THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes - May 15, 2017

MEETING NO. 2017-11: The Regular Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 5:00 p.m. by Mayor Ken Koelsch.

I. FLAG SALUTE

II. ROLL CALL

Assembly Present: Mary Becker (arrived at 5:35 p.m.), Maria Gladziszewski, Norton Gregory, Loren Jones (arrived at 5:20 p.m.), Jesse Kiehl, Ken Koelsch, Jerry Nankervis, Beth Weldon and Debbie White.

Assembly Absent: None.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Amy Mead, Municipal Attorney (due to extenuating circumstances, Ms. Mead left the meeting shortly after it was convened); Laurie Sica, Municipal Clerk; Rob Steedle, Community Development Director; Teri Camery, Senior Planner; Carl Uchytil, Port Director; Patty Wahto, Airport Manager; Bob Bartholomew, Finance Director; Roger Healy, Engineering and Public Works Director; Dallas Hargrave, HRRM Director; Greg Chaney, Lands and Resources Manager; Mark Miller, School Superintendent.

III. SPECIAL ORDER OF BUSINESS

A. Proclamation - USS O'Kane

Mayor Koelsch joined Port Director Carl Uchytil in presenting a proclamation declaring Monday, May 15, 2017 as USS O'Kane Day to Navy Chief Casey Christian, present on behalf of the USS O'Kane. Mayor Koelsch welcomed the vessel, its Captain and crew to Juneau and thanked the crew for its volunteer service to the community while in port.

IV. APPROVAL OF MINUTES

A. April 24, 2017 Regular Assembly Meeting 2017-08

Hearing no objection, the minutes of the April 24, 2017 Regular Assembly Meeting 2017-08 were approved.

B. April 26, 2017 Special Assembly Meeting 2017-09

Hearing no objection, the minutes of the April 26, 2017 Special Assembly Meeting 2017-09 were approved.

C. May 3, 2017 Special Assembly Meeting 2017-10

Hearing no objection, the minutes of the May 3, 2017 Special Assembly Meeting 2017-10 were approved.

V. MANAGER'S REQUEST FOR AGENDA CHANGES

None.

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

VII. CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction

None.

B. Assembly Requests for Consent Agenda Changes

None.

C. Assembly Action

MOTION, by Nankervis, to adopt the consent agenda. Hearing no objections, the consent agenda was adopted.

1. Ordinances for Introduction

   a. Ordinance 2017-01 An Ordinance Amending the Building Regulations Code.

   This ordinance would update CBJ Title 19, the Building Code, based on the 2012 model codes adopted by the CBJ as modified by the Building Code Advisory Committee.

   The Public Works and Facilities Committee (PWFC) reviewed this ordinance at its April 10 and May 1, 2017, regular meetings. The PWFC recommended approval at its May 1, 2017, regular meeting.

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

   b. Ordinance 2016-09(AO) An Ordinance Appropriating to the Manager the Sum of $43,900 as Supplemental Funding for the Juneau International Airport for the Fiscal Year 2017 Operating Budget; Funding Provided from the Juneau International Airport Fund's Fund Balance.

   This ordinance would appropriate an additional $43,900 to the FY17 Airport operating budget, increasing the airport's spending authority by $43,900. Funds would be provided by the Airport Fund's Fund Balance.

   The Airport Board approved the supplemental spending authority and Airport Fund Balance to cover the additional expense at its March 14, 2017, Airport Board meeting. The Assembly Finance Committee referred this request for approval to the full Assembly at the AFC meeting on April 19, 2017.

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

c. Ordinance 2016-09(AP) An Ordinance Appropriating to the Manager the Sum of $180,000 as Supplemental Funding for the Parks and Recreation Program for the Fiscal Year 2017 Operating Budget; Funding Provided from the General Fund's Fund Balance.

This ordinance would appropriate an additional $180,000 to the FY17 Parks and Recreation operating budget. Funds will be provided by the General Fund's Fund Balance.

Though Park and Recreation's FY17 general operations expenditures are within the approved budget, the following issues resulted in the needed supplemental:

When the FY17 budget was developed, the department projected a 16% increase in revenue generation between FY16 and FY17, and a plan to increase promotion of the department's programs was put in place. Although revenues have increased in FY17, they have not increased as much as anticipated. In addition, the Parks and Recreation department reduced its general fund support by a combined total of $669,300 in FY16 and FY17.

Any portion of the supplemental that is not used would be returned to fund balance.

The Assembly Finance Committee referred this request for approval by the full Assembly at the AFC meeting on April 19, 2017.

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

d. Ordinance 2016-09(AQ) An Ordinance Appropriating to the Manager the Sum of $250,000 as Funding for the Pump Room as Part of the Fountain and Whale Related Site Elements that are Part of the Bridge Park Capital Improvement Project; Funding Provided through a Donation from The Whale Project Committee.

The Whale Project is donating $250,000 to the CBJ for the construction of the pump room as part of the fountainworks for the whale statue at the Seawalk Bridge Park. This work will be completed as part of the Phase III Seawalk Bridge Park to Gold Creek project and construction is anticipated this summer and fall. The donated funds will be appropriated into the Bridge Park CIP, P41-090.

The Public Works and Facilities Committee (PWFC) forwarded this request to the full Assembly at its May 1, 2017, regular meeting.

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

2. Resolutions

a. Resolution 2794 - A Resolution De-Appropriating $499,954.54 from the Salmon Creek Secondary Disinfection Capital Improvement Project, Loan Funding from the Alaska Department of Environmental Conservation.

The CBJ is de-appropriating the loan funding it did not use for the Salmon Creek Disinfection project: $499,954.54. The project was funded by legislative and ADEC grants and local funding; therefore it did not require use of this loan funding.

The original loan amount was for $5.27 million. Resolution 2746 de-appropriated $4,700,000 which left $570K of loan funds available. Only $70,045.46 of this loan was needed, thus we are now de-appropriating $499,954.54.

The Public Works and Facilities Committee approved this de-appropriation at its November 21, 2016, meeting.

The City Manager recommends the resolution be adopted.

b. Resolution 2798 - A Resolution Ratifying the Economic Terms Tentative Agreement Between the City and Borough and the Marine Engineers Beneficial Association, and Applying those Terms to Non-represented Employees.

This resolution would provide Assembly ratification of the economic terms reopener tentative agreement negotiated between the City and Borough of Juneau and the Marine Engineers Beneficial Association (MEBA) for fiscal year 2018, and would apply those same terms to non-represented employees of the CBJ.

The agreement includes the economic modification of a $950 lump sum payment in fiscal year 2018. The total cost of this provision for MEBA members and non-represented employees is projected to be approximately $489,600.

The City Manager recommends this resolution be adopted.

3. Liquor License

a. Liquor License #673 Transfer of Beverage Dispensary License & Applicaton for a Restaurant Designation Permit

Beverage Dispensary Liquor License #673 Transfer & Application for a Restaurant Designation Permit
Transfer FROM: James A. Holdings Company, LLC d/b/a James A. Holdings Company, LLC, Location: No Premises
Transfer TO: Juneau's Waterfront Restaurants, LLC d/b/a Pier 49 Seafood Station, Location: 406 S. Franklin Street.

The above liquor license transfer is before the Assembly to either protest or waive its right to protest. The Finance, Police, Fire, and Community

Development departments have reviewed the above transfer and found the business to be in compliance with CBJ Code.

In the event the Assembly does protest this transfer, CBJ Code 20.25 requires notice, with specificity regarding the nature and basis of the protest, to be sent to the licensee and provides the licensee an opportunity to exercise its right to an informal hearing before the Assembly. The sixty-day comment period for local governing body action will expire as of June 6, 2017.

The City Manager recommends the Assembly waive its right to protest this liquor license transfer and approve the application for a Restaurant Designation Permit.

4. Other Items for consent

a. Standard Marijuana Cultivation Facility License #11384 Green Elephant LLC

The Alcohol Marijuana Control Office (AMCO) sends local governing bodies notice of marijuana license applications which allows local governing bodies the opportunity to protest or waive its right to protest the issuance or renewal of these licenses.

CBJ received notice of the following marijuana license application:

Standard Marijuana Cultivation Facility License #11384
Green Elephant, LLC ,
Location: 8420 Airport Blvd, Building B, Juneau, AK 99801

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

As to CDD's recommendation, although Green Elephant does not yet have a local license and has not yet applied for or received a building permit for this location, CDD recommends allowing the applicant to move forward to obtain the state license. However Green Elephant will not be allowed to operate at this location until the city license has been issued.

Due to the large quantity of documents associated with each marijuana license, your packets have been limited to the following documents:

- State of Alaska Alcohol & Marijuana Control Office (AMCO) Notice to Local Governing Body
- AMCO Marijuana online application forms (redacted)
- Form MJ-01: Marijuana Establishment Operating Plan
- Form MJ-02: Premises Diagram
- Form MJ-08: Local Government Notice Affidavit

Copies of all the documents relating to these licenses are available upon request from 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 marijuana license to Green Elephant, LLC.

5. Transfers

a. Transfer T-986 Transfers $65,000 from One Capital Improvement Project to Provide Funding for One Capital Improvement Project.

This transfer of $65,000 of water utility funds will provide the necessary funds to repair the water main in Engineers Cutoff adjacent to Fritz Cove Road. This segment of water main has been repaired numerous times with the most recent repair being in the middle of April. This water main is in imminent danger of catastrophic failure and needs to be replaced this construction season.

The SCADA Upgrades Project is also an important project to the water utility; however preventing a catastrophic water main failure is a higher priority and the SCADA Upgrades CIP will still have adequate funding to continue forward.

The Assembly Public Works and Facilities Committee reviewed this request on May 1, 2017, and forwarded it to the Assembly for adoption.

The City Manager recommends this transfer be approved.

b. Transfer T-987 Transfers $270,000 from Five Capital Improvement Projects to Provide Funding for One Ongoing Capital Improvement Project.

This transfer of $270,000 of sales tax funds will provide the Seawalk - Bridge to Gold Creek project with the necessary funding for the construction of the pump room. This funding will enable the whale statue and fountainworks to be completed.

The Montana Creek Bike Trail, P&R Department Review, LCB Mining Museum Ped. Bridge, and Fish Creek Improvements projects are complete and the transfers will close out these CIPs. The Parks & Playground CIP provides funding for priority park and playground projects annually. These funds will be transferred into the Bridge Park CIP, P41-090.
Transfer from:

Project	**Transfer Amount**
P46-047 Montana Creek Bike Trail	$8,932
P46-099 P&R Department Review	$25,521
P46-070 LCB Mining Museum Ped. Bridge	$16,402
P41-027 Fish Creek Improvements	$40,288

P41-059 Parks & Playground Improvement	$178,857
Total Transfer Amount	**$270,000**

The Public Works and Facilities Committee (PWFC) forwarded this request at its May 1, 2017, regular meeting.

The City Manager recommends this transfer be approved.

VIIIPUBLIC HEARING

A. Ordinance 2017-07 An Ordinance Appropriating Funds from the Treasury for FY18 School District Operations

This ordinance would appropriate to the School District an FY18 operating budget of $87,267,200. This is an overall increase in the budget of $1.70 million from the FY17 Amended Budget. The School District's operating budget is:

· General Operations	$72,020,700
· Special Revenue (pupil transportation, food service, etc.)	7,164,400
· Other	8,082,100
Total Budget	$87,267,200

The FY18 school budget is supported with a combination of funding sources that includes local funding of $26,935,900. This consists of: $26,010,200 for general operations and $925,700 for programs and activities outside of the CAP.

These programs and activities include: $740,700 for student activities, $50,000 for pupil transportation, $40,000 for food service, and $95,000 for Community Schools. The $26 million in general operations support is an increase of $1 million over FY17. The other program and activities funding is unchanged.

The original ordinance was introduced at the April 5, 2017, Special Assembly meeting and referred to the Assembly Finance Committee for deliberation. On April 26, 2017, a Special Assembly meeting was held to hear public comment and for the Assembly to state, by motion, the amount of local funding to be provided to the School District.

The Assembly Finance Committee moved the ordinance at its May 10, 2017, meeting. The charter requires adoption by May 31, 2017.

The City Manager recommends this ordinance be adopted.

Public Comment:

None.

Assembly Action:

MOTION, by Gladziszewski, to adopt Ordinance 2017-07. Hearing no objection, it was so ordered.

B. Ordinance 2017-09 An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of a Portion of USS 1568 TR B, Locally Known as Honsinger Pond, from Rural Reserve to Industrial.

On January 24, 2017, the Planning Commission approved the forwarding of an ordinance to the Assembly rezoning 23 acres of an 83 acre lot, locally known as the Honsinger Pond, from Rural Reserve to Industrial, with the following condition:

> Prior to a zone change from Rural Reserve to Industrial, the property owner shall obtain and develop legal access to the subject parcel from Maplesden Way or an alternate access approved by the CBJ Community Development Department Director, in conformance with CBJ Code 49.15.424.

The Commission determined this condition was necessary because the Alaska Department of Transportation and Public Facilities will not approve use of the current access (a driveway on Yandukin Drive).

After the Commission voted to recommend the rezone, the applicant verified the boundaries of the proposed rezone area with an engineering firm. The applicant has since explained that the 23 acres originally identified in the application was based on a rough approximation. When the applicant verified final boundaries with the engineering firm, the firm noted that the original boundaries extended into the Yandukin/Egan Drive right-of-way, and therefore adjustments were necessary. The revised estimation is 26.21 acres. The Community Development Department notes that this change would not alter the analysis and findings in the AME20160007 staff report.

The City Manager recommends this ordinance be adopted.

Mr. Watt noted an substitute ordinance version (b), provided by the city attorney and distributed at the meeting, which added a section 3 as follows: "Condition. The zone changes is subject to the following condition: Prior to a zone change from Rural Reserve to Industrial, the property owner shall obtain and develop legal access to the subject parcel from Maplesden Way or an alternate access approved by the CBJ Community Development Department Director, in conformance with CBJ Code 49.15.424."

Loren Jones joined the meeting via teleconference.

Public Comment:

Gerald Grant supported the use of the property for use as an off-road vehicle park.

Stuart Cohen said this issue had been before the Assembly before and people feel that the decision has been made on this issue. The property owner bought the parcel hoping to change the zoning laws in place to make the property more profitable, and this change is only to benefit one person. He disagreed with changing the law when it was not for the public good.

Mary Becker joined the meeting via teleconference.

Susan Erben said she is a member of the Lemon Creek Planning group. She said this property is important bird habitat and the view shed is important to the community. She distributed testimony from Pat O'Brien, who was unable to attend the meeting. She said Ms. O'Brien has maintained a mailing list of 164 people to inform them of issues, including this rezoning ordinance. She read from Ms. O'Brien's letter, which opposed the rezoning of this parcel.

Tom Chapple spoke about how his property in Indian Cove is in a similar situation to the property under consideration, in that he owns the beach in front of his home, but he would not consider preventing the public use of the beach. This property to be rezoned has been enjoyed by the public for years. If this ordinance is passed it is a huge financial windfall to the owner and a detriment to the public.

Frank Bergstrom said he lives across the road from the property and supported the rezoning to allow a former gravel pit to become industrial and felt the change was an economic asset to the community.

Sue Randall objected to the rezone and said that a development can look different on paper than in reality. She likened the situation to the Spuhn Island cell tower situation which she objected to and still considers to be a problem. She said the sound of a moto-cross park would be magnified across the water and would have detrimental impacts.

Keith Imel said Mr. Bicknell owns the property and pays property tax, and as the owner he has the right to develop the property. The airport was allowed to develop wetlands and similarly, it does not make sense to prohibit the private sector from development. There are plenty of foot and bike trails, but motorized trails are not available and he said seem to be treated as a "second class." He spoke about the existing noise of the airport.

Assembly Action:

MOTION, by Nankervis, to adopt Ordinance 2017-09 (b).

Mr. Nankervis acknowledged the number of emails received on the issue and the testimony. This ordinance outlines a different rezone with different findings in a different request than was previously heard regarding this property. He said that adjacent zoning was recently increased from D-5 to D-18 to promote housing development. He said he enjoys the view and his concern is that this is private property. There is a conditional use permit process that is required to obtain permission to develop a moto-cross park on the property.

Ms. Weldon said her cousin is married to Spike Bicknell and she had spoke with the city attorney, and determined that she did not have a conflict on the issue.

Ms. White read from Title 49, Article II, and said the rural reserve description states that following resource extraction lands should be developed accordingly. A large part of the property will be moved into a land trust. She spoke about the taxes Mr. Bicknell has paid on this property in excess of $100,000 over the years. A private investor is considering developing an off-road vehicle park that the city has been unable to develop. She supported the motion.

Mr. Jones said a rezone is not permission to do any development and a landowner is not required to state a use for the property. He said the Table of Permissible Uses outlines that both RR and Industrial zoning allow the use of a moto-cross park. The concern from the Airport Board is that industrial uses are different from RR uses and any development the owner proposes will need to be considered for airspace incursions. The airport is in negotiations with the owner and the city and state regarding access onto Maplesden. He said he would oppose the ordinance because the proposed use could be done in the current zoning district.

Mr. Gregory said he would vote yes on this rezone request as it conforms to the land use plan and was approved by the Planning Commission. Many people are excited about the rezone and its future potential and the Assembly has identified a need for industrial land.

Ms. Gladziszewski said she supported the concerns in testimony about the quality of life and the beauty of the area. She understands the need for industrial land. This call made by the Planning Commission is clear based on the code and complies with rationale, careful development. She supports the ordinance because it is good planning for the community.

Mr. Kiehl appreciates the debate and said he struggled with this issue. The current zoning allows a permit to be granted for a moto-cross park, and he understands that the rezone is not about any specific plan but the future use of a piece of land. There are more things that are not allowed in Industrial than in RR, including housing, daycare, and other needed items. He spoke about balancing community values and needs. He opposed the rezoning ordinance and spoke about the importance of the view shed.

Ms. White said CBJ is the largest landowner and has thousands of acres set aside for recreation and preservation.

Roll call:
Aye: Becker, Gladziszewski, Gregory, Nankervis, Weldon, White, Koelsch
Nay: Jones, Kiehl
Motion passed, 7 ayes, 2 nays.

C. Ordinance 2017-10 An Ordinance Authorizing the Sale of Foreclosed Property Located at 15860 Glacier Highway by Public Auction.

This ordinance addresses the final step in the foreclosure process of real property located at 15860 Glacier Highway. The back property taxes owed on the property total $16,356.10 and are from tax years 2014, 2015, and 2016.

State law provides that tax-foreclosed property conveyed to a municipality and not required for a public purpose may be sold. This ordinance would establish that the property is not needed for a public purpose, and authorizes the manager to dispose of it by public outcry auction held in accordance with CBJ 53.09.230.

A version (b) has also been included in the packet for your consideration. Version (b) authorizes a secondary method of sale in the event the property is not successfully disposed of via outcry auction.

The City Manager recommends this ordinance be adopted.

Public Comment:

Carmen Lorenz, owner of the property, acknowledged that she owed the city money and said that she intends to pay. Her husband died, then she had an accident and was in the hospital, and she failed to pay 2015 and 2016 taxes. She has a plan for repayment. The property has been in her family for 30 years. It is important to carry on her husband's legacy. She will pay $500 a month and is attempting to obtain a loan. She will have no issue regarding paying the property tax when her retirement benefits start this year.

Mr. Gregory asked if the CBJ has already foreclosed on this property and how a repayment would work. Mr. Watt said that CBJ has foreclosed and Ms. Lorenz has a right to repurchase before the property is sold. The longer the taxes are unpaid, the more penalty and interest accrues. There is an effective date of the ordinance and if you adopt, there will be no sale of the property until the ordinance is effective.

Mr. Kiehl asked Ms. Lorenz how long it might take to obtain a loan. She said she is working with Alaska Legal Services and she anticipated the ability to pay by August 1.

Mr. Bartholomew said that the prior owner has a right to repurchase up to the point of disposal. CBJ would move quickly to sell the property in order to limit liability. He was not familiar with any type of payment plan being allowed in this type of situation, and the ordinance would likely be effective before such a payment was made but there was discretion in establishing the date of sale.

Mr. Gregory asked if there was a way to have the staff handle this type of issue rather than such matters coming before the Assembly. Mr. Bartholomew said there has been significant notice. Another issue is that the property is currently occupied and CBJ does not have complete control regarding activity on the property, so there is liability.

Mr. Watt said this is an unusual case for Juneau and staff has investigated the process in Anchorage and Fairbanks. Generally there, the properties are sold as is, where is and the municipality does not generally intervene further.

Mr. Kiehl asked when the date of redemption period expired. Mr. Bartholomew said the one year redemption period ended a month ago. We have done notice and outreach through the entire process over a fifteen month period. There is still an ongoing right up until disposal through state law for the owner to purchase the property for the amount due.

Mr. Nankervis asked about a payment plan for a foreclosed property. Mr. Bartholomew said he could not speak to a payment plan and staff would set a minimum price on the property and if the price was not obtained, would return the matter to the Assembly. Mr. Watt said an outcry auction with a minimum sale price was anticipated and any funds received above the taxes and costs due would be returned to Ms. Lorenz.

Ms. Gladziszewski asked how the owner was contacted. Ms. Lorenz said the foreclosure was recent and spoke about the contacts she has made with the city. She said there have been annual notices regarding the taxes and approximately 3 notices regarding the foreclosure.

Mr. Kiehl asked if staff had found any public purpose for this property, such as the homebuild program. Mr. Watt said Lands staff reached out and discussed the property with the homebuild program and they determined it was not a good parcel for this program. BRH looked at the parcel and found the site lacking for their needs. Mr. Chaney, Mr. Steedle and Mr. Watt have had contact with the property owner.

Mr. Gregory expressed concern that the building was occupied. He asked if Ms. Lorenz might have trouble obtaining a loan on the property if in was owned by CBJ. Ms. Lorenz said she was seeking a renovation loan, and did not think CBJ ownership would be an issue. Her son and daughter-in-law were living there, along with her and she would be homeless if not living there. In an auction she would not get the full value of the property. She said she was willing to sign legal documents holding her to an agreement.

Mr. Watt said the interest is solely in recouping taxes and penalties owned and he did write a letter for Ms. Lorenz to assist with obtaining a loan. He recognizes that this is a family home and also acknowledges the need to collect taxes owed. We need a time certain for repayment of taxes. The Assembly could amend the effective date of the ordinance.

Ms. White said the final judgement and decree of foreclosure was done in March 2, 2016 and thought a similar document was filed in 2013. Mr. Bartholomew said he had no information on a 2013 foreclosure and Ms. Lorenz said taxes were paid in 2013 and no previous foreclosure procedures had been initiated. There was no foreclosure notice in 2014 or 2015 - not until 2016.

Ms. Gladziszewski asked if there was a way to remove the foreclosure of the property in lieu of a payment plan. Mr. Watt said that avenue existed but the time was past. It is currently city property subject to the code, with the exception is that the owner has the right of repurchase up to the date of the sale.

<u>Assembly Action</u>:

<u>MOTION</u>, by Kiehl, to adopt Ordinance 2017-10(b).

<u>MOTION</u>, by Kiehl, to amend Ordinance 2017-10(b) to change the effective date to August 2, 2017.

Mr. Nankervis objected. He said there has been ample opportunity to address this. With the current situation of people living in the building, this is a concern.

Mr. Gregory objected. He said there are people living in the building without a lease, he has concerns about the condition of the building, and there were ample opportunities to bring the situation current.

Mr. Kiehl spoke in support of his motion and said his interest was the final opportunity for redemption.

Ms. Weldon asked if eviction processes have been started. Mr. Watt said no. Ms. Weldon asked if that process could start. Mr. Watt said yes.

Roll call:
Aye: Gladziszewski, Jones, Kiehl, Weldon, White, Koelsch
Nay: Becker, Gregory, Nankervis
Motion passed, 6 ayes, 3 nays.

Hearing no objection, Ordinance 2017-10(b) was adopted as amended.

IX. UNFINISHED BUSINESS

None.

X. NEW BUSINESS

A. Regulation Amending 05 CBJAC 15 Dockage Charges, Reservation Charge Policy, and Loading Permit Fees

The Docks & Harbors Board held a public hearing at its April 27, 2017 regular board meeting to make changes to three regulations.

05 CBJAC 15.030 (Dockage Charges) acknowledges the removal of the Marine Park Lightering Float and incorporates two new moorage facilities resulting from the new cruise ship docks project - Port Field Office (PFO) Float and Inside Cruise Ship Terminal (ICT).

05 CBJAC 15.035 (Reservation Charge Policy) establishes guidance for optimizing Intermediate Vessel Float and Statter Harbor moorage through a formal reservation policy.

05 CBJAC 15.080 (Loading Permit Fees) incrementally raises the fees associated with coach, bus and taxis using the Docks & Harbors downtown managed "A" and "B" Zone permits. The fees would be raised over the next two years and then indexed to the Anchorage CPI beginning in 2025.

The proposed regulations were vetted through the Docks & Harbors committees and publicly advertised for a minimum of 21 days prior to the board hearing and action. There were no comments received during the public notice period or at the public hearing.

The City Manager recommends the Assembly adopt the proposed regulations changes.

Public Comment:

None.

Assembly Action:

MOTION, by Nankervis, to allow the proposed regulation changes to become effective without being taken up for Assembly consideration.

Mr. Uchytil explained how the reservation charge worked as a pre-pay of a day's moorage that would be lost if the vessel was a "no-show."

Hearing no objection, it was so ordered.

B. Regulation Amending 20 CBJAC 40 Commercial Passenger Vehicles (Pedicabs)

The current Commercial Passenger Vehicle (CPV) regulations only have insurance requirements for Class A and Class B vehicles. This regulation change would provide appropriate insurance requirements to include all classes of commercial passenger vehicles. An additional change would reduce the inspection fee for Class C vehicles from $50.00 per vehicle to $25.00 per vehicle. The current vehicle inspection fee for Class A and B (taxis, tour vans, limos, etc) vehicles is $50.00 per vehicle. The inspection of a Class C vehicle (pedicab) involves much less time than a motor vehicle; therefore the rate was reduced.

The public notice was posted at the public libraries and online, published in the Juneau Empire, and sent out to all holders of Certificates of Public Convenience & Necessity. Six public comments were received regarding this change and were reviewed by the agency. No revisions to the recommended changes came as a result of the public comment.

The City Manager recommends the Assembly adopt the proposed regulations changes.

Public Comment:

William Quayle said the insurance was corrected accordingly, and the operator fee was reduced, but the $1500 certificate fee was not changed and he said this was too high for this type of business. He said that Sitka only charged $450. He urged the Assembly to send this regulation back and separate this regulation from taxis and buses. He also wants to be able to operate at night, year round. His bike can only carry three passengers and he said this was a justification for a lower certificate fee. He said he would not pay $1500.

Mr. Nankervis asked Mr. Quayle if he had read the proposed regulations and he said he had and he supported the draft, but he asked the Assembly return the regulations to JPD to finish the work.

James Holcumb said he owns four pedi-cabs, he waded through the maze of regulations, was successfully doing business, and said he was having difficulty finding drivers. He is having no problems meeting the payment requirements with just two cabs and he does not want to get "cross-wise" with the taxi drivers who knows that he has paid the same rate as the cab drivers for the parking spaces that they all use. He spoke about a checklist that was reviewed by Cycle Alaska for inspection.

Mr. Nankervis asked if he had read the proposed regulations and if the changes made were adequate. He said yes. He has made a conscious decision to run his business despite the cost of insurance.

Assembly Action:

MOTION, by Nankervis, to allow to take affect without taking them up for Assembly consideration. Hearing no objection, it was so ordered.

C. Authorization for the Manager to Enter into a Negotiated Fair Market Value Sale of Lot 2, Renninger Subdivision

The Lands Office received an application from the Alaska Housing Development Corporation (AHDC) to purchase Lot 2, Renninger Subdivision. The AHDC is a local not-for-profit corporation, which has developed, owns and manages 136 affordable rental units on three sites in the same Lemon Creek neighborhood as Lot 2. Their goal is to develop Lot 2 along with the development of Lots 6 & 7 in the Renninger Subdivision.

The Lands Committee provided a motion of support for this direct negotiation at its May 1, 2017, meeting. As established in CBJ§53.09.260(a), staff recommends that this proposal be pursued by direct negotiation with the original proposers because of the direct correlation with Assembly housing goals.

The City Manager requests a motion of support to enter into direct negotiations for the disposal of Lot 2, Renninger Subdivision with The Alaska Housing Development Corporation at fair market value.

Public Comment:

None.

Assembly Action:

MOTION, by Gregory, to authorize the manager to enter into direct negotiations for the disposal of Lot 2, Renninger Subdivision, with the Alaska Housing Development Corporation at fair market value.

Mr. Jones asked and the location and identity of Lot 2 was clarified.

Hearing no objection, it was so ordered.

D. Protest Recommendation for Liquor License Renewal #2175 Midnight Ninja Ventures Inc. d/b/a Lupo

Staff from the Finance, Fire, Police, Engineering/Public Works and Community Development departments have reviewed the above liquor license renewal. The Finance Department is recommending protest of the renewal **based on a balance owing as of May 5, 2017 of $40,362.28 due to outstanding sales tax, liquor tax, penalties and**

interest from the fourth quarter 2016 and first quarter 2017 returns.

Normally, the licenses recommended for protest would be heard initially by the Assembly Human Resources Committee; however, the May 15 HRC meeting was cancelled and the 60-day comment period for Assembly action on this license will expire as of May 27, 2017 so this is coming to the Assembly directly for action.

CBJ Code 20.25.025 provides the business the right to an informal hearing before the Assembly if they choose to do so and this would be that opportunity should they choose to request an informal hearing. A copy of the letter dated May 5, 2017 notifying the licensee of their right to a hearing before the Assembly is included in your packet.

The City Manager recommends the Assembly protest the renewal of the liquor license #2175 due to the outstanding balances owing as outlined in the May 5, 2017 letter contained in your packet.

Public Comment:

Travis Smith spoke on behalf of his business. They did not have the cash on hand to pay the taxes. They performed a remodel of the restaurant that was more costly than anticipated and had lower business than anticipated and he said he chose to pay his staff over remitting the taxes. He believed if they could not use the beer and wine license, they would not be able to pay the tax down. He has a payment plan in place and believed that he could knock down half the debt by end of summer, and continue to pay 15 employees and operate.

Mr. Gregory asked if he was aware the tax was not his money to spend and Mr. Smith said yes.

Mr. Kiehl asked if there was a confession of judgement. Mr. Bartholomew said that the staff was close to having an official agreement signed, pending two out of state owners signing. The anticipated payment rate is to take several years and Mr. Smith hopes to pay sooner. Taking this approach would be similar to an agreement that had been made with two other business operations by the Assembly. Staff does its best to protect the sales tax and he thought the signed agreement would address this and if there is failure to meet the agreement, staff would recommend protest at the mid-year renewal.

Ms. Gladziszewski said her concern is that there is no signed agreement and discussed the timeline for comments from the Assembly.

Assembly Action:

MOTION, by Gladziszewski, to protest the renewal of liquor license #2175, Midnight Ninja Ventures Inc. d/b/a Lupo, due to outstanding balances owed to CBJ, unless a confession of judgment is signed by May 24.

Ms. Weldon asked if this business has any other assets other than the liquor license. Mr. Smith said no, banks will not loan on restaurant equipment or on liquor licenses.

Hearing no objection, it was so ordered.

XI. STAFF REPORTS

None.

XII. ASSEMBLY REPORTS

A. Mayor's Report

Mayor Koelsch noted that a fundraiser for Project Playground was on-going at Centennial Hall and he knew people were eager to attend.

B. Committee and Liaison Reports

Mr. Kiehl noted that there was no Finance Committee meeting on Wednesday, May 17.

C. Presiding Officer Reports

None.

XIIIASSEMBLY COMMENTS AND QUESTIONS

Mr. Jones said the state collects aviation fuel tax from all airports and the funds go to state coffers. Commissioner Lukin has said 45% is used for improvement of the state's rural airport system. $55,000 per year was collected from the Juneau airport. Previously, the state had matching funds for airport improvements and they have stopped issuing those grants. Mr. Jones was interested in seeking a return of $55,000 to the local airport and this requires a legislative change. Hearing no objection, Mr. Jones was given permission to work with the manager and lobbyist on a strategy to change the state statute to allow the fuel taxes collected in Juneau to return to the Juneau airport.

Ms. White passed on to Mayor Koelsch a decorative paddle presented to the City and Borough of Juneau at the recent totem pole raising ceremony at Gastineau Elementary.

Ms. Gladziszewski noted the removal of bushes from the Douglas Bridge to the sub port property and Mr. Watt confirmed that action was taken by a contractor working for the Docks and Harbors department.

XIV.CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

XV. EXECUTIVE SESSION

A. Executive Session: CLIA Litigation

The Assembly discussed the need and timing for an executive session. Hearing no objection, the Assembly agreed to hold a special meeting on Friday, May 19, 2017 at 9 a.m., to enter into executive session for the purpose of discussing the CLIAA lawsuit.

XVI.ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 7:35 p.m.

Signed:__________________________
Laurie Sica, Municipal Clerk

Signed:______________________________
Kendell D. Koelsch, Mayor