

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

October 26, 2015, 6:00 PM.
City Hall Assembly Chambers

Assembly Worksession - No Public Testimony

I. ROLL CALL

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

Assemblymembers Present: Mary Becker, Karen Crane, Greg Fisk, Maria Gladziszewski, Loren Jones, Jesse Kiehl, Jerry Nankervis, Kate Troll and Debbie White.

Assemblymembers Absent: None.

Staff present: Kim Kiefer, City Manager; Amy Mead, City Attorney, Rob Steedle, Deputy City Manager; Laurie Sica, Municipal Clerk; Rorie Watt, Engineering/Public Works Director; Patricia DeLaBruere, Airport Manager; Ken Nichols, Airport Engineer; Beth McKibben, Planning Manager; Robert Barr, Library Director.

II. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved as presented.

III. APPROVAL OF MINUTES

There were no minutes for approval.

IV. AGENDA TOPICS

A. Housing Action Plan

Charles Buki of CZB, a firm of planners from Virginia, worked with the Affordable Housing Commission and provided a slide presentation on the draft Housing Action Plan for Juneau. Juneau is an incredible small city but has a flat population growth and the demographic curve was working against it creating a clogged housing market. He said the issue was governance. There are many roads to go down, many opportunities, and how you proceed will be determined by whether you embrace business as usual or go against that. Housing is economic development and there is no daylight between the two. Now is a good time to do things non-incrementally differently. He said the Juneau market was stuck and had been stuck for a long time. You have a well informed community about housing, and getting unstuck is easy - it is not a technical problem, so that makes it more difficult. He described a stuck market. Preserve existing stock and redevelop existing low density. The half acre single family and the big box store are a problem for Juneau.

The challenges are to adopt the housing plan, put it in the comprehensive plan, and follow it. He recommended growing the Housing Trust Fund to a meaningful level, creating and funding a full time Housing Director position, combining preservation, re- and new development efforts in a strategic manner, leveraging CBJ owned lands in housing integrated ways, and updating the zoning regulations to explicitly shape the housing market.

He said a target should be to build 100 new housing units per year and this would require a minimum of 2.5 - 4 acres of land per year. If building to the present density it would take about 2000 acres. He said this meant trade offs and disappointing constituents.

Ms. Becker said this plan would go to the Planning Commission and then return to the Assembly.

Ms. White asked why Mr. Buki called a building near Costco a missed opportunity and he said the zoning in the area was wrong and there should be housing there.

Ms. Troll said the Affordable Housing Commission (AHC) had submitted comments which she did not see incorporated into the plan. Mr. Buki said he would take a second look. She said overall she appreciated the direction of the plan but her problem was that it did not address the actions taken to try to resolve the housing problem to date. There has been up-zoning, a revision of the subdivision ordinance and she wanted the plan to reflect this context. Specific examples would be very useful, such as ways to incentivize local sales and rentals. We have not done anything on how to make things affordable.

Mayor Fisk said he would like to see examples of specific tools that are the norm in other communities, such as using the CBJ bonding authority, explored further in the report.

Ms. Gladziszewski said lack of housing was an issue about the lack of land, and talked about the conflicts of needing industrially zoned property in addition to residentially zoned property.

Mr. Kiehl asked what are the housing action items that a neighborhood plan could embrace. Mr. Buki said the borough would need to be divided into smaller jurisdictions and have small area planning efforts over the course of a dozen years to see how the community could grow, and capture these in the comprehensive plan and make modifications to zoning. Juneau has a tight market but not a hot market. It is one of the very few weak markets with high housing costs. Traditional zoning tools don't work here. You can upzone all day long, but the developer won't go in until the math makes sense. This is how the Juneau Housing Trust came about. He said he would accept questions - he was under warranty to help figure this out.

Ms. Gladziszewski said the presentation was more helpful than the report, and she spoke about the problems of "not in my backyard attitudes" and lack of land. She would like specific detailed actions to take. Mr. Buki said CBJ needed to provide subsidies to encourage investment which would return future dividends.

Ms. Becker thanked Mr. Buki for his presentation.

B. Airport Master Plan Update

Patricia DeLaBruere, Airport Manager, introduced the consultants who were instrumental in developing the Sustainability Master Plan for the airport.

John Yardish, a planner with Acom, of Seattle, Washington said a sustainability master plan combined a traditional master plan regarding movement of people, safety and security, and added issues such as energy use. They have identified opportunities for growth to satisfy demand levels for the next 20 years. He spoke about the public meetings held to date and said there would be another open public meeting the next evening at the airport. They project steady to moderate growth at the Juneau airport, even though the population of Southeast Alaska was projected to decline. The airport is a vital community facility and so good stewardship is needed. They were looking at ways to redirect traffic on the taxiways as there are three taxiways that allow airplanes to go from a parked position directly to the runway. The departure lounge is crowded in the peak hours and the part 135 carrier location is outdated, the curbside is congested and parking lots are full, and the apron has much going on. Adding 3% growth to a location that is already full is the problem. General aviation hanger space and fueling is needed, additional docking for float planes, and improvements to firefighting, relocation of the tower, Customs and INS integration into the

terminal building, and they were evaluating all of the alternatives for changes to enhance safety, comply with FAA, and create efficiencies in a sustainable and fiscally responsible manner.

Sarah Bornstein is a subcontractor with Sheinberg Associates and spoke about sustainability and the solid waste plan. Juneau is one of the first airports in Alaska to have a sustainability master plan and others are getting interested in this. Recycling and waste reduction are the only measures that are required by the FAA. Comprehensive sustainability includes economic, environmental, social and operational issues. This is a 20 year plan and elements in the plan are voluntary. 2014 was the baseline year for statistics, such as fuel consumption, and emissions, cost control measures and there has been a savings of \$136,000 annually due to fuel conservation. The baseline report is available on the airport's website. There are 41 initiatives that have been developed, narrowed down from 120 initially. For example, the recycling and waste management plan is the only required part of the plan - how the airport disposes of solid waste. Currently there were three separate waste systems at the airport - waste from the public, from employees and from Alaska Airlines specifically, and they were creating one system to unify and reduce costs. We would like to be able to accept recycled waste from tenants, who are not in the plan now.

Ms. Crane asked about the public participation at the meetings. Ms. Bornstein said it was not as robust as they would like, and they had worked to improve outreach. Mr. Yardish said the planners were taking the message to Juneau's organizations including the Chamber of Commerce and Rotary.

Ms. Crane asked if the airport was in contact with the Juneau Commission on Sustainability. Ms. Bornstein said she had been working closely with the Commission, which had provided comments, and there was a direct conduit through the membership of both organizations.

Ms. Becker thanked the speakers for their presentation.

C. Ordinance 2015-39 An Ordinance Amending the Land Use Code Relating to Marijuana Establishments.

Public Comment:

James Barrett said he had submitted written comments and he spoke about how to have production in D-1 areas. Much of the production is small scale, and a zoning ordinance may not be the best way to address the issues and help people get into a cannabis business. He attached an article about cannabis in Colorado. The more we restrict the market, we restrict the community from growth. He encouraged the city to encourage the market as a part of growing the economy. He encouraged the Assembly to look at Colorado as a model.

Ms. Gladyszewski asked Mr. Barrett to define how a marijuana cultivation would look. Mr. Barrett said he would like production added to D-1, not "full-on" cultivation. A small operation could be tried and if it worked it could be expanded in other areas. Cultivation requires lights and lamps, this can be done in a greenhouse - it is a plant and if it can grow with sun and water, and that should be enough.

Marjorie Menzi said she was opposed to the ordinance as it related to D-1 outside the urban service area. The staff did extensive research in Co and WA and reported to the marijuana committee and the Planning Commission that marijuana cultivation and processing should be kept out of residential areas, and this was disregarded by the Marijuana Committee and Planning Commission. All residential areas should be treated the same whether high or low density, urban service area or not - the issue of equity was important to her to have equal protection for all districts. She asked about impacts of cultivation on wells and septic systems. There may be a need for complex water delivery systems for indoor facilities and there can be a powerful smell that can be disturbing to local residents. Even though Thane has a lower density, it has long narrow lots, with houses in close proximity to each other, so if there is a lot of lighting for a grow facility that could impinge on neighboring property. We are talking about a cash crop and the police do not

wander out Thane Road too often, so if industrial development of pot is allowed, that could be problematic. It would be easier to allow facilities later rather than grandfathering establishments in. Lets be more restrictive at first and liberalize later. She asked for an answer to how much land is needed for commercialization of pot before zoning decisions are made. Her investigation on size resulted in about an acre of cultivated pot to supply the needs of Juneau, and asked if all of these zoning districts needed to be made available.

Ms. Crane agreed with comments from Ms. Menzi. She said the ordinance was rushing into something by allowing D-1 and Rural Reserve without any restrictions. It was better to have some restrictions initially and broaden it later. It made no sense to put marijuana cultivation in residential areas. The Title 49 subcommittee recommended removing it from light commercial, so if it is inconsistent with light commercial, it isn't consistent with residential. Allowing it with conditional use permits rarely prohibits or denies a use. The Planning Commission voted 4 - 3 to remove D-1 for cultivation. She would like to send this back to CDD to get a better definition of neighborhood, and could see doing this in rural reserve as long as there was protection for neighborhoods outside of the urban service district.

MOTION, by Crane, to remove this ordinance from the Assembly public hearing at the next meeting and refer the matter to the Planning Commission for development of a plan that looks at the issue of residential areas and marijuana growth, production and sale.

Mr. Kiehl, Ms. Gladziszewski and Ms. White objected. Ms. Gladziszewski asked for maps to be distributed to the committee - land is limited for every use, and when you further restrict where these operations can operate, along with the statewide buffers, there would only be very small parcels of where this industry could happen.

Mr. Kiehl said he agreed with Ms. Gladziszewski that this would be the most land limited potential business in the community, the maps the marijuana policy committee looked at were made before the state proposed imposing 500 foot buffers around schools, day cares and youth facilities and when we think about all of these zones, there is great limitation. There has been a lot of work by the the Marijuana Committee, the Planning Commission, and the Title 49 committee. We have looked at water utilities and discharge standards and marijuana cultivation facilities that will use the same types of fertilizers and pesticides that greenhouses use for food products and those are allowed already. Marijuana processing facilities were removed from the light commercial zone, but cultivation and retail were still proposed to be allowed. The rural reserve zone allows a great deal of heavy uses that can potentially impact neighborhoods, including heavy manufacturing, with vibration and smells, and the CUP process is provided to reduce impacts. He listed some of the uses and marijuana cultivation would be fairly lower impact than some of the uses already allowed. He said marijuana cultivation would be the only activity allowed in the D-1 and RR zone outside of the urban service boundary, so if the concern was very large warehouses, an amendment could be proposed to limit the production to no more than 400 square feet or some other size, or the lot sizes could be considered as a restriction, along with the conditional use permits.

Ms. White said she did not support the motion. The CUP has conditions to require distance from property lines, no light on an neighbor's property, and there are illegal operations now in Juneau and the purpose is to bring this out of the dark and perhaps make some tax money. She compared it to growing tomatoes in a D-1 zone.

Mr. Jones said the motion was to refer this back to the Planning Commission. All of the discussion has been on removing the operation from D-1, and that was not offered here as an amendment.

Ms. Gladziszewski objected to the motion as the Planning Commission has seen it, it has been before them twice, and she did not support asking them to do it over, and this is the Assembly's decision to make. She did not object to the Assembly taking more time, and said the Assembly needs to take a closer look at the maps.

Ms. Crane said she had seen the maps and they did not help.

Mr. Kiehl spoke to the motion and said the Assembly has the policy tools to address the concern itself and the wireless cell tower ordinance speaks to established neighborhoods and using neighborhood associations. He said lack of support for the recommendation was not a reason to send it back to the Planning Commission.

Roll call:

Aye: Crane, Fisk

Nay: Becker, Jones, Gladziszewski, Kiehl, Nankervis, Troll, White

Motion failed, 2 ayes, 7 nays.

Ms. Crane said this was an issue of equality between neighborhoods inside and outside of the urban service area and would continue to be an issue.

Ms. Kiefer said this ordinance had been introduced and would appear on the next Assembly meeting agenda.

Ms. Becker asked if the area in RR and D-1 was actually needed - if the land available in Industrial and Light Commercial zoning was sufficient.

Ms. Gladziszewski said she was not clear if the maps were accurate regarding the 500 foot buffer or whatever was in the current state regulations - and asked for clarity with the maps.

Ms. Troll said that since this was a worksession and the first chance to get into this. She said she had concerns regarding allowing cultivation in the D-1 areas, but she was willing to look at the maps. We have a staff recommendation that points out an inconsistency of allowing marijuana retail stores in rural reserve, and a question about not allowing them in waterfront industrial - she said water dependent/water related uses were not clear and she would like to address this issue.

Ms. Gladziszewski said that she had two memos, one from the Marijuana Committee to the Planning Commission and one back from the Planning Commission and the Assembly would benefit from a clear description of the differences.

D. Oceans Interpretive Center

Ms. Kiefer said Mr. Bob Janes was present to provide information. Mr. Janes introduced Linda Nicklin and Paul Voelkers, who had been working on a design for a "Juneau Ocean Center" (JOC). He presented a slide show, which showed a plan for placement of fill in the Gold Creek Harbor area adjacent to the Subport and Coast Guard facility. The old dock would be removed, but plans provide a location for its replacement in case of a need. Mr. Voelkers displayed slides showing the center and its amenities. He said the Alaska Mental Health Trust (AMHT) would gain property if this project was to move forward, which would ease the ability for the AMHT to give property to the seawalk project.

Mr. Janes showed a water taxi powered by electricity to transport people from the cruise ship docks to the JOC, to reduce the bus traffic and parking that would be needed. They showed the seawalk location on the project site, and they have started a conversation with AMHT about their participation in the project. Mr. Voelkers said the structure was subordinate to the site. The structure would be "green-scaped" on the roof, and this project reclaimed public space on the waterfront. Whether or not the whale statue was located on the property, there would be great views from the site.

Linda Nicklin spoke about the education program and said the facility would use a seawater heat and recovery system, the goal was to be sustainable, and the facility was intended to be a world class facility for science and the public to connect and become involved in sustaining healthy seas. The focus on the exhibits was science. Juneau's growing renown as a prime whale watching area would focus the exhibits on whales. Some of the exhibits would be movable to be able to create a large hall / gathering place. They intend to have workshops, classes, and seminars.

Mr. Janes said this was not just a summer tourism location but it would be a year round facility with speakers, film makers, photographers, and researchers. Citizen scientists assist with research. With Gastineau Guiding the guests now gather for scientific projects. The center would connect groups such as local non-profits, i.e. Juneau Flukes, the USFS Mendenhall Glacier Center, UAS, NOAA, and the Juneau School District. "Communicating Ocean Sciences" is an award winning college level course to help future scientists communicate about their subjects and UAS would work with the ocean center to bring forward this curriculum. They intend to have food and drink concessions, and have a community space.

Ms. Nicklin played a short film with images of whales that would be the type to be projected at the center.

Mr. Janes said the pathway to success was to continue project awareness and the thanked the Assembly for the time to present the project to the public. He was working with stakeholders including AVISTA, the Fishermen's Memorial, AMHT, the electric boat operator running a water taxi, the Assembly, the CBJ Docks and Harbors Board and the whale sculpture committee. He would like to integrate the center into the current waterfront plan, and the plan for the seawalk, and to work with Corps of Engineers for fill. He said they have met with the Corps and that has been very hopeful, he would like to work with CBJ engineering to incorporate the seawalk into this plan.

Mr. Janes suggested that the Assembly appropriate passenger fee funds for construction of the seawalk from the AMHT property to Gold Creek, and direct CBJ Engineering to move on that project. He thought this would take one to two years. He was working on forming a non-profit entity for the JOC, they would be finalizing the building plan and seeking permits.

Mr. Voelkers said that Tripplette and Trucano construction put together an estimate on the fill portion at \$3.3 million. The building was estimated at \$6.5 million and the total project estimate was approximately \$13 million. Mr. Janes said estimated revenue \$2 million per year from visitation, admissions and concessions. The humpback whale is coming off endangered species list in March and this is a key to initiate the national fundraising campaign. The seawalk and building all have to come together at one time and they anticipate taking two years to raise funds. The idea is to connect the whale sculpture with the JOC. He said there were several concerns about the efficacy of Bridge Park for a location to the whale sculpture. There was a synergy to have close proximity to the SLAM, the Willoughby Arts Center, Centennial Hall and other destinations. He asked the Assembly to consider a temporary location for the whale until things come together. Housing could be a big opportunity for bridge park. It is possible to put this whale sculpture in a temporary location without the pool until we as a community have sorted through the issues including downtown housing. Ms. Nicklin said regardless where the whale is located, we want to move forwards with the JOC as it would enhance the community and met many community goals outlined in the Juneau Economic Development Plan. She thought this was an inspiring vision of what was possible on the Juneau waterfront.

Ms. Troll asked Ms. Nickel how Juneau was unique in the world in terms of whale behavior. Ms. Nickel said that there was a reliable population of humpback whales close to a boat harbor and there was a guarantee to tour guests that they will see whales and they have not had to give money back to guests. Ms. Troll said that people here see more whale behaviors than they can see anywhere else in the world.

Ms. Gladziszewski asked Mr. Janes why he was optimistic in raising funds for such a center here. He said sustainability and climate change were large topics and this facility would bring those topics to the hearts and minds of many people and there are many organizations and corporations that are poised to contribute to such a center for marketing, nationally.

Ms. Becker said she loved his ideas, and she didn't see why his project could not go on the bridge park land. Mr. Janes said he has walked the site many times and he said location/location/location - it is not the type of property needed for the center. It doesn't have all the right stuff and he thought it would be a failure with the whale placed there as well.

Mr. Kiehl asked about jobs. Mr. Janes anticipated about 20 jobs in the summer and a staff of 5-8 in the winter, so it does have economic implications - but not just jobs, people would be coming to Juneau for longer periods of time for the education and research opportunities offered. Juneau was in the middle of melting glaciers and warming seas. We can make ourselves a destination for world wide science. Mr. Kiehl was very excited about the project and said it was a great opportunity for downtown development and growth.

E. Community Development Block Grant Recommendation

Mr. Steedle referred to a memo in the packet from the Community Development Department regarding the Community Development Block Grant program and the process for selecting a community project to nominate. The award for the Aware Transitional Living Facility kept Juneau from being eligible recently. There were two applications, one from SEARHC for a pediatric dental unit and one from Housing First regarding supportive housing for vulnerable residents. The staff recommends the Housing First project be moved forward and if directed by the Assembly, would present a resolution of support at the November 9 Assembly meeting. Upon approval the application would be submitted to the DCCED by the December 4 deadline.

MOTION, by Nankervis, to draft a resolution supporting the Housing First project request for a CDBG grant. Hearing no objection, it was so ordered.

F. Seawalk Bid

Ms. Kiefer said the seawalk bid had been canceled.

Mr. Watt said the bids came in well over estimate, there was a high variance in unit pricing, and there was not a shared understanding of the requirements, the risk, or a reasonable period of time to build the project and we determined the bid was not salvageable. The apartment demolition was a good example of a bid process. We did not get the feedback loop on this project as we did with the apartment demolition. We saw problems in coordination with the trades and we think the schedule was too ambitious. We would like to break the project up in to phases, this work can happen over the winter into the spring - and we can include the base for the sculpture and the piping so there will be a home for the sculpture when it arrives in the spring. The main message is that we were asking for an unusual package to bid on and the contractors saw risk and that turned into higher dollar amounts. Provided we clarify our intent, I believe we can drive towards the earthworks package and be able to go out to bid in a few weeks.

Ms. Troll asked about the proposal from the Juneau Ocean Center and if it was necessary to stop and revisit the entire matter. Mr. Watt said that both projects conform to the waterfront plan. There is a desire for the sculpture to be near the ocean center and he understood that. They have a great vision, but that is a more than a several year process. In our permitting for the park and seawalk, the purpose and need is inter-wined with the sculpture. We need to meet our original purpose. I would include the foundation and piping for the whale in the earthworks project. The sculpture is coming and it needs to go somewhere, and that is what I will try to accomplish for you, and if you do not pursue that you will need to find some location for the whale. Ms. Troll asked if it was possible to do the project without the pool. Mr Watt said that he would propose to not do the pool in the first phase.

Mayor Fisk asked about separating the park from the seawalk. Mr. Watt said the park and the seawalk have fill, and he would like to do the bulk of the earthwork done at about \$3 million and if you deconstruct the bigger bid package, you can get some work out, then come back and build the more conventional foundation for the sculpture.

Mr. Nankervis asked if the delay would increase the cost of the project. Mr. Watt said they were reviewing whether there was a flawed estimate, but did not think the our cost estimate was off - the issue was our time schedule and the contractors perception of risk, and the coordination of the

project. This project is unusual and not a typical build. He was hearing that the numbers will come down.

V. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Mr. Jones said the Full Assembly would meet as the Human Resources Committee on November 9 to consider applications for the Docks and Harbors and Airport Board in Conference Room 224. docks harbors airport board and regular HRC in 224.

VI. ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 8:40 p.m.

Submitted by Laurie Sica, MMC, Municipal Clerk