ASSEMBLY STANDING COMMITTEE
PUBLIC WORKS AND FACILITIES COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA

June 10, 2019 12:00 PM
Assembly Chambers - Municipal Building
Regular Meeting

I. CALL TO ORDER

II. APPROVAL OF MINUTES

A. May 20, 2019 - Regular Meeting

III. PUBLIC PARTICIPATION on NON-AGENDA ITEMS

IV. ITEMS FOR ACTION

A. Juneau School District Deferred Maintenance Fund Transfer

B. Utility Connections in Public Right of Ways - Code Revisions

V. INFORMATION ITEMS

A. DOT&PF Update Egan Drive - 10th to Main St.

B. JRES Implementation

C. Centennial Hall Update

D. New JACC Update - Special Meeting June 25, 2019

VI. CONTRACTS DIVISION ACTIVITY REPORT

A. May 16, 2019 to June 6, 2019

VII. ADJOURNMENT

A. Next Meeting - July 1, 2019 - Assembly Chambers

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

PUBLIC WORKS AND FACILITIES COMMITTEE
REGULAR MEETING MINUTES
May 20, 2018 – 12:00 PM

I. CALL TO ORDER

The meeting was called to order at 12:04 PM.

Members present: Ms. Hale - Chair, Ms. Triem, Mr. Edwardson, Mr. Bryson, Mr. Campbell – Planning Commission Liaison

Staff Present: Mike Vigue, Greg Smith, Michele Elfers, John Bohan, Nathan Coffee, Janet Sanbei, Michele Elfers, Tim Felstead, Mila Cosgrove, Allison Eddins

II. APPROVAL OF MINUTES

A. April 8, 2019 – Regular Meeting

Ms. Hale had a small change she discussed with Ms. Sanbei prior to the meeting.

Minutes approved with changes.

III. PUBLIC PARTICIPATION on NON-AGENDA ITEMS

None.

IV. ITEMS FOR ACTION

A. Insurance Reimbursement Appropriations – Project Playground, Maier Drive Force Main Failure and Replacement, H Street Stairway

Mr. Bohan gave a brief explanation on the settlements awaiting reimbursement from insurance companies for completed construction work.

Discussion ensued.

Mr. Bryson moved the Public Works and Facilities Committee forward the insurance reimbursement appropriations to the full Assembly and asked for unanimous consent.

No objections – motion passed.

B. BRH Crisis Stabilization Appropriation

Mr. Vigue gave a brief explanation for the purpose of the grant appropriation. He stated in the CIP appropriation which will go before the Assembly on June 3, 2019, there is a CIP for this work which is asking for a $3.5M appropriation. He explained this appropriation is for a grant, which BRH applied for and received for the planning and design of the facility. BRH is asking the PWFC to forward to the Assembly for appropriation to the new CIP $500,000 in grant funds.

Discussion ensued.

Ms. Triem moved the PWFC forward to the Assembly for full approval the appropriation of $500,000 of Grant funding to a new CIP fund designated for the Crises Stabilization Project, and asked for unanimous consent.

No objection – motion passed.

C. Rotary Donation to Switzer Marriott Trail Appropriation

Ms. Elfers explained the CBJ Rotary Clubs have been partnering with CBJ Parks & Recreation to improvement the Richard Marriot Education trail. They are almost finished with the work on this trail, but they would like to donate some funding for trail signage.

Discussion ensued.

Mr. Edwardson moved the PWFC forward a recommendation to the full Assembly to appropriate $6,345.31 donation from the Juneau Glacier Valley Rotary Club for the installation of trail signage and asked for unanimous consent.

No objection – motion passed.

V. INFORMATION ITEMS

A. Centennial Hall Assessment Update

Mr. Coffee gave a brief update on the most recent activities for information data gathering of the needs of Centennial Hall. There was a public meeting near the beginning of May was held to hear public opinion on the issues Centennial Hall is facing. The group was divided up into small groups in order to brainstorm and get a better idea on what the public felt were items that needed to be addressed at Centennial Hall. The meeting affirmed staff and user-group opinions as to the strengths and weaknesses of the facility. There is an online location for individuals to go and submit their opinions on the issues at Centennial Hall. There are questions with numerical rankings for items from most important to least important. There are also some questions which require a written opinion of the individual filling out the form. From this information a draft concept plan will come forward, indicating what seems to be the most important needs of the facility. There will be another meeting on May 30, 2019, with the consultant for continuing the needs assessment of this facility.

Discussion ensued.

B. Park & Playground CIP

Ms. Elfers gave a brief explanation as to the projects being currently worked on, and the priorities of these projects. She added that the Kaxdigoowu Trail has received $7 M grant funding which will enable the City to reconstruct the trail from Brotherhood Bridge to the forest. The original trail was eroded by the river, requiring a relocation of this portion of the trail.

Discussion ensued.

VI. CONTRACTS DIVISION ACTIVITY REPORT

A. April 4, 2019 – April 24, 2019
B. April 25, 2019 – May 15, 2019

Mr. Bryson asked if bids are coming in above or below the estimates.

Mr. Vigue simply replied yes.

VII. ADJOURNMENT

A. Next Meeting – June 10, 2019 – Assembly Chambers

Meeting adjourned at 12:33 PM.

CITY AND BOROUGH OF
JUNEAU
ALASKA'S CAPITAL CITY

TO: Michelle Hale
Chair, Public Works and Facilities Committee

FROM: Mike Vigue, JB for MIKE
Director, Engineering & Public Works

DATE: June 5, 2019

RE: JSD Deferred Maintenance Fund Transfer

On September 21, 2015, Ordinance Serial No. 2015-20(M) was adopted and provided $300,000 to JSD to develop a long range facility plan in conjunction with the CBJ Assembly. From March 2016 to December 2017 a series of meetings with three members each from the JSD School Board and CBJ Assembly discussed the long range facility plan information furnished by the consultant, JYL Architects. The long range facility plan work was deemed complete at the December 2017 meeting and this transfer request will move the remaining fund balance from the JSD Comprehensive Facility Plan fund to the JSD Deferred Maintenance fund for use in executing maintenance projects. The JSD School Board approved the transfer request during their April 9, 2019, meeting.

Transfer From		**CIP Account Balance**			
CIP	Name	Before	Transfer Amount	After Transfer	Notes
S02-103	JSD Comp Facility Plan	$135,000	$135,000	$0	Close S02-103
Transfer To		**CIP Account Balance**			
CIP	Name	Before	Transfer Amount	After Transfer	Notes
S02-102	JSD Def. Maintenance	$201,700	$135,000	$336,700	

Staff requests the following actions:

1. PWFC support the use of remaining fund balance of S02-103 JSD Comprehensive Facility Plan for JSD Deferred Maintenance projects.
2. PWFC recommend to the Assembly the transfer of $135,000 from S02-103 to S02-102 to fund JSD school deferred maintenance capital improvement projects.

JUNEAU SCHOOL DISTRICT

ADMINISTRATIVE SERVICES
10014 Crazy Horse Drive
Juneau, AK 99801-8529
(907) 523-1771

MEMORANDUM

DATE: April 10, 2019

TO: Michelle Hale, Chair, CBJ Public Works and Facilities Committee

FROM: Sarah Jahn, JSD Administrative Services Director SJ

RE: JSD Deferred Maintenance Fund Transfer

The Juneau School District (District) requests a transfer of residual funds from the JSD Comprehensive Facility Plan fund (CIP S02-103) to the JSD Deferred Maintenance fund (CIP S02-102). The CBJ-JSD Joint Facilities Committee completed their work on the Comprehensive Facility Plan in December 2017 and no additional expenditures are expected. The District will use the funds to complete additional CIP projects. The School Board approved this request on April 9, 2019 as recommended by the District Facilities Committee.

DATE:	June 6, 2019
TO:	Michelle Hale, Chair Public Works and Facilities Committee
FROM:	Robert Palmer, Municipal Attorney; Rorie Watt, City Manager
SUBJECT:	Ordinance 2019-24: Utility Connections in Public Right of Ways

The Southeast Region of the Alaska Department of Transportation and Public Facilities (DOT) has recently made public utility connections for development adjacent to State right of ways nearly impossible again. DOT has unnecessarily increased development costs, delayed development, and caused some development to grind to a halt. DOT refuses to let private developers and other State agencies connect to CBJ water and sewer lines in a State right of way without the CBJ signing as the developer and promising to indemnify DOT if the private developer or State agency damages the State right of way. DOT asserts that position despite the CBJ not being involved in any of the development. DOT supposedly has taken that position because of old sections of CBJ code that have been superseded by recent amendment to Title 49. Ordinance 2019-24 would amend the old sections of CBJ code to clarify that in State right of ways, the private developer is responsible for obtaining the necessary permits and installing the utility service lines at no cost to the CBJ.

For background, this dispute with DOT first originated in the spring of 2018 with two utility permits (Permit # 3-296150-18-82, increased water service along North Douglas Highway; Permit # 3-296000-18-78, new sewer service for the Jetty Subdivision). After attempting to negotiate with DOT and providing memos to the prior Governor's staff, CBJ was able to resolve those two permits by getting DOT to issue a three-way utility permit: DOT, private developer, and CBJ. In those permits, the private developer was wholly responsible for installing the utility service, and the CBJ became responsible only after accepting the utility service when it was installed to engineering standards. That three way permit agreement was supposed to be used on all subsequent requests to connect to a CBJ utility in a State right of way. However, DOT has reverted back to its prior position.

Notably, the CBJ is aware of a recent private development in the Mendenhall Valley and a University of Alaska Southeast development that cannot proceed because of DOT's position regarding connection to CBJ utilities. The UAS story is deplorable. UAS has been trying to connect a UAS facility at 11400 Glacier Highway (old NOAA facility) to CBJ water and sewer in a State right of way, but DOT refuses to let UAS do it. Instead, DOT insists that the CBJ sign as UAS (permittee) and indemnify DOT from any damage caused by another State agency, UAS. Such a position would have the CBJ insuring the State from itself.

CBJ staff hopes that Ordinance 2019-24 will remove the keystone to DOT's untenable position such that development can continue along State right of ways. CBJ staff also hopes that DOT will return to issuing three-way permits like it said it would do in 2018.

City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240| Facsimile: 586-5385

DATE: June 22, 2018

TO: Lance Mearig, PE
Southcoast Region Director
Alaska Department of Transportation

FROM: Rorie Watt, City Manager

RE: Utility Permits and Indemnification for Private Parties

As our staffs have discussed ad nauseum, we have a train wreck coming.

For some time, DOT (at least in this region) has had a practice of not granting utility permits to private parties and has forced local governments to become the "permittee" for private work in State rights-of-ways. Additionally, the State has required local governments to indemnify the State for the actions of these private parties. CBJ counsel advises that CBJ may not legally indemnify the State for actions of private parties for two reasons. In general, the CBJ cannot agree to contractual indemnification because doing so violates our charter and the rule against incurring an obligation without an appropriation duly made. CBJ charter does allow for a narrow exception when the indemnification is required by state or federal law or statute but only when approved by the assembly by ordinance and only to the extent required by law. In the case of indemnifying a private party, as DOT is requesting the CBJ do, the CBJ is also barred due to the Alaska constitutional requirement that public funds only be used for a public purpose.

DOT has refused to budge, based on advice from its AG, who primarily cites to "past practice." I formally request that you escalate review of the Region's permitting practice.

Attached is an Attorney General Opinion from 2005 advising that indemnification constitutes appropriation and that the State as a general rule may not enter into indemnification agreements. In addition to the opinion that indemnification is in essence the incurring of an obligation without an appropriation, please take a look at page 2 and the discussion on the public purpose doctrine.

Second, attached is a page from DOT's utility manual. Again, the same restriction on indemnification appears in the Federal Anti-Deficiency act. However, this section of the manual also provides a model path for qualifying indemnification, and suggests that development of a MOA is a practical solution. CBJ has suggested similar approaches to solve this problem; your AG has rebuffed them all.

Third, the DOT has no basis for not granting a private party reasonable access to and use of a public right of way.

In yesterday's meeting you advised that DOT has used its current language for some time. That is no excuse. It is no surprise that Juneau as one of the larger local governments in the State is now calling this question into light. And, it is not a new issue. I have personally been involved in arguments with the State DOT since 2001 on indemnification.

Practical Matters:

You have a project under construction, utilities must be installed. As proposed by CBJ, DOT should issue a three party permit agreement in which the following occurs:

A. The private permittee is required to meet permit conditions.
B. The contractor for the private permittee will be required to obtain a one-year warranty bond for the installation of the work.
C. The CBJ will agree to accept the utilities for maintenance once they are installed to CBJ standards. The CBJ will indemnify the State for its actions taken in the operation of the utilities in accordance with the ordinance passed by the assembly allowing the CBJ to narrowly indemnify to the extent required by your regulations.

I have also advised the private applicant that I believe the following:

1. I believe that DOT has no rational basis for withholding a right-of-way utility permit from a private applicant.
2. That they should administratively appeal that decision.
3. That denial of issuance of a permit constitutes a taking of property.
4. That since DOT has a policy of not allowing newly constructed roads to be cut up for utilities for five years, that in my opinion they are being irreparably harmed.
5. That they should consider suing for an injunction against paving on the Auke Bay/Glacier Highway project.
6. That I will support them in fighting DOT on this issue in any way possible.

Summary/Conclusion:

As the Regional Director you have the power to make rational decisions, issue permits and know and understand when the AG's are giving you impractical and unsupportable advice.

Solve this problem by issuing a three party permit.

cc: ADOT/PF Commissioner Marc Luiken
Autumn Sapp, CBJ Utility Business Manager
Pat Carrol, P.E., South Coast Region DOT
Paul Simpson, Alaska Legacy Partners
Kevin Jardell, Jardell & Associates
John Hozey, Deputy Chief of Staff to Governor Walker

MEMORANDUM

State Of Alaska

Department of Law

To:	David W. Márquez Attorney General	Date:	August 23, 2005
Through:	Scott Nordstrand Deputy Attorney General	File No.:	#661-05-0132
		Tel. No.:	(907) 269-5274
From:	Craig J. Tillery, Environmental Section Chief Gail Voigtlander, Torts & Workers' Compensation Section Chief James E. Cantor, Transportation SectionChief	Subject:	Indemnification Agreements by State Officials

Question

You have asked whether a state official may legally agree, on behalf of the state, to indemnify another person or entity for a specified liability. As a general rule, a state official may not enter into indemnification agreements.

Analysis

The fundamental question to be resolved is whether there are restrictions on the authority of a state official to enter into an agreement containing a provision that requires the state to indemnify another party to the agreement. Such restrictions may arise under the state constitution, statutes, or regulations. In this instance, a provision of the Alaska Constitution, implemented by a statute, provides the basis for our conclusion that the authority of state officials to enter into indemnification agreements is very limited.

The restriction on indemnification arises from the operation of article IX, section 13, of the Alaska Constitution ("Section 13"). That section provides, "[n]o money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law." The first clause of Section 13 generally demands that expenditures can only be made from legislative appropriations, while the second clause proscribes state employees from incurring future liabilities (such as liabilities arising from indemnity provisions) without statutory authorization. During debate at the Alaska Constitutional Convention, Section 13 was described as "a standard section providing that money shall not be withdrawn from the treasury except in accordance with appropriations made by law." 2A *Proceedings of Alaska Constitutional Convention* 1111 (December 19, 1955). A delegate to the Alaska Constitutional Convention fleshed this out during debate over Article IX, stating, "[y]ou contract administratively after the legislature has authorized such a contract." 5A *Proceedings of Alaska Constitutional Convention* 3406 (January 28, 1956). This statement supports the view that the constitutional provision requires that legislative authorization precede any action by the executive to obligate monies from the state treasury.

Article IX, section 13 is implemented by AS 37.05.170. *See Zerbetz v. Alaska Energy Ctr.*, 708 P.2d 1270, 1277 (Alaska 1985). That statute provides in relevant part that "obligations may not be incurred against a fund unless . . . an appropriation or expenditure authorization has been made for the purpose for which it is intended to incur the obligation."

No Alaska case law directly construes the application of either Section 13 or AS 37.05.170.[1] However, these provisions have been addressed twice in Attorney General opinions. In each instance, we said that these provisions of law prohibit state officials from providing indemnification. We first addressed this question in 1992 *Inf. Op. Att'y Gen.* (Jan. 1; 663-92-0041). There the state was responding to a demand by the Matanuska-Susitna Borough that the state agree to indemnify the borough for the borough's exercise of erosion control powers. We noted that, "in essence, an agreement to indemnify constitutes an agreement to obligate state money to cover the potential liability." 1992 *Inf. Op. Att'y Gen.* at 3 (Jan 1; 663-92-0041). Citing to AS 37.05.170, we determined that state officials are prohibited from providing indemnification in the absence of an appropriation against which the obligation may be charged. *Id*.

The issue was raised again two years later with respect to the potential liability of the Alaska State Emergency Response Commission. In the 1994 informal opinion we discussed with approval the earlier opinion. 1994 *Inf. Op. Att'y Gen.* at 2 (Jan. 25; 663-

[1] Application of Section 13 and AS 37.05.170 was briefly addressed in *Zerbetz.* In that case, the plaintiff sought enforcement of the terms of an employment contract. The state claimed the contract was void because it violated the terms of Section 13 and AS 37.05.170 by creating an unfunded obligation. The court, at the plaintiff's urging, drew "a distinction between the question of the contract's validity and the ways in which [a party] might enforce it." *Zerbetz*, 708 P.2d at 1277. The court then held that "even though no appropriation exists to cover the contract's obligations," and the state could refuse to pay under Section 13 and AS 37.05.170, Zerbetz had "a specific, albeit uncertain, remedy: the chance to have his claim presented to the Legislature." *Id*. at 1278.

94-0390). Relying on the restrictions contained in article IX, section 13 and AS 37.05.170, we stated that "unless there is an existing appropriation to cover the state's potential liability, state officials are prohibited from providing indemnification." *Id*. at 2.

In response to similar legal authority, the United States and other states have reached similar conclusions. *See*, *e.g.*, 78 *Wis. Op. Att'y Gen.* 1 (Jan. 18, 1989); *Chase v. United States*, 155 U.S. 489 (1894); *Hooe v. United States*, 218 U.S. 322 (1910); *Sutton v. United States*, 256 U.S. 575 (1921); *Leiter v. United States*, 271 U.S. 204 (1926); *Goodyear Tire and Rubber Co. v. United States*, 276 U.S. 287 (1928); *Shipman v. United States*, 18 Ct. Cl. 138 (1883); *City of Los Angeles v. United States*, 107 Ct. Cl. 315, 68 F. Supp. 974 (1946); 35 *Comp. Gen*. 85 (1955).

Thus, we reaffirm our longstanding view that a state official may not enter into an unqualified indemnification agreement in the absence of an existing appropriation to cover the potential payment that may be required of the state. To find otherwise could create a financial obligation of the state without prior legislative authorization in contravention of article IX, section 13 and AS 37.05.170.

However, we also recognize that in some instances unique commercial realities might compel some accommodation for requests for indemnification. There are several possibilities. First, as we noted in the 1994 opinion, it is possible for the legislature to designate a fund and appropriate sufficient monies into that fund to satisfy the requirement for prior appropriation and thereby allow for indemnification agreements. *See* 1994 *Inf. Op. Att'y Gen.* at 2 (Jan. 25; 663-94-0390). For the reasons stated in the 1994 opinion, appropriation into a fund may not work in situations involving large or complex potential liabilities, but it may work quite well for simpler cases.

Second, an indemnification can be qualified, if the qualification is adequately worded. However, a qualified indemnification should be used in the rarest of circumstances and only when approved at the highest levels because even qualified indemnification clauses are inadvisable. This is true for several reasons. First, qualified indemnity clauses may inadvertently mislead a party into believing that they have secured a legally enforceable indemnification provision.[2] Second, in some instances it may not be possible for the legislature to appropriate monies to cover an indemnification without running afoul of the public purpose doctrine found in article IX, section 6 of the Alaska

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[2] Even if a party believed this, or in fact secured an unqualified indemnification, the provision would likely remain unenforceable as against the state because the agreement to include it would be an act outside the authority of the state official. *See California-Pacific Utils. Co. v. United States*, 194 Ct. Cl. 703 (1971).

Constitution. *See, e.g.*, 2003 *Inf. Op. Att'y Gen.* at 3 (Nov. 18; 883-03-0044) (The payment of a debt to which the state is not a party confers no benefit on the public, and "failure to confer a public benefit violates the public purpose doctrine set out in art. IX, sec. 9 of the Alaska Constitution."); 2002 *Inf. Op. Att'y Gen.* at 6 (June 28; 883-02-0058) ("Use of state money to pay a litigation-based settlement, in which the state was not a party, raises significant legal questions as to whether the expenditure would be for a public purpose.").

Third, a qualified indemnification agreement may morally obligate the legislature to pay for the financial obligation. 1994 *Inf. Op. Att'y Gen.* at 2 (Jan. 25; 663-94-0390). As such, a qualified indemnification agreement could have the effect of pressuring the legislature to appropriate money when it would not do so if its decision was unfettered.[3]

Thus, a qualified indemnification agreement should only be given in those rare cases where it is absolutely necessary and would be a benefit to the public. The decision of whether to agree to a qualified indemnification should be made at a high level of state government (such as by a deputy commissioner) and then, only with the concurrence of the attorney general or the deputy attorney general. Lastly, if qualified indemnification is given, it should clearly state that the legislature has unfettered discretion as to whether to appropriate the money. In the past, some state officials have signed agreements in which the state agrees to indemnify a party "to the extent permitted by law" or "subject to appropriation." These simple qualifications should be expanded to ensure that other parties to the agreement are fully informed about the limitations in the statement of indemnification, including the need for a specific appropriation for that purpose.[4] An example of language that would be sufficient is as follows:

> Subject to a specific appropriation by the legislature for this purpose, the [agency] agrees to indemnify [the party] for [the liability]. All parties to this agreement recognize and agree that the agency has no appropriation currently available to it to indemnify [the party] under this provision and

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[3] Such moral obligations have been called coercive deficiencies and held to violate the federal Anti-deficiency Act by the United States. 1986 *Inf. Op. Att'y Gen.* at 1 (June 3; 665-86-0057).

[4] This language would address arguments analogous to that raised in *Cherokee Nation of Oklahoma v. Leavitt*, ___ U.S. ___, 125 S. Ct. 1172 (2005) that even though a government contracting officer lacked authority to bind the government without regard to the availability of appropriations, the government was nonetheless bound by its promises to pay contract support costs where it had appropriated adequate unrestricted funds.

> that enactment of an appropriation in the future to fund a payment under this provision remains in the sole discretion of the legislature and the legislature's failure to make such an appropriation creates no further liability or obligation of the [agency].

Conclusion

For the reasons stated, a state official is without authority to sign an unqualified indemnity agreement unless there is an existing appropriation sufficient to cover the full amount of any potential liability. Although the state may agree to indemnify if the indemnification is qualified in accordance with this opinion, a qualified indemnification agreement should (1) clearly explain that the decision of whether to appropriate funds necessary to pay the liability is within the unfettered discretion of the legislature, and (2) be entered only with the approval of high level state officials and the concurrence of the attorney general or deputy attorney general.

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Law Department
City & Borough of Juneau

MEMORANDUM

TO: Rorie Watt, City Manager
FROM: Robert H Palmer III, Assistant Municipal Attorney
DATE: July 9, 2018
SUBJECT: ADOT&PF's June 27th letter re: three-party utility permits

You asked for legal comments to ADOT&PF's June 27th letter concerning utility permits. I'm not going to address the specific projects which led to this disagreement, except as necessary to put the discussion of CBJ Title 49 versus Title 75 in context. The purpose of this memo is to lay out the legal framework for why ADOT&PF can issue a three-party utility permit.

I. The Public Purpose Analysis under Article IX, Section 6 of the Alaska Constitution.

Article IX, Section 6 of the Alaska Constitution provides "No tax shall be levied, or appropriation of public money made, or public property transferred, nor shall the public credit be used, except for a public purpose."

The State cites to *Weber vs. Kenai Peninsula Borough*, 990 P.2d 611 (Alaska 1999) and *Comtec v. Municipality of Anchorage*, 710 P.2d 1004 (Alaska 1985) arguing that it would be appropriate for the CBJ to find the use of public funds for the Buck or Jetty projects to be for a public purpose consistent with Article IX, Section 6 of the Alaska Constitution. Those cases are distinguishable and do not support use of public funds in the initial construction of the Buck or Jetty projects.

In *Weber*, the question was whether Kenai's expenditure of public funds for an extension of a private natural gas utility in a new special assessment district provided a public benefit. Unlike the Jetty or Buck case, the *Weber* case identified that the gas line extension would benefit multiple property owners and the special assessment district was requested by 72% of the property owners. Furthermore, the *Weber* case cautioned about drawing bright lines to distinguish public versus private purposes because "in each case, the analysis of public purpose must be made within the context of specific facts." *Id*. at 614. Because the facts of *Weber* are wholly different, the State's reliance on *Weber* is misplaced.

The *Comtec* case also cited by the State is distinguishable on the same grounds. In that case, Anchorage had determined that the benefit derived from the use of municipal public funds for a telephone system was a borough-wide benefit. It is also notable that the *Comtec* case explicitly stated that in determining whether a public purpose exists relating to a municipality, the Alaska Supreme Court defers to "the municipality's judgment as to what constitutes a public purpose." *Id*. at 1005. Unlike the municipalities in *Weber* or *Comtec*, the CBJ has not expended public funds on the development because these private projects lack a public purpose at this stage, which is explicitly consistent with the requirement of CBJ code 49.35.120(a) that the developer is required to install all of the required utility improvements. (Ord. 2016-26(b), effective May 3, 2017). Thus, the State's reliance on *Weber* and *Comtec* is misplaced because those cases are factually different and the CBJ has not expended public funds at this stage.

Additionally, the State overlooks an important public purpose hurdle. Until the utility infrastructure is correctly installed and the CBJ accepts it for maintenance, Article IX, Section 6 of the Alaska Constitution prohibits the CBJ from defending the State against the private developers because there is currently no public purpose for any expenditure of public resources. The prohibition against the expenditure of funds without a public purpose prohibits the CBJ both from spending public funds or resources to do the installation, and from indemnifying the state for work done by the private parties during the installation. *See* the August 23, 2005 opinion from the Alaska Office of the Attorney General, "Indemnification Agreements by State Officials," at page 2 (2005 WL 2098268).

II. ADOT&PF Regulations

The State heavily relies upon the definition of utility in 17 AAC 15.901(54), which states as follows:

> (54) "utility" includes any corporation, company, individual, or association of individuals, or any lessee, trustee, or court-appointed receiver, that owns, operates, manages, or controls any line, plant, pipeline, or system for furnishing, producing, generating, transmitting, or distributing power, electricity, communications, telecommunications, water, gas, oil, petroleum products, steam, heat, light, chemicals, air, sewage, drainage not connected with highway drainage, irrigation, or similar products including publicly owned fire and police signal systems and street lighting systems which directly or indirectly serve the public or a segment of the public; "utility" also includes any corporation, company, individual, or association of individuals, or any lessee, trustee, or court-appointed receiver that owns, operates, manages, or controls any system for furnishing transportation of goods or persons by means of a railway, tramway, cableway, conveyer, flume, canal, tunnel, pipeline, or any other similar means. (emphasis added with underlining)

The regulatory definition of utility does not appear to be limited as purported by the State. Notably, the definition of utility does not say it "only" includes…; instead it says "utility includes…" and then later says "utility also includes…". Because the definition of utility is not limited, there does not seem to be any prohibition against ADOT&PF issuing a permit to a private developer as long as the regulatory requirements are met as they are with respect to the Jetty and Buck developments.

Even if the definition of utility was limited, by its plain language it includes any individual, such as a private developer, who owns any line. Consistent with CBJ Title 49, a private developer who wants to subdivide or develop his or her property is required to install a water and sewer line and owns those lines until it is accepted for maintenance by the CBJ. CBJ 49.35.120(a) ("The developer must install all of the required improvements within the boundaries of the development and may be required to make improvements beyond the development boundaries in order for all of the improvements to function properly."); CBJ 49.35.310(a) (specifically states that a developer must connect the new development to a public water system when the development is within 200 feet of an existing public water system); CBJ 49.35.410(a) (requiring the same for sewer). Thus, the Jetty and Buck developments fall within the State's definition of utility.

The State also cites to 17 AAC 15.101. That regulation requires ADOT&PF to either amend an existing utility permit or issue a new permit for all utility services connections made after the original permit has been issued for the main line. CBJ's requests that ADOT&PF issue a new permit to allow these private projects to proceed, which is entirely consistent with that regulation.

III. CBJ Title 49 vs. Title 75[1]

ADOT&PF misunderstands the interplay between CBJ Title 49 and Title 75. Title 49 governs when a private person wants to develop their property. As explained above, CBJ Title 49 requires the developer to install water and sewer services, which is then inspected and that portion of the line in the public right-of-way is accepted for maintenance by the CBJ.

Title 75's discussion of installation of service lines being done by the CBJ applies when the CBJ is installing a new main, or if the CBJ, in installing a new main, overlooked or missed a service connection to an existing property.

ADOT&PF's insistence that the CBJ do the work or sign as the permittee ignores the CBJ's subdivision laws and would be a violation of the Alaska Constitution by requiring the expenditure of public resources for a private project. Consider the following:

- Private developer applies to subdivide one lot into two and the subdivision is within 200' of public sewer and water.
- CBJ code requires that water and sewer improvements be installed on each lot and each lot be connected to the public sewer and water system. CBJ 49.35.310(a) & CBJ 49.35.410(a).
- CBJ code explicitly requires the private developer to "install all of the required improvements." CBJ 49.35.120(a).
- The CBJ approves the preliminary plat for the subdivision.
- Developer gets a permit from the CBJ authorizing the Developer to tap into the CBJ's water and sewer mains in the ADOT right-of-way.
- Developer seeks a permit from ADOT to do work in the right-of-way, and ADOT refuses to issue the permit because ADOT arbitrarily will only issue permits to the CBJ.

Thus, ADOT is asking the CBJ to violate its subdivision laws and the Alaska Constitution. Aside from the fact that these two developments are not public projects, ADOT's arbitrary policy would require the CBJ to expend public funds for a private project, require the CBJ to not follow

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[1] Mr. Buck's project may also implicate CBJ Title 19.

its procurement code for a private project, and require the CBJ to divert the public work its employees are doing to work on a private development.

Moreover, the State has never offered a practical or policy reason to support its refusal to issue a three-party utility agreement despite its regulations contemplating such. 17 AAC 15.011(g) ("Any agreements between permittees, or between permittees and third parties, regarding use of state right-of-way to which the department is not a signatory, are not binding on the department."). Consistent with 17 AAC 15.011(g), the CBJ offered to sign a three-party agreement in which the CBJ would agree to indemnify the State as soon as the new utility line is accepted by the CBJ. The CBJ also agreed that the CBJ would accept the new utility when it was constructed to CBJ and ADOT&PF standards, and the CBJ's acceptance would not be unreasonably withheld. This eliminates any uncertainty for the State. At no point in time – from the installation of the line to any eventual repair or maintenance – would the State be without full indemnification. Thus, consistent with Alaska law, the CBJ has offered realistic solutions to protect the State and to enable private development adjacent to State right-of-ways.

In conclusion, since early June 2018, the CBJ has consistently informed ADOT of a three-party utility permit option. The CBJ is not aware of any law that prevents ADOT from issuing such a permit. If ADOT wishes to clarify its regulations to more explicitly authorize such a three-way permit, that might help ADOT but it is not required.

Presented by: The Manager
Introduced:
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-24 vPWFC

An Ordinance Amending the CBJ Codes Related to New Utility Service Connections in Public Right of Ways.

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 Section. CBJ 75.01.040, Service connections, is amended to read:

75.01.040 - Service connections.

(a) *Connection and extension charges.* At the time the applicant applies for water service to property not previously connected to the municipal water system, a service connection charge will be required. This charge will cover the cost of the utility to <u>permit and inspect</u> ~~install~~ the service from the main to the right-of-way line, including a meter or other appurtenances as required by the <u>engineering and </u>public works department. <u>The applicant shall secure all other necessary permits and complete the installation at no expense to the City and Borough</u>. Where service is already established, a turn-on fee will be required. The water service connection charge and any other fees shall be a lien against the property served in the same manner and to the same extent as a lien for special assessments and shall be enforced in the same manner provided for special assessment liens.

***

(c) *Installation and maintenance.* The installation and maintenance of service connections shall be performed only by persons duly authorized by the director of engineering and public works~~manager~~. A bond is required in an amount to cover the service installation and any repair for damage to the main, other service lines, and the road structure when the service is proposed to be installed in or repaired in property owned by or controlled by the City & Borough of Juneau. A bond is required in an amount to cover any repair for damage to the main or other service lines when the service is proposed in or repaired in property owned by or controlled by the State of Alaska.

***

Section 3. Amendment of Section. CBJ 75.02.040, Service connection charges, is amended to read:

75.02.040 - Service connection~~ charges~~.

(a) *Generally.* A person applying for sewer service to property not previously connected to the municipal sewer system shall pay a sewer connection charge. The engineer shall in each case charge an amount sufficient to pay for the cost of inspecting the customer line from the street to the building proposed to be served. If a service line from the main to the property has not previously been installed, the applicant shall secure all necessary permits and complete the installation at no expense to the City and Borough.

***

(d) *Installation and maintenance.* The installation and maintenance of service connections shall be performed only by persons duly authorized by the director of engineering and public works. A bond is required in an amount to cover the service installation and any repair for damage to the main, other service lines, and the road structure when the service is proposed to be installed or repaired in property owned by or controlled by the City & Borough of Juneau. A bond is required in an amount to cover any repair for damage to the main or other service lines when the service is proposed in or repaired in property owned by or controlled by the State of Alaska.

Section 4. Amendment of Section. CBJ 62.05.010, Permit required, is amended to read:

62.05.010 - Permit required.

No person, firm or corporation shall excavate under or on or otherwise disturb the surface or subsurface of any public street, alley, sidewalk, easement or right-of-way owned by or controlled by ~~within the corporate limits of~~ the City and Borough unless such person, firm or corporation is registered and bonded in accordance with the provisions of AS 08.18 and possesses a valid excavation permit issued by the engineering and public works department~~,~~ ~~which permit has been approved by the chief of police and the fire chief of the area in which the excavation is to occur~~. A permit is required whether the public street, alley, sidewalk, easement or right-of-way has been accepted by the City and Borough for maintenance or not. The permit shall be effective only for the period stated in the permit, but an extension may be granted upon the approval of the engineering and public works department~~and the chief of police and fire chief concerned~~. Where necessary, additional inspection fees may be required before issuance of the extension.

Section 5. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ________ day of ________________________, 2019.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

Juneau Renewable Energy Strategy

Setting the scene and priority actions

This revised version incorporates technical amendments to background information on the Juneau electricity system as approved by the Juneau Commission on Sustainability on March 14, 2018. These technical amendments replaced text in the version approved by Assembly Resolution 2808. The amendments do not alter the recommended actions or goal of 80% renewable by 2045.

CBJ Resolution 2808
February 12, 2018

Stantec

City and Borough of Juneau
Juneau Commission on Sustainability
www.juneau.org/sustainability

The full Juneau Renewable Energy Strategy document is linked on the CBJ JCOS Website at:

https://beta.juneau.org/community-development/jcos

EXECUTIVE SUMMARY

Juneau has benefited from clean renewable energy – hydroelectricity - for 100 years. Hydropower gives Juneau the lowest, most stable electric rates in the state, supplying 20% of the total energy used in the community.

Low costs for hydroelectricity have helped offset Juneau's dependence on the fuel oil, diesel and gasoline that supply the other 80% of the energy used in the community, but we still send more than $140 million out of the local economy annually to import these fuels.

Juneau has an opportunity to increase its energy independence, lower energy costs, and support economic development, by expanding use and supplies of renewable energy. The CBJ can encourage this long-term transition from fossil fuels to renewable sources by taking a leadership role and adopting an ambitious goal to guide public policy and encourage private choices.

This strategy plan recommends that the CBJ adopt a target of obtaining 80% of our energy from renewable sources by the year 2045. General strategies for achieving this target include increasing energy efficiency, shifting transportation and space heating to renewable energy, and increasing supplies of renewable energy.

The Juneau Economic Development Plan (2015) identifies hydro resources as one of the community's significant assets. Strengthening the renewable energy sector can contribute to each of the plan's overarching goals: building a more resilient and diversified economy, providing infrastructure that supports and strengthens the economy, leveraging natural competitive advantages to create new wealth, and enhancing qualify of life attributes.

Replacing fossil fuels substantially with renewable energy will have a wide range of benefits for Juneau. Our long distances from fuel suppliers, and our small, captive market with little competition means Juneau residents pay higher prices for these imported fuels than the rest of the country. Our dependence on barges, ferries, and jet travel for most of our access and supplies means our living expenses and business costs are greatly affected by high fuel costs, and by spikes in fuel prices. Major industries and employers such as tourism and fishing are also affected directly by fuel costs.

Juneau is therefore particularly vulnerable to spikes in fossil fuel prices resulting from national and international political and economic responses to world events and climate change. As the costs of climate change grow in coming decades, an obvious policy response may be to tax carbon emissions to discourage their use and pay for mitigation measures. Such measures, beyond CBJ or Juneau's control, would have a disproportionate impact on Juneau's economy.

EXECUTIVE SUMMARY

This strategic plan provides background information on Juneau's energy use and supplies, discusses alternative energy paths, and recommends targets and strategies. It sets direction and a general path forward. It is not intended to be a detailed guideline or tactical action plan, but is instead a general roadmap for more detailed planning and budgeting.

While Juneau can't influence the costs of imported fossil fuels, it can take a wide range of actions to influence energy consumption, supplies, and costs within the community. Reducing dependence on fossil fuels, through energy efficiency and substitution of renewable energy sources, can help create new jobs and businesses, reduce costs, and increase community resilience, while reducing climate impacts.

Juneau has considerable experience in reducing costs through energy efficiency and shifting from fossil fuels to renewable hydroelectricity. After avalanches cut off Juneau's hydroelectric supplies in 2008 and 2009, Juneau residents cut their electricity use by 25% short term, and by 8% longer term. During this period Juneau residents implemented energy efficiency measures that continue to affect energy use patterns.

The CBJ, together with other organizations and households, have made many successful investments in efficiency and renewable energy. Our airport has achieved substantial cost savings by replacing runway lighting with LED's and by installing a ground-source heat pump system for heating buildings and melting ice. The NOAA Ted Stevens Marine Research Institute helped pioneer seawater heat pump systems in the U.S. A growing number of Juneau businesses and households are saving on heating bills by converting to heat pumps. Local heat pump installation and service companies have expanded significantly in the past 5 years.

Similarly, Juneau has become a leader in adoption of electric vehicles (EV), ranking in the top communities in the nation in terms of per capita EV ownership. In 2016-2017 two EV's are arriving per week in the community, with rapid Juneau acceptance of electrical vehicle transportation. A growing number of EV charging stations have been installed through cooperative efforts between the CBJ and other agencies and businesses. Several private and public/private charging stations are also being planned. Gastineau Guiding put the first electric hybrid tour bus went into service in 2016 and there is growing community interest in electric buses to reduce operating and maintenance costs.

Building on this experience to increase local energy security and resilience will help keep more of the $140 million that we now spend on fossil fuels circulating in the community to reduce energy costs for residents and businesses, grow local businesses and jobs, and reduce vulnerability to volatile fuel prices.

This strategy can enhance economic development in other ways, by supporting innovators through business and technology research, incubation, and demonstration; by targeting key events and organizations that represent clean tech and renewable energy; and by attracting "green capital" and enabling more innovative financing for clean and renewable businesses. These are all goals identified in the Juneau Economic Development Plan.

Juneau is in good company in shifting toward renewable energy and can learn from the experience of other communities. Cities across the United States, and Canada, and nations such as Norway and Sweden, are moving toward 100% renewable energy by mid-century. Our neighbor to the south, Vancouver, B.C., has set a goal of replacing 100% of fossil fuels with renewable energy by mid-century.

Juneau has a head start in transitioning toward renewable energy. We have a great opportunity to use local resources to create a stronger, more resilient economy, while helping reduce carbon emissions, and reducing energy costs for local government, schools, businesses and households.

STRATEGY DEVELOPMENT

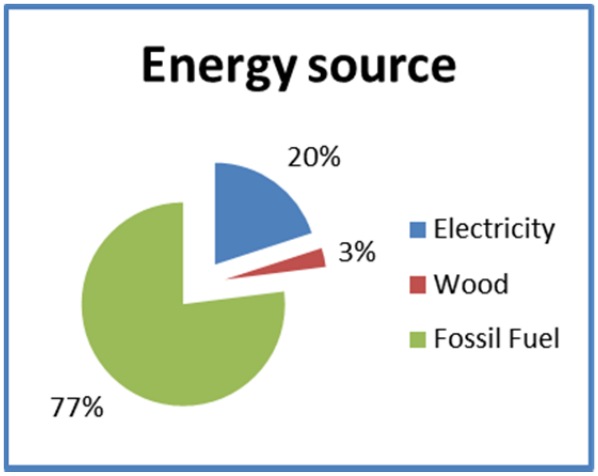
This strategic plan originated as a priority recommendation in the Juneau Climate Action and Implementation Plan (CBJ Resolution 2593, Nov. 2011). In 2015 the CBJ contracted with the energy consulting firm Stantec to develop an initial draft of this strategy which was completed in 2016. The Energy Committee of the Juneau Commission on Sustainability (JCOS) served as a sounding board, and assisted CBJ staff in reviewing and revising the draft. JCOS also assisted in conducting an extensive public review process between July 2016 and January 2017.

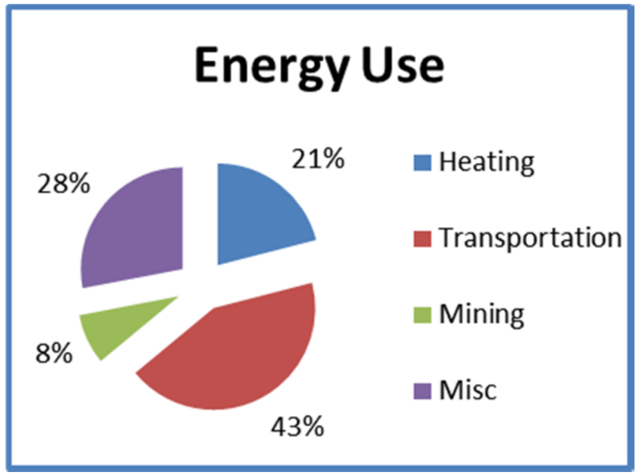
In addition to an introductory public meeting, presentations were made, and discussions were held with the CBJ Assembly COW, the CBJ Planning Commission, and many groups and organizations, including the Downtown Improvement Group, the JEDC Renewable Energy Cluster Working Group, the Alaska Climate Action Network, Renewable Juneau, and the Juneau Chamber of Commerce. JCOS also co-sponsored a series of seven “Energy Forums” as part of their Sustainability Session Outreach Program with assistance from the city manager, JEDC, the Capital City Engineers, the USFS, the Juneau Electric Vehicle Association, Juneau Hydropower, Juneau District Heating, and AEL&P. These were well attended, and provided information and opportunities for discussing issues raised in the strategy.

This document addresses four key questions relating to Juneau’s energy future:

Where are we now? What is Juneau’s energy use today?

Juneau currently derives almost 100% of its electricity from hydropower, which provides economical renewable energy while limiting climate impacts. This hydroelectricity provides about 20% of the total energy used in Juneau. Another 3% of Juneau’s total energy use comes from wood, a renewable heating source. The remaining 77% comes from fossil fuels, which are the primary energy source for heating buildings (which account for about 21% of fossil fuel use), transportation (accounting for about 43%), and mining (about 8%).





Where are we going?

The business-as-usual path is derived from historical trends. Total energy use in Juneau is projected to rise at about the same rate as population growth, historically averaging about 1% per year. Gradual growth in energy use is tied to population change, driven primarily by costs and the choices of private utility and fuel providers. The mix of energy supplies is projected to remain similar to today. Existing trends of slow growth in energy efficiency, and some level of electric vehicle adoption continue.

Where do we want to go? What energy future would we like to see?

The plan examines two scenarios for Juneau's desired energy future - "Do Something", and "Do More".

The *"Do Something"* path is based on Resolution 2593, in which the CBJ Assembly in 2011 adopted a goal of reducing Greenhouse Gas (GHG) emissions 25% over 20 years. This would be roughly equivalent to replacing 25% of fossil fuels with renewable energy. The Juneau Climate Action and Implementation Plan (JCAIP) identifies a wide array of approaches and actions that could reduce GHG emissions and fossil fuel use. The 'Do-something' path modelled the potential impact of implementing a list of higher priority JCAIP actions. The result was a stabilization of 2007 GHG and energy use. While progress has been made, this target is not being met because the recommended actions are not being implemented quickly enough.

The *"Do More"* path resulted from discussions between Stantec and the Juneau Commission on Sustainability (JCOS), which served as the steering committee for the energy plan in 2015 and 2016. Since the adoption of Resolution 2593 it has become increasingly clear that significantly greater cuts to carbon emissions will need to be made in order to successfully achieve our community goals. This scenario considers a path toward substantially replacing fossil fuels, creating new economic opportunities and jobs around renewable energy development, and reducing community vulnerability to increases in fossil fuel costs. These discussions resulted in the recommended target of 80% of all Juneau's energy use to be provided by renewable sources by 2045. This proposed target received strong community support in public comments and discussions.

How Can We Get There?

The plan identifies four broad strategies for achieving the 80% renewable energy target:

A. Implement a CBJ energy management program to make the organization a leader in energy efficiency and adoption of renewable energy

The CBJ spends about $8 million per year on energy. Adopting a formal energy management program, including tracking energy use and costs, implementing energy efficiency best practices, and implementing recommendation of energy audits could result in substantial savings. Consolidating the CBJ vehicle fleet and converting to electric vehicles is another area of potential energy and cost savings. The CBJ could also provide examples and information to the public on opportunities for energy savings. These provide the mechanics for CBJ to lead by example.

The JCOS has developed the outline of energy management program for the CBJ (see **Appendix E**), which summarizes specific recommendations from the JCAIP that address city operations, recommends procedures and financing options, and outlines the potential for $500,000 in annual savings over the first 3 years.

B. Reduce Juneau's dependence on fossil fuels for space heating.

Space heating accounts for about 21% of the fossil fuels used in Juneau. Significant shifts to electric heat have occurred over the years, particularly when fuel oil costs were high relative to electric rates, so today almost 25% of Juneau homes are heated by electricity.

District heating for the downtown core and other parts of town could reduce heating costs and use of fuel oil. Heat pumps are becoming more common, are more energy efficient, and save money for homes, businesses and government. Energy efficiency is a cost effective strategy for stretching existing renewable resources. For example replacing electric resistance/baseboard heating systems with air-source heat pumps could provide 2-3 times more heating capacity for the same amount of hydroelectricity used. Given Juneau's older housing stock, there are opportunities for energy retrofits as older buildings are updated and renovated. Innovative financing mechanisms could assist in saving money on space heating, while supporting a variety of businesses.

C. Reduce Juneau's dependence on fossil fuels for transportation.

Transportation is the largest (43%) use of fossil fuels in Juneau. Electrification of transportation provides a major opportunity to transform transportation to renewable energy, and Juneau already has one of the most rapid rates of EV adoption in the country. Other significant opportunities to reduce fossil fuel use include supporting energy efficient, compact, mixed use development, improving and electrifying the CBJ transit system, and supporting non-motorized transportation.

D. Support efforts to provide new renewable energy supplies for Juneau.

Expansion of hydropower resources is the most obvious opportunity for increasing the supply of renewable energy in Juneau. Rain and the power that it creates is one of our major resources. New small and mid-sized hydroelectric sites have been identified by AEL&P and Juneau Hydropower. These projects require large up front investments and coordination of demand growth.

More research, development and economic viability studies are needed to identify the potential of other local renewable energy sources, including wind, solar, tidal and biomass, as well as energy storage. Some of these studies may have been done already but are commercially confidential. Currently there are few apparent incentives or economic conditions that would allow these to compete with local hydropower or fossil fuels imported to the community. Electrification of local mining operations using hydropower has played a key role in financing existing renewable sources, and may continue to play such a role in the future.

Implementation

Each of these broad strategies requires substantial work to pull together appropriate actors and organizations, and to develop specific action and implementation plans. Many priority actions are identified in the 2011 Juneau Climate Action and Implementation Plan (JCAIP) (CBJ Resolution 2593), while others were identified during development of this plan.

There is no silver bullet, or simple path, for accomplishing the ambitious goal of transitioning from fossil fuels to renewable sources, and no single entity or organization that can implement it. Instead, a wide variety of actors are involved in making energy choices, including individual home and vehicle owners, businesses, energy suppliers such as AEL&P and fuel companies, and government agencies.

This plan emphasizes the role of the CBJ, both because it can take actions that save public money while reducing fossil fuel use, and because it represents community values and interests. But expanding use and supplies of local renewable energy can only be achieved through cooperation and collaboration between a range of private and public entities.

Fortunately Juneau has many individuals and groups experimenting with, and tackling these issues. The Renewable Energy Cluster Working Group, JEDC, with its work on incentives for electric vehicles, and the development of concepts for a Juneau heating district provide good models. Other local examples come from innovative local businesses such as the Alaska Brewing Company, with its "beer-powered beer", using waste products to improve energy efficiency and increase profits.

Energy efficiency is frequently the most cost-effective way to reduce and shift energy use. Land use policies supporting compact, mixed use development are also important for reducing energy costs, as well as being a key solution to housing affordability problems, as identified in the 2016 CBJ Housing Action Plan (CBJ Resolution 2780).

The strategies recommended here are consistent with, and support recommendations concerning affordable housing in the 2015 Juneau Economic Development Plan (Ordinance 2015-10) and the CBJ Housing Action Plan. Costs for space heating and domestic hot water significantly affect housing affordability. Many homes, and most multi-family rental units, use expensive and wasteful electric resistance heat. Improving energy efficiency and shifting from electric baseboard heat to heat pumps can substantially reduce heating costs. Developing ways to encourage and finance conversions would be a win-win for AEL&P, renters, landlords, and Juneau's climate impacts.

Greater attention to land use and compact development are also major recommendations made in the Juneau Economic Development Plan and the CBJ Housing Action Plan

"CBJ's plans, zoning ordinance, development codes, and Land Management Plan, must all stress the value of utilizing existing infrastructure before building new and maximizing old and new infrastructure through higher densities and greater concentrations of uses wherever appropriate. " p. 20.

Recommendations

This strategy document recommends that the Mayor and Assembly take the following actions to move forward in developing the Juneau Renewable Energy Strategy and delivering on identified priority strategies:

1. <u>Adopt a community target of transforming Juneau's energy use to 80% renewable sources by the year 2045.</u> This guideline will provide direction for further planning and action, position Juneau as a national leader in the transition to renewable energy, and support CBJ, business, and government efforts to obtain financing, including grant assistance, for these purposes.

2. <u>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</u>. Direct the Juneau Commission on Sustainability, with CBJ staff help, to seek assistance from the public, JEDC, Juneau Chamber of Commerce, and other organizations to develop and obtain support for these plans

3. <u>Direct the CBJ organization to implement a formal energy management program.</u> This recommendation will require all departments and independent boards to identify and

monitor energy use and costs; evaluate potential energy savings and implement cost effective efficiency measures; explicitly incorporate energy usage into operational decision making and the Capital Improvement Program (CIP), as recommended in the CBJ Comprehensive Plan and the JCAIP; and implement a Sustainable Indicators program for energy use, consistent with Policy 2.2 of the Comprehensive Plan. A proposal for a CBJ Energy Management Program is included in Appendix E.

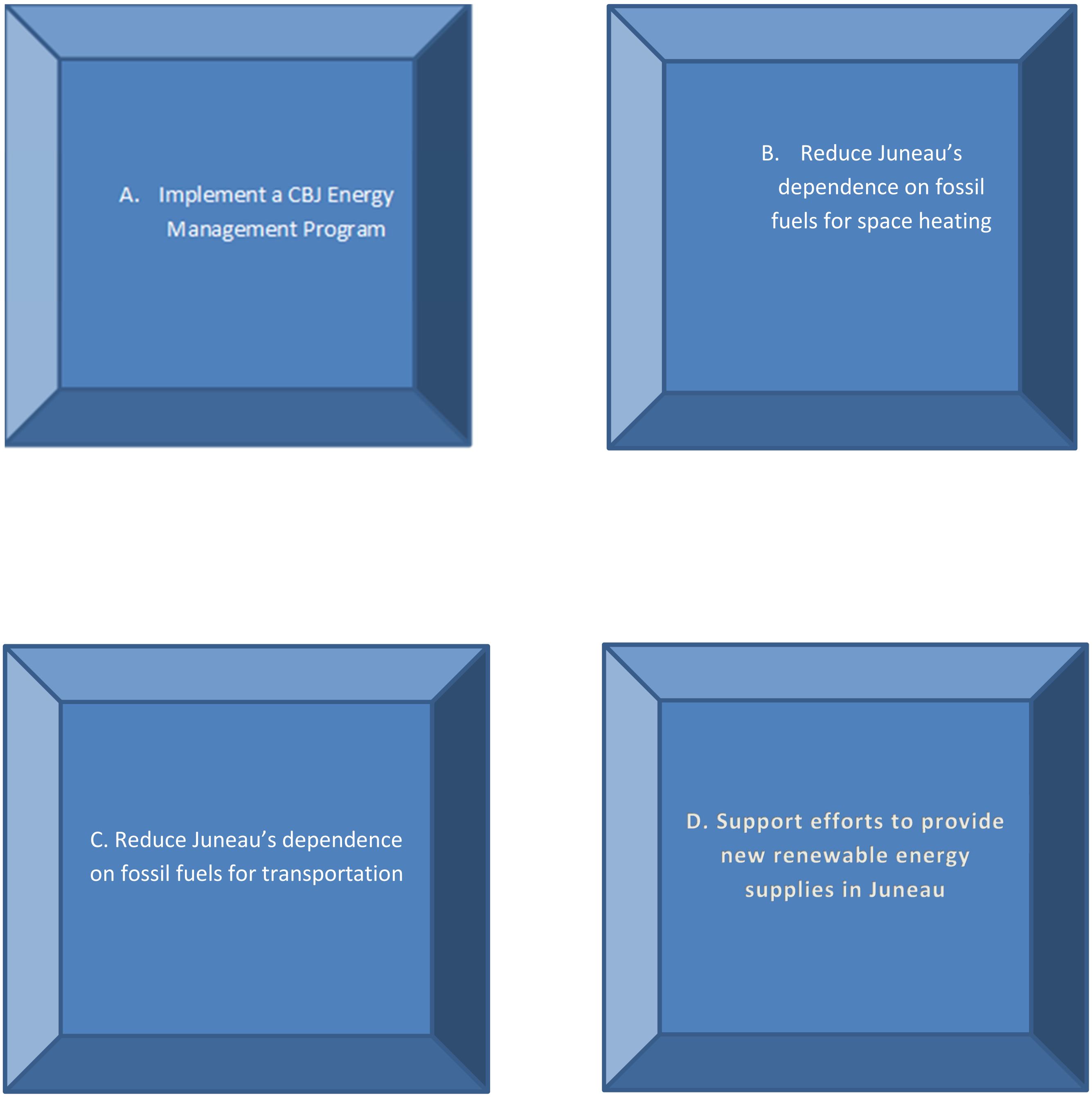
4. Direct the CBJ, through the JCOS, to monitor community energy use as a whole, by updating the JCAIP Energy and GHG Emissions Inventory at least every three years. *Develop mechanism to gather fuel sales data.*

5. Provide funding direction and CBJ staff allocations to accomplish these recommendations, with the understanding that committed and effective management will ensure that energy savings and energy-related grants will more than offset additional expenses.

6. Direct JCOS, with CBJ staff assistance, to review progress annually on these recommendations, highlighting successful community achievements, dynamically incorporating lessons learned to become more successful in meeting our community energy values as expressed in the JRES and reporting to the Assembly and to the public.

Juneau Renewable Energy Strategy

4 broad strategies for achieving the 80% renewable energy target



Draft figure by Michelle Hale, Assembly Member, 5-29-19

CITY AND BOROUGH OF
JUNEAU
ALASKA'S CAPITAL CITY
PARKS & RECREATION

TO: Michelle Hale
Chair, Public Works and Facilities Committee

FROM: Nathan Coffee,
City Architect, Engineering & Public Works

DATE: June 6, 2019

RE: Centennial Hall Planning Update

MRV Architects and CBJ Engineering Department held a second public meeting on Thursday May 30, 2019, and presented four different renovation concepts that were developed from stakeholder and public feedback regarding desired improvements to Centennial Hall. All four schemes include comprehensive renovation of the current facility including but not limited to upgrades of:

- Mechanical and electrical systems,
- Audio, visual, and data systems,
- Exterior envelope upgrades,
- Interior finishes, equipment and partitions.
- Site Improvements (Note: the reconstruction of 3rd Avenue and parking north of 3rd Avenue are not included in the estimated cost below)

Schemes A-C add ~9000 SF to the building footprint and each add four meeting rooms to the facility as well as provide other reconfiguration of the building spaces to enhance the facility's function. Scheme D ***does not*** reconfigure interior space, ***does not*** add any meeting rooms, and makes only a minor addition to increase the width of the "pinch point" between the two lobby spaces. The estimated project cost of Schemes A-C is $21 million and the estimated project cost of Scheme D is $17 million.

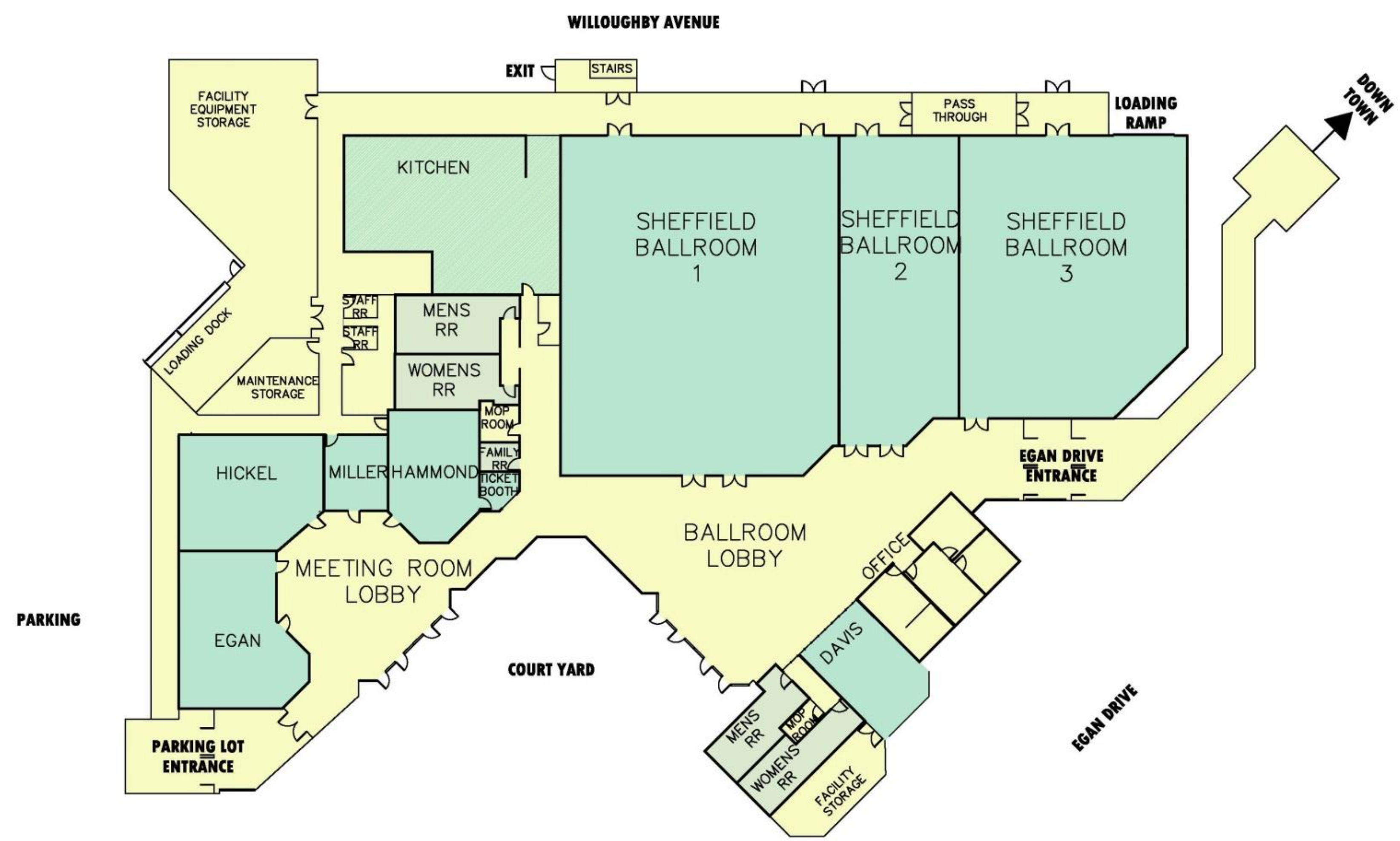
The next steps in the concept study are to:

- Distill the three schemes (A-C) into a single scheme that reflects the public and stakeholder comments pertaining to the strengths of each of the three options.
- Develop a more detailed cost estimate of the final scheme.
- Develop an operational study of the final concept scheme that quantifies anticipated operational costs, rental incomes, and related impacts of the proposed improvements

A summary of the information presented at the May 30 public meeting is attached for your information.

Centennial Hall Conceptual Study – New Improvements

May 30th, 2019



CITY AND BOROUGH OF JUNEAU ALASKA'S CAPITAL CITY

MRV ARCHITECTS ARCHITECTURE · PLANNING · INTERIORS

Process and Timeline

• Identification of Space Needs:	May 1-9
• Public Presentation:	May 7
• Conceptual Design Options:	May 10 –21
• Construction Estimate:	May 22 – 28
• Steering Committee Review:	May 29
• Public Presentation, Options:	May 30
• Refine Preferred Option:	June 1-14
• Final Cost Estimates, Details:	June 14 –20

Cost

- Dawson has performed initial cost estimates, with more details to follow on the selected Option.

- \$17 mil for basic upgrades without major new space.
- \$21 mil for upgrades including 9,000 sf of new space.

Program

- Break-out Meeting Space is a critical deficiency at present. 3-4 new spaces need to be provided.
- The most important new space is a meeting room of 2,000 sq.ft., divisible
- Foyer space needs to be roughly doubled so that breaks, tradeshows, etc. can be accommodated
- Performer support space for dressing is sorely needed

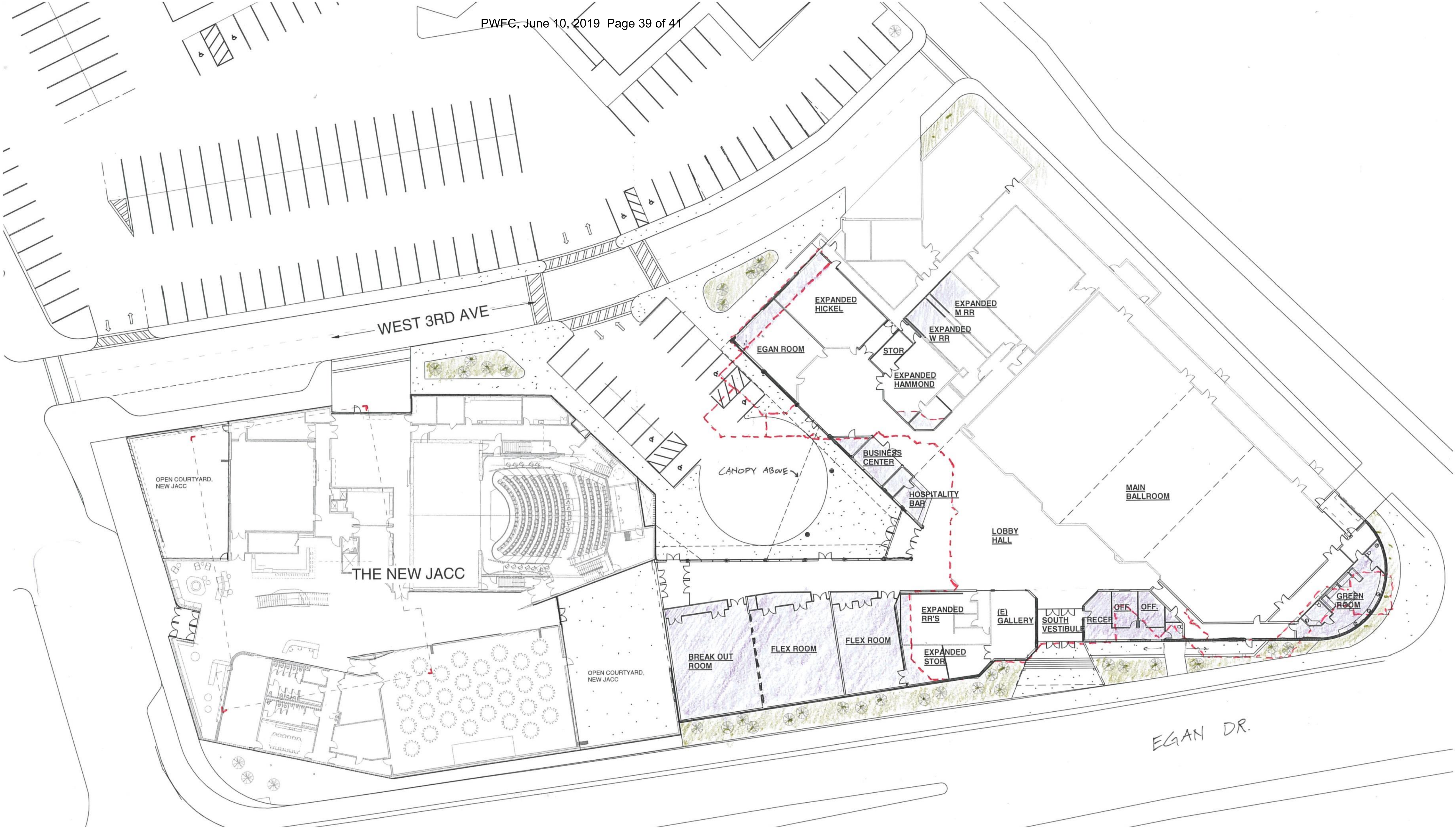
CENTENNIAL HALL LONG RANGE PLAN, CONCEPTUAL

MAY, 2019

SCHEME A

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

MRV ARCHITECTS
ARCHITECTURE · PLANNING · INTERIORS



CENTENNIAL HALL LONG RANGE PLAN, CONCEPTUAL

MAY, 2019

SCHEME B

CITY AND BOROUGH OF JUNEAU ALASKA'S CAPITAL CITY

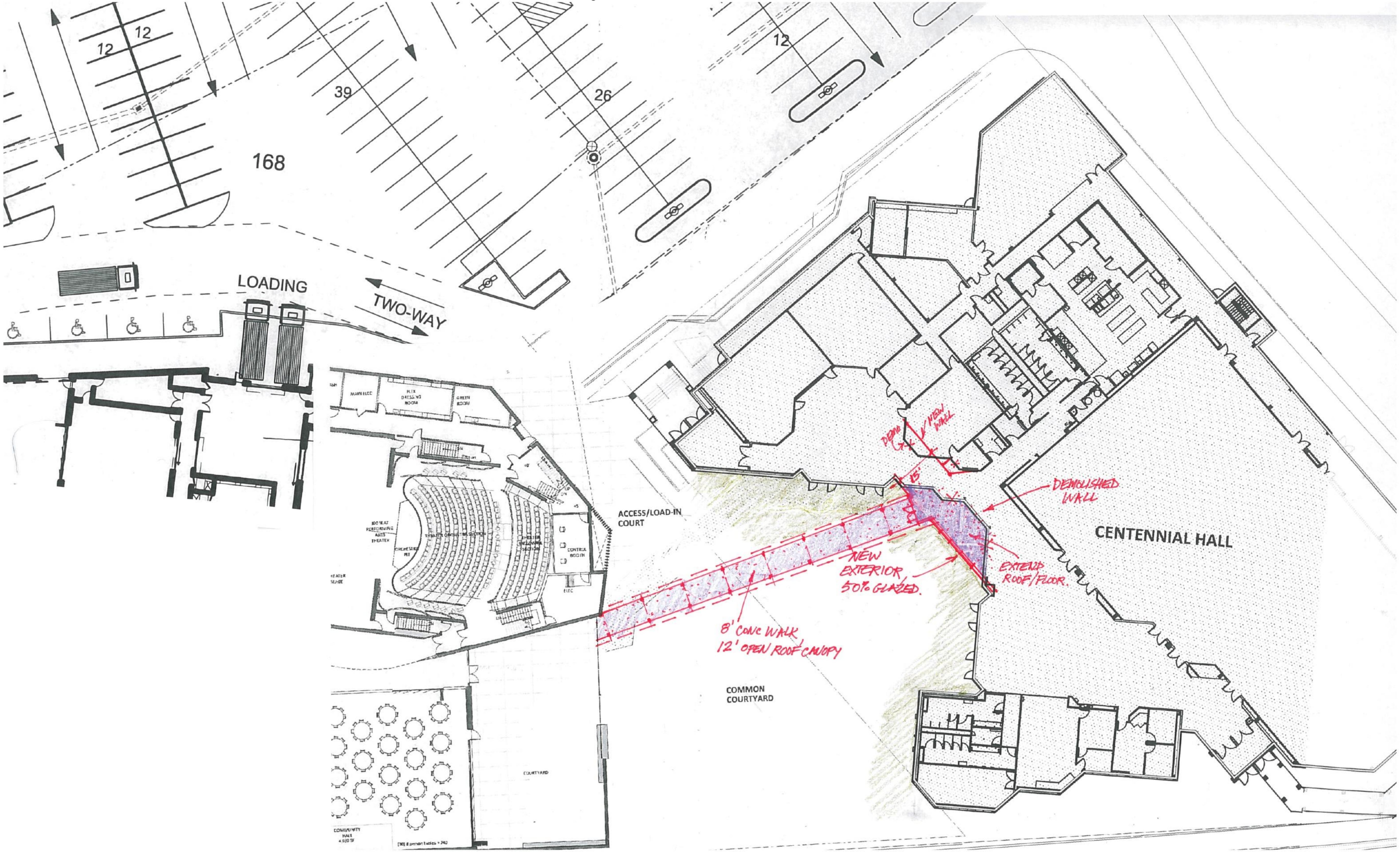
MRV ARCHITECTS ARCHITECTURE · PLANNING · INTERIORS

CENTENNIAL HALL LONG RANGE PLAN, CONCEPTUAL
MAY, 2019

SCHEME C

CITY AND BOROUGH OF JUNEAU ALASKA'S CAPITAL CITY

MRV ARCHITECTS ARCHITECTURE · PLANNING · INTERIORS



CENTENNIAL HALL LONG RANGE PLAN, CONCEPTUAL

MAY, 2019

SCHEME D

CITY AND BOROUGH OF JUNEAU ALASKA'S CAPITAL CITY

MRV ARCHITECTS ARCHITECTURE · PLANNING · INTERIORS