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

June 25, 2018 7:00 PM

City Hall, Assembly Chambers
Regular Meeting 2018-18

Submitted By:

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Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. **Special Recognition: Laurie Sica**

IV. APPROVAL OF MINUTES

A. **June 4, 2018 Regular Assembly Meeting 2018-15**
B. **June 11, 2018 Special Assembly Meeting 2018-16**
C. **June 13, 2018 Special Assembly Meeting 2018-17**

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 2017-06(AW) An Ordinance Appropriating to the Manager the Sum of $119,853 as Funding for Various Capital Improvement Projects and Bond Debt; Funding Provided by General Obligation Bond Interest Income.**

This ordinance would appropriate $119,853 in bond interest income that was earned on general obligation bond proceeds allocated to the projects listed below. Per CBJ Charter and direction of Bond Counsel, the interest income is available to: 1) cover original projects expenditures, 2) pay bond debt service & IRS arbitrage fees or 3) other eligible Capital Improvement Projects. The proposed expenditures are in compliance with the guidance.
Funding provided by un-expended bond interest income from ten capital improvement projects.

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

b. **Ordinance 2018-11(A) An Ordinance Appropriating to the Manager the Sum of $53,000 as Partial Funding for the Treadwell Mine Park Preservation Capital Improvement Project; Grant Funding Provided by the Treadwell Historic Preservation and Restoration Society.**

The project is to prepare and paint the exterior and interior of the existing concrete structure known as the Treadwell Office Building. This work continues recent historic preservation work at the Treadwell Mine Historic Park.

The Treadwell Historic Preservation and Restoration Society is contributing $53,000 to this project. Funds were obtained by the Society through private and corporate donations for the purpose of historic preservation activities at the Treadwell Mine site.

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

c. **Ordinance 2018-11(C) An Ordinance Appropriating to the Manager the Sum of $84,479 as Funding for the Parks and Recreation Department; Funding Provided by Hotel Tax Fund's Fund Balance.**

On July 1, 2018, the CBJ will enter into an agreement with the Juneau Arts and Humanities Council (JAHC) to manage the operations of Centennial Hall. Because the work of managing the hall will shift from public employees covered by the Public Employer Retirement System (PERS) to employees of a nonprofit organization not subject to PERS, the CBJ will incur a onetime termination cost of up to $84,479.00. This ordinance would appropriate the funds needed to pay for the termination costs to the Parks & Recreation Department. The funds will come from the Hotel Bed Tax Fund's fund balance.

This issue was discussed with the Assembly Finance Committee at its June 13, 2018, meeting. The AFC directed staff to prepare an

appropriating ordinance and move it to the full assembly for introduction and public hearing.

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

d. **Ordinance 2018-12(A) An Ordinance Appropriating $40,000 from the Treasury for FY19 School District Operations with the Sole Purpose of Funding the Auto Shop Lease Costs.**

This ordinance would appropriate $40,000 to the Juneau School District, to be used solely for the rental payment relating to the facility use agreement between the district and the University of Alaska needed for the district's auto shop program.

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

e. **Ordinance 2018-36 An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of USS 2305, Lot 9 Fraction (Northern Portion) and USS 2335 Fraction (Western Portion), Located at 4535 North Douglas Highway, from D-3 to D-15.**

This ordinance would rezone lots on North Douglas Highway from D-3 to D-15.

The two lots (1.64 acres) are under the same ownership and together are currently occupied by one single family dwelling.

The requested rezone would be an expansion of an existing D-15 zone immediately to the north. The large lot to the north was rezoned from RR(T)D-3 to D-15 in 2014. The 2013 Comprehensive Plan identifies the immediate area around and including the lots as Medium Density Residential (MDR). This designation supports lots which have zoning with dwelling densities between five to twenty units per acre. The Comprehensive Plan notes that rural lands and lands in the North Douglas Subarea should be rezoned to higher densities when public water and sewer are provided to them. The subject lots were connected to public water in 1987 and public sewer in 2011.

The CBJ Land Use Code provides minimum restrictions for zone change requests. This proposal conforms to these restrictions as follows:

1. The request is for less than 2 acres, but if approved will expand an existing D-15 zoning district.

2. No similar request has been made in the past year.

3. This request substantially conforms to the land use maps of the 2013 Comprehensive Plan.

On April 18, 2018, a public meeting was held at the Douglas Library. On May 22, 2018, the Planning Commission recommended that the Assembly approve the rezone.

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

f. **Ordinance 2018-37 An Ordinance Authorizing an Alternative Procurement Method Related to the City and Borough's Recycleworks Program.**

This ordinance authorizes the Manager to complete an alternative procurement that would allow the CBJ to locate all of its waste programs at the privately owned and operated Waste Management landfill.

Under this authorization the Manager intends to complete a number of activities. First, the Manager intends to execute a ten-year contract with four five-year renewals that will result in the construction of a purpose-built recycling building. The Assembly will annually be asked to appropriate funds for the recycling program. Appropriation Ordinance 2018-11 (b) will appropriate supplemental FY19 funding for the recycling program. Waste Management will operate the recycling program.

Second, the Manager intends to lease land from Waste Management at the landfill at fair market value and construct a purpose-built household hazardous waste (HHW) collection center on that land. At a future date the Assembly will be asked to approve an appropriating ordinance to fund the land lease and construction costs of the building. The HHW program services will be competitively bid by CBJ.

Third, the Manager and staff intend to develop a composting or other organics management program that could also be located at the landfill, also on leased land. The program details have not yet been developed. The Assembly will have the opportunity to consider funding this program through a future appropriation process.

The City Manager recommends this ordinance be introduced and set for public hearing at a special Assembly meeting on July 11, 2018.

g. **Ordinance 2018-11(B) An Ordinance Appropriating to the Manager the Sum of $126,000 as Supplemental Funding for Waste Management's Fiscal Year 2019 Operating Budget; Funding Provided by the Waste Management Fund's Fund Balance.**

This ordinance would appropriate $126,000 from the Waste Management Enterprise Fund Balance to the Waste Management Operating Budget to provide funding for the recycling program envisioned by Ordinance 2018-37. This appropriation would fund, through FY19, the increased contract cost between the existing recycling contract and the expanded contract contemplated by Ordinance 2018-37.

The City Manager recommends this ordinance be introduced and set for public hearing at a special Assembly meeting on July 11, 2018.

2. Resolutions

   a. **Resolution 2825 A Resolution of the City and Borough of Juneau in Support of the Juneau Fisheries Terminal Expansion.**

   This resolution affirms Assembly support for Docks & Harbors to submit a $25M Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grant application. This grant, formerly called TIGER, provides the opportunity for municipalities to compete for $1.5B in US Department of Transportation investments to improve road, rail, transit, and port projects that achieve national objectives.
   In March 2017, Docks & Harbors completed a master planning document, the Juneau Downtown Harbors Uplands Master Plan: Bridge Park to Norway Point. This document, adopted with public input, described elements desired at the Juneau Fisheries Terminal which are contained in the BUILD grant application.

   The Docks & Harbors Operations-Planning Committee reviewed the resolution and recommended adoption at its June 20, 2018, meeting.

   The City Manager recommends this resolution be adopted.

3. Liquor License

   a. **Liquor Licenses**

   The below liquor license actions are before the Assembly to either protest or waive its right to protest each license action.

   <u>Renewals:</u>
   Package Store AMCO License # 2066: Fred Meyer Stores Inc. d/b/a Fred Meyer #158
   Location: 8181 Glacier Hwy., Juneau, AK 99801.

   Package Store AMCO License # 4742: Glacier Hwy, LLC d/b/a Glacier Hwy LLC

Location: 6525 Glacier Highway, Juneau, AK 99801.
This is an application for a license renewal as well as an application for their first waiver since they did not operate for a minimum of 30 days within the preceding license year.

License Transfer & Application for a Restaurant Designation Permit
Beverage Dispensary Tourism License #2541: MGO Inc., d/b/a Juneau Airport Travelodge
Location: 9200 Glacier Highway, Juneau, AK 99801.
This is an application for a license renewal as well as an application for a Restaurant Designation Permit.

New License& Application for a Restaurant Designation Permit
Beverage Dispensary Tourism License 5649: Tailwind JNU LLC d/b/a Tailwind Concessions
Location: 1873 Shell Simmons Drive, Suite 220, Juneau, AK 99801. (Juneau Airport outside security.) This is an application for a new license as well as an application for a Restaurant Designation Permit.

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 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 applications.

4. Transfers

   a. **Transfer T-1000 Transfer of $250,000 from Cruise Berth Improvement Capital Improvement Project to the Dock Cathodic Protection Capital Improvement Project.**

   The CBJ Docks and Harbors director requests a transfer of funds from CIP account H51-101 (Cruise Berth Improvements) to CIP H51-104 (Dock Cathodic Protection).

   This transfer will provide funding to move forward with contracting the third and final phase of the Dock Cathodic Protection Project - preparing and painting the waterside of the Marine Park retaining wall.

   The Docks and Harbors Board reviewed this transfer at its May 23, 2018, Operations/CIP Committee meeting.

The City Manager recommends this transfer be approved.

VIIIPUBLIC HEARING

A. **Ordinance 2017-06(AX) An Ordinance Appropriating to the Manager the Sum of $250,000 as Supplemental Funding for Harbors' Fiscal Year 2018 Operating Budget; Funding Provided by Harbors' Fund Balance.**

Docks & Harbors anticipates exceeding its FY18 authorized spending authority by $250K in the Harbor Enterprise. The increase is attributable to extraordinary expenditures including personnel costs, infrastructure improvements and resolving abandoned and derelict vessels. The additional request is an increase of 5% of the total authorized expenditures in FY18. Sufficient revenues in excess of the budget are available in the current fiscal year.

The Assembly Finance Committee reviewed this request at its meeting on June 13, 2018.

The City Manager recommends this ordinance be adopted.

B. **Ordinance 2018-20 An Ordinance Authorizing the Manager to Sell Four City and Borough of Juneau Parcels, Located at 5436 Commercial Drive and 5433 Shaune Drive, to AKBev Group LLC.**

This ordinance would authorize the CBJ to sell four parcels to the Alaskan Brewing Company. The CBJ currently uses two of the parcels for its Household Hazardous Waste program and uses the other two parcels for part of its Water Utility program. With the consolidation of the Engineering and Public Works departments and the desire to move the HHW program to a more efficient location, the public would benefit from selling these parcels instead of continuing to operate the existing programs on them.

The Planning Commission recommended the CBJ sell the four lots at its meeting on January 23, 2018. This transaction was also discussed at the following Assembly Committee meetings: April 10, 2017 Lands, January 29, 2018 Committee of the Whole, May 8, 2018 Public Works and Finance, and May 21, 2018 Committee of the Whole.

The City Manager recommends this ordinance be adopted.

C. **Ordinance 2018-32 An Ordinance Amending Title 72 of the City and Borough of Juneau Code Relating to Driving Without a License.**

This is a housekeeping ordinance clarifying that the operation of a vehicle without a license is an offense, not only when one's license has expired, but also when a license has never been obtained. (Consistent with state law, the CBJ code provides for a lesser penalty for operating a motor vehicle when one's license has been expired for less than one year.)

The City Manager recommends this ordinance be adopted.

D. **Ordinance 2018-35 An Ordinance Authorizing the Manager to Execute Permits for City and Borough of Juneau Road Reconstruction and Maintenance Projects in State Rights-of-Way with the Alaska Department of Transportation and Public Facilities.**

This ordinance would allow the Manager to execute approach road permits that include indemnification provisions with the Alaska Department of Transportation and Public Facilities to allow the CBJ to reconstruct municipal roads and other approaches when the access points are located within the State's rights-of-way as required by 17 AAC 10.020(c).

ADOT&PF's boilerplate access road permits contains an indemnification provision. CBJ Charter 9.13(a) generally prohibits the CBJ from indemnifying others. However, Charter 9.13(c) allows the CBJ to indemnify the State when the CBJ would not otherwise be able to participate. This ordinance would allow the Manager to execute ADOT&PF access road permits required by state law.

The City Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

A. **UAF Cooperative Extension Service Lease in Public Safety Building**

On April 23, 2018, the Assembly unanimously authorized the Manager to purchase the former Public Safety Building located at 450 Whittier Street in the Willoughby District; closing is scheduled to occur on or about June 29, 2018. Presently, the University of Alaska Fairbanks Cooperative Extension Service leases space in this building from the current owner, the State through the Alaska Mental Health Trust. It has been determined that it is in the CBJ's best interests to retain UAF as a tenant after the property has transferred to CBJ ownership. There is no mechanism in code that specifies how such a rental should proceed. It is my intent to utilize a process similar to the process used for leasing office space in the CBJ Water Utility Building, given the similarities between the two (non-consumptive, short-term use). A lease for a non-exclusive, non-consumptive use of CBJ property may be granted by the manager for a term not to exceed one year.

I propose to proceed with a rental agreement for the use of office space in the already-existing building located at 450 Whittier Street. The rental amount will be for $3,603.86 per month and the rental term shall not exceed one year. As there are no other CBJ departments that have a property interest in the space being rented, I do not intend to circulate the rental agreement for review to other CBJ departments or the planning commission (as is the process provided for by CBJ 53.09.310 for use permits).

No action by the Assembly is required and this topic was on the agenda to provide

information to the Assembly.

B. **Appeal - Juneau Church of the Nazarene v CBJ Assessor**

On June 1, 2018, the CBJ Assessor denied a request from the Juneau Church of the Nazarene for religious use exemption status for property located at 3220 Mendenhall Loop Road, Juneau, AK 99801. On June 5, 2018, an appeal of the Assessor's decision was filed.

In accordance with the Appeals Code, the Assembly must decide whether to accept or reject the appeal. If you determine, after liberally construing the notice of appeal in order to preserve the rights of the appellant, that there has been a failure to comply with the appellate rules, or if the notice of appeal does not state grounds upon which any of the relief requested may be granted, you may reject the appeal.

If the appeal is accepted, you must decide whether the Assembly will hear the appeal itself or if it will assign the appeal to a hearing officer. If you decide to hear the appeal yourselves, a presiding officer should be appointed.

In hearing an appeal, the Assembly sits in its quasi-judicial capacity and must avoid discussing the case outside of the hearing process. (See CBJ 01.50.230, Impartiality.)

The City Manager makes no recommendation in quasi-judicial matters before the Assembly.

C. **Best Starts Resolution**

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. **Litigation Update**

B. **Collective Bargaining 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