

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

March 6, 2017 7:00 PM

City Hall Assembly Chambers
Regular Meeting 2017-05

Submitted By:

Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

IV. APPROVAL OF MINUTES

A. February 13, 2017 Regular Assembly Meeting 2017-04

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 2016-09(AG) An Ordinance Appropriating to the Manager the Sum of \$100,000 as Funding for the Manager's Office Operating Budget; Funding Provided by the Sales Tax Fund's Fund Balance.**

This ordinance would appropriate \$100,000 of Unrestricted Sales Tax from the Sales Tax Fund's Fund Balance in FY17.

The CBJ strongly supports and welcomes cruise ship tourism, and will continue to work cooperatively with the industry to address impacts caused by the visitation of approximately one million visitors to the CBJ per year. At the same time, the CBJ must defend its marine passenger and port development fees against the constitutional challenges raised by the industry in the litigation brought by the Cruise Lines International Association (CLIA).

These funds would be appropriated in FY17 as a reserve to be used by the City Attorney at the direction of the Assembly to defend the ongoing litigation by CLIA.

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

- b. **Ordinance 2016-09(AH) An Ordinance Appropriating to the Manager the Sum of \$309,578 as Funding for the Juneau International Airport Part 121 Ramp Capital Improvement Project; Funding Provided by Passenger Facility Charges.**

This ordinance would appropriate \$309,578 to the Juneau International Airport Part 121 Ramp capital improvement project (CIP). Funding is provided as follows:

Passenger Facility Charges (PFC): \$309,578

The funding will be used with existing PFC funding to construct an Air Cargo Hardstand, and a concrete slab at Gate 5.

The Airport Board is expected to approve this action at its March 14, 2017, meeting.

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

- c. **Ordinance 2016-09(AI) An Ordinance Appropriating to the Manager the Sum of \$15,000 as Funding for the Jensen-Olson Arboretum Parking & Conservatory Capital Improvement Project; Funding Provided by the Jensen-Olson Arboretum Fund's Fund Balance.**

This ordinance would appropriate \$15,000 to Jensen-Olson Arboretum Parking & Conservatory CIP, for parking lot improvements.

Funding is provided from the Jensen-Olson Arboretum fund's fund balance.

The Public Works and Facilities Committee forwarded this recommendation to the Assembly for approval at its meeting on February 27, 2017.

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

- d. **Ordinance - 2016-09(AJ) An Ordinance Appropriating to the Manager the Sum of \$127,000 as Funding for the Jensen-Olson Arboretum Residence Deferred Maintenance Capital Improvement Project; Funding Provided by the Jensen-Olson Arboretum Fund's Fund Balance.**

This ordinance would appropriate \$127,000 to Jensen-Olson Arboretum Residence Deferred Maintenance CIP, for Arboretum Manager home repairs.

Funding is provided from the Jensen-Olson Arboretum fund's fund balance.

The Public Works and Facilities Committee forwarded this recommendation to the Assembly for approval at its meeting on February 27, 2017.

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

2. Bid Award

- a. **BE17-165 Aspen Avenue Pavement & Drainage Improvements**

This project consists of reconstruction of Aspen Avenue and Pinewood Drive, including pavement and drainage improvements and miscellaneous items of work.

Bids were opened on the subject project on March 2, 2017. Results of the bid opening

are as follows:

Bidders	Base Bid	Additive Alternate No. 1	Total Bid
Pacific Coast Paving	\$ 827,051.91	\$592,102.74	\$1,419,154.65
SECON	\$ 826,333.00	\$603,967.00	\$1,430,300.00
Arete Construction Corp	\$ 945,675.00	\$653,214.00	\$1,598,889.00
Glacier State Contractors	\$1,117,258.00	\$804,251.00	\$1,797,051.00
Admiralty Construction	\$1,061,183.00	\$735,868.00	\$1,921,509.00
<i>Engineer's Estimate</i>	<i>\$ 913,140.00</i>	<i>\$656,194.00</i>	<i>\$1,569,334.00</i>

The City Manager recommends award of this project to Pacific Coast Paving for the base bid and additive alternate No. 1 in the amount of \$1,419,154.65.

3. Liquor License

a. **Liquor License Renewals 2017/2018**

The following 2017/2018 Liquor License Renewals are before the Assembly for action:

Beverage Dispensary - Seasonal License #3720 Goldbelt Aerial Tramway, LLC d/b/a Timberline Bar & Grill, 1800 Foot level - Mt. Roberts Tram, S. Franklin, Juneau

Beverage Dispensary License #2533 Jack D. & Arlene D. Tripp d/b/a Viking Restaurant & Lounge, 216 Front Street, Juneau

Beverage Dispensary License #2728 Molly Ventures, Inc. d/b/a McGivney's Bar & Grill, 9101 Mendenhall Mall Road, Juneau

Club License #4034 Juneau Moose Lodge #700 d/b/a Loyal Order of Moose, 8335 Airport Blvd., Juneau

Package Store License #3552 Costco Wholesale Corp. d/b/a Costco Wholesale #107, 5225 Commercial Way, Juneau

Restaurant Eating Place License #2641 Saffron, LLC d/b/a Saffron, 112 N. Franklin Street, Juneau.

Staff from the Finance, Fire, Public Works/Utilities, Police, and Community Development departments have reviewed the above list of renewals and recommend the Assembly waive its right to protest these renewals.

The City Manager recommends the Assembly waive its right to protest the above-listed liquor license renewals for the 2017/2018 renewal period.

4. Other Items for consent

a. **Retail Marijuana Store License - Green Elephant LLC, License No. 10844**

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 a State of Alaska Retail Marijuana Store License #10844 from Green Elephant, LLC to be located at 101 Mill Street, Suite B, Juneau, AK 99801 on January 17, 2017.

CBJ staff from the Police, Fire, Finance, and Community Development departments reviewed this application for compliance with CBJ laws and regulations and recommend the Assembly waive its right to protest the issuance of this license. As to CDD's recommendation, although Green Elephant, LLC does not yet have a local license CDD recommends allowing the applicants to move forward to obtain the state license. The applicant will not be allowed to operate in the borough until the license is issued.

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

- January 17, 2017 AMCO Notice to Local Governing Body
- State of Alaska Alcohol & Marijuana Control Office – Initiating License Application #10844 online form
- Form MJ-01: Marijuana Establishment Operating Plan
- Form MJ-02: Premises Diagram
- Form MJ-03: Retail Supplemental
- CBJ Planning Commission Conditional Use Permit USE2016-0028 Notice of Decision

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 Retail Marijuana Store License #10844 to Green Elephant, LLC.

VIII. PUBLIC HEARING

A. **Ordinance 2016-46 An Ordinance Amending the Land Use Code Relating to Parking Waivers.**

This ordinance would amend CBJ Title 49, the Land Use Code, to provide for reductions in parking requirements by means of a new waiver process. A waiver allowing a particular use at a particular location could be granted by the Planning Commission (in the case of major development) or the Director (in the case of minor development) upon finding that it would benefit the community as a whole and the proposed use is located outside of the downtown special parking districts.

On January 24, 2017, the Planning Commission considered the ordinance and recommended it be forwarded to the Assembly for its consideration.

The City Manager recommends this ordinance be adopted.

B. **Ordinance 2017-02 An Ordinance Amending the City and Borough of Juneau Code Relating to Licenses to Use Certain Rights of Way for the Selling of Food and Beverages and Related Uses.**

The CBJ has received requests to use portions of right-of-way for outside seating associated with adjacent restaurants. As written, existing code sections do not explicitly anticipate this type of use. Use of these relatively small portions of land could enhance commercial activity, enliven our public spaces and generate revenue for CBJ. Commercial use of unneeded sections of ROW would be appropriate, provided that the conditions outlined in the attached ordinance are met.

The Lands and Resources Committee considered this issue at its December 12, 2016, meeting and unanimously asked staff to draft an ordinance to forward to the Assembly.

The City Manager recommends this ordinance be adopted.

C. Ordinance 2017-03 An Ordinance Amending the Uniform Sales Tax Code to Establish a Tax Exemption for the Sale of Goods Aboard Cruise Ships.

The City and Borough of Juneau levies a sales tax for goods and services. Although called for under the tax code, the CBJ historically has not required cruise lines to collect sales tax from its passengers for sales made aboard the ship when the ship is within CBJ boundaries. In April 2016, the Cruise Line International Association (CLIA) sought a sales tax determination on the applicability of CBJ's sales tax code. CBJ's sales tax administrator determined in October 2016 that sales onboard cruise ships are subject to CBJ's sales tax code. Based on this final position the current informal arrangement needs to be adopted in code as a tax exemption or we need to begin requiring the collection and payment of sales tax.

The CBJ sales tax office estimates that between \$50,000 and \$100,000 could be collected in total, per season from sales aboard cruise ships. CBJ currently receives about \$8 million in sales tax from cruise passengers who get off the ships and make purchases of goods, services and tours. CBJ also collects about \$12.5 million a year in fee revenue from local and state passenger fee programs.

The Finance Committee discussed this issue at its March 2016 and January 2017 meetings. At the January meeting staff was directed to prepare an ordinance, for assembly consideration, to exempt onboard sales.

The City Manager recommends this ordinance be adopted.

D. Ordinance 2016-09(AE) An Ordinance Appropriating to the Manager the Sum of \$10,000,000 as Funding for CBJ Biosolids Treatment and Disposal Project; Loan Funding Provided by the State of Alaska Department of Environmental Conservation, Alaska Clean Water Fund State Revolving Fund.

This appropriating ordinance provides \$10 million for the Biosolids Treatment and Disposal Project.

The terms of the low interest loans under the Alaska Revolving Loan Fund programs are 20-year repayment at a 1.5-percent interest rate. The project loans will be re-paid with Waste Water Utility customer revenues.

The Public Works and Facilities Committee heard this issue and reviewed project timelines at its January 30, 2017, meeting, and forwarded this ordinance to the full Assembly for approval.

The City Manager recommends this ordinance be adopted.

E. Ordinance 2016-09(AF) An Ordinance Appropriating to the Manager the Sum of \$250,000 as Funding for the Teacher Excellence Fund, a University of Alaska Southeast School of Education Endowment Through the Juneau Community Foundation; Funding Provided by the City and Borough of Juneau's Fund Balance.

As a part of the University of Alaska's Strategic Pathways process a preliminary decision was made to consolidate program leadership and administration of all education schools at the University of Fairbanks campus. The UAS School of Education has a track record of excellence in preparing educators and many in the community believed that removing the program from UAS would undermine the school's standing in the UA system as a credible four year university. A

strong University adds to the diversity, quality of life, and economic viability of our community.

During the consideration phase, the City Manager, with the knowledge of the Assembly, committed to helping to fund a \$1 million endowment for the School of Education to be available to the University in support of the School of Education as long as that degree program remains centered at UAS.

At the December 14, 2016, Board of Regents meeting, after considering testimony from many informed individuals about the quality and success of the UAS program and understanding the degree to which the community supports having the program remain in Juneau, UA President Johnsen changed his position and recommended to the Board of Regents that the UA School of Education be centered at UAS. The Board of Regents voted unanimously to do so.

Proceeds of the Endowment Fund will be used to further the UAS School of Education mission of creating innovative, Alaskan grown educators to help improve the quality of K-12 education within the State of Alaska. A committee has been formed that is working on fundraising strategies for the endowment fund. Participants on this committee include representatives from public, private, and non-profit agencies in the community.

This ordinance would provide \$250,000 of initial funding to the Teacher Excellence fund during FY2017. The Assembly Finance Committee discussed this issue at its January 11, 2017, meeting. The AFC directed that an ordinance allocating funds for this purpose be introduced and set for public hearing.

The City Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

XI. STAFF REPORTS

- A. **Foreclosed Property - 15860 Glacier Highway**
- B. **Auke Bay Marine Station Update**
- C. **Lien Legislation**

XII. ASSEMBLY REPORTS

- A. **Mayor's Report**
- B. **Committee and Liaison Reports**
- C. **Presiding Officer Reports**

XIII. ASSEMBLY COMMENTS AND QUESTIONS

XIV. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XV. EXECUTIVE SESSION

- A. **CLIA Litigation Update**

XVI. ADJOURNMENT

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