

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

July 11, 2016 7:00 PM

City Hall Assembly Chambers
Regular Meeting 2016-27

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. **May 23, 2016 Regular Assembly Meeting 2016-23**
- B. **June 13, 2016 Regular Assembly Meeting 2016-24**
- C. **June 15, 2016 Special Assembly Meeting 2016-25**
- D. **June 29, 2016 Special Assembly Meeting 2016-26**

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 2015-20(AT) An Ordinance Appropriating to the Manager the Sum of \$1,730,000 to Fund the City and Borough of Juneau's Fiscal Year 2016 Public Employee Retirement System Contribution; Funding Provided by the Alaska Department of Administration.**

This ordinance would appropriate \$1,730,000 which is the State's FY16 5.19% on-behalf PERS benefit paid for CBJ. Funding is provided by the Alaska Department of Administration which was authorized by passage of HB2001 during the 2015 legislative session.

This is a housekeeping ordinance to properly account for this on-behalf payment and has no impact on the CBJ's finances.

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

- b. **Ordinance 2015-20(AU) An Ordinance Appropriating to the Manager the Sum of \$272,105 as Funding to Pay Bond Debt Service, IRS Arbitrage, and as Additional Funding for Various Capital Improvement Projects, Funding Provided by General Obligation Bond Interest Income.**

This ordinance would appropriate \$272,105.07 in bond interest income that was earned on general obligation bond proceeds allocated to the projects listed below. The interest income is available to: 1) cover original projects' expenditures, 2) pay bond debt service & IRS arbitrage fees or 3) other eligible Capital Improvement Projects.

Funding provided by unexpended bond interest income from the following capital improvement projects.

Project Name	Amount of Interest
Airport Water/Sewer Ext	\$ 3,243.35
Airport Terminal Expansion	\$ 287.82
Eaglecrest Learning Center	\$ 12,796.83
Juneau Harbors Deferred Maintenance	\$ 17,142.49
Waterfront Seawalk II	\$ 9,588.95
Aurora Harbor Improvements	\$ 20,141.26
Restrooms, Paving, and Concessions	\$ 8,796.11
Dimond Park Swimming Pool	\$ 87,021.94
Centennial Hall Renovation	\$ 7,036.77
High School Mendenhall Valley	\$ 1,428.69
Glacier Valley Renovation	\$ 879.02
Harborview Renovation	\$ 4,093.89
Gastineau Elementary Renovation	\$ 81,941.32
Auke Bay Elementary Renovation	\$ 17,574.89
DZ Roof Replacement	\$ 63.79
Mendenhall River Community School	\$ 67.95
Total to Appropriate	\$272,105.07

The Finance Director recommends the funding be provided to the following funds or capital projects:

Project Name	Amount of Interest
Debt Service/Arbitrage Fund	\$198,903.17
Juneau Harbors Deferred Maintenance	\$ 17,142.49
Dimond Park Swimming Pool	\$ 23,823.62
Gastineau Elementary Renovation	\$ 25,142.43
Auke Bay Elementary Site Renovation	\$ 560.02
DZ Roof Replacement	\$ 1.70
JSD Facilities Reno and Repair	\$ 6,531.64
Total to Appropriate	\$272,105.07

The Public Works and Facilities Committee discussed this action at its June 27, 2016, meeting and recommended forwarding it to the full Assembly for adoption.

The Public Works and Facilities Committee asked Juneau School District staff to investigate whether the remaining \$17,574.89 in the Auke Bay Elementary Renovation CIP was needed to complete work on the school's playground. At this time JSD has sufficient funds to complete the project and believes the funds would be better allocated to debt service/arbitrage funds.

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

- c. **Ordinance 2016-09(B) An Ordinance Appropriating to the Manager the Sum of \$2,250,313 as Funding for the Juneau International Airport Aircraft Rescue and Fire Fighting (ARFF) Building Modifications Capital Improvement Project; Funding Provided by the Federal Aviation Administration and from the Fund Balance of the Juneau International Airport.**

The funding to the Aircraft Rescue and Fire Fighting (ARFF) Building Modifications capital improvement project is provided as follows:

Federal Aviation Administration grant:	\$2,200,313
Juneau International Airport (Airport Fund Balance)	\$ 50,000

The FAA funds 93.75% of the project (pending grant award) with the remainder being split between State of Alaska Dept. of Transportation (ADOT) and Juneau International Airport. An ADOT matching grant is anticipated shortly, and reimbursement of the Airport Fund Balance is anticipated in the next Passenger Facility Charge (PFC) application. There is also \$45,879 that was previously appropriated to the project as a match.

The Public Works and Facilities Committee reviewed this action at its June 27, 2016, meeting.

The Airport Board approved this action at its July 7, 2016, meeting.

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

2. Resolutions

- a. **Resolution 2762 A Resolution De-Appropriating \$6,647 from the ZGYC Kitchen Remodel Capital Improvement Project, Funding from the Zach Gordon Teen Club, Inc.**

The Zach Gordon Youth Center was awarded funds through a Tier II Rasmuson Foundation grant for the demolition and rebuild of the office/kitchen. Additional funds for this project were raised by youth-driven fundraising activities and donations from the Zach Gordon Teen Club Alumni Fund and Zach Gordon Teen Club Board. There was no CBJ match required. The Zach Gordon Youth Center kitchen is now complete.

This housekeeping measure will de-obligate the budget authorization of the donations not used from the Zach Gordon Teen Club donation of \$6,646.42 from the project and then the CIP can be closed.

The Manager recommends this resolution be adopted.

3. Bid Award

a. **JNU Aircraft Rescue & Firefighting Station Modifications Bid E16-146**

This project consists of replacing the existing Aircraft Rescue & Fire Fighting (ARFF) apparatus bays with a larger facility. Work will include demolishing portions of the existing building and re-building in the same general location.

Bids were opened on July 7, 2016. The bid protest period expired at 4:30 p.m. on July 8, 2016. Results of the bid opening are as follows:

Responsive Bidders	Total Bid
Dawson Construction, LLC	\$1,810,000
North Pacific Erectors, Inc.	\$1,925,000
Alaska Commercial Contractors	\$1,952,000
Construction Estimate	\$2,197,000

The Manager recommends award of this project to Dawson Construction, LLC, for the total bid amount of \$1,810,000 pending the result of the protest period, Federal Aviation Administration grant award, and Assembly appropriation of grant award.

4. Transfer

a. **Transfer T-979 Transfers \$3,196 from DZ Roof Replacement and Mendenhall River Community School to JSD Facilities Renovation and Repair**

At its meeting on September 15, 2015, the Juneau School Board recommended closure of the following CIPs and transfer of the remaining revenues to CIP S02-101 JSD Facilities Renovation and Repair. The amounts come from:

DZ Roof Replacement (S02-099)	\$1,967.68
Mendenhall River Community School (S02-100)	<u>\$1,224.95</u>
Total Transfer to CIP S02-101	\$3,195.63

At its June 27, 2016, meeting the Public Works and Facilities Committee recommended this be forwarded to the full Assembly for approval.

The Manager recommends these transfers and closeouts be approved.

b. **Transfer T-980 Transfers \$1,129,639 from Twelve Capital Improvement Projects to Provide Funding for Seven Capital Improvement Projects.**

This transfer of approximately \$1.1 million is the result of closing 11 CIPs. These funds will be transferred to similar projects in need of funding. The highlights are as follows:

- 11 CIPs will be closed following the transfer of funds.
- Two new CIPs are being created – Mendenhall Wastewater Treatment Plant Odor Control and Douglas Highway Water Replacement to address Wastewater and Water Utilities recent unfunded priorities.
- Funds are being transferred to Dunn Street and Cope Park to provide necessary funds to complete the projects.

At its June 27, 2016, meeting the Assembly Public Works and Facilities Committee forwarded this to the Assembly for adoption.

The Manager recommends these transfers and closeouts be approved.

5. Liquor License

a. **Liquor License #5430 Premises Extension: Mac Ventures d/b/a McGivney's Sports Bar and Grill**

The above-listed liquor license is before the Assembly to either protest or waive its right to protest the expansion of its premises. A copy of the notice from the Alcohol Marijuana Control Office along with the revised premises diagram is provided in the meeting packet.

The Finance, Police, Fire, and Community Development departments have reviewed the above business for compliance and recommend the Assembly waive its right to protest this action.

The Manager recommends the Assembly waive its right to protest the expansion of the licensed premises.

b. **Liquor License #313 Premises Extension: Juneau Hospitality LLC d/b/a Prospector Hotel/TK Maguires**

The above-listed liquor license is before the Assembly to either protest or waive its right to protest the expansion of its premises. A copy of the notice from the Alcohol Marijuana Control Office along with the revised premises diagram is provided in the meeting packet.

The Finance, Police, Fire, and Community Development departments have reviewed the above business for compliance and recommend the Assembly waive its right to protest this action.

The Manager recommends the Assembly waive its right to protest the expansion of the licensed premises.

c. **New Liquor License #5495 Wholesale Malt Beverage & Wine: White Mountain Beverage LLC d/b/a K&L Distributors Alaska**

This is an application for a new license at 8420 Airport Boulevard, Suite 201, Juneau, Alaska, 99801, which will replace the previous Wholesale Malt Beverage and Wine liquor license # 4081 issued to K & L Distributors, Inc.

Staff from the Finance, Police, Fire, Public Works, and Community Development departments have reviewed the above business and found it to be in compliance with CBJ Code.

In the event the Assembly does protest this liquor license, 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 their right to an informal hearing before the Assembly.

The Manager recommends the Assembly waive its right to protest the issuance of this new liquor license application.

VIII. PUBLIC HEARING

A. **Ordinance 2016-19 An Ordinance Providing for the Levy and Collection of a Temporary 3% Areawide Sales Tax on the Sale Price of Retail Sales, Rentals, and Services Performed within the City and Borough of Juneau, to be in Effect Five Years from July 1, 2017, through July 1, 2022; and Calling for an Election on Whether Such Sales Tax Shall Be Levied.**

The current temporary 3% sales tax, authorized by the voters in October 2011 (effective July 1, 2012), expires June 30, 2017. A temporary sales tax of at least 3% for various operating budget, utility expansion and other CIPs (e.g. streets etc.) has been continually extended by the voters for over 30 years. The 3% temporary sales tax is projected to collect \$26.4 million (net of cost of collection) annually.

The ordinance provides for the levy and collection of a temporary 3% areawide sales tax to be effective July 1, 2017, intended to be expended for:

1% police, fire, street maintenance, snow removal, EMT/ambulance service, parks and recreation, libraries, and other general purposes;
 1% roads, drainage, retaining walls, sidewalks, stairs, and other capital improvement projects; and
 1% allocated annually by the Assembly for capital improvements, general government services (including the Better Capital City account and youth activities) and Budget Reserve.

In accordance with CBJ Charter and state law, the ordinance calls for an election on whether the tax shall be levied.

This issue was discussed by the Committee of the Whole at its June 6, 2016, meeting and forwarded to the full Assembly for consideration.

The Manager recommends this ordinance be adopted.

B. **Ordinance 2016-25 An Ordinance Providing for the Levy and Collection of a Permanent 3% Areawide Sales Tax on the Sale Price of Retail Sales, Rentals, and Services Performed within the City and Borough of Juneau, to be Effective July 1, 2022, and Providing for a Ballot Question Ratifying the Levy.**

The current "temporary" 3% sales tax, authorized by the voters in October 2011 (effective July 1, 2012), expires July 1, 2017. An extension for an additional five years, until July 1, 2022, will be before the voters this October.

The ordinance would make the temporary 3% tax permanent as of July 1, 2022. It is intended that the permanent tax be used to fund the same things as the temporary sales tax, namely:

1% police, fire, street maintenance, snow removal, EMT/ambulance service, parks and recreation, libraries, and other general purposes;
 1% roads, drainage, retaining walls, sidewalks, stairs, and other capital improvement projects; and
 1% allocated annually by the Assembly for capital improvements, general government services (including the Better Capital City account and youth activities) and Budget Reserve.

In accordance with CBJ Charter and state law, the ordinance calls for an election on whether the tax shall be levied.

This issue was discussed by the Committee of the Whole at its June 6, 2016, meeting and recommended to be forwarded to the Assembly for consideration.

The Manager recommends this ordinance be adopted.

C. Ordinance 2016-20 An Ordinance Levying a Sales Tax of an Additional Three Percent on the Sale of Marijuana and Marijuana Products and Providing for a Ballot Question Ratifying the Levy of the Tax and the Rate of Levy.

The CBJ Marijuana Committee analyzed the local taxation options for marijuana. After considering the imposition of an excise tax, the committee voted to recommend a 3% increase in the retail sales tax rate applied to marijuana, which would result in marijuana and marijuana products being taxed at 8%, similar to alcoholic beverages.

The revenue to be raised from marijuana retail sales based on the current 5% rate is conservatively estimated to range from \$105,000 - \$285,000. The additional revenue from a 3% increase ranges from \$65,000 - \$170,000. The revenue would be deposited in the Sales Tax Fund and be available for general government operations or CIPs.

In accordance with CBJ Charter section 9.17 and state law, the ordinance calls for an election on whether such sales tax increase shall be levied.

The Manager recommends this ordinance be adopted.

D. Ordinance 2016-24 An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of a Portion of USS 2136, Lot 2, Located on the South Side of Glacier Highway at Approximately Mile 10.5 Glacier Highway, Between Sherwood Lane and Engineer's Cutoff Road, from D-1(T)D-3 to D-3(T)D-5.

In January 2016, the property owner applied for a rezoning of the subject parcel, located between Sherwood Lane and Engineer's Cutoff Road and Glacier Highway and Pederson Street, to D-10, Multifamily Residential. The parcel had dual transitional zoning districts of D-1(T)D-10 on the northern 3.2 acres, and D-1(T)D-3 on the southern 19.6 acres.

On March 3, 2016, staff held an informational meeting to discuss the proposed rezoning with property owners in the affected area. After the meeting, the applicant revised the rezone request to transition to D-10 for the northern 3.2 acres as indicated on the official zoning map, and to rezone the southern 19.6 acres from D-1(T)D-3 to D-5, which is consistent with the land use maps of the Comprehensive Plan.

The Planning Commission heard the proposal at its March 24, 2016, regular meeting. The Planning Commission approved the transition upgrade to D-10 for the northern 3.2 acres. The Planning Commission agreed to forward a recommendation to the Assembly to approve a rezone of the southern 19.6 acres to D-3(T)D-5 with one condition. The condition would allow the property to transition to the higher density of D-5 when improvements to Pederson Street or an alternative access location have been constructed to CBJ street standards to accommodate the higher density.

The Manager recommends this ordinance be adopted.

E. Ordinance 2016-21 An Ordinance Authorizing a Capital Improvement by Agreement Related to the Construction and Maintenance of Improvements on Dunn Street.

This non-code ordinance would authorize the Manager to enter into a capital improvements by agreement contract with the Dunn Street property owners, pursuant to CBJ 15.10.290. Per the agreement, the Dunn Street property owners would pay a \$56,250 contribution towards the overall cost of paving and related improvements to the currently unimproved, privately maintained gravel road. The agreement provides that the owners would be responsible for winter maintenance of the road. The agreement allows the owners' contribution to be financed over a period of ten years, at an annual interest rate of 3.09 percent. The estimated contribution from the CBJ is \$400,000.

CBJ 15.10.290 provides that the Assembly may authorize a contract for provision of improvements. This ordinance would authorize the Manager to enter into the proposed agreement, consistent with the recommendation from the Public Works and Facilities Committee on May 16, 2016, attached as Exhibit A to the ordinance.

The Manager recommends this ordinance be adopted.

F. Ordinance 2016-09(A) An Ordinance Appropriating to the Manager the Sum of \$30,000 as Partial Funding for a Youth Outreach Coordinator at the Zach Gordon Youth Facility, Grant Funding Provided by the Juneau Community Foundation.

The Zach Gordon Youth Center was recently awarded a grant from the Juneau Community Foundation, Hope Fund, to partially fund the Youth Outreach Coordinator position. This position will work with the Juneau School District, Juneau Youth Services and other community organizations to identify and support youth of the community who may need additional services to succeed through the middle school, high school, and late teen years. The Youth Outreach Coordinator will identify youth in need and the services available to aid youth and serve as a bridge between youth in need and existing service providers.

This position was included in the FY17 & FY18 Zach Gordon Youth Center operating budget. Total personnel services for the position are \$65,000. The Juneau Community Foundation Hope Fund grant amount is \$30,000.

This issue was discussed by the Committee of the Whole at its June 6, 2016, meeting and forwarded to the full Assembly for consideration.

The Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

A. Notice of Appeal - Conditional Use Permit USE2016-0016 for Asphalt Plant at 2500 Sherwood Lane

On June 14, 2016, the Planning Commission approved a conditional use permit for an asphalt plant at an existing contractor storage and service yard at 2500 Sherwood Lane. On June 29, a timely appeal of the Planning Commission's decision was filed.

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

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

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

As this is a quasi-judicial matter, the Manager makes no recommendation.

B. Aurora Harbor Rebuild Phase II - PND Proposal

CBJ Docks and Harbors issued a Request for Proposals for professional engineering services for the Aurora Harbor Rebuild project in 2012. Due to funding availability, the project was phased. The RFP provided that the contract may be amended for future phases of the work.

PND Engineers was selected to perform professional services for the project and provided those services for Phase I. A recent state Municipal Harbor Grant was awarded to Aurora Phase II thus it is timely to move forward with final design and construction bid documents.

PND Engineers, Inc. proposes a fee of \$598,485 for services associated with Phase II of the project. This phase of the project would include removal and replacement of portions of the head float; removal and replacement of main floats and fingers at E, F, and G; electrical system replacement; domestic water system replacement; and installation of a fire suppression system. Funding for this phase of the work is from ADOT Municipal Harbor Grant (\$2M) and matching funds (\$2M) from Harbors Fund fund balance.

This contract was reviewed and recommended for approval by the Docks and Harbors Board at its regular public meeting on June 30, 2016.

The Manager recommends this amendment be approved.

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. Contract Negotiations Update

B. City Attorney Annual Review

XVI. ADJOURNMENT

XVII. SUPPLEMENTAL MATERIALS

A. **Resolution 2763 - A Resolution Urging the Alaska Legislature to Pass a Balanced, Sustainable, and Predictable State Fiscal Plan to Help Ensure Long Term Fiscal Stability for the Citizens of the State of Alaska**

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