Evergreen Avenue, Suite 100, Palmer, Alaska 99645  
Voice: (907) 761-7760 Fax: (907) 761-7790

If after consideration of this information CBJ determines they cannot reasonably complete sponsorship details or determines they would like to withdraw their current EWPP application please contact Brett Nelson, SCE at the phone number or e-mail address listed above. Withdrawal of your current EWPP application does not preclude you from reapplying for EWPP assistance at some future date as long as there is a qualifying event in the 60 days preceding such application.



ROBERT N. JONES  
State Conservationist

cc: Samia Savell, Soil Conservationist, Juneau FO  
Brett Nelson, SCE, Alaska State Office



**Law Department  
City & Borough of Juneau**

**MEMORANDUM**

TO: CBJ Assembly

FROM: Amy Gurton Mead, Municipal Attorney

DATE: January 25, 2018

SUBJECT: 2018-05

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In order to complete construction of a road leading from the Pederson Hill Subdivision to Glacier Highway as required by Title 49, the CBJ must obtain approval (an approach road permit) from the Department of Transportation and Public Facilities (ADOT&PF).

State regulations (17 AAC 10.020(c)) require ADOT&PF to include an indemnity provision from the permittee to the State in all approach road permits.

Normally the CBJ is prohibited by Charter section 9.13(a)(which is substantially similar to Article IX, section 13 of the Alaska Constitution) from contractually agreeing to indemnify another party. (Charter sec. 9.13 prohibits the CBJ from incurring an obligation absent an appropriation for that purpose. An indemnity provision is an agreement to compensation another party for any harm or loss arising out of the agreement, such as paying any judgment or damages, and oftentimes defending the other party in any legal action.) The Charter carves out a limited exception, however, allowing the assembly to require the payment of funds from appropriations of a later year (or for more than one year) for any federal or state grant, contract, lease, program, etc., without which the municipality would not be able to participate. 9.13(c) states:

Notwithstanding Section 9.13(a) of this Charter, the assembly by ordinance may require payment of funds from appropriations of a later fiscal year or of more than one year for any contract, lease or note or bond obligation, or federal or state grant, or any other federal or state program that the municipality may not otherwise participate in.

Ordinance 2018-05 is the ordinance required by 9.13(c), and will authorize the manager to sign the ADOT&PF approach road permit containing the indemnity provision required by 17 AAC 10.020(c).

Presented by: The Manager  
Introduced:  
Drafted by: A. G. Mead

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2018-05**

**An Ordinance Authorizing the Manager to Execute Approach Road Approval to Construct Permit Agreement (#27037) with the Alaska Department of Transportation and Public Facilities.**

WHEREAS, the City and Borough of Juneau, in connection with the development of the Pederson Subdivision and as required by CBJ 49.35.250(a), will need to construct right-of-way access from Glacier Highway to the subdivision; and

WHEREAS, the Alaska Department of Transportation and Public Facilities (ADOT&PF) is authorized by statute to regulate and control access to highways within the state; and

WHEREAS, in order to construct the right-of-way access, the CBJ will need to secure an approach road permit from ADOT&PF; and

WHEREAS, 17 AAC 10.020(c) requires ADOT&PF, in granting an approach road permit, to include in the permit:

a requirement that the permittee shall indemnify, defend, and hold harmless the state, or officers, agents, employees, and contractors of the state in any matters pertaining to the driveway or approach road, and that the permittee shall assume all liability or cost in connection with the driveway or approach road; and

WHEREAS, pursuant to CBJ Charter 9.13(a) and its prohibition against payment being made or an obligation being incurred without an appropriation, the CBJ is generally prohibited from agreeing to indemnify; and

WHEREAS, CBJ Charter 9.13(c) carves out an exception to that general prohibition:

1  
2 Notwithstanding Section 9.13(a) of this Charter, the assembly by ordinance may  
3 require payment of funds from appropriations of a later fiscal year or of more than  
4 one year for any contract, lease or note or bond obligation, or federal or state grant,  
or any other federal or state program that the municipality may not otherwise  
participate in.

5 BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

6 **Section 1. Classification.** This ordinance is a non-code ordinance.

7  
8 **Section 2.** Pursuant to CBJ Charter 9.13(c), the manager is authorized to execute  
9 the approach road permit required by the state and agree, on behalf of the CBJ, to indemnify  
10 the state to the extent required by law.

11 **Section 3. Effective Date.** This ordinance shall be effective 30 days after its  
12 adoption.

13 Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

14  
15  
16 

---

Kendell D. Koelsch, Mayor  
17 Attest:

18 

---

Laurie J. Sica, Municipal Clerk  
19  
20  
21  
22  
23  
24  
25



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Law**

CIVIL DIVISION

P.O. Box 110300  
Juneau, Alaska 99811  
Main: 907.465.3600  
Fax: 907.465.2520

January 25, 2018

Amy Mead, Esquire  
155 S. Seward Street  
Juneau, AK 99801

RE: Pederson Hill Project; Approach Road Permit  
AGO No. 2017200776

Dear Attorney Mead:

In furtherance of our discussions on the Pederson Hill approach road permit I am writing to outline the Department of Law's position on the indemnification requirement contained in 17 AAC 10.020. Please allow this correspondence to memorialize the State's position on this issue.

The State does not believe there is any ambiguity in either the regulation or the permit form, and that the language contained in the permit form is entirely consistent with that permitted by law. To the extent the City and Borough of Juneau is uncertain or otherwise concerned about the scope of the permit form's indemnity language, the State agrees that the permit form's indemnity coverage is not intended to be any broader than that required in 17 AAC 10.020.

I hope this clarifies the State's position. If you have any questions please do not hesitate to contact me.

Sincerely,

JAHNA LINDEMUTH  
ATTORNEY GENERAL

By:

A handwritten signature in black ink, appearing to read "Eugene F. Hickey".  
Eugene F. Hickey  
Assistant Attorney General

EFH/akb

cc: Jeff Stark, Assistant Attorney General, Department of Law  
Greg Weinert, Right-of-Way Agent VI, DOT & PF

Presented by: The Manager  
Introduced:  
Drafted by: A. G. Mead

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2017-23(b)**

**An Ordinance Amending the Land Use Code Relating to Essential Public Facilities.**

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

**Section 2. Amendment of Chapter.** Chapter 49.15 Permits, is amended by adding a new article to read:

**Article IX. Essential Public Facilities**

**49.15.900 Purpose.**

(a) The purpose of this article is to provide a permitting process that does not rely on CBJ 49.25, Article III, the Table of Permissible Uses, to allow the siting of essential public facilities. This chapter establishes the process and criteria the department and the planning commission will use in making a decision on an application for an essential public facility.

(b) For the purposes of this article, an “essential public facility” means any facility owned or operated by a unit of local or state government or by any entity providing a public service as its primary mission. An essential public facility is characterized by the following:

1  
2  
3     (1) It provides or is necessary to provide a public service; and

4     (2) It may be difficult to site because of significant opposition.

5  
6     **49.15.910     Determination of applicability.**

7     (a) The assembly may determine by resolution that a proposed facility is an essential public  
8     facility and direct the manager to submit an application in accordance with CBJ 49.15.920.

9     (b) The assembly may determine that a proposed facility is an essential public facility if it  
10     finds the criteria in subsections (b)(1) and (b)(2) of this section are met.

11  
12         (1) The facility or site will be used to provide a service to benefit the health, safety,  
13         and welfare of the public and will be delivered by a government agency or private or  
14         nonprofit organization under contract to or with substantial funding from a government  
15         agency.

16         (2) The facility is a type difficult to site because of one or more of the following:

17             (a) The facility needs a type of site of which there are few sites;

18             (b) The facility can locate only near another public facility;

19             (c) The facility has or is generally perceived by the public to have significant  
20             adverse impacts that make it difficult to site; or

21             (d) There is need for the facility in a particular location.  
22  
23

24     **49.15.920     Application Process.**

25     (a) An application, on a form specified by the director, and a site plan for the proposed  
essential public facility shall be submitted to the director for consideration.

(b) After accepting the application and determining it is complete, the director shall schedule it for a hearing before the commission and shall give notice to the developer and the public in accordance with section 49.15.230.

(c) The department shall hold a neighborhood meeting at least 30 days prior to the public hearing before the planning commission. The purpose of the neighborhood meeting is to provide the public with a means of obtaining information about the application and an opportunity to comment on it in advance of the public hearing. Public notice of the meeting shall be published in a newspaper of general circulation a minimum of ten days prior to the date of the meeting.

(d) The director shall forward the application to the planning commission together with a report setting forth the director's recommendation for approval or denial, with or without conditions together with the reasons therefor. In determining whether to recommend approval or denial of an application, the director shall consider:

(1) Whether the proposed use will materially endanger public health or safety; and

(2) Whether the development as proposed is consistent with the goals and policies of the City and Borough's Comprehensive Plan.

(e) Copies of the application or the relevant portions thereof shall be transmitted to interested agencies as specified on a list maintained by the director for that purpose. Referral agencies shall be invited to respond within 15 days unless an extension is requested and granted in writing for good cause by the director.

**49.15.930 Decision criteria.**

(a) At the hearing on the essential public facility, the planning commission shall review the proposal to consider:

(1) Whether the development as proposed is consistent with the goals and policies of the City and Borough's Comprehensive Plan;

(2) Whether the proposed use will materially endanger public health or safety; and

(3) Whether the application is complete.

(b) The commission may approve an application for a proposed essential public facility, with or without conditions. Conditions may include one or more of the following:

(1) *Development schedule.* A reasonable time limit may be imposed on construction activity associated with the development, or any portion thereof, to minimize construction-related disruption to traffic and neighborhood, to ensure that development is not used or occupied prior to substantial completion of required public or quasi-public improvements, or to implement other requirements.

(2) *Use.* Use of the development may be restricted to that indicated in the application.

(3) *Owners' association.* The formation of an association or other agreement among developers, homeowners or merchants, or the creation of a special district may be required for the purpose of holding or maintaining common property.

(4) *Dedications.* Conveyance of title, easements, licenses, or other property interests to government entities, private or public utilities, owners' associations, or other common entities may be required.

(5) *Performance bonds.* The commission may require the posting of a bond or other surety or collateral approved as to form by the city attorney to guarantee the satisfactory completion of all improvements required by the commission. The instrument posted may provide for partial releases.

(6) *Commitment letter.* The commission may require a letter from a public utility or public agency legally committing it to serve the development if such service is required by the commission.

(7) *Covenants.* The commission may require the execution and recording of covenants, servitudes, or other instruments satisfactory in form to the city attorney as necessary to ensure permit compliance by future owners or occupants.

(8) *Revocation of permits.* The permit may be automatically revoked upon the occurrence of specified events. In such case, it shall be the sole responsibility of the owner to apply for a new permit. In other cases, any order revoking a permit shall state with particularity the grounds therefor and the requirements for reissuance. Compliance with such requirements shall be the sole criterion for reissuance.

(9) *Landslide and avalanche areas.* Development in landslide and avalanche areas, designated on the landslide and avalanche area maps dated September 9, 1987, consisting of sheets 1—8, as the same may be amended from time to time by assembly ordinance, shall minimize the risk to life and property.

(10) *Habitat.* Conditions may be imposed to minimize impact on wildlife.

(11) *Sound.* Conditions may be imposed to limit adverse impacts from noise on surrounding properties.

(12) *Traffic mitigation.* Conditions may be imposed on development to mitigate existing or potential traffic problems on arterial or collector streets.

(13) *Water access.* Conditions may be imposed to require dedication of public access easements to streams, lake shores and tidewater.

(14) *Screening.* The commission may require construction of fencing or plantings to screen the development or portions thereof from public view.

(15) *Lot size or development size.* Conditions may be imposed to limit lot size, the acreage to be developed or the total size of the development.

(16) *Drainage.* Conditions may be imposed to improve on and off-site drainage over and above the minimum requirements of this title.

(17) *Lighting.* Conditions may be imposed to control the type and extent of illumination.

(18) *Other conditions.* Such other conditions as may be reasonably necessary to enhance public health and safety.

(c) A development permit issued under this section shall be subject to the provisions of CBJ 49.15.

**Section 3. Effective Date.** This ordinance shall be effective 30 days after its adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Kendell D. Koelsch, Mayor

Attest:

\_\_\_\_\_  
Laurie J. Sica, Municipal Clerk