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

March 5, 2018 7:00 PM

City Hall, Assembly Chambers
Regular Meeting 2018-6

Submitted By:

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Mila Cosgrove
City and Borough Deputy City Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

IV. APPROVAL OF MINUTES

A. **February 12, 2018 Regular Assembly Meeting 2018-05**
B. **January 22, 2018 Regular Assembly Meeting 2018-03**

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 2018-09 An Ordinance Providing for the Issuance and Sale of a General Obligation School Refunding Bond in the Aggregate Principal Amount of Not to Exceed $5,500,000; and Providing for the Form and Terms of the Bond and for Unlimited Tax Levies to Pay the Bond.**

This ordinance would authorize the issuance of up to $5.5 million in

bonds to refund (refinance) the 2008A & B general obligation school bonds. The original $39.5 million in bonds were sold in July 2008. The bonds were sold directly into the financial markets by CBJ but the refunding is being done via a "direct placement" with a national bank, Wells Fargo.

If CBJ issues the refunding bonds in May 2018 the refunding will result in an estimated total savings of $262,000, after all costs, over the remaining life of the bonds. The savings is shared between the State of Alaska and CBJ. The term of the new issue will be the same as the original (final payment June 2023).

These bonds qualify for 70% reimbursement under the state's School Construction Bond Debt Reimbursement Program. However, the reimbursement under the state's Debt Reimbursement Program is subject to annual appropriation by the Legislature. The debt service component of the property tax mill rate, as currently set, raises sufficient revenue to pay the remaining CBJ portion of the debt service.

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

b. **Ordinance 2018-13 An Ordinance Creating Local Improvement District No. 200 for a Riverbank Stabilization Project along the Mendenhall River between 9399 Rivercourt Way and 3463 Meander Way and Appropriating the Sum of $2,935,000.**

Twenty-seven properties along the Mendenhall River between Rivercourt Way and the north end of Meander Way are threatened by severe riverbank erosion. Many of the property owners asked the CBJ to assist with securing funding for a riverbank stabilization project through the National Resources Conservation Service Emergency Watershed Protection program. NRCS would fund the design, inspection, and construction administration, plus 75 percent of the estimated $8.5 million construction costs.

This ordinance would create a Local Improvement District to provide the local sponsorship as required by NRCS for the project to use federal funds. The CBJ estimates its contribution to the project will be $2.94 million plus the costs associated with maintaining the riverbank protection structure for a period of ten years. The property owners' combined contribution, through the LID, would be fixed at $2.160 million or $80,000 per property. The allocation of the property owners' assessment would be borne equally by all of the affected properties. Because the CBJ will be absorbing a large portion of the costs, and as the property owners'

contribution is capped at a value that is lower than could properly be assessed against the properties otherwise, equal apportionment is warranted.

At its Committee of the Whole meeting on November 20, 2017, the Assembly directed staff to proceed with the proposed LID ordinance and recommended fixing the property owner assessments at $80,000 per lot.

CBJ code (15.10.040(b)) requires that notice of the public hearing be mailed to the property owners at least 30 days prior. The CBJ mailed notices to the twenty-seven property owners on March 1, 2018.

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

c. **Ordinance 2017-06(AG) An Ordinance Appropriating to the Manager the Sum of $800,000 as Partial Funding for the Construction of Valley Transit Transfer Center; Grant Funding Provided by Alaska Department of Transportation and Public Facilities.**

This ordinance appropriates $800,000 from the Alaska Department of Transportation and Public Facilities for Phase I of the new valley transit center.

The CBJ will match these funds at a level of 20% with existing transit center capital appropriations.

The Public Works and Facilities Committee forwarded this request at its February 26, 2018, regular meeting.

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

d. **Ordinance 2017-06(AH) An Ordinance Appropriating to the Manager the Sum of $700,000 as Partial Funding for Rainforest Recovery Center Detox Addition Capital Improvement Project; Funding Provided by Sales Tax Fund's Fund Balance.**

This ordinance appropriates $700,000.00 of FY18 1% sales tax monies for partial funding to a new project, *Bartlett Regional Hospital (BRH) – Rainforest Recovery Center Upgrades*. This appropriation of FY18 1% sales tax conforms with the allocation of 1% sales tax monies approved by the CBJ Finance Committee on January 10, 2018.

This new project will renovate and provide an addition to the existing Rainforest Recovery Center on the BRH campus. Additional funding of $1,800,000.00 of FY19 1% sales tax is scheduled for FY19 in the Draft

FY 19-FY24 Capital Improvement Plan.

The Public Works and Facilities Committee forwarded this request at its February 26, 2018, regular meeting.

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

e. **Ordinance 2017-06(AK) An Ordinance Appropriating to the Manager the Sum of $600,000 as Funding for the RecycleWorks / Waste Management Program; Funding Provided by Sales Tax Fund's Fund Balance.**

The voters approved $2 million in temporary sales tax in the 2017 election for the RecycleWorks/Waste Management program. This appropriation of $600,000 from sales tax will go to the RecycleWorks/Waste Management Enterprise Fund.

The Public Works and Facilities Committee forwarded this request at its February 26, 2018, regular meeting.

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

f. **Ordinance 2017-06(AI) An Ordinance Appropriating to the Manager the Sum of $2,603 as Partial Funding for Temporary Staffing Assistance at the City Museum; Funding Provided by the Friends of the Juneau-Douglas City Museum.**

This ordinance appropriates $2,603 in grant funding to the Library Department, for the purpose of providing temporary staffing assistance during the summer at the city museum.

Grant funding is provided by the Friends of the Juneau-Douglas City Museum. There is no matching requirement for this grant. These funds will be used to provide supplemental front desk assistance during the summer months that fall in FY18 when the museum is busier due to tourism. This grant fully funds salaries and benefits for this 0.25 FTE (0.07 FTE in the FY18 period); there is no impact to support from the general fund.

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

g. **Ordinance 2018-07(A) An Ordinance Appropriating and De-Appropriating Funds from the Treasury for FY18 School District Operations.**

The FY2018 school enrollment is below the level originally used to determine the Juneau School District (JSD) funding for the FY18 approved school budget.

This results in $726,277 less of state revenue and a reduction of $167,000 to the contribution amount that CBJ is allowed to fund under the state cap. The CBJ funding can be reduced or reallocated to other needs. The school board and Assembly Finance Committee have recommended reallocating the CBJ funding of $167,000 to the Kinder Ready Program.

The Board of Education passed a budget revision for the FY18 District's Operating Fund at its December 12, 2017, meeting.

The Assembly Finance Committee approved this action at its meetings on December 13, 2017, and February 7, 2018.

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

h. **Ordinance 2017-06(AJ) An Ordinance Appropriating to the Manager the Sum of $1,801,875 as Funding for the Juneau International Airport Gate 2 Passenger Boarding Bridge Capital Improvement Project; Funding Provided by the Airport Fund's Fund Balance.**

This ordinance would appropriate $1,801,875 to the Airport Gate 2 Passenger Boarding Bridge (PBB) capital improvement project (A50-095). Funding is provided as follows:

Airport Fund's Fund Balance:
$1,801,875

This action will forward fund the Gate 2 PBB project until a Federal Aviation Administration grant is received; the grant is anticipated in mid to late April. Forward funding the project will allow timely issuance of the Notice to Proceed, which will allow the contractor to complete pre-construction activities so that use of the critical summer construction season can be maximized, and operational impacts to air carriers minimized.

The Airport Board will review this action at itsMarch 13, 2018, meeting.

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

i. **Ordinance 2017-06(AL) An Ordinance Appropriating to the Manager**

the Sum of $235,000 as Partial Funding for the Project Playground Rebuild Capital Improvement Project; Funding Provided by Community Donations Collected by the Juneau Community Foundation.

Various community members and organizations are donating $235,000 to the CBJ for the reconstruction of Project Playground. The Juneau Community Foundation has been receiving these funds and will donate the funding to the CBJ. These donated funds will be appropriated into the Playground Rebuild CIP, P41-095.

The Public Works and Facilities Committee forwarded this request at its February 26, 2018, regular meeting.

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

2. Resolutions

   a. **Resolution 2820 A Resolution Reestablishing the Youth Activities Board, and Repealing Resolution 2761.**

   This resolution repeals Resolution 2761 and reestablishes the Youth Activity Board with a slightly different membership. This resolution would remove the requirement that a board member be from the Juneau Sports Association. The Juneau Sports Association sent a letter asking for this change because it tried to fill the seat for the last ten months to no avail, and that has created a quorum problem each month. This resolution would not prohibit a member of the Juneau Sports Association from filling a general public seat.

   The Assembly Human Resources Committee considered this request at its meeting on February 12, 2018, and forwarded it to the Assembly for adoption.

   The City Manager recommends this resolution be adopted.

3. Bid Award

   a. **JNU Gate 2 Passenger Boarding Bridge**

   This project would construct building modifications and install passenger boarding bridge at the Juneau International Airport Terminal, gate 2.

   Bids on this project were opened on February 15, 2018. The bid protest period expired on February 16, 2018. Results of the bid opening were as follows:

Bidders	Total Bid
Carver Construction, LLC	$1,222,700
Dawson Construction	$1,289,000
Island Contractors, Inc.	$1,315,145
Alaska Commercial Contractors, Inc.	$1,416,000
Engineer's Estimate	$2,260,000

The City Manager recommends that this project be awarded to Carver Construction, LLC for the total amount bid of $1,222,700, contingent upon receipt of Federal Aviation Administration grant award and Assembly appropriation of grant award.

4. Liquor License

   a. **Liquor License Renewals 2018-2019**

   The following list of 2018-2019 liquor license renewal applications are before the Assembly for one of the following actions: to protest or waive its right to protest. Due to the Assembly's meeting schedule and the timing at which these licenses were received, the 60-day local governing body comment period will expire prior to the next regular Assembly meeting on April 2. If the Assembly wishes to postpone action on any of the below licenses, a special Assembly meeting would be required for action within the 60-day comment period.
   Beverage Dispensary License #550 Imperial Bar, Inc. d/b/a Imperial Bar; Location: 241 Front Street, Juneau
   Beverage Dispensary Tourism License #5340 Jacobsen-Daniels Associates LLC d/b/a The Annex;
   Location: 1873 Shell Simmons Drive, Suite 220a (Juneau International Airport-inside of security area)
   Beverage Dispensary Tourism License #5341 Jacobsen-Daniels Associates LLC d/b/a Romeo's Tap Room Location: 1873 Shell Simmons Drive, Suite 220a (Juneau International Airport-outside of security area)
   Beverage Dispensary Tourism License #5430 Mac Ventures, LLC d/b/a McGivney's Sports Bar and Grill; Location: 51 Egan Drive, Juneau
   Package Store License #3507 Carr-Gottstein Foods Co. d/b/a Oaken Keg Spirit Shops #1820; Location: 3011 Vintage Blvd., Juneau
   Restaurant-Eating Place License #5278 Abigail May LaForce Roha d/b/a Zerelda's Bistro; Location: 9351 Glacier Hwy., Juneau
   Restaurant-Eating Place License #851 Rodfather's LLC d/b/a Papa Rod's; Location: 356 S. Franklin Street, Juneau
   Restaurant-Eating Place License #1416 Taku Glacier Lodge Inc. d/b/a Taku Glacier Flightseeing/Salmon Bake; Location: Taku Valley,

Lot 75 (City and Borough of Juneau)
Restaurant-Eating Place License #848 V's Grinders, LLC d/b/a V's Cellar Door; Location: 222 Seward Street, Juneau
General Wholesale Liquor License #3166 The Odom Corporation d/b/a The Odom Corporation; Location: 5452 Shaune Drive Bay 1, Juneau
Wholesale Malt Beverage and Wine Liquor License #4715 The Odom Corporation d/b/a The Odom Corporation; Location: 3143 Channel Drive, Juneau
Wholesale Malt Beverage and Wine Liquor License #5495 White Mountain Beverage LLC d/b/a K&L Distributors Alaska; Location: 8420 Airport Blvd., Suite 201, Juneau
Restaurant-Eating Place License #5231 Suwanna Café, LLC d/b/a Suwanna Cafe; Location: 8800 Glacier Hwy., Suite 100, Juneau
Staff from the Finance, Fire, Public Works/Utilities, Police, and Community Development departments has reviewed the above list of renewals and recommends the Assembly waive its right to protest these renewals. CBJ Code 20.25.025 sets out the basis by which the Assembly may protest a license renewal.

Initially, the Finance/Sales Tax Division recommended protest of the Suwanna Cafe Restaurant/Eating Place License #5231 due to unfiled sales tax returns. The licensee has now satisfied those requirements and the Finance Department has removed its protest recommendation.

The City Manager recommends the Assembly waive its right to protest the above-listed liquor license renewals for the 2018-2019 renewal period.

5. Other Items for consent

   a. **Always Redeye LLC Standard Marijuana Cultivation Facility License AMCO#11605**

   Staff from the Police, Fire, Finance, Public Works/Utilities, and Community Development departments have reviewed this marijuana license. Public Works/Utilities and Finance staff initially recommended protest of this license due to water utility shut-off and non-payment. They have now withdrawn their protest as of February 28, 2018 as the licensee has brought its accounts current.

   CBJ Code 20.30.020 provides the applicant with a right to an abbreviated informal hearing before the Assembly to defend the application.
   20.30.020(b) If the assembly or committee or a subcommittee thereof recommends protest of the issuance, renewal, transfer, or continued

operation of a license it shall state the basis of the protest and the applicant shall be afforded notice and an opportunity to be heard at an abbreviated informal hearing before the assembly to defend the application. For the purposes of this subsection, notice shall be sufficient if sent at least ten days prior to the hearing by certified first class mail to the applicant's address identified on the state license application. At the conclusion of the hearing, the assembly decision to protest the application shall stand unless the majority of the assembly votes to withdraw the protest.

The Community Development Department noted that the license was granted a Conditional Use Permit as of October 26, 2017 but the licensee does not yet have a CBJ marijuana license to operate.

An appeal of the issuance of the Conditional Use Permit was accepted by the Assembly on December 18, 2017. CBJ Code provides that unless otherwise ordered, the decision being appealed (in this case the Conditional Use Permit) shall not be stayed. (CBJ 01.50.030(h): "Stay pending appeal. Unless ordered otherwise by the appeal agency, the decision being appealed shall not be stayed pending appeal but action by any person in reliance on the decision shall be at the risk that the decision may be set aside on appeal.") CDD staff recommends allowing the applicant to move forward to obtain the state license.

Due to the large quantity of documents associated with each marijuana license, your paper packets have been limited to the following documents:
• State of Alaska AMCO – Initiating License Application #11605
• Form MJ-01 Operating Plan
• Form MJ-02 Premises Diagram
• Form MJ-04 Cultivation Supplemental
• CBJ Planning Commission Conditional Use Permit USE2017-22

The full set of documents is available to Assemblymembers electronically using the NOVUS BoardView portal in your online packets. Original paper copies of all the documents relating to this license are available for public review in the office of the Municipal Clerk during regular business hours.

The City Manager recommends the Assembly waive its right to protest the issuance of this license.

6. Transfers

   a. **Transfer T-997 Transfer of $300,000 from Bartlett Regional Hospital Roof Replacement Rainforest Recovery Center Capital Improvement**

Project to the Bartlett Regional Hospital Robert F. Valliant Admininstration Building Siding Capital Improvement Project.

This transfer of $300,000 of BRH funds will provide funding for work to begin on the siding at BRH's Robert F. Valliant (RFV) Admin Building.

This $300,000 was allocated to the BRH Roof Replacement CIP, however is no longer needed because of the decision to remodel the Rainforest Recovery Center.

These funds will be transferred into the BRH RFV Admin Build-Siding CIP, B55-077N.

The Hospital Board forwarded this request at their meeting on January 23, 2018.

The Public Works and Facilities Committee forwarded this request at its February 26, 2018, regular meeting.

The City Manager recommends this transfer be approved.

VIIIPUBLIC HEARING

A. **Ordinance 2017-06(AC) An Ordinance Appropriating to the Manager the Sum of $200,000 as Funding for Auke Bay Marine Station Maintenance and Improvements CIP; Funding Provided by the Harbor Fund's Fund Balance.**

This ordinance would transfer $200,000 from the Harbor Fund to a new CIP for Auke Bay Marine Station Maintenance and Improvements. Establishment of this CIP would fund a variety of preventative maintenance and repair projects. In addition a small addition of 100 lineal feet of floats would be installed to improve mooring opportunities in Statter Harbor.

The Harbor Fund has a current balance of $1,485,517. Subsequent to the transfer there would remain $1,285,517 in the Harbor Fund.

The Docks and Harbors Board, at its regular meeting on January 25, 2018, adopted a recommendation that the Assembly approve this appropriation ordinance.

The City Manager recommends this ordinance be adopted.

B. **Ordinance 2017-06(AD) An Ordinance Appropriating to the Manager the Sum of $480,000 as Funding for the Accessory Apartment Grant Incentive Program, Funding Provided by the Juneau Affordable Housing Fund's Fund Balance.**

This ordinance would appropriate $480,000 from the Juneau Affordable Housing Fund to the CBJ Accessory Apartment Grant Incentive Program to be used over a five-year period.

The CBJ Accessory Apartment Grant Incentive Program provides $6,000 incentive grants to homeowners for new accessory apartment units that pass a final inspection and receive a Certificate of Occupancy.

The Juneau Affordable Housing Fund has a current balance of $749,261. Beginning in FY18, the Juneau Affordable Housing Fund will receive $400,000 per year for five years from the 1% sales tax fund to pursue housing activities noted in the CBJ Housing Action Plan and the Juneau Economic Development Plan. Subsequent to the transfer the Juneau Affordable Housing Fund fund balance would be $269,261 until the 1% sales tax funds are made available.

At its January 2, 2018, meeting the Juneau Affordable Housing Commission made a motion to recommend the appropriation for the Accessory Apartment Grant Incentive Program.

At its January 10, 2018, meeting the Finance Committee recommended that an ordinance be drafted and forwarded to the Assembly for consideration.

The City Manager recommends this ordinance be adopted.

C. **Ordinance 2017-06(AE) An Ordinance Appropriating to the Manager the Sum of $200,000 as Funding for Archipelago Property Development CIP; Funding Provided by the FY18 Dock's Licenses/Fees Revenue.**

This ordinance would transfer funds from the FY18 operating budget to a new CIP for Archipelago Property Development. The funds would be used to develop a preliminary design from plan concepts; generate cost estimates for implementation of the designs; prepare a draft purchase agreement; and include other associated tasks to answer questions regarding the acquisition and development of the Archipelago property.

As this funds transfer would exceed the budgetary authority for the Docks enterprise in FY2018, the Assembly is asked to approve a supplemental budget in the amount of $200,000.

The Docks and Harbors Board considered this supplemental budget request at a special meeting on February 8, 2018 and recommended that it be forwarded to the Assembly for approval.

The City Manager recommends this ordinance be adopted.

D. **Ordinance 2017-23(c) An Ordinance Amending the Land Use Code Relating to Essential Public Facilities.**

This ordinance would provide a process for permitting a facility that will provide an essential public service in a location not otherwise authorized under the Table of Permissible Uses and that would otherwise be extremely difficult to site.

The proposed permitting process closely follows the conditional use permit process. The key distinguishing differences are the proposed facility does not have to be a permissible use as specified in the Land Use Code, and the process is reserved for only those developments that will be providing an essential public service.

The Planning Commission reviewed the ordinance at its August 8, 2017, and September 12, 2017, meetings and recommended the Assembly adopt it. The Assembly Committee of the Whole considered the ordinance at its March 20, 2017, October 23, 2017, and January 29, 2018, meetings.

At its meeting on January 29, 2018, the committee recommended amendments, which are identified by the italicized language in version (c) of the ordinance.

The City Manager recommends this ordinance be adopted.

E. **Ordinance 2018-06 An Ordinance Amending the Land Use Code Relating to Setbacks for Energy Efficiency Improvements.**

A significant number of buildings in the community are built to the maximum setback line, and many older homes encroach into setbacks. Many of those property owners have requested to add exterior insulation to their homes and offices in order to increase their energy efficiency, but under current code, setback encroachments are generally prohibited.

The code does, however, provide for certain exceptions to that general rule for things like roof eaves, sheds, and decks. This ordinance would amend that provision, CBJ 49.25.430, to add a setback exception for exterior insulation to encroach up to eight inches into a setback. (Eight inches was determined to be a reasonable number given our climate, insulation materials, and types of existing buildings.) On balance, this ordinance would increase the energy efficiency of buildings and help the community achieve its sustainability goals without significantly impacting adjacent property owners.

The Title 49 Committee discussed this ordinance in the fall of 2017. The Planning Commission recommended the Assembly adopt this ordinance at its meeting on January 23, 2018.

The City Manager recommends this ordinance be adopted.

F. **Ordinance 2018-07 An Ordinance Amending Title 72 of the City and Borough of Juneau Code Relating to Driving Without a License.**

Alaska Statute 28.01.010 prohibits municipalities from enacting traffic ordinances that are inconsistent with state law.

AS 28.01.010, the state law requiring drivers to be licensed, was amended from a

misdemeanor offense to an infraction.

This ordinance would amend the corresponding CBJ offense (CBJ 72.10.065), from a B misdemeanor to an infraction, as required by state law.

The City Manager recommends this ordinance be adopted.

G. **Ordinance 2018-08 An Ordinance Amending the Land Use Code Related to Roadway Construction Standards.**

This ordinance would amend Title 49 to establish a process by which the Community Development director and the Planning Commission can waive street standards for street reconstruction projects when warranted by the circumstances.

The Planning Commission recommended that the Assembly adopt this ordinance at its meeting on February 13, 2018. The Public Works and Facilities Committee reviewed the ordinance at its meeting on February 26, 2018 and recommended it be forwarded to the Assembly for approval.

The City Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

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

1. **Juneau Seventh-Day Adventist Christian School Administrative Appeal**

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XIV. EXECUTIVE SESSION

A. **CLIA Litigation Update**

XV. ADJOURNMENT

XVI. SUPPLEMENTAL MATERIALS

A. Ordinance 2017-07(A)

B. Bid Award Revised Language

C. Ordinance 2017-06(AC)

D. 7th Day Adventist Christian School Appeal-Revised Assembly Order Granting Motion to Dismiss

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