SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes - January 30, 2020

MEETING NO. 2020-04: The Special Meeting of the City and Borough of Juneau Assembly and the Docks and Harbors Board held in the Assembly Chambers of the Municipal Building, was called to order at 7:05 p.m. by Mayor Beth Weldon.

I. CALL TO ORDER / ROLL CALL

Assemblymembers Present: Maria Gladziszewski, Loren Jones, Carole Triem, Alicia Hughes-Skandijs, Greg Smith, Wade Bryson, Michelle Hale, Rob Edwardson, and Mayor Beth Weldon

Assemblymembers Absent: None.

Docks & Harbors Board Present: Don Etheridge, Jim Becker, James Houck, Bob Wostmann, Mark Ridgway, Steven Guignon, Chris Dimond

Docks & Harbors Board Absent: Budd Simpson, Annette Smith

Staff Present: City Manager Rorie Watt, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Port Director Carl Uchytil (telephonically), Port Engineer Eric Schaal, Deputy Harbor Master Matthew Creswell and Docks and Harbors Administrative Officer Teena Larson

II. APPROVAL OF AGENDA

The agenda was approved as presented.

III. AGENDA TOPICS

A. Joint Meeting with the Docks & Harbors Board

- A. Port Development Project Updates
- B. Harbor Project Updates
- C. Board Priorities
- D. Tideland Leasing Process
- E. South Franklin Dock Tideland Lease Request
- F. Study/Planning Updates
    1. Small Berth Planning
    2. Dock Electrification
    3. NCL
    4. Museum Concept

Mayor Weldon extended her gratitude to the Docks and Harbors Board for all the work that they do and she turned that portion of the meeting over to Docks and Harbors Board chair Don Etheridge to lead. Mr. Etheridge asked staff to lead the presentation and Mr. Etheridge facilitated questions from Assembly and board members.

Port Engineer Eric Schaal gave an update on the work going on at Aurora Harbor in Phases II and III and explained the difficulties that they have had continuing to do the work while looking for enough funding to fund the projects. They have been exploring grants and other funding options and will continue to try to balance the funding to the project needs. They currently have $2 Million for the project but it will take $7 Million to complete the project. The work on the north end of Aurora Harbor has been held up by both the dredging schedule as well as the funding challenges they face.

Mr. Schaal then provided an overview of the Auke Bay/Statter Harbor project and the various phases they have planned for. The Army Corps of Engineers will be doing a new breakwater project which will include dredging in the harbor.

The last project he touched on was the plan and improvements the board has been looking at for the North Douglas launch ramp area. Mr. Schaal answered a number of questions from Assemblymembers about portions of the plan and Mayor Weldon cautioned them to keep in mind that area was identified as a possible second crossing location.

Mr. Schaal provided updates on the port development projects as well as an update on the Archipelago Group construction project and anticipated timelines. Assemblymembers asked questions related to the construction on the Archipelago lot, especially in light of the potential changes if the museum proposal will be moving forward. Mr. Watt said he anticipates providing an update on the museum proposal to the Assembly in March.

Mr. Wostmann provided an overview of the Docks and Harbors Board priorities. Assembly and board members discussed the security concerns down at the harbors and the investigations they have done in looking at potentially purchasing more security camera systems vs. in person patrols. Mr. Etheridge and others have been doing citizen patrols to ensure safety on the docks and that has been the most effective method to date. Matt Creswell has held multiple meetings with live-aboards and has been trying to get residents to form neighborhood watch groups.

Board members then discussed the various budgetary issues they have been having, including the various fees and what those fees could be used towards. That led to discussions of the M/V Lumberman status and what the options for disposal and how much it might cost as well as the various permits, and clean up efforts needed to be able to dispose of the vessel.

Mayor Weldon noted that there are times when tidelands leasing issues come up that tend to be political hot potatoes and it is up to the Assembly as the elected body to make the hard policy decisions so she said that they have come up with a plan for when and how these matters will be dealt with by the Assembly and when they will fall to the Docks and Harbors Board. She asked City Manager Watt to provide information on how that process would work. Mr. Watt distributed a draft flowchart outlining a proposed process with four different paths that any downtown tidelands lease might take. The four proposed paths would be:

- When a lease application comes in it is distributed to both the Port Director & City Manager.
- The Docks & Harbors Board is advised and the issue is elevated to the Assembly and the Manager schedules it before the Assembly in consultation with the Mayor.
- The Assembly then sets it on one of the following four courses:

1. Hold - Do Not Proceed.
2. Wait and not make those decision at that time but possibly look at other factors before proceeding forward.
3. Give Docks & Harbors the green light to proceed working with the Port Director and to bring something back to the Assembly for final approval.
4. The big issues go through the City Manager and Port staff work with the Assembly on those in more depth and likely refer them to the Assembly Lands Committee or Committee of the Whole as directed by the Assembly.

Mr. Watt said that when they are discussing big things under #4 above, it will be essential to have the Port Director and Port Engineer participating in those discussions since that is the area of expertise in the city on marine infrastructure and marine issues. He said that even if the Assembly chooses to take a primacy policy role in those decisions, it is the Port Director and his staff who will help guide the City Manager in his advice to the Assembly.

Mr. Edwardson asked about the important public participation pieces in the lease process - public comments on a lease and secondly the appeal process on leases and he said that he didn't see those processes. Mr. Watt said that anytime there is a lease, there will be an ordinance before the Assembly and there will be public notice and an opportunity for public comment. Mr. Palmer said that as for appeal issues, as a general matter, if the Docks & Harbors Board is making a recommendation and the Assembly is deciding whether to approve an ordinance, those are legislative matters so there is no appeal options on our process.

Additional discussion took place regarding the lease process, the levels at which the Assembly and Docks & Harbors Board would be involved and also finalizing any changes to the process and tweaking the draft graphic to reflect those processes. The Mayor clarified that this would be related to lease applications for both tidelands and uplands for the downtown geographic area. She also said that this is the first draft of the proposal and it may get changed based on final Assembly decisions.

Mr. Schaal then gave an overview of the current request from the South Franklin Dock for a tidelands lease. Their request is to expand their dock and their current lease does not include the tidelands in the area covered by that expansion and they are requesting the city apply on their behalf for the tidelands lease adjacent to their dock area. Page 15 of the packet contains an outline of the tidelands lease area under question. Mr. Schaal explained that this project would not only benefit the Franklin Dock but also would allow for expansion of the seawalk in that area. DNR wants to see a resolution of support from CBJ stating that they support this request. Mr. Watt explained the complexities of the entities and lands involved in this process.

Mr. Edwardson said that while he supports what Docks & Harbors is trying to do with this, he cannot support the resolution as it is written because it is not accurate. In order for the statute 38.05.825 to be triggered, the city would have to meet all six conditions in that statute and also one of the three sub conditions under paragraph 6. He said it does not meet them. He said that he was, at one time, in charge of the office that this would have gone to at DNR and he worked on some of these things and he was the one who made those decisions. He then went on to explain the decision making process and what needs to be in place with the application before it would even be considered by DNR. He noted that what they have now will go to the bottom of the decision pile because it is not yet ready and does not yet have the necessary elements in place. He suggested changing the resolution to come up with a clear path to get this land for CBJ.

Mr. Schaal gave an update on the Small Berth plan. The McDowell Group is in the process of coming up with a draft report on this that will be coming back to the board in the next couple of months. Additional discussion took place regarding the public comment period, which has not yet been set, on the draft plan and that will be built in as the draft plan develops.

Next discussed was dock electrification. Mr. Schaal noted that project is waiting until the position of the Deputy Port Engineer is filled as that will be a major responsibility of that position. The Port Director will be overseeing the RFP production and they will include a broader look at what the generation capacity within Juneau is and it is important to look at where all the possible electrification locations might be, including whatever Norwegian Cruise Lines (NCL) is looking at planning.

Additional discussion took place regarding the electrical supply and meetings that the Mayor and Manager have been having with the AEL&P CEO. Mr. Watt explained that these are technically very complicated issues and the infrastructure costs are likely to be large. The public has expressed no small amount of support and he thinks part of the burden will be explaining to the public the complexity of the issues. There are likely to be large dollar amounts involved as well as complicated policy issues that may or may not affect the ratepayers.

Mayor Weldon said that NCL is waiting to hear what the recommendations will be moving forward from the CBJ Visitor Industry Task Force (VITF) before they go much further in developing their plans and going forward for public comment. Mr. Etheridge said that their main concern is that the board be kept in the loop of whatever might be going on.

Ms. Triem commented that the VITF meeting is being held on Saturday, February 1 with public hearing starting at 10a.m. and after the public hearing they will be going directly into their worksession.

Museum Concept - Mr. Watt reported that they hope to try to get an update to the Assembly and the board on that project. Mr. Watt said that something he feels the Docks and Harbors Board has done well is to try to get more space on the waterfront. He said if the museum concept moves forward, it will be a competitor for open space. He said that during the planning process, they heard a lot from the public about open space. He said that siting the museum, if the project does move forward, the open space that it occupies will likely trigger an area of interest to the board and the Assembly. He will be looking to the Port Director to try to give an update at one of the board's meetings in March.

Mayor Weldon opened it up for anyone who had not yet had a chance to speak to add any parting comments. Mr. Houck thanked the Assembly for appointing him to the board and said he is getting up to speed on a wide variety of areas that touch the board and he is honored to serve.

Mayor Weldon thanked the board for their service and for coming to the meeting to discuss these important topics with the Assembly.

B. Ordinance 2020-05 An Ordinance Authorizing the Manager to Dispose of Eight Lots in the Vintage Business Park, Located near 3041 Clinton Drive, to Torrey Pines Development for Fair Market Value.

In August 2019, CBJ acquired eight lots located in Vintage Business Park for $1.519M, for the purpose of developing assisted living housing primarily for seniors. The CBJ solicited proposals to develop the proposed housing and Torrey Pines Development was determined to be the best and most qualified bidder. During negotiations, a proposal was made for Torrey Pines to purchase the eight lots for fair market value for the construction and operation of 80 units of senior housing, assisted living, and memory care.
The Assembly Committee of the Whole heard the proposal on January 6, 2020, and recommended that the Manager proceed with negotiations for the sale. This ordinance was introduced at the Assembly meeting on January 13, 2020 and referred to the Planning Commission for review.

Your packet contains additional information as requested by the Assembly related to this project.

The Planning Commission reviewed this project at its meeting on January 28 and is forwarding its recommendation to the Assembly for consideration. It would be appropriate for the Assembly to make a motion to set Ordinance 2020-05 for public hearing at its meeting of February 3, 2020.

The City Manager recommends the Assembly pass a motion to set this ordinance for public hearing at the February 3, 2020 Assembly meeting.

Manager Watt explained that Ordinance 2020-05 was reviewed by the Planning Commission at its meeting on January 28 and is forwarding its positive recommendation to the Assembly. He said it would be appropriate for the Assembly to make a motion to set Ordinance 2020-05 for public hearing at its meeting on February 3, 2020.

Assembly Action:

MOTION by Ms. Gladziszewski to set Ordinance 2020-05 for public hearing at the meeting of February 3, 2020 and asked for unanimous consent but she also wanted to object for purposes of a question.

Ms. Gladziszewski said that on page 2 of 3, section 2(A)(1) talks about Access Easement and Option Agreement between Pacific Investment Group LLC and Juneau Senior Housing Partners Limited Parnshership. She said that she doesn't know what that is and asked if when this came back to the Assembly at the February 3 meeting if the manager could provide additional information about that agreement. Mr. Watt said that he would send an email with additional information about that prior to the meeting and be prepared to follow up on any questions they might have.

Ms. Gladziszewski removed her objection.

Hearing no objection, the motion passed.

C. Resolution 2878 A Resolution in Support of the City and Borough of Juneau's Application to Acquire Tideland from the State of Alaska.

This resolution would support the CBJ's request to the Alaska Department of Natural Resources for the conveyance of tidelands along the downtown waterfront to the municipality. These tidelands could be managed to facilitate development of the Port of Juneau by supporting the development of a floating berth at Franklin Dock and continuation of the development of the seawalk.

Lease of tidelands to the Franklin Dock and negotiation for land rights for the seawalk extension would require subsequent Assembly process and approvals, including an ordinance authorizing the lease of municipal tidelands to the Franklin Dock and appropriation of funding for a seawalk project or projects. Acquistion of these tidelands would put these issues before the Assembly. If the CBJ does not acquire the tidelands, Franklin Dock would simultaneously negotiate with both CBJ and DNR for tideland rights necessary for the development of their proposed floating berth. Acquisition of the tidelands does not cause or require any specific subsequent action by the Assembly.

The City Manager recommends that the Assembly place this resolution on the agenda for the February 3, 2020, regularly scheduled Assembly meeting.

Mayor Weldon stated that in light of earlier discussion, that the Manager and City Attorney would likely be making changes to the resolution to reflect the concerns expressed by Mr. Edwardson and Ms. Hale.

Assembly Action:

Mr. Jones said that his concern is that resolutions go on the consent agenda and get pulled if changes are needed. He said that in light of the earlier discussion, he would suggest it be referred directly to the Assembly Committee of the Whole for additional work.

MOTION by Mr. Jones to refer Resolution 2878 directly to the Assembly Committee of the Whole and bring it back to the Assembly when the work is done and asked for unanimous consent.

Mayor Weldon asked Mr. Palmer if they could do that.

Mr. Palmer asked that the Mayor open it up for public comment before they get into any discussion on the matter.

Mayor Weldon called for public comment on the resolution. Seeing and hearing none, she closed public comment and asked Mr. Palmer if Mr. Jones' motion was in order.

Mr. Palmer said that yes, if that was their desire, they could refer it directly to the COW.

Mayor Weldon asked for any objections to Mr. Jones' motion to move Resolution 2878 to the Committee of the Whole. *Seeing and hearing no objection, the motion carried.*

D. Staff Reports: Senior Housing

Mr. Watt said that the packet contained information that had been requested that is germane to some of the business that will be on the Monday, February 3 agenda. He said if the Assemblymembers have any questions, they can get back to him with them or they can discuss it Monday at the meeting.

IV. PUBLIC PARTICIPATION ON NON-AGENDA-ITEMS

None.

V. ADJOURNMENT

Mayor Weldon thanked the Docks and Harbors Board for their service and the work they do and she encouraged any member of the Assembly who wants to walk the docks on nighttime patrol with Mr. Etheridge to get ahold of him. Mr. Etheridge said they appreciate the opportunity to sit and meet with the Assembly and get their feedback on the issues the board deals with and he thanked the Assembly for the opportunity. He also invited anyone to come along with him on his night security rounds.

There being no further business to come before the Assembly, the meeting was adjourned at 8:47 p.m.

Signed: ___________________________	Signed:_________________________
Elizabeth J. McEwen	Beth A. Weldon
Municipal Clerk	Mayor