

**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

August 19, 2019 7:00 PM

Assembly Chambers
Regular Meeting 2019-29

Submitted By:

Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

IV. APPROVAL OF MINUTES

- A. **April 22, 2019 Draft Regular Assembly Meeting #2019-20 Minutes**
- B. **April 24, 2019 Draft Special Assembly Meeting #2019-21 Minutes**
- C. **May 13, 2019 Draft Regular Assembly Meeting #2019-22 Minutes**
- D. **July 17, 2019 Draft Special Assembly Meeting #2019-26 Minutes**
- E. **July 22, 2019 Draft Regular Assembly Meeting #2019-27 Minutes**

V. MANAGER'S REQUEST FOR AGENDA CHANGES

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

VII. CONSENT AGENDA

- A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction
- B. Assembly Requests for Consent Agenda Changes
- C. Assembly Action
 - 1. Ordinances for Introduction
 - a. **Ordinance 2019-32 An Ordinance Authorizing the Sale of City and Borough Land Located at Pederson Hill and Establishing the Terms and Conditions Related to the Sale.**

The 86 lot Pederson Hill Subdivision will be constructed in three stages. The first stage consists of 17 lots and is anticipated to be completed late this summer. The Planning Commission approved the final plat on July 9, 2019. The Lands Division desires to offer the lots for sale in advance of next year's building season. Minimum lot prices will be established by appraisal. City financing is available for all lots sold.

Three disposal methods are proposed for this land sale:

- Sealed Competitive Bid – 5 Lots
- Block Sale – One Unit Composed of 6 Lots
- Fixed Price Lottery – 6 Lots

Any remaining lots that do not sell through the initial process would be made available through over the counter sales on a first come first served basis.

The July 8, 2019 Assembly Committee of the Whole reviewed this disposal proposal and recommended approval.

The City Manager recommends the Assembly introduce this ordinance and set it for public hearing at the next regular Assembly meeting.

b. Ordinance 2019-33 An Ordinance Amending the City and Borough Code Relating to Criminal Offenses and Penalties.

The State recently adopted a suite of criminal justice reform legislation. The State legislation clarified ambiguous terms, reclassified crimes, and generally lengthened penalties. The CBJ criminal codes generally mirror the applicable State criminal laws to avoid confusion and to enable the CBJ to independently prosecute cases to protect the community.

On July 25, 2019, the Committee of the Whole directed the City Attorney to prepare an ordinance that updates the CBJ criminal justice codes. A memo from the City Attorney summarizes the changes.

The City Manager recommends the Assembly introduce this ordinance and set it for public hearing at the next regular Assembly meeting.

c. Ordinance 2019-06(c) An Ordinance Appropriating to the Manager the Sum of \$4,500,000 in Grant Funding for the Juneau Arts and Culture Center, Funding Provided by the Sales Tax Fund Balance.

This ordinance would appropriate \$4,500,000 in grant funding for the JACC. At its June 15, 2019, meeting, the Assembly Committee of the Whole approved funding for the JACC grant. Direction from the Committee was to use funds from the 2017 voter approved 1% sales tax. Since the sales tax funds will be received during the next four years it is necessary to initially use fund balance and then reimburse the fund as revenues come in.

At its meeting on July 25, 2019, the Committee directed that version (c) of this ordinance be reintroduced to clarify the amount, conditions of the grant, and fund source.

The City Manager recommends the Assembly introduce this ordinance and set it for public hearing at the next regular Assembly meeting.

- d. **Ordinance 2018-11(AS) An Ordinance Appropriating to the Manager the Sum of \$35,000 as Funding for the Downtown Wayfinding Capital Improvement Project; Funding Provided by the Rasmuson Foundation and the Alaska Humanities Forum.**

The CBJ has received, through the Rasmuson Foundation and the Alaska Humanities Forum, grant awards to further the Downtown Wayfinding project. The Rasmuson Foundation awarded CBJ \$25,000 and the Alaska Humanities Forum awarded CBJ \$10,000 to create and install the Community Voices Audio Wayfinding project as part of the Downtown Wayfinding project. The installations will be linked to the wayfinding and interpretive system to be installed throughout downtown in spring of 2020. This project will illuminate the lesser-known histories of Juneau: its original and ongoing Tlingit community, gold rush era, fisheries, political histories, and geographical features, awakening Juneau residents and visitors to a deeper understanding of place and community.

At the Public Works and Facilities Committee (PWFC) meeting on August 6, 2018, the Committee approved staff to pursue the grants for this aspect of the Downtown Wayfinding project with matching funds identified: \$15,000 from Downtown Streets project CIP R72-116 and \$5,000 from the Downtown Wayfinding project CIP D12-097.

At the July 1, 2019 PWFC, the appropriations and downtown streets fund transfer were recommended to the Assembly for approval.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular meeting.

2. Resolutions

- a. **Resolution 2862 A Resolution Reestablishing the Assembly Rules of Procedure, and Repealing Resolution No. 2781.**

This resolution would make two changes to the Assembly Rules of Procedure. First, it would amend Rule 4 regarding presentation of legislation to be consistent with Charter 5.3, which allows an Assemblymember to have an ordinance presented. Second, it would amend Rule 5 to no longer require the full Human Resources Committee to interview and recommend appointments to the Aquatics Board. A more detailed memo from the City Attorney was provided to the Human Resources Committee for its meeting on July 22, 2019, and is included in the packet. The Assembly Committee of the Whole recommended these changes at its meeting on July 29, 2019.

The City Manager recommends the Assembly adopt this resolution.

- b. **Resolution 2863 A Resolution Amending the City and Borough Personnel Rules Regarding Step Placement on Promotion and Providing for a One**

Time Step Placement Adjustment for Lieutenants at the Juneau Police Department.

This resolution would approve a change to the Personnel Rules, which along with the various collective bargaining agreements, govern the rights and responsibilities of CBJ employees, supervisors, and managers.

Recent changes to pay scales as a result of collective bargaining required the review of 10 PR 040 Placement on Promotion. The rule change corrects difficulties in coordinating step placement when an employee promotes between positions on different salary schedules or when an employee in a longevity step promotes within the same salary schedule. The language change also provides flexibility to address other promotional issues such as wage compression and assures greater oversight of promotional pay increases.

In addition, this resolution authorizes the Manager to provide an additional step to the employees who are currently employed as Police Lieutenants, the first non-represented level outside of the Public Safety Employees Association bargaining unit. The step placement is necessary to address wage compression issues created by the recent ratification of the PSEA collective bargaining agreement.

The City Manager recommends this resolution be adopted.

3. Liquor License

a. **Liquor License Renewal for License: 3409**

This liquor license action is before the Assembly to either protest or waive its right to protest the license action.

Renewal of Liquor License

License Type: Recreational Site-Seasonal, License #3409

Alaska Travel Adventures, Inc., d/b/a Gold Creek Salmon Bake

Location: 1061 Salmon Creek Lane, Juneau

Staff from the Police, Finance, Fire, Public Works (Utilities), and Community Development departments have reviewed the above license and recommend the Assembly waive its right to protest the application. Copies of the documents associated with this license are in the Assembly's e-packet or available in hard-copy upon request to the Clerk's office.

The City Manager recommends the Assembly waive its right to protest the above-listed liquor license renewal.

4. Other Items for consent

a. **Marijuana License Renewals for the following licenses: #10270, #10271, #10266, #10800**

CBJ received notice of the following Alcohol Marijuana Control Office (AMCO) marijuana license renewal applications [*Copies of all documents relating to a license are available upon request from the Municipal Clerk's*

Office]:

MARIJUANA LICENSE RENEWALS

Standard Marijuana Cultivation Facility, License #10270, Top Hat, LLC, d/b/a TOP HAT, LLC located at: 2315 Industrial Blvd Suite A, Juneau
(60-day comment period for local governing body action expires Saturday, August 31, 2019)

Marijuana Product Manufacturing Facility, License #10271, Top Hat Concentrates, LLC, d/b/a TOP HAT CONCENTRATES, LLC located at: 2315 Industrial Blvd Suite B, Juneau
(60-day comment period for local governing body action expires Saturday, August 31, 2019)

Standard Marijuana Cultivation Facility, License #10266, The Fireweed Factory LLC, d/b/a THE FIREWEED FACTORY LLC located at: 8415 Airport Blvd Space B, Juneau
(60-day comment period for local governing body action expires Saturday, August 31, 2019)

Retail Marijuana Store, License #10800, The Fireweed Factory LLC, d/b/a THE FIREWEED FACTORY LLC located at: 237 Front Street, Juneau
(60-day comment period for local governing body action expires Saturday, August 31, 2019)

CBJ staff from the Police, Fire, Finance, and Community Development departments reviewed these applications for compliance with CBJ laws and regulations and recommends the Assembly waive its right to protest the issuance of these licenses.

In the event the Assembly does protest the issuance of a license, CBJ Code 20.30 requires notice, with specificity regarding the nature and basis of the protest, to be sent to the licensee and provides the licensee an opportunity to exercise its right to an informal hearing before the Assembly.

The City Manager recommends the Assembly waive its right to protest the renewal of the following AMCO marijuana licenses: License #10270, License #10271, License #10266 and License #10800.

5. Transfers

- a. **Transfer T-1021 A Transfer of \$200,221 from Existing Capital Improvement Projects, Including, from SREB 1A CIP, and from Gate 2 Passenger Boarding Bridge CIP; to Construction Sand/Chemical/Fuel Facility CIP.**

This request is to transfer \$200,221 in previously appropriated sales tax funds from the Gate 2 Passenger Boarding Bridge project, and the Snow Removal

Equipment Building & Sand/Chemical Building Design Project (SREB & Sand/Chem Design), to the Sand/Chem Construction project. The transfer will fund non-grant-funded expenditures for fueling station modifications, including a dispensing station for Diesel Exhaust Fluid (DEF), which cleans diesel exhaust to meet emissions requirements.

From: CIP

A50-086	SREB 1A	\$140,000
A50-095	Gate 2 Passenger Boarding Bridge	\$60,221

To: CIP

A50-097	Constr Sand/Chem/Fuel Facility	\$200,221
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At its August 13, 2019 meeting, the Airport Board approved this transfer.

The City Manager recommends approval of this transfer.

VIIIPUBLIC HEARING

A. **Ordinance 2019-31 An Ordinance Increasing the Rates for Water and Wastewater Utility Services.**

The last utility rate increase approved by the Assembly became effective on July 1, 2018. In March 2019, the Utility Advisory Board recommended that water and wastewater utility rates increase by 4% in each of the next five years. In April 2019, the City Manager recommended an alternative: that water and wastewater utility rates increase by 2% in each of the next five years. The increased revenue from these new rates will be used for anticipated operating cost growth and allow increased investment in needed capital improvements.

This ordinance provides a balance between these two recommendations with a 4% rate increase for both water and wastewater utilities beginning in January 2020 and 2% rate increases for the 2021-2024 period effective each July 1. The first rate increase will be 18 months after the last increase in 2018 and the second rate increase will again be 18 months from the January 2020 rate increase. These rate increases provide for prudent investment in water and wastewater systems while acknowledging a desire to mitigate the impacts to the rising cost of living in Juneau.

This rate change was discussed with the Assembly Finance Committee on February 6, April 17, and June 12, 2019.

The City Manager recommends the Assembly adopt this ordinance.

B. **Ordinance 2019-36 An Ordinance Temporarily Increasing the Hotel-Motel Room Tax by Two Percent, from Seven Percent to Nine Percent, for a Fifteen Year Period, and Providing for a Ballot Question Ratifying the Increase.**

This ordinance would place the question of temporarily increasing the hotel-motel room rental tax from seven to nine percent on the ballot at the next regular municipal

election. In accordance with the Assembly Committee of the Whole direction at its meeting on July 15, 2019, the increase would be for fifteen years from January 1, 2020, until December 31, 2035. The hotel-motel room rental tax would automatically return to seven percent on January 1, 2036.

The hotel-motel room rental tax was last increased in 1988. The increased rate authorized by this ordinance would initially generate an estimated \$440,000 per year in additional revenue. It is the intent of the Assembly to use this increase in the hotel-motel room rental tax to provide funding for the construction of capital improvements for Centennial Hall. Proceeds could also be used to help pay for general obligation debt service relating to Centennial Hall. If this ordinance is adopted by the Assembly, it would also need to be approved by the voters in the October election.

The City Manager recommends the Assembly adopt this ordinance.

C. Ordinance 2019-35(c) An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed Seven Million Dollars to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 1, 2019.

This ordinance authorizes the issuance of not to exceed \$7 million of general obligation bonds. The purpose of the bonds is to fund renovations to Centennial Hall. Initial project scope is provided in section 6 of the ordinance. The funding sources to repay the bonds are:

- 2% increase in the hotel tax (if approved by the voters) paying 65% of the debt service payments.
- .04 mills (~0.4% total increase in tax) increase in the property tax mill rate paying 35% of the debt service payments.

The ordinance provides for the issuance of 15 year bonds. If this ordinance is approved the question of whether to sell the bonds would be placed before the voters on October 1, 2019. The need for bond/debt financing was discussed and approved at the July 15 and July 29 Assembly Committee of the Whole meetings. Version (c) of the ordinance added the word "possible" to sections 3 and 6 as directed by the Committee of the Whole.

The City Manager recommends the Assembly adopt this ordinance.

D. Ordinance 2019-34(c) An Ordinance Calling for an Advisory Ballot Proposition on Grant Funding for the New Juneau Arts and Culture Center.

The existing City-owned arts and culture facility needs replacement. The City and Borough has been asked to provide a grant for the New JACC to help attract substantial additional private funds. At the Committee of the Whole meeting on July 15, the Committee directed that an ordinance be presented asking the voters whether the CBJ should provide a grant for the New JACC. At the Committee of the Whole meeting on July 29, the Committee directed that the amount of the proposed grant be \$4.5 million. If a grant is made in the current fiscal year for \$4.5 million, the money would be appropriated from the sales tax fund balance. The Assembly discussed that it intends to replenish the draw on fund balance by reallocating the \$4.5 million of 1% sales tax funds

over the next three years that was originally programmed for Centennial Hall improvements, which the voters approved in 2017.

The Assembly also discussed that it intends to replenish the 1% sales tax funds originally programmed for the Centennial Hall improvements by issuing general obligation bonds. The general obligation bonds are intended to be paid back by raising the hotel-motel room rental tax by two percent and increasing the property tax by 0.04 mills (~0.4% overall rate increase).

If the voters support the City and Borough providing a grant for the New JACC, the Assembly intends to impose five additional grant conditions that are described on page 3 of the ordinance.

The City Manager recommends the Assembly adopt this ordinance.

IX. UNFINISHED BUSINESS

A. Harris Homes LLC v CDD; Assembly Appeal

This is an appeal from Harris Homes LLC of a Planning Commission decision to dismiss an appeal of a Community Development Department director decision. The Planning Commission's written decision is dated February 26, 2019. The Assembly accepted the appeal, and it was assigned to a hearing officer. After considering the briefing by both parties, the hearing officer issued a proposed decision. The proposed decision was served on the parties and no objections were filed within the allowed 5 day window. Tonight, the Assembly needs to decide whether to accept the hearing officer's proposed decision.

No testimony or evidence of any nature other than that contained in a timely filed objection may be received by the Assembly at this meeting.

The City Attorney recommends the Assembly adopt the proposed decision as the final decision for this appeal.

X. NEW BUSINESS

A. Disabled Veteran and Senior Citizen Late File Property Tax Exemptions

The following property owners are requesting the Assembly authorize the Assessor to consider a late-filed appeal of their property assessment:

2019 Disabled Veteran Exemption

- 1) Applicant: Norman L. Custard Parcel ID: 8B3501000061
Physical Address: 17670 Point Lena Loop Road
Legal Description: USS 3264 LT B1

2019 Senior Citizen Exemption

- 1) Applicant: Sarahann Jackson Parcel ID: 5B1201210200
Physical Address: 1825 Mark Alan Street
Legal Description: Pinewood Park 2BL 1LT IB

The action required by the Assembly is to determine whether or not the late-filed tax assessment appeals will be heard. Evidence on the assessments themselves or the merit

of the appeals is not relevant. The Assembly should consider each request separately and determine whether or not the property owner was unable to comply with the 30-day filing requirement.

The burden of proof is upon the property owner to show the inability to file a timely appeal. In this context, the word “unable” does not include situations in which a property owner forgot about, or overlooked, the assessment notice, was out of town during the period for filing an appeal, or similar situations. Rather, it covers situations that are beyond the property owner’s control and would prevent a property owner from recognizing what is at stake and dealing with it. Examples of this would include physical or mental disability serious enough to prevent a person from dealing rationally with their private affairs. Disagreeing with the amount of the assessment does not constitute inability to submit a timely appeal, nor does a notice of assessment being sent to a wrong address. The property owner is responsible for keeping a current, correct address on file with the assessor’s office.

If the Assembly decides to accept one or more late-filed appeals, those assessment appeals will be referred to the Assessor for review and action.

The City Manager recommends the Assembly act on each of these applications individually.

XI. STAFF REPORTS

A. Manager’s Update on the State Budget and Vetos

XII. ASSEMBLY REPORTS

A. Mayor's Report

B. Committee Reports, Liaison Reports, Assembly Comments and Questions

C. Presiding Officer Reports

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XIV. EXECUTIVE SESSION

A. Bid on Subport Lot

B. Litigation Strategy

XV. ADJOURNMENT

XVI. SUPPLEMENTAL MATERIALS

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