

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

January 28, 2019 7:00 PM

Assembly Chambers
2019-06

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. **Special Assembly Meeting Minutes 2019-05, January 23, 2019**

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 2019-08 An Ordinance Amending the Land Use Code Related to Street Standards.**

This ordinance would amend the Land Use Code regarding the standards for temporary cul-de-sacs and stub streets. A temporary cul-de-sac and stub street are used when the street design of a new subdivision ends at an adjoining property that could be developed. Currently, the land use code requires a developer of a subdivision designed with a stub street to construct it or provide a financial guarantee for five years to cover

construction of it. This ordinance would remove that five-year financial guarantee requirement and clarify the procedures and standards for when a temporary cul-de-sac and a stub street are required.

The Planning Commission recommended the Assembly adopt this ordinance at its meeting on December 11, 2018.

The City Manager recommends this ordinance be introduced and referred to the Public Works and Facilities Committee.

- b. **Ordinance 2018-11(AB) An Ordinance Appropriating to the Manager the Sum of \$1,474,553 as Funding for the New Recycleworks Consolidated Facility Capital Improvement Project; Funding Provided by Waste Management Fund's Fund Balance.**

This ordinance would appropriate \$1,474,553, the majority of the proceeds from the recent sale of the Shaune Drive public property, to create a new CIP that will consolidate the Recycleworks program and Household Hazardous Waste program at a central location at the Waste Management owned and operated landfill.

The Public Works and Facilities Committee reviewed this topic at its meeting on January 14, 2019, and referred it to the Assembly.

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

- c. **Ordinance 2018-11(AC) An Ordinance Appropriating to the Manager the Sum of \$300,000 as Funding for the Deferred Building Maintenance Capital Improvement Project; Funding Provided by Waste Management Fund's Fund Balance.**

This ordinance would appropriate \$300,000, a portion of the proceeds from the recent sale of the Shaune Drive public property, to reimburse the Deferred Maintenance CIP for funding the renovations made to the old Valley Shop at 2520 Barrett Avenue to allow the Water Department to occupy the facility.

The Public Works and Facilities Committee reviewed this topic at its meeting on January 14, 2019, and referred it to the Assembly.

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

2. Liquor License

- a. **Liquor License Renewals for Licenses: 1081, 1384**

These liquor license actions are before the Assembly to either protest or wave its right to protest each license action.

Renewal of Liquor Licenses

License Type: Restaurant Eating Place, License #1384

Alfonso Soriano d/b/a Jovany's Italian Restaurant

Location: 9121 Glacier Highway, Juneau

License Type: Beverage Dispensary, License #1081

Shayz, LLC, d/b/a Squirez

Location: 11806 Glacier Highway, Juneau

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

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

VIIIPUBLIC HEARING

A. Ordinance 2019-03 An Ordinance Amending the City and Borough of Juneau Code Related to Aquatics Facilities and Repealing the Associated Sunset Date.

In October 2014, Juneau voters authorized the Assembly to adopt an ordinance to establish a board to direct the operation of CBJ's aquatics facilities. Subsequently, Ordinance 2015-23(b) created the seven-member Aquatics Board. That ordinance specified the Aquatics Board would automatically sunset on May 28, 2018. Ordinance 2018-18 extended this sunset date to June 30, 2019, to allow for further consideration of better governance options. Since April 2018 the Aquatics Board, in consultation with the City Manager and Parks & Recreation staff, considered different governance options, which culminated in Ordinance 2019-03.

This ordinance would permanently remove the sunset provision and makes several other changes. It increases the number of board members from seven to nine, and designates one seat each for representatives from the Juneau School District and a local aquatics organization that rents a pool facility. The Director of the Parks & Recreation Department would sit on the board as a non-voting member. The ordinance further clarifies that the Aquatics Manager reports to the Parks & Recreation Director and provides staff support to the Aquatics Board. The Board would continue to have the ability to establish fees and charges for the use of aquatics facilities, review and approve annual operating and capital budget submissions, and adopt regulations subject to Assembly approval.

Upon adoption of this ordinance, the Assembly would then need to address the

Board's membership. Of the seven current members, two (Max Mertz and Pat Watt) have terms that expire in 2020 and the remaining five have terms that expire this June. I understand that some members are not interested in serving for additional terms. Thus, I recommend the Assembly open an application process and select three people to fill three-year terms, three people to fill two-year terms, one person to fill a one-year term, and keep the existing two members with terms that expire in 2020. This ordinance would not change the term limits for any member that continues after the new Board is formed.

The Human Resources Committee discussed this ordinance on January 7, 2019. The Aquatics Board discussed this ordinance on January 15 and 22, and recommends the Assembly adopt version (b). A memo from the City Attorney describes the changes in version (b).

The City Manager recommends version (b) of this ordinance be adopted.

B. Ordinance 2018-11(Y) An Ordinance Appropriating to the Manager the Sum of up to \$230,000 as Funding for Phase II of the Amalga Fish Cleaning Station Project; Grant Funding Provided by the Alaska Department of Fish and Game.

The Alaska Department of Fish and Game (ADF&G) has provided \$230,000 for the purpose of design and construction of a new fish cleaning float.

This project received a previous ADF&G grant of \$50,000 for feasibility and planning purposes. The additional funds will cover the final design, permitting, bidding, and construction of the fish cleaning station at Amalga Harbor. The Docks and Harbors Board referred this item to the Assembly at its regular meeting on December 20, 2018.

The Assembly Public Works and Facilities Committee discussed this matter on January 14, 2019, and recommended to postpone consideration of the ordinance until more public process occurred.

The City Manager recommends the Assembly allow public testimony tonight and then refer this ordinance to the Public Works and Facilities Committee to allow staff more time to facilitate public process.

C. Ordinance 2019-04(b) An Ordinance Repealing Ordinance 2015-18(am) and Re-establishing the Treadwell Arena Advisory Board.

The Treadwell Arena Advisory Board (TAAB) was established by the Assembly in 2015 and tasked with reviewing operations at the Treadwell Arena, including financial performance, marketing, and facility usage. The TAAB recently developed mission and vision statements for the board, and has proposed amending ordinance 2015-18(am) to provide better alignment between the TAAB's work and its reports to the Assembly. This ordinance would better identify objective reporting criteria that align with the TAAB's vision "to ensure continued opportunities for the

community to use Treadwell Arena," and its mission to "work with Treadwell Arena to ensure operations are consistent with cost recovery goals, identify opportunities to generate net revenue, and identify ways to improve the user's experience."

The TAAB discussed these changes at its meeting on October 16, 2018 and recommended forwarding them to the Assembly for action. The Human Resources Committee discussed this ordinance on January 7, 2019, and recommended that the TAAB report to the Human Resources Committee instead of the Committee of the Whole. That change is reflected in version (b) of this ordinance.

The City Manager recommends that version (b) of this ordinance be adopted.

D. Ordinance 2019-01 An Ordinance Amending the City and Borough Code Relating to the Criminal Penalty for Violating Conditions of Release.

This ordinance would amend the CBJ's violating conditions of release penalty to be consistent with the maximum penalty allowed under State law. State law (AS 29.25.070(g)) requires that a penalty for a municipal ordinance may not be greater than for a violation of a similar State law. This ordinance would reduce the maximum term of imprisonment from 10 days to 5 days for the crime of violating conditions of release and clarify that the maximum fine is still \$2000, which is consistent with State law (AS 11.56.757, AS 12.55.135(b)(3), and 12.55.035(b)(6)).

The City Manager recommends this ordinance be adopted.

E. Ordinance 2018-11(U) An Ordinance Appropriating to the Manager the Sum of \$600,000 as Funding for the Electronic Fare Boxes Capital Improvement Project for Capital Transit; Grant Funding Provided by Alaska Department of Transportation and Public Facilities.

This ordinance would appropriate grant funding in the amount of \$600,000 as provided by federal funds through the Alaska Department of Transportation and Public Facilities. A local match requirement of \$150,000 has already been appropriated to the capital project under D71-090 – Electronic Fare Boxes.

This funding will provide Capital Transit with a data management and fare collection system that enables automatic passenger counters to track ridership and loads on an ongoing basis and a fare collection system to help reduce collection time, ultimately providing improved customer service.

The Public Works and Facilities Committee reviewed this topic at its meeting on December 10, 2018, and referred it to the Assembly.

The City Manager recommends this ordinance be adopted.

F. Ordinance 2018-11(V) An Ordinance Appropriating to the Manager the Sum of \$479,653 as Partial Funding for Bus Replacement for Capital Transit; Grant Funding Provided by Alaska Department of Transportation and Public

Facilities, With Local Match Funding Provided by the Equipment Replacement Reserve's Fund Balance.

This ordinance would appropriate grant funding in the amount of \$407,630 as provided by federal funds through the Alaska Department of Transportation and Public Facilities. A local match requirement of \$72,023 will be funded from the equipment replacement reserve fund balance.

This Lo-No Bus grant, and local match, will be combined with remaining funding of \$397,339 from the recent diesel bus replacement grant that was previously appropriated by the Assembly, along with the associated local match of \$99,335 available in the equipment replacement reserve fund balance. These combined funds, totaling \$976,327 will allow Capital Transit to replace a 2006 35 foot diesel powered bus with a 35 foot electric bus and associated charging infrastructure for the Mendenhall Valley Transit Facility.

The Public Works and Facilities Committee reviewed this topic at its meeting on December 10, 2018, and referred it to the Assembly.

The City Manager recommends this ordinance be adopted.

G. Ordinance 2018-11(W) An Ordinance Appropriating to the Manager the Sum of Up to \$30,000 as Partial Funding for the Cold Weather Emergency Shelter (FY19); Grant Funding Provided by the Alaska Mental Health Trust Authority (The Trust).

The Alaska Mental Health Trust Authority approved a \$30,000 grant request submitted by CBJ staff to cover the costs of operating the cold weather emergency shelter. Last year CBJ received \$16,425 to cover rent at the facility. The increased amount recognizes the CBJ's additional costs in taking over ownership of the building, but is \$6,000 short of that requested. The Housing Office will be looking for operational efficiencies to address the shortfall.

The City Manager recommends this ordinance be adopted.

H. Ordinance 2018-11(X) An Ordinance Appropriating to the Manager the Sum of \$52,763 as Partial Funding for the Housing and Homelessness Services Coordinator Project; Grant Funding Provided by the Alaska Mental Health Trust Authority.

The Alaska Mental Health Trust Authority approved a \$52,763 "house-keeping" grant submitted by CBJ at the request of the Trust. This grant streamlines travel funding and re-establishes a fiscal year grant cycle. One element of this grant is for \$36,355. The original award was for \$100,000 a year for up to three years, beginning in FY2018. Our Housing and Homelessness Services Coordinator was hired seven months into the fiscal year. This funding fills the gap between fiscal

years and allows the Trust to assume a regular grant cycle in FY2020. The other element of this grant is \$16,398 in travel and training dollars for the Housing and Homelessness Services Coordinator and the Chief Housing Officer to participate in homelessness-related training and conferences. Rather than approve them individually, the Trust requested they be submitted as a plan.

The City Manager recommends this ordinance be adopted.

I. Ordinance 2019-02 An Ordinance Authorizing the City Manager to Execute a Purchase and Sale Agreement with Archipelago Properties LLC for Real Property located at Lots 1, 2 and 4, Archipelago Subdivision, Plat No. 2013-22, Juneau Recording District, near 356 South Franklin Street.

The rapidly growing visitation of cruise ships and their passengers necessitates additional facilities to serve the industry. Since the opening of the new floating berth at Alaska Steamship Wharf, dockings have increased 44% and the number of passengers visiting has increased 182%.

Cruise ship vessels exist to take passengers on vacations, and their sole purpose for entering the port of Juneau is to allow passengers to disembark for the day and to enjoy walking about downtown and/or getting on ground transportation to their tours. This project would provide necessary services to the vessel, to the passengers, and will advance the marine enterprise of the cruise ship industry.

The Ninth Circuit Court of Appeals concluded that the provision of the same services as are proposed in this project was lawful. *Barber v. State of Hawaii*, 42 F.3d 1185, 1196 (1994) (providing restroom facilities, parking, trash disposal, and security services to boaters in exchange for moorage and anchoring fees did not violate the Tonnage Clause).

This ordinance would authorize the Manager to enter into an agreement to purchase private property and sell municipal property resulting in a net cost to the CBJ of \$922,175.

The City Manager recommends this ordinance be adopted.

J. Ordinance 2018-11(S) An Ordinance Appropriating to the Manager the Sum of \$11,000,000 as Funding for the Downtown Waterfront Improvement Project; Funding Provided by Cruise Passenger Vessel Excise Tax, Port Development Fees, Marine Passenger Fees Fund's Fund Balance, and Dock Fund's Fund Balance.

DOWNTOWN WATERFRONT IMPROVEMENT PROJECT – FUNDING PACKAGE

Docks & Harbors proposes construction of a downtown transportation staging area and expanded waterfront open space deck-over project in support of the cruise passenger growth in Juneau. The project includes a land exchange and results in a

net purchase of approximately 0.4 acres of additional property. The project would be constructed in two phases over the course of twenty-four months. The total estimated project cost is \$23.5 million. The Finance Director has developed a funding package which would include sufficient resources to complete the proposed project. Phase I improvements would cost \$20.5 million and include the purchase of necessary property and the project costs of the first phase of the construction project. The first phase of construction would include the pilings and installed decks and surface improvements. Phase II, if funded at a later date by the Assembly, would include the covered passenger shelter with restrooms.

The proposal draws from a variety of funds including: Cruise Passenger Vessel Excise Tax, Marine Passenger Fees, Port Development Fees, Dock Fund Balance and Waterfront Land Acquisition CIP.

The funding for Phase I consists of:

- 1.) \$3.5 million of funds already appropriated,
- 2.) appropriating \$11 million via this ordinance and
- 3.) \$6 million of passenger fees to be transferred in from other CIPs.

The City Manager recommends this ordinance be adopted.

K. Transfer 1007 A Transfer of \$6,000,000 from Statter Harbor Improvements - Phase III and Open Space Waterfront Land Acquisition Capital Improvement Projects to Marine Park to Taku Uplands Improvement Capital Improvement Project.

Transfer T-1007 transfers \$4.5 million, of State Cruise Passenger Vessel Excise Tax, from Statter Harbor Improvements Phase III and \$1.5 million, of CBJ Marine Passenger Fees, from Open Space Land Acquisition Fund, to the Marine Park to Taku Uplands Improvement Project.

Docks & Harbors proposes construction of a downtown transportation staging area and expanded waterfront open space deck-over project in support of the cruise passenger growth in Juneau. The project includes a land exchange and results in a net purchase of approximately 0.4 acres of additional property. The project would be constructed in two phases over the course of twenty-four months. The total estimated project cost is \$23.5 million. The Finance Director has developed a funding package which would include sufficient resources to complete the proposed project. Phase I improvements would cost \$20.5 million and include the purchase of necessary property and the project costs of the first phase of the construction project. The first phase of construction would include the pilings and installed decks and surface improvements. Phase II, if funded at a later date by the Assembly, would include the covered passenger shelter with restrooms.

The funding for Phase I consists of:

- 1) \$3.5 million of funds already appropriated

- 2) Appropriating \$11 million via ordinance 2018-11(S) and
- 3) \$6 million of passenger fees to be transferred, via this resolution, from other CIPs.

The City Manager recommends this transfer be approved.

L. Bid Award-Downtown Waterfront Improvements-Materials Procurement

This bid award is for material procurement for the downtown waterfront improvements project at the Archipelago property. The materials sought are long lead-time items; procuring them now will assure that the desired construction schedule is met.

Bids were opened on this project on January 15, 2019. Results of the bid opening were as follows:

Bidders	Total Bid
Island Contractors	\$783,820
Trucano Construction	\$849,017
Western Marine Construction	\$840,600
<i>Engineer's Estimate</i>	\$833,000

The City Manager recommends approval of this bid to Island Contractors in the amount of \$783,820.

M. Ordinance 2018-11(Z) An Ordinance Appropriating to the Manager the Sum of up to \$200,000 as Funding for Visitor Information Kiosk Replacement Capital Improvement Project; Funding Provided by the Dock Fund's Fund Balance.

The CBJ Docks and Harbors Board requests approval to transfer \$200,000 from the Docks Fund Balance for construction of a new visitor information kiosk.

The current kiosk is over 40 years old, has several safety deficiencies, and does not meet ADA requirements. The kiosk is beyond repair and needs to be replaced.

The proposed funding would replace CBJ Marine Passenger Fees currently remaining in the account. Those funds would be transferred to another project under a separate action. The Docks Fund Balance is currently \$4.0M.

The Docks and Harbors Board considered this item at its regular meeting on December 20, 2018 and adopted a motion to recommend the Assembly approve this appropriation ordinance.

The City Manager recommends this ordinance be adopted.

N. Bid Award-Visitors' Information Kiosk Replacement

This bid award would construct a new visitors' information kiosk at the current site on the downtown waterfront. The existing kiosk does not meet ADA requirements and is beyond its useful life.

Bids were opened on this project on January 22, 2019. The results of the bid opening were as follows:

Bidders	Total Bid
Island Contractors, Inc.	\$163,873
Dawson Construction, LLC	\$204,300
Silver Bow Construction Co.	\$219,000
Carver Construction, LLC	\$220,642
<i>Engineer's Estimate</i>	\$150,000

The City Manager recommends that this bid be awarded to Island Contractors, Inc. in the amount of \$163,873.

O. Ordinance 2018-11(AA) An Ordinance Appropriating to the Manager the Sum of up to \$170,000 as Funding for Dock Security Stations Capital Improvement Project; Funding Provided by Marine Passenger Fees.

The CBJ Docks and Harbors Board requests approval to transfer \$170,000 of Marine Passenger Fees from Docks Operations Fund to CIP H51-122 (Dock Security Stations).

The Department of Homeland Security requires Docks personnel secure the vessel at all times it is moored to the cruise berths. Passengers' credentials must be cleared as they enter the vessel security area. Currently there is no orderly vessel security access and queuing location for security checks. The proposed project would construct new security checkpoint facilities (one at the Cruise Ship Terminal and one at Alaska Steamship Wharf).

Funds being transferred are CBJ Marine Passenger Fee proceeds within the approved Docks Operations account that was originally identified for US Coast Guard required TWIC readers. The USCG has since delayed indefinitely the TWIC reader requirement thus the funds are able to support another vessel security project.

The Assembly Public Works and Facilities Committee considered this funding item at its regular public meeting on November 19, 2018 and adopted a motion to prepare an appropriation ordinance for Assembly action.

The Docks and Harbors Board considered this item at its regular meeting on December 20, 2018 and adopted a motion to recommend the Assembly approve this appropriation ordinance.

The City Manager recommends this ordinance be adopted.

P. Transfer 1011 A Transfer of \$129,000 from the Visitor Info Kiosk Capital Improvement Project to the Dock Security Stations Capital Improvement Project.

The CBJ Docks and Harbors Board requests a transfer of funds from CIP account H51-110 (Visitor Information Kiosk) to CIP account H51-122 (Dock Security Stations).

The request is to transfer \$129,000 of CBJ Marine Passenger Fee proceeds to support design and construction of two new Dock Security Stations. The security stations would provide a covered area for secure vessel access and queuing for security checks.

The funding being transferred is CBJ Marine Passenger Fee proceeds that were approved previously for a new Visitor Information Kiosk. The funds would be transferred to support the Dock Security Stations project.

The Docks and Harbors Board considered this item at its regular meeting on December 20, 2018 and adopted a motion to recommend the Assembly approve this appropriation ordinance.

The City Manager recommends this transfer be approved.

IX. UNFINISHED BUSINESS

A. Volunteers of America v. CBJ Assessor

This is a property tax appeal. On March 7, 2018, the CBJ Assessor denied a request from the Volunteers of America for a religious or charitable purpose exemption for two parcels with multi-family housing known as the Terraces at Lawson Creek. Volunteers of America filed a timely appeal. On April 23, 2018, the Assembly accepted the appeal and referred it to a hearing officer.

The hearing officer held a prehearing conference, had the record compiled, and the parties briefed their positions. The hearing officer issued a proposed decision on January 2. Volunteers of America filed a timely objection. The hearing officer considered that objection and the Assessor's statement of support and updated the proposed decision. The hearing officer reviewed the record, applied Alaska and CBJ law in light of the record, and ultimately concluded the Terraces at Lawson Creek do not qualify for a religious or charitable purpose tax exemption. CBJ 01.50.150(c) governs this process. Unless rejected or modified by an affirmative vote of the Assembly, the hearing officer's proposed order shall be deemed adopted by the Assembly. 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.

X. NEW BUSINESS

XI. STAFF REPORTS

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. **CLIA Litigation Update**

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