

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

February 13, 2017 7:00 PM

City Hall Assembly Chambers
Regular Meeting 2017-04

Submitted By:

Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. Proclamation - Engineers Week

IV. APPROVAL OF MINUTES

A. January 19, 2017 Special Assembly Meeting 2017-02

B. January 23, 2017 Regular Assembly Meeting 2017-03

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 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 introduced and set for public hearing at the next regular Assembly meeting.

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 introduced and set for public hearing at the next regular Assembly meeting.

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 passenger 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 introduced and set for public hearing at the next regular Assembly meeting.

- 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 introduced and set for public hearing at the next regular Assembly meeting.

- 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 introduced and set for public hearing at the next regular Assembly meeting.

2. Resolutions

a. **Resolution 2788 A Resolution De-Appropriating \$4,370,300 in FY17 Funds from the Treasury for the FY17 City and Borough Operations.**

This housekeeping measure would de-appropriate \$4,370,300 from the FY17 budget, to address revenue reductions from the State of Alaska and local sales tax due to the Governor's veto and Senate Bill 210.

The Assembly recently adopted Ordinances 2016-09(V), 2016-09(W), and 2016-09(X) on December 19, 2016, to replace the lost revenue.

The Assembly Finance Committee (AFC) forwarded this request to the Assembly at its January 11, 2017, regular meeting.

The City Manager recommends this resolution be adopted.

b. **Resolution 2789 A Resolution De-Appropriating \$111,125 from the Juneau International Airport Construct Runway Safety Area Phase IIB Capital Improvement Project, Funding was Provided by Juneau International Airport Fund's Fund Balance.**

This resolution would de-appropriate \$111,125 from the Runway Safety Area Phase IIB capital improvement project. Funding is provided as follows:

Juneau International Airport Fund Balance:	\$ 111,125
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This amount was appropriated into the project from Airport Fund Balance (Ord. 2016-09(K)) at the September 26, 2016, Assembly meeting, as temporary funding while the State matching grant was being requested from the Alaska Department of Transportation (ADOT). The ADOT grant has subsequently been awarded and appropriated (Ord. 2016-09(O)).

This measure will remove the commitment of funds from the Airport Fund Balance.

The Airport Board approved this action at its January 10, 2017, meeting.

The City Manager recommends this resolution be adopted.

c. **Resolution 2790 A Resolution Endorsing Passage of Senate Bill 28, "An Act Relating to the General Grant Land Entitlement for the Petersburg Borough."**

If passed, Senate Bill 28 would allow the new Petersburg Borough to select state lands for their borough. All Alaskan boroughs share the same goal of having as much local control as possible over their jurisdictions. This resolution is a formality that is meant as a gesture of support to our neighbors to the south.

The City Manager recommends this resolution be adopted.

3. Transfer

a. **Transfer T-984 Transfers \$800,000 from Juneau Harbor Deferred Maintenance to Aurora Harbor Rebuild Phase II.**

The request is to move \$800,000 to the existing Aurora Harbor Re-Build CIP for planned improvements of Aurora Harbor Re-Build-Phase II, specifically the removal and reconstruction of a portion of the Headwalk; Mainwalks E, F, and G; electrical and lighting; domestic water lines; and fire suppression system. The project includes moving the existing boat shelters to access the work; and to return the boat shelters to the new facility upon completion.

The Docks and Harbors Board forwarded this recommendation to the Assembly for approval at its meeting on January 19, 2017.

The City Manager recommends this transfer be approved.

b. **Transfer T-985 Transfers \$150,000 from Whittier Street CIP to Aspen Avenue - Pinewood CIP.**

This action will transfer \$150,000 of Water Utility revenues from the Whittier Street CIP (R72-124) to the Aspen Avenue – Pinewood CIP (R72-125). The Aspen and Pinewood projects were combined to efficiently construct in this very flat area of the valley and take advantage of the cost savings of constructing the two projects together. These funds are the Water Utility's contribution for the water improvements needed during the reconstruction project.

Whittier is almost complete. A couple of punch list items and the final change order remain to complete the project, at which time the remaining funds will be transferred and the CIP closed.

The Public Works and Facilities Committee reviewed this request and forwarded it to the full Assembly for approval at its meeting on January 30, 2017.

The City Manager recommends this transfer be approved.

4. Liquor License

a. **Liquor License Renewals for 2017**

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

Beverage Dispensary Licenses:

License # 2766 Alaska Red Dog Saloon LLC d/b/a Red Dog Saloon, 278 S. Franklin Street

Beverage Dispensary Tourism Licenses:

License # 313 Juneau Hospitality, LLC d/b/a Prospector Hotel/TK Maguires, 375 Whittier Street

Package Store Licenses:

License # 176 Breeze-In Corporation d/b/a Breeze-In Liquor, 8 Mile Old Glacier Hwy.

License # 662 Breeze-In Corporation d/b/a Douglas Island Breeze-In, 3370 Douglas Hwy.

License # 4543 Breeze-In Corporation d/b/a Breeze-In, 5711 Concrete Way

Recreational Site License:

License # 4881 Alaska Travel Adventures Inc. d/b/a Alaska Travel Adventures, 9999 Glacier Hwy. (banks of Mendenhall River)

License # 3409 Alaska Travel Adventures Inc. d/b/a Gold Creek Salmon Bake, 1061 Salmon Creek Lane

License # 4700 Alaska Zipline Adventures, LLC d/b/a Alaska Zipline Adventures, 3000 Fish Creek Road

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.

b. **Liquor License #2812 Location Transfer and Restaurant Designation Permit Application**

Genuine Ventures LLC d/b/a Tracy's King Crab Shack is applying for a location transfer for its Liquor License #2812 and an application for a Restaurant Designation Permit. The premises location is transferring from 406 S. Franklin Street to 432 S. Franklin Street. Copies of the applications and the premises diagrams are included in your packet.

Staff from the Finance, Fire, Public Works/Utilities, Police, and Community Development departments have reviewed this liquor license transfer and recommend the Assembly waive its right to protest this transfer.

The City Manager recommends the Assembly waive its right to protest the above-listed liquor license transfer and approve the Restaurant Designation permit.

VIII. PUBLIC HEARING

A. **Ordinance 2016-09(AC) An Ordinance Appropriating to the Manager the Sum of \$700,000 as Partial Funding for the Construction of Aurora Harbor Phase II; Funding Provided by the Harbors Enterprise Fund's Fund Balance.**

CBJ Docks and Harbors requests approval of an appropriation ordinance that would transfer funds from the Harbors Fund to the Aurora Harbor Re-Build CIP account for the Phase II project.

The request is to move \$700,000 to the existing Aurora Harbor Re-Build CIP for planned improvements of Aurora Harbor Re-Build-Phase II, specifically the removal and reconstruction of a portion of the Headwalk; Mainwalks E, F, and G; electrical and lighting; domestic water lines; and fire suppression system. The project includes moving the existing boat shelters to access the work and returning the boat shelters to the new facility upon

completion. The funds would come from the Harbor Fund which has a current balance of \$3,874,900.

The Public Works and Facilities Committee reviewed this ordinance at its January 30, 2017, meeting.

The City Manager recommends this ordinance be adopted.

B. Ordinance 2016-09(AD) An Ordinance Appropriating to the Manager the Sum of \$250,000 as Funding for the Juneau School District Deferred Maintenance and Minor Improvements Capital Improvement Project; Funding Provided by the General Government Fund's Fund Balance.

This ordinance would appropriate \$250,000 to the Juneau School District for JSD deferred maintenance and minor improvements including carpet replacement, water heaters, etc.

Funding is provided from the General Government Fund's Fund Balance.

The Assembly Finance Committee approved this action at its January 11, 2017, meeting.

The City Manager recommends this ordinance be adopted.

C. Ordinance 2016-10(A) An Ordinance Appropriating Funds for FY17 School District Operations.

This ordinance would make the following FY17 School District budget changes:

General Operations	\$ 2,034,200
Contributions to Fund Balance	786,000
Total Budget Changes	\$2,820,200

Funding for the changes is provided from the following:

State Foundation Funding	\$ 2,820,200
Total Funding Source Changes	\$2,820,200

These adjustments are requested by the School District due to student enrollment increasing above projections, which increases the State Foundation Funding support to education.

The Assembly Finance Committee (AFC) forwarded this request to the Assembly at its January 11, 2017, regular meeting.

The City Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

A. OLMO, LLC v Board of Adjustment - Decision on Appeal - VAR2015 0030

The proposed decision in this appeal was provided to the parties on January 30, 2017. Neither party filed written objections. In accordance with CBJ 01.50.140, the decision is now before you for adoption.

B. Meek v Planning Commission and Miller Construction - Decision on Appeal - USE2016 0016

The proposed decision in this appeal was provided to the parties on January 30, 2017. Written objection was received on February 6, 2017, and is included in your packet. In accordance with CBJ 01.50.140, the decision is now before you for adoption.

C. Ordinance 2016-44 An Ordinance Amending the City and Borough Code Relating to Camping in the Downtown Juneau Area.

This ordinance would amend the CBJ's existing camping ordinance by adding a provision designed to prohibit camping on private property in a narrowly defined geographic area in downtown Juneau. The purpose of this amendment is to partially address the issue raised by business owners in the downtown area who are experiencing a noticeable increase of unauthorized people camping on their property, resulting in a significant increase in refuse, litter, waste and harm to private businesses. This ordinance is not an outright bar as it allows private property owners to grant permission to campers to use their property.

I recommend that you consider this ordinance in the context of other services and management measures that are already being provided or are being considered for our homeless population. This ordinance is one small piece of a larger puzzle; to be effective it must be accompanied by other measures. Absent other measures, this ordinance would likely only serve to move the problem camping to different areas. Measures that should be considered include the provision of a year round campground and a heated sheltering opportunity that is available during specified weather conditions.

The idea for this ordinance was born during work sessions on homelessness, and was drafted to provide JPD with a tool for responding to private property owners' requests and as a means to engage homeless people and help direct them towards available services. Other complementary ideas, including a year round campground, were also proposed.

The Committee of the Whole considered this ordinance at its January 9, 2016, meeting and approved moving the ordinance forward to public hearing without a final recommendation by the Committee. Public hearing on the ordinance was heard during the Assembly's regular meeting on January 23, 2017.

I recommend that you approve this ordinance with an effective date of April 15, which is the date that the Thane Campground opens for the summer. I have explored the possibility of opening a year-round campground that is near downtown and not at risk of avalanche hazard, but do not believe it is feasible to permit and open such a campground much faster than the regular opening of the Thane Campground.

The City Manager recommends this ordinance be adopted.

X. NEW BUSINESS

A. Foreclosed Property

In December 2016, the City finalized the property tax foreclosure of property located at 15860 Glacier Highway, located between Glacier Highway and Point Louisa Road. The property consists of a single family residence located on an approximately 63,000 square foot lot. It is currently assessed at just over \$391,000.

Once property is foreclosed upon and the redemption period provided for by law expires, the foreclosing municipality must decide whether the property should be retained for a public purpose or sold.

Staff asks that the Assembly direct the attorney to prepare an ordinance providing for the sale of the property. Alternatively, the Assembly may direct the attorney to prepare an ordinance providing that the property be retained for a public purpose.

The City Manager recommends that the Assembly direct the attorney to draft an ordinance providing for the sale of the property.

XI. STAFF REPORTS

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. **CLIAA 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