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

April 10, 2017, 6:00 AM.
Assembly Chambers - Municipal Building

Assembly Work Session - No public testimony

## I. ROLL CALL

Deputy Mayor Jerry Nankervis called the meeting to order at 6:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Mary Becker, Maria Gladziszewski, Norton Gregory, Loren Jones, Jesse Kiehl, Ken Koelsch, Jerry Nankervis, Beth Weldon and Debbie White.

Assemblymembers Absent: None.

Aquatics Board Members Present: Max Mertz, Chair; Ritchie Dorrier, Joe Parrish, Tom Rutecki.

Aquatics Board Members Absent: Becky Monagle, Pat Watt, Charlie Williams.

Staff present: Rorie Watt, City Manager; Amy Mead, Municipal Attorney, Mila Cosgrove, Deputy City Manager; Laurie Sica, Municipal Clerk; Bob Bartholomew, Finance Director; Rob Steedle, Community Development Director; Kirk Duncan, Parks and Recreation Director, Julie Jackson, Aquatics Manager; Greg Chaney, Lands and Resources Manager; Scott Ciambor, Chief Housing Officer; Ed Mercer, Deputy Police Chief.

## II. APPROVAL OF AGENDA

Mr. Watt requested and hearing no objection, the committee added a discussion about "lands into trust" as the trailing item on the agenda.

## III. APPROVAL OF MINUTES

### A. March 13, 2017 Committee of the Whole Minutes

Hearing no objection, the minutes were approved with minor corrections.

## IV. AGENDA TOPICS

### A. Aquatics Board Update

Max Mertz provided the Assembly with an update of pool operations. He said food service is happening at the Dimond Park Pool. They are getting a better handle on numbers for the budget. He spoke about bulk ticketing, an energy audit, the youth scholarship program through the Gaguine Foundation, and the marketing plan. He spoke about the idea of an "all-city pass" for multiple recreation programs, that would provide a discount for people who purchase pool / ski / ice arena passes. They are in the early stages of discussion with Eaglecrest on this. They have some maintenance issues that they would like the Assembly to consider funding with 1% sales tax funds. They have a 30-item punch list and they would like to do them all at once but they are addressing them as funding is available. By covering the pool every night, CBJ could recover $40,000 a year in energy savings. Other communities in the area are covering their pools and the board would be addressing this new idea. The board is reviewing data to understand the times of usage and will consider pool closures based upon slow periods with little impact to users. We are recruiting for swim instructors, there is a shortage. The board sunsets on June 30, 2018 and the Assembly will need to review the need to continue the board's work.

Tom Rutecki said that having gone through the budgeting exercise and reading McDowell reports, it is clear that pools, parks, and recreation are essential services. There is a very diverse user group for the pools, including kids, infirm people and the pools are used for more than just recreation.

The Assembly asked questions and discussed pool operations with the board, including the idea of the "all-city" pass, the pool cover, encouraging the new senior living facilities to use the pools, pool staffing, the auto-pay system, data collection and use of data.

Mr. Nankervis asked how the board structure is working. Mr. Mertz said for now this is working well, and since Mr. Duncan is a person who can handle many hats, with ten direct reports, it works. If he retires it will be an unknown if the replacement has the same capacity. It is unusual that Mr. Duncan has a supervisor, the City Manager, and also reports to the Aquatics Board. Mr. Duncan said that the situation works because the board is hard working and effective. Mr. Mertz's financial background and Mr. Rutecki's sports background help. His preference would be for the board to be either be fully empowered or sun-setted and they were having those discussions.

Mr. Nankervis thanked the board and staff for their time and effort in volunteerism.

B. **Housing Data Update**

Mr. Ciambor said that since the 2012 Housing Needs Assessment, data shows that 228 single family homes have been built to meet the 2012 goal of 517 homes. 324 units of fair market multi-family rental units were created and exceeded the 172-230 goal in 2012. 154 low-income units were permitted, which included three large complexes just coming on line now, towards the goal of 441 units. 98 accessory apartments were brought on line, which had not been part of the 2012 needs assessment. Mr. Kiehl noted that the numbers did not reflect the loss of the Gastineau Apartments, and Mr. Ciambor said the data was based on permit statistics from the Community Development Department. The needs are greatest for single family homes and low income units. Ms. Gladziszewski asked if another needs assessment would be done. Mr. Ciambor said there was a needs assessment in 2010, in 2012 and in the Housing Action Plan. This update was an attempt to keep the data up to date and he is working with the Community Development Department on how to go about keeping the information before the development community. Pederson Hill would provide 86 more lots for single family home development. He provided a review of comments heard at the recent home show. An issue to monitor is how to rehabilitate and utilize older and expensive existing housing stock. His goals include a Housing Action Plan website. The sale of property at 2nd and Franklin was recorded at the end of March. Three lots have been sold in the Renninger subdivision. The preliminary plat for Pederson Hill subdivision was approved by the Planning Commission. Housing First permanent supportive housing was on-line and Bob Bartholomew was meeting with interested parties regarding potential CBJ bonding capacity to assist in development of a senior assisted living and memory care facility. Mr. Ciambor spoke about the success of the accessory apartment incentive grant program. The mobile home loan down payment assistance program started in September 2016, two loans have been made and he will continue to monitor. He provided recommendations from the Affordable Housing Commission for an upcoming CIP request.

The Assembly asked questions and discussed issues such as data reporting, mobile home parks, the accessory apartment incentive grant program, and public interest in a private subdivision development loan program.

Mr. Nankervis thanked Mr. Ciambor for his report.

C. **Pederson Hill Project**

Mr. Gregory stated a conflict of interest in that his employer is interested in purchasing some lots. Mr. Nankervis noted the conflict and Mr. Gregory did not participate in this topic.

Mr. Chaney said Pederson Hill is a dynamic and large project. that has reached a decision point. The Planning Commission has approved the preliminary plat. The project was now at a decision point for the Assembly on how to implement the subdivision and how to pursue final plat approval by the Planning Commission. The choice before the Assembly was either a single final plat approach or two final plats approach.

**Single Final Plat Approach**

If the entire 86 lot subdivision is recorded as one plat, to guarantee the improvements, available funding would have to total $8.8 million prior to recording the plat. That could be accomplished as follows:

1. Use $4.6 million currently available from the Pederson Hill CIP;
2. In addition, transfer in $2 million from existing projects;
3. Also loan the project $2.2 million to put funds on the books to record the plat.
4. Sell approximately 20 lots to complete needed funding, de-appropriate the loan.
5. Complete the improvements (in several construction contracts),
6. Sell the remaining lots with timing to be determined by Assembly.

**Two Final Plats Approach**

Break the existing preliminary plat into two stages.

1. Go back to the Planning Commission to record final plat for the first stage, build the first stage using $4.6 million from the Pederson Hill CIP. Note: there is an additional $2 million from Lands CIPs that could be transferred in if necessary.
2. Sell lots to capitalize the project and then return to the Planning Commission to record the second final plat and build the second stage.
3. Sell remaining lots, timing determined by Assembly.

Mr. Bartholomew said he would need to find a pool of funding in the amount of $2 - 3 million to be available for a several year window as a pledge to the project without actually putting cash into the project. There are other sources, including CIP funding, but the cleanest is a treasury loan.

Mr. Chaney outlined, and the Assembly discussed, the pros and cons of the choices. Mr. Watt shared his project development experience. The Assembly discussed the project, including topics such as cost of mobilization and development of the subdivision, the options for sale of the lots, selling lots as a block and as single lots (the patchwork approach), the rate of sales of the lots, the timing of this development in light of the current economy, and the terms of any treasury loan.

Mr. Chaney said CBJ currently has a contract with DOWL to do the design work and a decision on which method of development is needed to instruct the design work.

*MOTION, by Weldon, to direct staff to move forward in the "two final plants" approach.*

Ms. White objected and said this would open the project back up for Planning Commission review and the first vetting of the project had not been an easy haul.

Ms. Gladziszewski said she leaned towards doing the full project with the central treasury loan and felt it could offer more flexibility for development purposes knowing that more than 86 units of housing are needed in the community.

Mr. Kiehl said that 30 lots sold at approximately $75,000 would cover the loan amount for financing the project.

Roll call:

Aye: Weldon

Nay: Becker, Gladziszewski, Jones, Kiehl, Nankervis, White, Koelsch
Motion failed, 1 aye, 7 nays.

*MOTION, by White, to direct staff to move forward in the "single final plat" approach.*

Ms. Weldon objected. She was concerned that this approach would be more difficult for local contractors, and could take away some flexibility.

Mayor Koelsch spoke in favor of the motion and said he thought this would give local contractors more opportunity and if the project was broken into segments it could help. By putting this many lots out we could do something about driving down the costs and open up more housing.

Ms. White asked if developed in this manner, could the infrastructure work be split in a way to keep it available for local contractors. Mr. Watt said that would be the intention, and staff would try to optimize bid packages to get maximum competition, which would make local contractors happy.

Ms. Weldon removed her objection.

Mr. Nankervis said he is intrigued by the patchwork approach for disposal.

Hearing no objection, the motion passed.

D. **Fireworks Report**

Deputy Chief Mercer said from Nov 2016 - March 2017, they responded to 22 calls to fireworks, most around Christmas and New Years, and issued 3 citations. Officers in the field had discretion on which laws to apply to any given situation, and had issued citations for the CBJ disturbing the peace ordinance and for the state disorderly conduct statute. He said that the 4th of July would be a test and JPD would follow up with citations if warranted.

Ms. Weldon asked if there had been a decrease in aerial booms. Deputy Chief Mercer said there was a mix of types, including fireworks, m-80's, seal bombs, but he did not have a specific response.

Ms. White asked about a citizen report of an unexploded firework found after the snow melted and showed him the object. Deputy Chief Mercer was not familiar with it and he took it to ask another officer to assist with identification. He said JPD's top priority was public safety, and JPD can enforce reckless endangerment or criminal mischief with proof.

Ms. Becker asked if there was an area in town that received most complaints. Deputy Chief Mercer said fireworks activity is reported from a broad area ranging from Thane Road to Mendenhaven in the valley.

Mr. Gregory reported a recent incident of a driver throwing explosives from his car and Deputy Chief Mercer said that was similar to an incident that JPD followed up on around Christmas time.

*MOTION, by Becker, to make no changes to the city code that would create a separate fireworks ordinance.*

Mr. Kiehl said he preferred to make that determination after the 4th of July.

Mr. Jones objected. He supported a fireworks ban.

Ms. Gladziszewski objected and wanted to get more information.

Roll call:
Aye: Becker, Gregory, Nankervis, White, Koelsch

Nay: Gladziszewski, Jones, Kiehl, Weldon
Motion passed, 5 ayes, 4 nays.

E. **Economic Development Plan Update**

Ms. Cosgrove explained her work in a spreadsheet to update recent actions taken to address the economic plan's goals. The construction on the North Douglas road extension has begun. There is discussion to reach an agreement between CBJ and UAS on the Auke Bay Marine station. There are many projects moving downtown development forward. There is good work happening on the senior housing front. The Assembly did good work on the UAS School of Education, and in addressing fundraising for that program. JEDC has worked on a wide variety of projects. Some items in the Housing Action Plan are being addressed and the Chamber of Commerce performed a study of shipping costs in and out of Juneau.

Mr. Nankervis thanked Ms. Cosgrove for the condensed summary of the written update.

**F. Lands into Trust** (added to agenda)

Ms. Mead said that Central Council of the Tlingit and Haida Indian Tribes of Alaska (Central Council) would like to place some of its tribally-owned land into trust through the federal government Bureau of Indian Affairs (BIA). This action changes the land status and removes the property from taxation and zoning laws, among other things. There would be some jurisdiction issues for law enforcement and there may need to be agreements about services. T&H was going to present us with a list of properties. We have not received copies of applications, but just some information. One lot is moving forward through the BIA process - there is a 30 day notice period, and we have not received notice yet. The comment period is short, there may be a possibility to ask for additional time,as we have no proposal for intergovernmental agreements. The plan is to get more information on the actual application and the impacts, so that the Assembly can provide direction on a position from CBJ at the next meeting. Ms. Mead said it is important to understand the scope of the applications intended so that we can start working on interagency agreements. She will do her best to get information to the Assembly.

There was no objection to requesting an extension to the application, if it was available, in order to gather more information.

## V. EXECUTIVE SESSION

A. **CLIA Litigation Update**

*MOTION, by Kiehl, to enter into executive session to discuss the Cruise Line Industry Association of Alaska lawsuit*. Hearing no objection, the Assembly entered into executive session at 9:05 p.m. and returned to regular session at 10:20 p.m.

Upon returning to regular session, it was noted that the Assembly heard information from, and provided direction to staff regarding the CLIAA lawsuit.

## VI. ADJOURNMENT

There being no further business to come before the committee, the meeting was adjourned at 10:21 p.m.

Submitted by Laurie Sica, Municipal Clerk