

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

December 17, 2018 7:00 PM

City Hall, Assembly Chambers
Regular Meeting 2018-37

Submitted By:

Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. **Youth Recognition: Bergen Davis**

IV. APPROVAL OF MINUTES

A. **September 17, 2018 Regular Assembly Meeting 2018-29**

B. **December 1, 2018 Special Meeting 2018-35 Assembly Retreat Draft 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 2018-47 An Ordinance Amending the Health and Sanitation Code Relating to Smoking Limitations.**

The CBJ has code provisions that restrict smoking. The State recently enacted SB63 to restrict smoking state-wide. Although most of the SB63 provisions are the same or similar to CBJ code, there are slight

differences. This ordinance would amend the CBJ code to be consistent with SB63, which minimizes confusion as to where people can smoke and makes it easier for the smoking restrictions to be enforced.

The Committee of the Whole discussed this matter at its meetings on October 22 and November 15, 2018.

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

- b. **Ordinance 2018-11(T) An Ordinance Appropriating to the Manager the Sum of \$380,000 as Funding for the Juneau International Airport's Replace Exit Lane System Capital Improvement Project; Funding Provided by the Airport Fund's Fund Balance.**

The secured exit lane is the primary egress from the departure lounge, and a controlled access point. This project is ineligible for funding through the Airport Improvement Program, and requests for TSA and port grants have been denied.

At its November 13, 2018, meeting, the Airport Board approved this action.

The Public Works and Facilities Committee reviewed this ordinance at its meeting on December 10, 2018 and forwarded it to the full Assembly for approval.

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

2. Resolutions

- a. **Resolution 2843 A Resolution Adopting an Alternative Allocation Method for the FY19 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity within the Northern Southeast Fisheries Management Area.**

This resolution would facilitate the CBJ's participation in the State's FY2019 Shared Fisheries Business Tax Program by certifying that an alternative allocation method fairly represents the distribution of significant effects of fisheries business activity in Fisheries Management Area 17: Northern Southeast Area for calendar year 2017. Pursuant to this program, the State distributes a share of State fishery revenues to each participating community in the Northern Southeast Area.

Historically, the participating communities in the Northern Southeast Area have agreed to an alternative funding method in which the communities share one half of the funding equally between the respective municipalities

and share the other half based upon community population figures. If all of the participating communities in the Northern Southeast Area agree to this alternative method, as suggested in the State application, then the CBJ's anticipated allocation will be approximately \$9,883. If the participating communities in the Northern Southeast Area do not agree to this alternative method, then a standard application would be due no later than February 15, 2019, which documents the costs of fisheries impacts on the CBJ.

The City Manager recommends adoption of this resolution.

3. Bid Award

a. **Douglas Highway Water Main Replacement**

Bids were opened on this project on December 12, 2018. The bid protest period expired on December 13, 2018. Results of the bid opening are as follows:

Responsive Bidders	Total Bid
Admiralty Construction	\$1,941,090
Coogan Construction	\$2,045,451
Glacier State Contractors	\$2,127,207
Arete Construction	\$2,276,006
Engineer's Estimate	\$2,237,485

The City Manager recommends award of this project to Admiralty Construction, Inc., for the total amount bid of \$1,941,090.

4. Liquor License

a. **Liquor License Renewals and A New Liquor License**

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

New License Application

License Type: Brewery, License #5729

Forbidden Peak Brewery LLC d/b/a Forbidden Peak Brewery LLC

Location: 11798 Glacier Hwy, Juneau

Renewal of Liquor Licenses

License Type: Brewery, License #5517
 Devil's Club Brewing LLC d/b/a Devil's Club Brewing Company
 Location: 100 N Franklin St. Juneau

License Type: Package Store, License #849
 Thibodeau's Market Inc. d/b/a Percy's Liquor Store
 Location: 214 Front St. Juneau

License Type: Package Store, License #3352
 Costco Wholesale Corporation d/b/a Costco Wholesale #107
 Location: 5225 Commercial Way, Juneau

License Type: Beverage Dispensary, License #76
 The Narrows Bar, LLC d/b/a The Narrows Bar LLC
 Location: 148 S. Franklin St. 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.

5. Transfers

- a. **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 is continuing to review the recent court order from Judge Holland regarding the CLIA litigation and recommends that public hearing on this Ordinance be postponed until the second Assembly meeting in January 2019.

VIIIPUBLIC HEARING

A. Ordinance 2018-41(c) An Ordinance Amending the Land Use Code Relating to Alternative Residential Subdivisions.

This ordinance would amend the land use code to allow for a new housing option. This ordinance would create reasonable minimum standards and procedures for small-lot residential communities in which all or some of the lots do not substantially conform to the minimum requirements for a traditional subdivided lot. This ordinance also permits flexibility in the use of land desired by the community; encourages small-lot residential communities; encourages a different type of housing option; encourages development of quality affordable housing; and encourages residential developments that are in harmony with the surrounding area. Other communities have recently authorized this type of housing option.

The Title 49 Committee and the Planning Commission held multiple hearings on this ordinance. On September 25, 2018, the Planning Commission recommended the Assembly adopt this ordinance. The Assembly Committee of the Whole discussed this matter at its meetings on October 22, November 19, and December 10. The Committee of the Whole recommended that the Assembly adopt version C of this ordinance.

The City Manager recommends this ordinance be adopted.

B. Ordinance 2018-48 An Ordinance Authorizing the Port Director to Execute a Lease with Harri Commercial Marine for the Auke Bay Boatyard.

This ordinance would authorize the Port Director to execute a lease with Harri

Commercial Marine (dba Juneau Marine Services) for the Auke Bay Loading Facility. Harri Commercial Marine has leased the same or similar space from the CBJ since 2008 prior to the existing lease expiring. Harri Commercial Marine recently applied to continue leasing the Auke Bay Loading Facility for 20 more years in two 10-year terms. An appraisal determined the fair market value of this lease to be \$36,000 per year.

The Docks & Harbors Board approved the rental rate at its June 28 meeting and approved the terms of the proposed new lease at its August 30 regular meeting. On November 5, 2018, the Assembly authorized direct negotiations with Harri Commercial Marine.

The City Manager recommends this ordinance be adopted.

C. Ordinance 2018-49 An Ordinance Amending the Official Zoning Map to Rezone Lot 3, Block A, Sherwood Estates, Located at 2500 Sherwood Lane, from Industrial (I) to Light Commercial (LC).

Rezoning is governed by 49.75.110-130. The owner of 2500 Sherwood Lane timely applied to request a rezoning of a five-acre parcel from Industrial to Light Commercial. Staff reviewed the application, held a neighborhood meeting, and ultimately recommended to deny the proposed rezoning. Staff primarily based its denial on its analysis that the residential and non-residential uses allowed in Light Commercial did not substantially conform to the Heavy Industrial designation of the Comprehensive Plan. On October 23, 2018, the Planning Commission disagreed with staff. The Planning Commission discussed whether a Comprehensive Plan map amendment was necessary first, but the Planning Commission ultimately decided to recommend the rezoning. The Planning Commission's analysis is summarized in the Whereas clauses of this ordinance.

The Assembly Committee of the Whole discussed this matter at its meeting on November 19, 2018, and recommended not to adopt this ordinance.

The City Manager recommends the Assembly not adopt this ordinance, in accordance with the Committee of the Whole recommendation.

D. Ordinance 2018-50 An Ordinance Approving a Land Trade between the City and Borough and Alan and Ellen Rogers for Properties Located on the Southern End of the Mendenhall Peninsula.

This ordinance would authorize the City Manager to execute a land exchange. The Rogers family owns a lot next to CBJ park property on the southern end of the Mendenhall Peninsula. The Rogers applied for a land exchange so that the Rogers could build an accessible home on the upland part of their lot and in exchange the Rogers would convey to the CBJ property of equal value. The property would be added to the park and was determined by appraisal to be 2½ times more valuable than the upland property. Thus, approximately 14,225 square feet of CBJ upland property would be traded for approximately 6,164 square feet of property owned by

the Rogers.

The Assembly agreed to the concept at its June 4, 2018 meeting and directed the Manager to negotiate terms for the land trade.

The Parks and Recreation Advisory Committee, the Lands Committee and Planning Commission have all reviewed the proposed land exchange and recommended approval.

The City Manager recommends this ordinance be adopted.

- E. Ordinance 2018-11(R) An Ordinance Appropriating to the Manager the Sum of up to \$205,000 as Funding for the Community Development Department; Grant Funding Provided by the United States Department of Homeland Security, Federal Emergency Management Agency, FY18 Cooperating Technical Partners Program.**

The City and Borough has been awarded up to \$205,000 by the Federal Emergency Management Agency to update information on the landslide and avalanche risk in Juneau. The grant includes \$180,000 for a study, and \$25,000 to develop policy recommendations. The grant will be implemented through two contracts issued following a bidding process. The project will be completed over a period of four years. No additional CBJ funds are required.

Adoption of this ordinance authorizes the CBJ to accept the grant funds.

The City Manager recommends this ordinance be adopted.

- F. 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 is continuing to review the recent court order from Judge Holland regarding the CLIA litigation and recommends that public hearing on this Ordinance be postponed until the second Assembly meeting in January 2019.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

A. North Douglas Land Disposal - Applicant Thomas Daugherty

The Division of Lands and Resources received an application to purchase City property from Thomas Daugherty who owns the property located at 9223 North Douglas Highway. The City property has the legal description of USS 3559, Lot 1; and consists of a very large parcel of over 1,100 acres. Thomas Daugherty has requested to purchase a small fraction of City owned property in order to have enough square footage to subdivide his existing lot into two residential lots. Currently the applicant's lot is 71,438 square feet which is 512 square feet short from the minimum size needed to subdivide. The property that Mr. Daugherty has requested to purchase is a small strip of City land along the back of his property.

The Land Management Plan has this property designated as Retain/Dispose which allows for this type of disposal request. City code 53.09.260 - **Negotiated sales, leases, and exchanges** states that *"The proposal shall be reviewed by the assembly for a determination of whether the proposal should be further considered and, if so, whether by direct negotiation with the original proposer or by competition after an invitation for further proposals. Upon direction of the assembly by motion, the manager may commence negotiations for the lease, sale, exchange, or other disposal of City and Borough land."*

On November 19, 2018 the Lands Committee unanimously passed a motion of support to the Assembly to work with the original applicant and dispose of roughly 530 square feet of City property.

The City Manager requests a motion of support to enter into direct

negotiations with the original applicant for the disposal of a Fraction of USS 3559.

B. LID Board of Equalization

The Assembly will recess and convene as the Board of Equalization for the purpose of holding public hearing on the assessment rolls, and separate assessments appearing thereon, for LID 62 and LID 97. At the conclusion of the hearing, the Board of Equalization should recommend to the Assembly that it approve the assessment rolls with any revisions or corrections recommended by the Board. The Board will then adjourn and the Assembly will reconvene. The Assembly will consider Resolutions 2841 and 2842 approving the rolls, fixing the time and method of payment, setting the date of levy, and fixing the time of delinquency, and penalties and interest under New Business.

C. Assembly Action - Resolution 2842 A Resolution Confirming the Assessment Roll for LID No. 97, That Installed a Municipal Water System within the Public Roads of the Eagles Edge Subdivision in the Lemon Creek Area, Fixing the Time and Method of Payment Assessments, Setting the Date of Levy, and Fixing the Time of Delinquency and Penalties and Interest.

This resolution would confirm the assessment roll for Local Improvement District (LID) No. 97, which installed a municipal water system within the public roads of the Eagles Edge Subdivision. This LID was created by Ordinance 2013-07, which proposed an assessment of \$3,300 per lot. As presented in this resolution, each lot in the proposed assessment roll would be assessed \$3,300.

Article IV of CBJ 15.10 governs this assessment roll process. Notices were published in the newspaper and mailed to residents in the LID area, so they would have an opportunity to make their views known to the Assembly at tonight's hearing. For the purpose of this hearing, the Assembly sits as a Board of Equalization to confirm the assessment roll. After hearing all objections and suggestions, the Assembly may correct, revise, raise, lower, change the roll, or set aside the roll and order the remaking of the assessment.

Staff will be recommending the Assembly remove one parcel assessment from the assessment toll. CBJ 15.10.120(a) prohibits a lot from being assessed if the lot did not receive any benefits from the LID. The parcel requested to be removed is the playground and basketball parcel, owned by the Eagles Edge Home Owners association, which did not have sewer or water services to the parcel and was not benefited by this LID.

REMOVE the following property assessment of \$3300. This property was not provided a water service as it is the playground and basketball parcel owned by

Eagles Edge Homeowners Association:

<u>Parcel Number:</u>	<u>Owner:</u>	<u>Assessment:</u>	<u>Street:</u>	<u>Address:</u>
5B1301170160	Eagles Edge Sub Homeowners Association	3,300.00	N/A	Chatham

Revised Assessment Roll Total: **\$290,400** (original assessment roll total : \$293,700)

The City Manager recommends the adoption of this resolution as modified by the Board of Equalization.

- D. **Assembly Action - Resolution 2841 A Resolution Confirming the Assessment Roll for LID No. 62, That Constructed Improvements to the Road Base, Drainage, Pavement and Sidewalks within the Public Roads of the McGinnis Subdivision in the Back Loop Road area, Fixing the Time and Method of Payment Assessments, Setting the Date of Levy, and Fixing the Time of Delinquency and Penalties and Interest.**

This resolution would confirm the assessment roll for Local Improvement District (LID) No. 62, which constructed improvements to the road base, drainage, pavement and sidewalks within the public roads of the McGinnis Subdivision area. This LID was created by Ordinance 2015-28, which proposed an assessment of \$3,000 for each parcel in the Moraine Edge Subdivision and \$4,000 for each parcel in the LID but outside the Moraine Edge Subdivision. As presented in this resolution, the lots in the proposed assessment roll would be assessed the same amount as estimated in Ordinance 2015-28.

Article IV of CBJ 15.10 governs this assessment roll process. Notices were published in the newspaper and mailed to residents in the LID area, so they would have an opportunity to make their views known to the Assembly at tonight's hearing. For the purpose of this hearing, the Assembly sits as a Board of Equalization to confirm the assessment roll. After hearing all objections and suggestions, the Assembly may correct, revise, raise, lower, change the roll, or set aside the roll and order the remaking of the assessment.

Staff will be recommending three assessment roll changes due to two property subdivisions and a lot consolidation. CBJ 15.10.120(b) requires the Manager to establish an equitable method of assessing property that is subdivided or consolidated during the pendency of the LID. The specific changes being requested are detailed below.

ADD the following properties to the LID Assessment Roll to be assessed at \$4000 each. These properties were created by property subdivisions after LID 62 was formed:

<u>Parcel Number:</u>	<u>Owner:</u>	<u>Assessment:</u>	<u>Street:</u>	<u>Address:</u>
4B2601100012	Mark W Pincikowski & Jennifer S Urban	4,000.00	4945	Steelhead
4B2601100082	Hi S. Kim	4,000.00	4947	Hummingbird

REMOVE the following property assessment of \$4000. This property was consolidated into the adjacent property 4950 Steelhead:

<u>Parcel Number:</u>	<u>Owner:</u>	<u>Assessment:</u>	<u>Street:</u>	<u>Address:</u>
4B2601100040	Linda C. Kadrlik	4,000.00	N/A	Steelhead

Revised Assessment Roll Total: **\$476,000** (original assessment roll total : \$472,000)

The City Manager recommends the adoption of this resolution as modified by the Board of Equalization.

XI. STAFF REPORTS

XII.ASSEMBLY REPORTS

- A. Mayor's Report
- B. Committee Reports, Liaison Reports, Assembly Comments and Questions
- C. Presiding Officer Reports

XIIICONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XIV.EXECUTIVE SESSION

- A. **City Manager Evaluation Committee Recommendation**
- B. **CLIAA Litigation Strategy Update**

XV. ADJOURNMENT

XVISUPPLEMENTAL 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