

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

June 13, 2016 7:00 PM

City Hall Assembly Chambers
Regular Meeting 2016-24

Submitted By:

Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. Proclamation - Juneau Pride 2016

IV. APPROVAL OF MINUTES

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

- b. **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 their June 6, 2016, meeting and forwarded to the full Assembly for consideration.

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

- 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. Thus total estimated revenue from an 8% sales tax ranges from \$170,000 - \$455,000. 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 introduced and set for public hearing at the next regular Assembly meeting.

d. **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 PWFC on May 16, 2016, attached as Exhibit A to the ordinance.

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

e. **Ordinance 2016-23 An Ordinance Amending the City and Borough of Juneau Code to Add a New Title on Equal Rights.**

This ordinance would make discrimination based on race, color, age, religion, sex, familial status, disability, sexual orientation, gender identity, or national origin unlawful. By policy, CBJ finds such discrimination a threat to the health, safety and general welfare of the citizens of the City and Borough.

The Committee of the Whole discussed preparing such an ordinance at its meeting on July 13, 2015.

The Manager recommends this ordinance be introduced and referred to the Committee of the Whole on June 21, 2016.

f. **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 D3(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 improved to CBJ street standards to accommodate the higher density.

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

- g. **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. A temporary sales tax of at least 3% for various operating budget, utility expansion and other CIPS (e.g. streets etc.) has been in place for more than thirty years. The 3% sales tax is projected to collect \$26.4 million (net of cost of collection) annually.

The ordinance would make the temporary 3% tax permanent as of July 1, 2022. The tax is 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 their June 6, 2016, meeting and recommended to be forward to the Assembly for consideration.

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

2. Bid Award

a. **Bid Award: Bid No. 17-007 - Term Contract for Roadway De-Icing Chemicals**

This is a term contract for roadway de-icing chemicals to be used by the City and Borough of Juneau, Public Works, Street Maintenance Division and Juneau International Airport. The estimate was \$225,000. The bid was opened May 24, 2016, and one bidder responded. Since there was only one bidder, there was no protest period.

The Manager recommends award to Brenntag Pacific, Inc. in the amount of \$280,000 for the total bid amount.

VIII. PUBLIC HEARING

A. **Ordinance 2015-20(AR) An Ordinance Appropriating to the Manager the Sum of \$53,100 as Additional Funding for the Airport Rescue and Fire Fighting (ARFF) Cost Center; Funding Provided by the Juneau International Airport Operating Revenues.**

This is a supplemental appropriation to the FY16 airport operating budget for additional expenses in the Airport Rescue & Fire Fighting (ARFF) cost center. The ARFF station responding capabilities must be increased to meet FAA requirements (ARFF index) for the higher frequency of large aircraft used by Alaska Airlines. FY16 airport revenues are projected to be sufficient for this increase in expenses.

The Airport Board approved this action at its April 27, 2016, special meeting. The Assembly Finance Committee approved this action at its May 11, 2016 meeting.

The Manager recommends this ordinance be adopted.

B. **Ordinance 2015-20(AS) An Ordinance Appropriating to the Manager the Sum of \$10,000,000 as Funding for CBJ Biosolids Treatment and Disposal and the CBJ Treatment Plant Headworks Improvement Projects, 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 two wastewater projects – Biosolids Treatment and Disposal and Headworks Improvements.

\$6 million will be partial funding for the biosolids project. The project will receive an additional \$10 million loan from ADEC in the next few months.

\$4 million will provide funding for the Treatment Plant Headworks Improvement Project.

These projects were bundled into a single loan package to simplify and streamline the ADEC loan application process and required project documentation.

Resolution 2760, to enter into a loan agreement with ADEC for the remaining \$10 million for the biosolids project, was adopted at the May 23, 2016, Assembly meeting.

The Public Works and Facilities Committee heard this issue and reviewed project timelines at its May 16, 2016 meeting and forwarded this ordinance to the full Assembly for approval.

The Manager recommends this ordinance be adopted.

C. Ordinance 2016-15(b) An Ordinance Amending the Traffic Code Relating to Driver License Violations, and Providing for a Penalty.

This ordinance would amend the Traffic code by making the code sections relating to driving without a valid license and driving with a canceled, suspended or revoked license identical to State law (AS 28.15.011 and 28.15.291, respectively), and by making the penalties to be imposed consistent with state law. With these changes, CBJ code will be in compliance with AS 28.01.010, which provides that the provisions of Title 28, Motor Vehicles, are applicable within all municipalities, and that municipalities may not enact an ordinance inconsistent with Title 28.

Version (b) of this ordinance incorporates the amendments made to state law by SB 91, which take effect on July 1, 2016. Changes made in version (b) of the ordinance are indicated by italicized text.

The Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

A. CBJ Review of State of Alaska - Standard Marijuana Cultivation Facility License #10026 Rainforest Farms, 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 its first State of Alaska Standard Marijuana Cultivation Facility License #10026 from Rainforest Farms, LLC to be located at 5763 Glacier Hwy., 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 recommend the Assembly waive its right to protest the issuance of this license.

The comments from the Community Development Department reviewer stated: *“The applicant is in compliance with Title 49. The conditions on the approved Conditional Use Permit will be addressed through the building permit process and ongoing operations. The Planning Department has no protest.”*

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

- State of Alaska Alcohol & Marijuana Control Office – Initiating License Application #10026 online form
- Form MJ-01: Marijuana Establishment Operating Plan
- Form MJ-02: Premises Diagram
- Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental
- CBJ Planning Commission Conditional Use Permit USE2016-0005 Notice of Decision
- June 1, 2016 B. McEwen Letter re: State Application Review Process by CBJ

The full set of documents are 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 manager recommends the Assembly waive its right to protest the issuance of this license.

B. Regulation Commercial Passenger Vehicles - Vehicle standards

At the request of a pedicab company, this regulation is brought forward for consideration by staff, the public and the Commercial Passenger Vehicle industry.

As currently adopted, the Commercial Passenger Vehicle (CPV) Regulations allow only one class of regulated vehicles to provide limited optional markings, which can include commercial advertising. This regulation would allow all endorsement classes to display signage in addition to any required service endorsement markings. There would be no fiscal impact to the City and Borough from this change. No other changes to the CPV regulations are included in the proposed amendment.

The proposed regulation changes were properly noticed and advertised necessary for public comment in the period required under the CBJ Code. An optional public hearing was not held. The comment period ends Sunday, June 12. Juneau Police Department staff, the regulatory agency for CPV, will be present at the meeting to provide any comments or answer any questions.

The Manager recommends the regulation be approved.

C. Regulation Small Boat Harbor Fees and Charges - Monthly moorage fees / Monthly pre-paid discounts

As the result of the ongoing Docks & Harbors fee review initiative, the Docks & Harbors Board proposes making changes to the monthly moorage fees and the monthly pre-paid discount. Under 05 CBJAC 20.035 (monthly moorage fees), the Board proposes that annual rate adjustments be the same monetary amount for both the Statter Harbor and for the downtown harbors. If approved, the annual rate adjustment shall be tied to the preceding calendar year Anchorage CPI applied to the downtown harbor monthly moorage fee.

The current regulation allows for the both the Statter Harbor monthly moorage fee and the downtown harbor monthly moorage fee to independently be linked to the Anchorage CPI.

The monthly moorage fees for FY17 for Statter Harbor and downtown harbors is \$7.15/LF and \$4.25/LF, respectively.

Under 05 CBJAC 20.042, the Docks & Harbors Board proposes a moorage discount of 10% for owners who pay the moorage one year in advance. Currently the annual discount is 5%. The Board also proposes new regulations allowing for 5% discounts for owners who desire to pay in advance for each semi-annual period.

Docks & Harbors properly noticed the proposed changes consistent with CBJ ordinance and held a public hearing on June 6, 2016. Docks & Harbors received one formal comment in support of the proposed regulations change.

The Manager recommends the regulation be approved.

D. Triparty Agreement Between AELP, CBJ, and DIPAC for water use

The Tri-Party Agreement "Agreement" between Alaska Electric Light and Power (AEL&P), Douglas Island Pink and Chum, Inc. (DIPAC), and the City and Borough of Juneau (CBJ) must be renewed. The Agreement documents the joint use of Lower Salmon Creek water discharged through the Salmon Creek Powerhouse. All parties agree to work collaboratively to maximize the use of the available water and to negotiate in good faith any future capital infrastructure needs. The CBJ existing water rights of 15 cubic feet per second (cfs) for the Lower Salmon Creek have been reaffirmed as unchanged in the Agreement. There is no financial contribution needed from CBJ to execute this Agreement. This renewed Agreement is required for inclusion in the AEL&P FERC application submitted on August 23, 2016. The existing Agreement will automatically expire on October 21, 2016.

The Public Works and Facilities Committee unanimously approved this action at its May 16, 2016, meeting.

The Manager recommends that the Assembly authorize him to sign the Triparty Agreement.

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. Executive Session - Collective Bargaining 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