THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes - May 23, 2016

MEETING NO. 2016-23: 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 7:00 p.m. by Mayor Ken Koelsch.

I. ROLL CALL

Assembly Present: Mary Becker, Jamie Bursell, Maria Gladziszewski, Loren Jones, Jesse Kiehl, Ken Koelsch, Jerry Nankervis, Kate Troll and Debbie White.

Assembly Absent: None.

Staff Present: Rorie Watt, City Manager; Amy Mead, Municipal Attorney; Mila Cosgrove, Deputy City Manager; Beth McEwen, Deputy Clerk; Bob Bartholomew, Finance Director; Greg Chaney, Lands and Resources Manager; Carl Uchytil, Port Director; Patricia Wahto, Airport Manager; Bryce Johnson, Police Chief; Rich Etheridge, Fire Chief; and Roger Healy, Engineering/ Public Works Director.

II. SPECIAL ORDER OF BUSINESS

Mr. Watt introduced Roger Healy as the returning Engineering/Public Works Director. Mr. Healy said he was happy to be back and looking forward to working with the Assembly and the public as well.

III. APPROVAL OF MINUTES

Ms. Becker and Ms. Troll provided some grammatical corrections of the minutes to the Clerk.

MOTION by Ms. Becker to approve the minutes of the April 27, 2016, May 2, 2016, and May 11, 2016, meetings with correction and asked for unanimous consent. *Hearing no objection, the minutes were approved with correction.*

A. May 2, 2016 Regular Assembly Meeting No. 2016-21

B. April 27, 2016 Special Assembly Meeting No. 2016-20

C. May 11, 2016 Special Assembly Meeting No. 2016-22

IV. MANAGER'S REQUEST FOR AGENDA CHANGES

Mr. Watt requested that item 3b. "New Liquor License #5482 Alaska Sustainable Seafood d/b/a Deckhand Dave's" be removed from the Consent Agenda for discussion.

V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

William Quayle addressed the Assembly regarding Pedi cabs and requested that the commercial passenger vehicle (CPV) regulations and fees be changed to make them a separate class of CPV vehicle. He suggested that rather than having to pay the $1,500 fee that an operator is allowed to post a bond instead. He would like to operate a Pedi cab business year-round and all over the borough, not just downtown as he can go places where the cabs cannot. He said it is cost prohibitive and he would like to see changes to the rules to allow for individuals in his situation to operate in a business friendly manner.

VI. CONSENT AGENDA

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

None.

B. Assembly Requests for Consent Agenda Changes

MOTION by Mr. Kiehl to approve the consent agenda with the removal of item 3.b. "New Liquor License #5482 Alaska Sustainable Seafood d/b/a Deckhand Dave's" and asked for unanimous consent. *Hearing no objection, the motion passed.*

C. Assembly Action

1. Ordinances for Introduction

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

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.

A resolution to enter into a loan agreement with ADEC for the remaining $10 million for the biosolids project is later in the consent agenda.

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

2. Resolutions

a. Resolution 2742(b) **A Resolution Adopting the City and Borough Capital Improvement Program for Fiscal Years 2017 Through 2022, and Establishing the Capital Improvement Project Priorities for Fiscal Year 2017.**

This resolution would adopt the City and Borough Capital Improvement Program (CIP) for Fiscal Years 2017 through 2022, as required by Charter Section 9.4, and lists the capital projects that will be undertaken in FY 2017.

The Public Works and Facilities Committee reviewed the CIP at its meeting on February 22 and forwarded the plan to the Assembly.

The CIP resolution was introduced at the Special Assembly meeting on April 4 and referred to the Assembly Finance Committee (AFC), reviewed at the April 13 AFC meeting, open for public comment during the Special Assembly
meeting on April 27, and referred back to the AFC for review at the meeting on May 11. The AFC approved Resolution 2742(b) as amended and referred it to the full Assembly for adoption.

The Manager recommends this resolution, as amended by the Finance Committee, be adopted.

b. Resolution 2756 **A Resolution Endorsing the Alaska Clean Harbor Pledge and Expressing Support for Actions that Result in a Clean Harbor Certification.**

Docks & Harbors has embarked on a process to achieve certification as an Alaska Clean Harbor. This voluntary process encourages the use of best management practices at harbor facilities in order to reduce the production of nonpoint source pollution, typically through improved harbor processes, signage, and education. The program may provide some financial grant funding to the benefiting harbor. Currently there are four harbors in Alaska which have received this designation. One of the first steps in obtaining certification is a commitment and pledge from a municipality's governing body in support of the program. The Docks & Harbors Board approved the measure at its April 28 board meeting. Docks & Harbors' goal is to achieve the certification by June 2017.

The Manager recommends this resolution be adopted.

c. Resolution 2757 **A Resolution Expressing Assembly Support and Authorizing the Execution of a Memorandum of Agreement with the Alaska Department of Transportation and Public Facilities for the Industrial Boulevard Widening and Sidewalk Project.**

The Industrial Boulevard widening and sidewalks project was nominated by CBJ for the Statewide Transportation Improvement Plan (STIP) in 2009. To increase the scoring, the CBJ proposed to provide a 25% match instead of the minimum 9.03% required by ADOT policy and procedures. The project scored high enough for ADOT to include it in the 2010-2013 STIP. The CBJ funding will come from the CIP funds appropriated in the 2010 CIP and transferred from CIPs that have been closed out.

This resolution provides ADOT the assurance that the CBJ will follow the terms of the ADOT's Memorandum of Agreement for the project, which generally consist of commitment to funding the CBJ's match and to maintain and operate the roadway after construction, which is consistent with current operational practices.

The Public Works and Facilities Committee recommended approval of this resolution at its May 16 meeting.

The Manager recommends this resolution be adopted.

d. Resolution 2758 **A Resolution Expressing the Assembly's Support and Authorizing the Execution of a Memorandum of Agreement with the Alaska Department of Transportation and Public Facilities for the Riverside and Stephen Richards Congestion Mitigation.**

The Riverside and Stephen Richards Congestion Mitigation project was included in the FY 2016-2019 Statewide Transportation Improvement Plan (STIP). The project requires a 9.03% CBJ match as dictated by ADOT policy. The CBJ funding will come from the CIP funds appropriated in the 2016 CIP and proposed funding from the 2017 and 2018 CIP.

This resolution provides ADOT the assurance that the CBJ will follow the terms of the ADOT's Memorandum of Agreement for the project, which generally consist of commitment to funding the CBJ's match and to maintain and operate the intersection after construction, which is consistent with current operational practices.

The Public Works and Facilities Committee recommended approval of this resolution at its May 16 meeting.

The Manager recommends this resolution be adopted.

e. Resolution 2759 **A Resolution Ratifying the Labor Agreement between the City and Borough of Juneau and the Public Safety Employees Association, AFSCME Local 83, AFL-CIO.**

This resolution would provide Assembly ratification of the terms of the tentative agreement negotiated between the CBJ and the Public Safety Employees Association. The term of the agreement would be from July 1, 2016, through June 30, 2019.

The tentative agreement includes economic modifications to the pay plan and to the employer's contribution for health insurance. The total savings of these provisions over the life of the contract are projected to be approximately$2,618.

In addition, there are minor operational changes that will increase administrative efficiencies and facilitate a more harmonious and cooperative workplace. An overview of the agreement is included in your packet.

This tentative agreement has been ratified by the PSEA membership and the economic terms are in keeping with Assembly direction.

The Manager recommends this resolution be adopted.

f. Resolution 2760 **A Resolution Authorizing the Manager to Apply for and Enter into a Loan Agreement with the State of Alaska Department of Environmental Conservation, through its Alaska Clean Water Fund, for the Long Term Biosolids Treatment and Disposal Project.**

This resolution would authorize the Manager to apply for and enter into a loan agreement to fund the

CBJ's long-term biosolids treatment and disposal project for an amount not to exceed $10 million, making the total loan funding for the biosolids project $16 million.

This is the second and final of two $10 million loans for the biosolids and headworks projects. The initial $10 million loan was awarded to the CBJ during the 2015 ADEC loan application period.

This action was reviewed and forwarded to the full Assembly by the Public Works and Facilities Committee at its May 16, 2016, meeting.

The Manager recommends this resolution be adopted.

3. Liquor License

a. Liquor License #648 Location Transfer - Bullwinkles Pizza (Mendenhall) and Application for Restaurant Designation Permit

The above liquor license location 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 business and found it 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.

In addition to the location transfer, the business has submitted an application for a Restaurant Designation Permit and it is up to the Assembly to either approve or deny the permit application.

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

b. New Liquor License #5482 Alaska Sustainable Seafood d/b/a Deckhand Dave's, Restaurant/Eating Place - Public Convenience Application and an Application for Restaurant Designation Permit

This new liquor license application for Alaska Sustainable Seafood d/b/a Deckhand Dave's Restaurant Eating Place - Public Convenience license is before the Assembly to either approve or disapprove the issuance of this license and approval of the Restaurant Designation Permit.

Unlike a regular Restaurant/Eating Place liquor license which is limited by population standards in AS 04.11.400(a) to one license per 1,500 population, AS 04.11.400(g) allows for the issuance of a license not subject to the population standards as follows:

> **AS 04.11.400(g)**
> *"The board may approve the issuance or transfer of ownership of a restaurant or eating place license in a municipality without regard to (a) of this section if the board finds that issuance or transfer of the license* ***is necessary for the public convenience****."*

The "public convenience" license process is set out in 3 AAC 304.335 as follows:

> **3 AAC 304.335. License issued for public convenience**
> (a) The board may issue a restaurant or eating place license under AS 04.11.400(g) upon a showing that
> (1) repealed 8/24/2001;
> (2) there is community support, which must be shown by a petition signed by a

majority of the residents 21 years of age or over who reside within one mile of the proposed premises; and

(3) the governing body of the municipality in which the licensed premises are to be located approves the application.

(b) Renewal of a license issued under AS 04.11.400(g) will, in the board's discretion, be denied if the license ceases to be necessary to the public convenience. ***[emphasis added]***

The Finance, Police, Fire, 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 deny this license application, 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.

In addition to the new license application, the business has also submitted an application for a Restaurant Designation Permit which is before the Assembly to either approve or deny.

As this is a policy decision by the Assembly, the Manager has no recommendation.

Consideration of Consent Agenda Item 3. b.

New Liquor License #5482 Alaska Sustainable Seafood d/b/a Deckhand Dave's, Restaurant/Eating Place - Public Convenience Application and an Application for Restaurant Designation Permit

Mr. Watt provided an updated manager's report stating that this proposed liquor license application was before the Assembly to either approve or disapprove. Under Alaska statute, Restaurant/ Eating Place liquor licenses are limited by population standards to one license per 1,500 population. Additionally, state statute allows for the issuance of a license not subject to the population standards if the Assembly finds that *issuance of a license is* ***necessary for the public convenience.*** The business also submitted an application for a Restaurant Designation Permit which is also before the Assembly for approval or denial.

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

In the event the Assembly does deny the license application, CBJ Code requires notice, with specificity regarding the nature and basis of the protest be sent to the licensee and provides the licensee an opportunity to exercise its right to an informal hearing before the Assembly.

Mr. Watt went on to explain that the Assembly may consider the question of necessity for public convenience and the Restaurant Designation Permit and that if it chooses to do so, the Assembly must provide comment to the State Alcohol Beverage Control Board within 60 days of receipt of the application and that period would end on July 2. Mr. Watt said that if the Assembly wished for additional information on this matter, staff would need specific guidance in order to obtain that information.

Mr. Watt had no recommendation on this matter.

Mayor Koelsch called for public comment on this matter.
[*Clerk's note: Although the applicant was in the audience, he did not indicate a desire to speak during this public comment portion of the proceedings.]*
Mayor Koelsch closed public comment and asked for Assembly Action.

Mr. Kiehl asked the City Attorney if this required "Assembly approval" or if the Assembly needed to "waive its right to protest" the issuance of the license. Ms. Mead explained that according to the regulations, the Assemble would need to approve the application since this is an extra license that is only allowed under these particular circumstances.

MOTION by Mr. Kiehl to approve the New Restaurant Eating Place Public Convenience Liquor License #5482 for Alaska Sustainable Seafood d/b/a Deckhand Dave's as well as the application for a Restaurant Designation Permit and asked for unanimous consent.

Ms. Troll objected for purposes of discussion. Ms. Troll asked the city manager if, when the police and fire departments did their review, they only reviewed based upon code compliance or if they also reviewed on the basis of whether or not it was necessary for the public convenience. Mr. Watt said he believed it was just on the basis of code compliance and not the question relating to necessity for the public convenience.

Ms. Troll said she was struggling with how you get to determining that it is "necessary" to have another liquor license on S. Franklin Street. She said there are already a lot of liquor licenses around there. She said that unless she heard some compelling argument as to why it was needed, she would be voting against approval.

Mr. Kiehl said the language of necessity is a difficult one. He said the process is to him a little more meaningful in that the applicant for this license was required to demonstrate public support by getting approximately 2800+ signatures of people who reside within a 1 mile radius of the physical location of the license. He said that is not an easy thing to do and it shows significant public support. He said he was impressed by the applicant’s gumption so Mr. Kiehl signed his petition as did a significant number of other residents in the area. He said he doesn't know that he can define necessity either but he thinks it is worth approving.

Ms. Becker asked if this is a year round license or a seasonal license. Ms. McEwen said that it is a seasonal license with the dates listed on the application found in the packet.

Ms. Becker asked if they would expect the rest of the stands in that area to request similar licenses. Mr. Watt explained that another applicant would not be eligible for a standard license under the population standards but they could be eligible under this same process and any subsequent applications would also come before the Assembly for approval.

Ms. Bursell said this location is next to the downtown Library in the same location where Tracy's Crab Shack started and it is a small trailer with a tent area. She said she did not see this being a problem zone because it is so small. She will be voting for approval of the license and encouraged other members to vote for approval.

Mayor Koelsch noted that the applicant, Dave McCasland, was in the audience raising his hand to speak and he informed Mr. McCasland that the time for public comment had passed but if any of the Assemblymembers had any questions for Mr. McCasland, the mayor would be willing to bend the rules and ask him to come forward to speak.

There being no further questions or comments, Mayor Koelsch asked for the clerk to restate the motion and call the roll.

Ms. McEwen restated the motion to approve both the issuance of the license and the restaurant designation permit and called the roll:

Ayes: Becker, Bursell, Jones, Gladziszewski, Kiehl, Nankervis, Troll, White, Koelsch
Nays: none.
The motion passed.

VII. PUBLIC HEARING

A. Ordinance 2016-08(b) **An Ordinance Establishing the Rate of Levy for Property Taxes**

This ordinance establishes the mill rates for real and personal property taxes for 2016, which funds a significant portion of the City and Borough of Juneau's FY17 operating and capital budgets. The Charter requires the assembly to adopt, by ordinance, the tax levies necessary to fund the budget before June 15. The mill levies presented in this ordinance support the City and Borough's FY17 Proposed Budget as amended by the Assembly Finance Committee.

An opportunity for public comment was provided at a Special Assembly meeting on April 27, 2016. The Assembly Finance Committee reviewed the mill rate ordinance at its meeting on May 11, 2016, and approved a motion to amend the proposed mill rates and refer the amended ordinance to the full Assembly for adoption.

For FY17, the total mill rate of 10.76 recommended by the Finance Committee remains unchanged from FY16. The debt service mill rate is being reduced by .10 mills to 1.40 mills. The operating mill rate is recommended to be 9.36 mills (increase of .10 mills from FY16). The .10 mill increase was in the Roaded Service Area component of the operating mill rate, to offset the projected reduction in sales tax revenue. The other two components (Fire Service & Areawide) of the operating mill are unchanged from FY16.

This ordinance proposes a total mill levy of 10.76, the components of which are:

Operation Mill Rate by Service Area	**Millage**
Roaded Service Area	2.30
Fire Service Area	0.36
Areawide	6.70
Operating Total	9.36
Debt Service	1.40
Total	**10.76**

Mr. Watt noted for FY17, the Manager's budget recommended a total mill rate of 10.51. On May 11, 2016, the AFC forwarded a recommendation of 10.76 mills which matches last year's mill rate, for FY16. He said there is a table provided in the red folder showing the effect of various mill rates and their impact on revenue collection and on a $300,000 property.

The Manager recommended this ordinance, as amended by the Assembly Finance Committee, be adopted.

Public Comment:

Mr. James Sydney asked about the increase in property values from last year to this year. He asked if it is a typical 4.5 – 5%. Mr. Watt addressed valuation of property assessments and said that property values generally went up across the borough and differently following the market. The Assessor is required to assess properties to try to match the fair market value and generally homes on average were at an approximate 6% increase in value.

Mr. Sydney objects to the borough substantially increasing its revenues based on the rise in assessments and no decrease in the mill levy. He said he has observed this trend over the past 40 years to keep the mill rate at the same level but the property tax is going up exponentially due to the increase in the valuation of the property assessments every year.

Ms. Troll said she didn’t really have a question for Mr. Sydney but would encourage him to look at the total operating budgets for the past years which have been declining.

Assembly Action:

MOTION by Mr. Nankervis to adopt Ordinance 2016-08(b) and asked for unanimous consent.

Mr. Jones objected to the motion for purposes of amendment.

Amendment 1 by Mr. Jones to reduce the areawide mill rate from 6.70 to 6.60 which would then make the operating total change from 9.36 to 9.26 for an overall mill rate of 10.66 instead of 10.76.

Mayor Koelsch asked Mr. Jones if he’d like to speak to his amendment.

Mr. Jones stated that during the Assembly Finance Committee (AFC) discussions, in order to maintain the same level, with the obligation to reduce the debt service mill rate, they had to increase the areawide mill rate to keep it the same. He said he voted against it at that time. Although it did pass, he felt it was better to keep that mill rate the same and do the deduction they needed to take for the debt service, per the charter. He said this amendment would bring it in line for what was proposed in the manager’s budget for 2018. He said that would bring it in line keeping the areawide rate the same. He said it would be a slight reduction in money available that they had set aside in a deferred maintenance CIP, but other than that, it would not have any impact on the operating budgets.

Mr. Kiehl said he was also going to offer an amendment to lower the areawide operating mill rate further from the ordinance because the numbers that we need to fund the operating and capital budgets that were discussed were a little less than 6.6 mills on the areawide operating levy. He said he is willing to compromise a little but he has a philosophical problem with taxing at a mill rate higher than what is needed for the operations of government that they think is right for the community. He said this will still leave some money to go into the undefined deferred maintenance CIP that the AFC discussed in concept but they weren’t sure how they would be using that. He said he is willing to compromise and vote for Mr. Jones' amendment but he also feels it is important that they do not take up the slack by lowering the debt service levy as they pay off funds without some compelling reason. He said the general reason of “we don’t know what is coming” doesn’t get the job done in his mind. We have over $10 million in general fund balance, a rainy day emergency fund of approximately $11-12 million and he feels Mr. Jones’ amendment doesn’t go far enough but he will support the amendment.

Ms. Gladziszewski said she supports the amendment and it is a judgement of risk. She said although there are some hard times coming, they have paid off some debt and the property tax payers agreed to a certain amount of debt when they voted for the projects that have been built and that has been reduced since it was paid off. She feels that should be reflected in the mill levy so she is in support of the amendment.

Ms. Troll said she was going to support the action of the AFC. She said that when the City Manager first came forward to recommend a slight reduction in the mill levy, she was instinctually in support of it as a way to offset the sticker shock of the increase in assessments. She then said that since the manager introduced the budget, she has become aware of a bigger sticker shock and that is what is going on with the Alaska Legislature. The manager's budget did not include an increase of $357,000 in state revenue loss. She said we have a legislature that is still wrestling in special session with the state's fiscal challenges before them which creates a lot of economic uncertainty. She said we have an estimate from the Finance Director that shows in addition to the $357,000 loss of state revenues that we know is coming on top of the city manager's budget, that we could potentially loose another $900,000 depending upon what the legislature does with the PFD since that affects our sales tax. She said she thinks it is incumbent upon all of them to look at the budget not only in the context of the first year only. She said if they look 2-3 years out, her interest is in keeping the mill levy steady as she feels it stabilizes the economy.

Ms. Bursell thinks keeping the mill rate levy the same rather than the shell game of assessments up, mill rate down, and back and forth up and down, from year to year. She would like to make a goal to keep things at the same rate for stability reasons. She is interested in looking at controlled spending and taking care of debt so they aren't passing debt down to future generations.

Mayor Koelsch asked for a roll call vote on the amendment and then on the main motion as amended.

Roll Call Vote on Amendment 1:
Ayes: Becker, Jones, Gladziszewski, Kiehl, Koelsch
Nays: Nankervis, Troll, White, Bursell
5 Ayes: 4 Nays, Amendment 1 passed.

Roll Call vote on Ordinance 2016-08(b) An Ordinance Establishing the Rate of Levy for Property Taxes as amended.
Ayes: Becker, Jones, Gladziszewski, Kiehl, Koelsch
Nays: Bursell, Nankervis, Troll, White
5 Ayes: 4 Nays, Motion passed.

B. Ordinance 2016-09(b) **An Ordinance Appropriating Funds from the Treasury for FY17 City and Borough Operations**

This ordinance appropriates $345,925,200 for the City and Borough of Juneau's FY17 operating budget, excluding the School District. It is necessary to appropriate all transfers between funds that support operations, debt service and capital projects as well as the associated expenditures within the funds themselves. These transfers account for $72,415,200 of the FY17 operating budget.

The original ordinance was introduced at the April 4, 2016, Special Assembly meeting and referred to the Assembly Finance Committee for deliberation. The Finance Committee held six meetings/work sessions on the budget. An opportunity for public comment was provided at a Special Assembly meeting on April 27, 2016. The Assembly Finance Committee moved the amended budget ordinance back to the full Assembly at its May 11, 2016, meeting. The Charter requires adoption by June 15, 2016.

The Manager recommends this ordinance, as amended by the Assembly Finance Committee, be adopted.

Public Comment: None.

Assembly Action:

Mr. Kiehl asked if Ord. 2016-09 needed to be amended in light of the amendment made to Ord. 2016-08.

Finance Director Bob Bartholomew noted that since the previous motion was to go with the 10.66 mill rate, it would be an estimated reduction in property tax revenues of roughly $300,000. He said that Ordinance 2016-09 adopts expenditures based on the original revenue estimate so there would be two main options:

1) If they adopted the ordinance as it appeared in the packet, then $300,000 would come out of fund balance to go into the overall budget and it could be specifically tied to the deferred maintenance CIP but the overall budget would be $300,000 more than what had been proposed; or

2) They could reduce expenditures by $300,000 and that could be done in the operating budget or the capital budget if they wanted to maintain the same draw on the fund balance as the Finance Committee recommended.

<u>Amendment 1</u> by Mr. Kiehl to reduce from estimated revenue the taxes by $300,000 and to reduce from the Capital Project Funds expenditure by $300,000 with a conforming change in the totals. He said that is intended strictly to conform with the preceding action regarding the mill rate and it would be his intention that they reduce it from the deferred CIP amount.

Additional discussion took place for clarification on the funding source for the amendment. Mr. Bartholomew explained the portions of the budget affected by the above amendment to the satisfaction of the members.

Hearing no objection, the amendment passed with unanimous consent.

Hearing no objection, Ordinance 2016-09(b) was adopted as amended.

C. Ordinance 2016-10(b) **An Ordinance Appropriating Funds from the Treasury for FY17 School District Operations**

This ordinance will appropriate to the School District an FY17 operating budget of $83,657,600. The School District's operating budget is:

· General Operations	$69,217,600
· Special Revenue (pupil transportation, food service, etc.)	6,611,800
· Other Operations (student activities, grants, etc.)	7,828,200
Total Budget	**$83,657,600**

The FY17 school budget is supported with a combination of funding sources that includes: state support $48.4 million, federal funding $4.9 million, user fees and permits $5.2 million and local funding of $25.9 million. Local funding consists of $24,994,100 for general operations, and $925,700 for activities funding outside the state CAP. This includes funding of: student activities $740,700, food service $40,000, pupil transportation of $50,000 and Community Schools $95,000 . The $24,926,000 in general operations support is an increase of $68,100 over FY16. The $925,700 for activities funding is an increase of $75,500 over FY16.

The original ordinance was introduced at the April 4, 2016, Special Assembly meeting and referred to the Assembly Finance Committee for deliberation. An opportunity for public comment was provided at a Special Assembly meeting on April 27, 2016. The Assembly Finance Committee moved the amended ordinance at its May 11, 2016, meeting. The charter requires adoption by May 31, 2016.

The Manager recommends this ordinance, as amended by the Assembly Finance Committee, be adopted.

Public Comment: None.

Assembly Action:

MOTION by Mr. Nankervis to adopt Ordinance 2016-10(b) and asked for unanimous consent.

Objection by Mr. Jones for purposes of discussion.

Mr. Jones directed his inquires to the City Manager and Finance Director. He said that the state legislature is not yet done and that the Assembly is approving this budget before May 31. One of the last actions that the legislature took before they left and the budget came back in a conference committee was to reduce the $50 per pupil increase that was in the budget. That would possibly have an impact of approximately $500,000 on the school district and he asked what the impact would be to what CBJ can contribute if that comes out of the special session as the final budget action.

Mr. Bartholomew said that he has had discussions with Superintendent Mark Miller about the "what ifs" in light of the legislative process currently underway. He said it is their understanding that if the legislature took action that actually reduced the school district funding that came to local governments, that by state law, CBJ would not be able to spend more than they appropriate. If they were to take action to reduce the available funding, CBJ would need to amend the ordinance and reduce the amount of money available to the school district and there could be a reduction of local support. With the charter requirement of May 31, staff thought it would be prudent to recommend going ahead adopting a budget with a full understanding that the school district knows there may be changes if there is less funding depending on the actions by the state.

Mr. Jones removed his objection.

Hearing no objection, Ordinance 2016-10(b) was adopted.

D. Ordinance 2015-20(AN) **An Ordinance Appropriating to the Manager the Sum of $312,205 as Funding for the Runway Safety Area Construction Capital Improvement Project; Funding Provided by the Juneau International Airport.**

The Juneau International Airport match represents the value of fill material provided by JNU to the Runway Safety Area capital project. The Federal Aviation Administration has authorized the in-kind contribution of fill material to be reported as local match on the CIP. This is the final appropriation of fill material revenues to the project, and will bring the total up to $2,015,325, as approved by the Federal Aviation Administration (FAA).

The Airport Board approved this action at its April 12, 2016, meeting.

The Manager recommends this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION by Mr. Jones to adopt Ordinance 2015-20(AN) and asked for unanimous consent.

Hearing no objection, Ordinance 2015-20(AN) was adopted.

E. Ordinance 2015-20(AO) **An Ordinance Transferring $357,400 from the Fire Service Area, the Roaded Service Area, and the Port Development Fee Fund's Fund Balance to the General Debt Service Fund's Fund Balance.**

This ordinance is a housekeeping measure to appropriate $357,400 to the General Debt Service Fund to cover capital lease payments for bunker gear, in-car video equipment, and payments for port revenue bonds. Funding is provided by the Fire Service Area, the Roaded Service Area, and the Port Development Fee (PDF) Fund's Fund Balance.

In FY15 and FY16 Capital City Fire/Rescue and Juneau Police departmental operating budgets included expenditure budget for the lease payments. The budgeted amounts were lapsed back to fund balance and the lease payments were paid out of the General Debt Service Fund, per Governmental Accounting Standards. This ordinance moves the $112,600 (FY15 and FY16 were each $56,300) from fund balances to the General Debt Service Fund and makes it whole.

The FY16 PDF support to General Debt Service for the 2015-II revenue bond payments was underestimated by $244,800. Sufficient PDF revenues were collected in FY16 to cover the increased debt service payment.

The Manager recommends this ordinance be adopted.

<u>Public Comment:</u> None.

<u>Assembly Action:</u>

<u>MOTION</u> by Ms. Bursell to adopt Ordinance 2015-20(AO) and asked for unanimous consent.

Mr. Jones objected for purposes of discussion. He asked how the revenue bond payments were under estimated. He said he thought those were pretty much set when the bonds were sold and that the annual payments were pretty well laid out and he was wondering how there was a quarter million dollar underestimated amount.

Mr. Bartholomew explained that there were two things going on. They initially had to estimate when they were preparing the budget the timing of the issuance of additional bonds. The original bond sale was in 2014 for the seawalk project that built the seawalk to Franklin dock. The second part of the bond sale was for the new cruise ship docks and when they estimated the date those bonds would be sold, which took place in FY16, the timing was off and now through this amendment, it puts them back in sync where the annual debt service payment schedule should be straight forward and be able to put the accurate amounts in the operating budgets.

Mr. Jones withdrew his objection.

Hearing no other objections, Ordinance 2015-20(AO) passed with unanimous consent.

F. Ordinance 2015-20(AP)(b) **An Ordinance Appropriating to the Manager the Sum of $100,000 as Partial Funding for Eaglecrest's 2016 Operating Budget; Funding Provided by a Restricted Donation from the Eaglecrest Foundation.**

This ordinance will appropriate the receipt of $100,000 in a restricted donation from the Eaglecrest Foundation to the Eaglecrest department.

Due to low snowfall, Eaglecrest revenues were below operating expenditures in FY16. This will bring it to the correct amount.

The Eaglecrest Board approved this action at its April 7, 2016, meeting. The Assembly Finance Committee approved this action at its May 4, 2016, meeting.

The Manager recommends this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION by Ms. Troll to adopt Ordinance 2015-20(AP)(b) and asked for unanimous consent.

Hearing no objection, Ordinance 2015-20(AP)(b) passed with unanimous consent.

G. Ordinance 2015-20(AQ) **An Ordinance Appropriating to the Manager the Sum of $12,767 as Funding for Seatbelt Enforcement; Grant Funding Provided By the Alaska Department of Transportation and Public Facilities, Alaska Highway Safety Office.**

This ordinance would appropriate $12,766.80 to conduct seatbelt enforcement under the Click It or Ticket High Visibility Enforcement Program. Grant funding is provided by the State of Alaska, Department of Transportation and Public Facilities, Alaska Highway Safety Office. Funding will cover the cost of overtime and benefits to officers working the grant, as well as the costs associated with vehicle use. There is no match required for this grant.

The Manager recommends this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION by Ms. Gladziszewski to adopt Ordinance 2015-20(AQ) and asked for unanimous consent.

Hearing no objection, Ordinance 2015-20(AQ) passed with unanimous consent.

H. Ordinance 2016-15 **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.

The Manager recommended the Assembly take no action on this ordinance that it be scheduled for a public hearing on June 13 at which time the Assembly will receive an updated version.

Assembly Action:

MOTION by Mr. Nankervis to schedule Ordinance 2016-15 for public hearing on June 13, 2016 and asked for unanimous consent.

Hearing no objection, Ordinance 2016-15 will be held for public hearing at the June 13, 2016 regular Assembly meeting.

I. Ordinance 2016-16 **An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of Lots 26 through 38 and 40A, of Block C, Vintage II Subdivision, Located on Clinton Drive and at 2797 Postal Way, from LC (Light Commercial), to MU (Mixed Use).**

In January 2016, the applicant applied to have Lots 26 through 38 and 40A, of Block C, Vintage II Subdivision, located on Clinton Drive and at 2797 Postal Way, rezoned from LC (Light Commercial) to MU (Mixed Use). On March 1, 2016, staff held an informational meeting to discuss the proposed rezoning with all property owners in the affected area.

The area surrounding the lot at issue is zoned LC. There is vacant land, office buildings, and True North Credit Union in the LC surrounding neighborhood, with a D-18 multi-family affordable housing complex east of the proposed rezone. The rezone from LC to MU complies with Title 49.

The Planning Commission, at its regular meeting on April 12, 2016, recommended approval of the proposed rezone to the Assembly.

The Manager recommends this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION by Ms. Backer to adopt Ordinance 2016-16 and asked for unanimous consent.

Hearing no objection, Ordinance 2016-16 passed with unanimous consent.

J. Ordinance 2016-17 **An Ordinance Amending the Uniform Sales Tax Code to Include a Definition for Gross Income.**

Finance staff has determined that it is necessary to formally define "gross income" for purposes of the Senior Citizen Sales Tax Hardship Rebate program by including a definition of "gross income" in CBJ 69.05.010.

This definition of gross income will be based on the definition of "gross household income" as found in CBJ 69.10.005 in order to maintain consistency with the CBJ Assessor's office hardship property tax exemption.

The Manager recommends this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION by Ms. White to adopt Ordinance 2016-17 and asked for unanimous consent.

Ms. Becker objected for purposes of discussion. She asked what CBJ has been doing up to this point without this gross income definition.

Mr. Bartholomew said that as applications have been coming in, the Sales Tax office has been following the same rules as the Assessor's Office and they have been tracking any applications where there could be a challenge because they did not yet have this particular definition in place. He said the Sales Tax staff has been using the definition that the Assessor's Office has been using and the sales tax code needs to be amended so their actions are defensible.

Ms. Becker removed her objection.

Hearing no objection, Ordinance 2016-17 passed with unanimous consent.

Mayor Koelsch called for a break and reconvened the meeting at 8:09 p.m.

K. Ordinance 2016-18 **An Ordinance Repealing and Readopting the City and Borough of Juneau Land Management Plan.**

This ordinance repeals the 1999 Land Management Plan and adopts the 2016 Land Management Plan.

The 2016 Land Management Plan provides direction on the best use of City-owned land, continues the land disposal program, promotes compact urban growth and is a comprehensive reference document including maps and tables for all City-owned property.

The Planning Commission reviewed the Plan at the December 22, 2015, meeting and recommended that the Assembly adopt the Plan. On March 14, 2016, the Assembly Committee of the Whole adopted a motion to forward the draft 2016 Land Management Plan to the full Assembly for adoption.

The Land Management Plan can be found at:

http://www.juneau.org/lands/documents/DraftLandManagementPlan.pdf

The manager explained that the Lands Management Plan provides direction to staff but does not bind or constrain future Assemblies to specific actions. He gave the example that although the plan identifies certain properties for disposal, any actual conveyance would need to comply with Title 53, Lands Sales and Leases which are approved by ordinance, easements by resolution, etc…

The Manager recommends this ordinance be adopted.

Public Comment:

Mr. James Sydney resides at Swampy Acres. Mr. Sydney stated that he did not support adoption of the 2016 Lands Management Plan (LMP) but also asked the Assembly to repeal the 1999 plan and start over again from scratch. He does not want to see the city being in direct competition with private developers. He said he and other property developers, such as Shorty Tonsgaard, have been prohibited from developing their own property in areas such as Mountainside Estates and other areas in town. Assemblymembers asked him for additional details as to the properties he mentioned and he provided additional details as to the specific areas including his property at the end of Mountainside Estates, above the Tides Motel, that were denied easement and access for development purposes by the Planning Commission.

Joe Lassiter, resident of Thunder Mountain area. Mr. Lassiter spoke against adoption of this ordinance. He specifically addressed his comments referencing various zoning changes that would be called for if the ordinance and plan were adopted. He thought it would be cost prohibitive for the city to develop the Pederson Hill subdivision and expressed his concerns about the carbon emissions that would be released if/when that timber and peat are cleared for development. He agreed with comments made by Mr. Sydney about the city competing unfairly with private businesses and urged the Assembly not to adopt this ordinance.

Nancy Waterman a resident of Gastineau Ave., spoke in favor of adopting the Land Management Plan with one caveat. She said that before any significant development can occur with the West Douglas area, a master plan needs to be done in that area. Ms. Waterman suggested an amendment to the draft plan and Ms. Troll asked for a copy of the language to be provided to the Assembly. The language of Ms. Waterman's proposed amendment is as follows:

> "Before any significant development in the West Douglas area can occur, the new growth area at the end of the North Douglas Hwy., a Master Plan must be prepared and approved by

the CBJ Assembly, in accordance with the requirements for New Growth Area provided for in the Land Use Code and Comprehensive Plan.

Therefore, change the West Douglas Hilda Creek COMMENT on page 67 to read:

NW Douglas Island, 11 Mile Creek; Outer Point; Middle Point; Inner Point; False Outer Point; Shamon Island. This parcel should be managed in a manner that complies with the Land Use Code, Chapter 49.70 – Specific Area Provisions, Article 1 – New Growth Areas; and Chapter 6 and Plate 1 of the West Douglas Conceptual Plan, dated May 1997 as incorporated in the Comprehensive Plan under CBJ§49.05.200(b)(1)(G)."

(Clerk's note, page 67 referenced above is the .pdf electronic copy page number; it can be found on page 65 of the draft paper copy of the Lands Management Plan.)

Wayne Coogan, a resident of Fritz Cove, said that two years ago developers and builders came in and made recommendations on what CBJ could do to alleviate the housing crisis. He said that one of the recommendations was for CBJ to liquidate or make land available for development. After that, CBJ staff began work on that but the developers/builders did not stay involved and communicating and he feels the ball was dropped. He noted on page 94 that it discusses the disposing of large tracks. He said that there is step missing that should include language that requires touching base with those in the industry to get a consensus or advice to assure that the impact on the market is logical and rational and makes sense. He said, going back in time, not everyone of their original group agreed that the city should make land available but that was a consensus. It is likely they won't always have a consensus but he feels they should revisit this plan and add that provision and provide more consistency. This would not just to protect businesses and developers but also prevent something similar to what happened above Fred Meyer from happening again.

Rich Harris, RH Development said he is opposed to the Lands Management Plan as it is written. That it may be a bit misguided at least with regards to the Pederson Hill subdivision. He said he does feel that they are in somewhat direct competition with him. He has a similar subdivision with the same size lots that he has been working on for approximately 1.5 years. He has all the permits that he needs except for a CBJ grading permit. With CBJ getting in on the subdivision business, it makes it harder on his end. He pointed out some concerns that he had with respect to the Pederson Hill subdivision. He compared it to the bids from the Renninger subdivision and in doing the lineal foot math, he came up with it costing approximately $6,930,000 for the first 40 units of the Pederson Hill subdivision which comes out to $173,000 per lot and he doesn't know where the $80,000 per lot price came from. He questioned the benefits of selling the land at cost and not make a profit for the benefit of the taxpaying public. He then pointed to the language CBJ Code 53.09.010 that refers to the Land Management Policy stating in part: "stabilizing land values without making land available for purposes of speculation." He said he doesn't see how CBJ can make a speculative subdivision and comply with this policy. He is not in favor of the plan as written.

Ms. White asked about the subdivision he is working on and asked about the grading permit he is trying to obtain. Mr. Harris explained they have been battling this process and that the Title 49 subdivision code change is a disaster in his opinion and should be thrown out. He said it doesn't seem that anybody knows how to implement it and this has been dragging on. He has done three other subdivisions in the past and it took 2-3 months at most. The idea behind the rewrite of the Title 49 subdivision code was to simplify the process and create predictability. He is currently into the sixth month for the process on this current subdivision and it is still going on.

Ms. Troll said that it is her understanding that the Land Management Plan speaks to dispose of the land Pederson Hill, it does not direct how to dispose of it. She said they could decide to give negotiated sales or through concealed bids to the private developers to develop. She said the decision before the

Assembly isn’t, do they set the lot amount at X amount or how to dispose of particular property at this time. She said the plan is identifying the possible land areas that the city may consider disposing of; she asked if knowing that, would he still have strong objections to the Land Management Plan.

Mr. Harris said that he believes it should be revisited and look at some of the things that it talks about. He said the plan said they don’t have to be done but if it is included in the plan, he thinks it will likely be utilized and done. He said the numbers don't work and he doesn't want the Assembly to make a decision based on faulty numbers.

Margaret O'Neal, a resident of Glacierwood Drive, is the current Chair of Juneau Affordable Housing Commission and an employee of Juneau Economic Development Council but she is not speaking on behalf of those entities. Ms. O’Neal spoke to the numbers involved with the development and disposal of the lands in the Pederson Hill and Switzer areas when CBJ was first looking developing those in 2012 and compared them to the affordable housing costs and said she did not think that the numbers worked out to provide the lots at rates that would also provide for affordable housing. She said that if CBJ wanted to subsidize the development, they could reach the target $250,000 affordable housing amount only if they were to give the lot away. She said her frustration with this process was that although they are still making decisions with respect to the Land Management Plan, some of those decisions have already been made. The lots have already been rezoned in a somewhat restrictive zone as single family D-10SF lots and costs have been incurred. Ms. O’Neal encouraged the Assembly to go back to the drawing board and really look at the costs before moving forward with this plan and do a market study.

Mr. Kiehl asked if Ms. O’Neal was speaking specifically the about Pederson Hill proposal or about the Land Management Plan because the plan does call for doing market studies before disposal.

Ms. O'Neal said on page 112 of the plan, it says that Pederson Hill development will be completed in phases so it commits the city to developing the property. It says it will begin by doing 40 single family lots. She tated that before CBJ goes too far down the road, the disposal plan needs to include an initial analysis of how the property is going to be disposed of, what the target areas are, and what the prices they are shooting for will be. She was concerned that they may have already gone too far down the road for this type of analysis.

Kathleen Strausbaugh a resident of Willoughby Ave is a member of the Affordable Housing Commission but is only speaking on behalf of herself as a private citizen. She has two concerns/observations with respect to the Land Management Plan. One concern is the alignment of the LMP with the Housing Action Plan currently in draft form which will be coming before the Assembly in the near future. She said she feels, especially with respect to Pederson Hill, she appreciates the LMP emphasis on housing. However, she is concerned by whether the density of the proposed development that is mentioned in the plan as the first phase of Pederson Hill is enough or if there should be any other type of housing such as multifamily, common wall, or other types of housing that would allow ownership while still providing an opportunity for less expensive units. She said her second concern speaks to the disposal, as Mr. Coogan pointed out was called for by some developers, would truly injure the private sector. She said that one of the problems the draft Housing Action Plan identifies is that the private sector has not been able to deliver affordable housing, partly because of costs but for a variety of reasons. She said that once a variety of housing is made possible, people will be able to move and that frees up the less expensive housing. She said that the market has the capacity to take in a lot more housing and if we don’t do anything about housing, our economy is in trouble.

Leroy DeAsis a resident of Wickersham Ave. said he has been in the trades for 25-30 years. He previously lived down in California and Washington and he is concerned that the developers are being forced by greed and they are bringing forth numbers in a “dog and pony show.” He applauded the city for trying to get the issue back in balance and he is concerned that his kids will not be able to afford a house in Juneau. He urged the Assembly to proceed with caution and find a way to make housing affordable to those young adults just starting out. He urged them not be baffled by the numbers and to look into the problems that happened on California and Washington due to the greed of developers and avoid that here in Juneau.

Marciano Duran, a resident of Vista Del Sol Drive, said he is against the LMP as it has been proposed and thinks it needs additional work. He suggested that could be accomplished through the Assembly, the Planning Commission, and developers coming together to work on a solution. They realize there is a housing shortage and something needs to be done and he appreciates the steps that are being taken but there is just not enough steps being taken that are coming to fruition and making things happen. He thinks a big part of the problem is due to miscommunication or lack of discussions between the developers and decision makers. As far as rich developers go, their city taxes are paid and they own approximately 155 acres and access to 48 more acres throughout the borough and they have a burden to pay taxes and the city doesn't. For the city to come and compete against a developer like himself, the city has an advantage of not having to come up with the money for payroll, material cost, and taxes. He said it is a burden to try to get affordable housing but there are developers in the room trying to meet those needs. They still need assistance from the city to come up with solutions to try to resolve that. He said that one of the parcels they do have is 5 acres on Pederson Street off Mendenhall Peninsula. He had a plan for something simple to get it out on the market so someone they could buy a lot that they could build whatever they want on that parcel. He said that he went into CDD about a month and half ago with a six lot subdivision, and the planner told him all the reasons why it could not work and why it would not fit the Title 49 plan. The lot size needed to be at 3600 sq. ft. and he said the lots were between 3200-3800 square feet. He said they have 5000 square foot lots that are approved by the city and he asked how that was fair. He said they were going to bring in the waterline and on site sewer but then they were told that they would need to pave not only the subdivision that they are going to have the cul-de-sac but also the street that connects Mendenhall Peninsula, Pederson Street, up to the new subdivision. He said that is a cost that doesn't make sense that they need to bear but apparently it is required per Title 49. He said that is a problem they need to look at. He said the city is trying to do something and they are all on the same page but they need to come together to find the right solutions. He said that 86 acres on the market will flood the market and it will not be healthy for Juneau and easy, steady growth is what they should strive for.

Mr. Kiehl said the plan, as he reads it, doesn't set out a disposal schedule and how fast land will be disposed of and he would agree that if roads are punched into 86 acres at 5000 square feet, it would crash the market. He asked Mr. Duran if there was some number for an absorption rate that would not crash the market.

Mr. Duran said that Mr. Chaney indicated that Tlingit-Haida was interested in 40 lots. He said that is a different segment of the market than what his developments cover. He applauds THCC if they could absorb 40 lots and if they have them pre-sold, he does not have a problem with that. He said that does set the tone for the future 46 lots in that subdivision. Mr. Duran said they bought five lots in the Kanat'a Deyi subdivision and they were trying to get starter homes and the area was a hard sell.

Dave Hanna resident of Mendenhall Loop Road referred to Mr. Coogan's comments about the plan itself and that was the lack of early cooperation with developers. He said the plan says that CBJ should not be competing with the private sector and some of the things in the proposed LMP will do exactly that. He said with respect to the Pederson Hill subdivision, he complemented Mr. Chaney on the subdivision. He said the Charter requires the lots to be sold at market value and if we are doing that, he doesn't understand how they could create affordable housing. He said he doesn't think the city should be in that market anyway and he would like to see the city dispose of land but similar to the approach being taken with the Renninger subdivision where it is being made available for AHFC projects, making it available for the school home building program and partnerships with THCC for affordable housing. He said those are the types of things that the city should be involved with but when the city is trying to compete with regular housing and regular developers, that is an onerous situation. He sees there are other was to get affordable housing. He gave the Assembly two suggestions. First, he recommended CBJ sell raw tracks to land developers. Secondly, to offset the complaints from the other developers about the fact that they have land but they have costs that the city doesn't have, to make low or no interest loans to construct city streets on private subdivisions and hold the lots as collateral until they sell and the city is repaid. He was fairly certain that private developers could build those streets a lot cheaper than the city can. He said they have seen the numbers that have come in from R&H Development regarding the Renninger Subdivision and the price per lineal foot and that the city has a 40% overhead on all of its projects. Those projects, when they go out to bid, have to go out to contractors who are paying prevailing wage and there are a lot of costs associated with city projects that don't have to be borne by the private sector. He said if they have the funds available and they weren't worried about making payments for 3-5 years, he thought they would see a lot of subdivisions come online.

Rosco Bicknell resident of Montana Creek Road said he opposes this ordinance as written. He thinks there is a lot of work that could be done and some different directions they could take with respect to future land development and disposal of city property.

MOTION by Mr. Kiehl to adopt Ordinance 2016-18.

Mr. Jones objected for the purpose of raising questions.

Mr. Jones noted that there was a typo in the date under the fourth whereas and asked if an amendment was necessary to correct it. Ms. Mead explained that she has the authority to fix typographical errors in ordinances and a motion was not necessary.

Mr. Jones said that he sat in on many of the presentations given by the Lands Department to the Planning Commission on the Lands Management Plan. He said he got lost often and he didn't know if that was due to the black and white copies vs. the color on the visualizations but that it was quite difficult to follow. He did not attend any of the public meetings that were held in a month's time but he didn't think there was a lot of public who came out. He did sit through the Planning Commission review of some of the subdivisions. He sat through the Lands Committee meetings on the Renninger subdivision and he wasn't very happy with that process but he was not on the committee. He tried to look at the LMP alongside the Juneau Economic Development Plan and there seemed to be a common thread with the Pederson Hill and the Renninger subdivisions. The Assembly has talked about both of those for quite some time and when he ran for office four years ago, Pederson Hill was being worked on at that time by the Lands Division. He is trying to sort out what his feelings are with what the plan talks about vs. the implementation steps that he has seen and disagrees with. He understands that a lot of developers do not want to see this approved, mainly due to implementation issues, as it currently stands. He said there was a lot of discussion at the Planning Commission meetings related to lands controlled by Docks and Harbors, or lands that are controlled by Parks and Recreation along with recommendations from Parks and Rec. to purchase new lands and to sell other lands. The Assembly has not discussed any of those at any Assembly or committee meetings and he doesn't think this Assembly has had any meetings where they have delved into or been briefed on the Land Management Plan except for one COW meeting. He said he doesn't remember many questions about a lot of the detail in this plan and although his current ramblings may be incomprehensible, he found many of the presentations on this plan incomprehensible. In light of that, he is not in favor of approving this tonight. He may be in favor in the future once they have had more in depth review of it and were able to sit down and go over it but for now, he could not support adopting it for a variety of reasons, the main one being he is too confused about what it actually does.

Ms. White said she shared some of Mr. Jones' concerns but for slightly different reasons. To her knowledge, CBJ has been talking about Pederson Hill since at least 2001 when she saw the first imaginary plat of what they thought they were going to do with it until they found out how much would cost to build streets, codes and those sorts of things. She still feels no differently than when she ran for Assembly. She feels CBJ needs to dispose of land but she is not sure that the Pederson Hill idea is the way. They received testimony from developers who brought up their frustrations in dealing with Community Development in trying to get plats and do things that make sense. She feels there is a long ways to go on that. Even though the Lands Manager submitted the report with the draft Lands Management Plan on February 1, and asked for feedback, she did not given any feedback. She feels they may need to break it into smaller chunks or have some small working groups comprised of a group of developers, a few city people, and maybe an Assemblymember to look at it in more depth. This would be similar to what she has been advocating for, that when someone is putting in an idea for a subdivision, possibly have one of the Assemblymembers follow that process so they can learn what those frustrations and problems are. She hears about developer concerns and there is a room full of developers who have expressed those concerns and some of them own a great deal of land. The city has paid a great deal of money for "czb consultants" and their recommendation was “you don’t have a housing problem, you have a government problem.” Ms. White said she is not in favor of adopting this plan at this time as it will most likely just end up sitting on a shelf.

Ms. Becker thanked all the developers for coming and commenting on the plan. Ms. Becker said she can read this plan and understand it but it doesn't give her the insights as to what effect it would actually have. She doesn't think this plan is ready to be adopted at this time. She would like to see the builders come back and discuss it further with the Assembly.

Mr. Nankervis spoke in favor of the motion. He appreciates the comments provided and thinks that what it boiled down to was that there were more concerns about a specific development than there were with the overall plan. He said the concerns he most heard dealt with how the plan would be implemented and he can sympathize with that concern. He looks at this as a guideline document and nothing is written in stone. If anything is going to be happening with any particular plot of land, that will come back to the Assembly for action. He compared the LMP to the Comprehensive (Comp) Plan and said they didn’t review the Comp Plan item by item but they did have quite a while to review it and ask questions and get those questions answered. Similar to the Comp Plan, anyone can look in the plan and find things they do and don’t like in particular. He said he views it as a guideline and it is an attempt to try to follow the direction that the Assembly has set and what a majority of the people in the community have said they wanted.

Ms. Gladziszewski said from the article in the newspaper and the comments received during the meeting, there is obviously concerns about the specific development of Pederson Hill but the Assembly has been talking about that for a long time, long before she became an Assemblymember. She said that what the LMP says about it is a very general statement found on the recommendation page: “*The Pederson Hill Development should be completed in phases. The first phase could include construction of an access road and 40 single family lots. After this phase, it could include…”* She said the language is very general and it is not prescriptive. She said the idea that the city is going to for sure sell lots for $80,000 and require a developer to build a house for $300,000 like she read in the paper is just not true. The Lands Manager has said in some meetings that they would hope to sell a lot for $80,000 and that was aspirational and not a requirement and the information in the paper that it must be done as mentioned above is just incorrect information. She said this plan has been out for a long time and although it could possibly use some more tweaking, she is ready to pass it. It is in a general way implementing what the Assembly has wanted to do. The Assembly has talked about “doing something differently” with respect to housing and they keep hearing that the city should dispose of its land and this is a list of land that is available for disposal. Every single one of those would come before the Assembly and every single plan, subdivision, etc… would come before the Assembly. She said she thinks this is an appropriate level of review and she is ready to pass it at this time. She was also happy to hear from all the developers and would like to get the group back together to hear more ideas on moving forward.

Ms. Troll said she was in agreement with Ms. Gladziszewski and Mr. Nankervis. This LMP is a blue print and is very much at the 30,000 level with an inventory of the city's lands that are available with recommendations to retain or dispose. She said they have a lot more work to do on the Pederson subdivision but as Ms. Gladziszewski said, the language in the plan uses the word "could" to put the ideas out there. She said based on the public input that they have received, it is clear that there is a lot more work to flesh out the details to make Pederson Hill work to meet the community's housing needs and how to meet that objective without competing directly with the private sector. She said they need to address how the city can nudge things along but also bring the community along with them. She said this plan is a blue print guiding document. It has been to the Assembly Committee of the Whole, the Planning Commission and the Lands Manager held a number of public workshops and vetted it as a blue print. She said that all these fine detailed questions that are coming before the Assembly now have yet to be answered and she appreciates that they have been so well articulated. She feels it is time to act on these things to make them work and she doesn't want to see the plan to sit on a shelf but it can't move forward to the next level to sort out those details without the plan first being adopted.

Ms. White asked if Mr. Chaney could come forward to answer some questions as she wanted help understanding some of the issues. She said that some people see this as an inventory of what CBJ owns; what we will be keeping and what will be sold and/or what will be up for negotiation. On the other hand, some people say this is the development plan and what has been put in the LMP line by line is the gospel and she asked him to help clarify those points.

Mr. Chaney said there is a lot in the LMP. Pederson Hill seems to be an area of great concern and part of that is from the Juneau Empire article. He doesn't think the article quite got the point across and he would like to clear up a couple things with respect to the article. The one statement in the article was that CBJ will be selling lots for $80,000. He said it was not his intention to communicate that. He said they would hope to be able to develop the subdivision for $80,000 per lot and that is aspirational as Ms. Gladziszewski stated. He said what they are actually to be sold for is entirely up to the Assembly. Currently the Lands code says that they are to be sold for Fair Market Value but the Assembly is in charge of making decisions as to how much they sell the property for so that could be adjusted with the help of the City Attorney to make sure it is done properly. He said there was also concern that the Pederson Hill subdivision would cost $170,000 per lot, which Lands staff has hired engineering firms to do analysis and that is nowhere close to what they have been told. He said they have not yet received a final number but when they do, they will be back before the Assembly to discuss those details. The LMP is a very general document which covers thousands of acres. They plan to keep more than they plan to sell by several orders of magnitude. So there is opportunity for plenty of discussion about individual disposals as they come up. Mostly this is a plan on how to keep our development more towards the core, more efficient, and gives them a blueprint for moving forward. The currently active 1999 plan states "conduct subdivision feasibility study and prepare a sketch plan for future development of Pederson Hill" so it is not a new idea, it has just taken awhile to get there.

Ms. White asked about the "retain" vs. "dispose" language in the list of parcels and if something is classified as "retain" when the plan is adopted, does that mean that the city is stuck with retaining it until the next plan is adopted or if there are any exceptions.

Mr. Chaney said this plan includes the provision for a bi-annual update so in two years, rather than seventeen years, the Assembly will have an opportunity to make changes. He said as a result, it will not get so out of date so if the Assembly wanted to dispose of a property that was listed as "retain" they can do that. The Assembly has the authority to update it anytime so if there is ever a lot that is listed as "retain" and they no longer feel that is appropriate, they can modify it as well. He said it is generally intended as a guideline so they have some direction for moving forward. Ms. White thanked Mr. Chaney and said she is now undecided on how she will vote on this plan.

Mr. Kiehl spoke of adoption of the ordinance/LMP, mostly for the things they have not yet discussed during this meeting. He said some members have talked about the value of going through a whole bunch of parcels that the city owns and deciding what should be retained and what should be disposed of at some point. He thinks process is an important piece as this plan gives guidelines on how the Lands staff works on these and also how they are brought back to the Assembly for action. Mr. Kiehl said that one of the things this plan addresses is that it says the Assembly should be looking at the market and although it talks about expanding the amount of land available, it is to be done in a responsible way and they do not want to make the market crash. It states that it should be the city's goal not to unreasonably compete with the private sector (page 95). It also states that if housing vacancy rates in Juneau get to a healthy level they should "pause" the land sales button. He said that is a reasonable target so this becomes a stabilizer but not a market distortion. A lot of people have put a lot of time and money over the decades in land and building housing in Juneau and the goal is to make things better, not to bankrupt anyone. The plan also identifies a number of lots that the city wants to retain for important public purposes and it talks about a couple of key reasons they may want to acquire more land but it says we should minimize city acquisition of land. He said during his tenure on the Assembly, there is a significant piece of the community who thinks that is exactly what they should do. He said he doesn't have any problem trying to find a place for a fire hall in Lemon Creek but there is a fair amount of land that the city owns and we manage it fairly responsibility and he appreciates that goal to limit the temptation to acquire more without some compelling public purpose. He said those items have not yet been part of the discussion at this meeting and he feels those are important and they are strengths of this plan and he will be voting in favor of adoption.

Mayor Koelsch asked if this plan could be adopted without the inclusion of the Pederson Hill portion.

Mr. Chaney said it could be excluded from the plan if they wished. CBJ owns over 26,000 acres and the Pederson Hill portion is not that large of a percentage so it is possible to adopt it without that. He said that he would like to receive some direction on Pederson Hill but that could possibly be given at a future meeting such as a COW meeting but it is entirely up to the Assembly on how they wish to proceed with this plan.

Mayor Koelsch said he was just exploring that as an option to try to bring the Assembly to consensus on this matter. He said if there was an amendment any of the members wished to make to remove Pederson Hill and bring that to the COW meeting, if not, they can proceed to vote on the motion as is.

Ms. Troll said she wouldn't necessarily to remove the Pederson Hill portion from the plan since the language of the plan is permissive but she would be in support the Assembly working on Pederson Hill issue and invite the developers to be part of that discussion.

Ms. White said she is not comfortable with removing Pederson Hill because the LMP talks about being a complete catalogue of what the city owns. She said she thinks there is a lot of work to be done relating to the disposal process. She said that back when Mayor Sanford asked her to be a part of the Affordable Housing Commission, she told him that until the cost of land becomes more reasonable, there is nothing the city can do about it. She said she didn't know if Pederson Hill is the right location for affordable housing and she didn't know if Auke Bay Elementary School could handle the increased enrollment; everything works together so much. Like everything else in the community works together, everything within this LMP has references back and forth throughout it and you can't just pull a few pages as some of the other items would no longer make sense then. It would need to be adopted in its entirety recognizing that some changes could be made and maybe not wait two years for the more urgent ones like Pederson Hill.

Roll Call vote on Ordinance 2016-18 An Ordinance Repealing and Readopting the City and Borough of Juneau Land Management Plan.

Ayes: Bursell, Gladziszewski, Kiehl, Nankervis, Troll, White
Nays: Becker, Jones, Koelsch
6 Ayes: 3 Nays, Motion passed.

VIII. UNFINISHED BUSINESS

A. Resolution 2753 **A Resolution De-Appropriating $1,893,119 from the Runway Safety Area Capital Improvement Project, Grant Funding was Provided by Federal Aviation Administration and Alaska Department of Transportation and Public Facilities Grants.**

This resolution would de-appropriate $1,893,119 from the Runway Safety Area (RSA) CIP, as follows:

Federal Aviation Administration (FAA AIP 50):	$1,844,577
State of Alaska Department of Transportation and Public Facilities (ADOTPF Match):	$ 48,542

This de-appropriates FAA and ADOTPF grants in the amount of disallowed expenses, which resulted from the relocation of the Snow Removal Equipment Facility (SREF) site.

Transfer T-978 has been submitted separately for local sales tax funding from the SREF CIP to cover these expenses.

The Airport Board approved this action at its April 12, 2016 meeting. The Assembly Finance Committee discussed the resolution at its May 11, 2016 meeting. At its May 16, 2016 meeting, the Committee of the Whole referred the matter back to the Assembly.

The Manager recommends this resolution be adopted.

Public Comment: None.

Assembly Action:

MOTION by Mr. Jones to adopt Resolution 2753 and asked for unanimous consent.

Hearing no objection, Resolution 2753 passed with unanimous consent.

B. Transfer T-978 It is hereby ordered by the Assembly of the City and Borough of Juneau, Alaska, that $1,893,119 be transferred from the Snow Removal Equipment Facility Capital Improvement Project (CIP) to the Runway Safety Area CIP; funding provided by Temporary Sales Tax.

This transfer would increase the Runway Safety Area (RSA) CIP budget by $1,893,119, as follows:

SREF CIP Sales Tax budget:	$1,893,119

This transfer of non-federal (sales tax) funds from the Snow Removal Equipment Facility (SREF) CIP, will cover disallowed project costs, which resulted from the relocation of the SREF site which was paid for out of the RSA CIP. Resolution 2753 is being presented at this meeting to de-appropriate the FAA AIP grant and DOTPF match.

The Airport Board approved this action at its April 12, 2016 meeting. The Assembly Finance Committee discussed the transfer at its May 11, 2016 meeting. At its May 16, 2016 meeting, the Committee of the Whole referred the matter back to the Assembly.

The Manager recommends approval of this transfer.

Public Comment: None.

Assembly Action:

MOTION by Ms. Bursell to approve Transfer T-978 and for unanimous consent.

Hearing no objection, Transfer T-978 was approved with unanimous consent.

IX. NEW BUSINESS

A. Notice of Appeal - OLMO, LLC v Board of Adjustment re: Variance VAR2015-0030

On April 12, 2016, the Planning Commission, acting as the Board of Adjustment, denied a variance request to the requirement for direct access on a publicly maintained right-of-way for a proposed minor subdivision. On May 9, OLMO, LLC filed an appeal of the Board of Adjustment's decision in VAR2015-0030. An entry of appearance was filed by Daniel G. Bruce of Baxter Bruce & Sullivan, PC, representing OLMO, LLC.

CBJ 01.50.020 provides that appeals "shall be filed only from a final agency decision." CBJ 01.50.030(e) provides that within 30 days of receipt of a notice of appeal, you must provide notice of the acceptance or rejection of the appeal (and if the latter, the reasons for rejection.) CBJ 01.50.030(e)(2) states that you must liberally construe the notice of appeal in order to preserve the rights of appellants and if, after doing so, you find 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.

Alternatively, if you decide to accept the appeal, you must then 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, you will be sitting in your quasi-judicial capacity and must avoid discussing the case outside of the hearing process. Additionally, you must comply with section 01.50.230 on impartiality.

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

MOTION by Ms. Troll for the Assembly to accept the appeal for OLMO, LLC vs. Board of Adjustment re: Variance VAR2015-0030.

Hearing no objection, the Assembly accepted to hear the above appeal.

MOTION by Ms. Troll for the Assembly to hear the appeal themselves.

Hearing no objection, the Assembly will hear the appeal itself.

Appointment of Presiding Officer:

Mayor Koelsch said they need to appoint a presiding officer and asked for volunteers from members who have previously served on the Planning Commission and who have not yet served as a presiding officer.

Ms. Gladziszewski said she would be willing to serve but had a question regarding a possible conflict since she does know the appellant. Ms. Mead said that if she knows the appellant just as an acquaintance it would not pose a conflict of interest.

B. Request for Authorization to Enter into Negotiations for the Sale of Lots 6 and 7 of the Renninger Subdivision with the Alaska Housing Development Corporation

CBJ staff requested Letters of Interest for the disposal of six residential lots in the Renninger Subdivision. The Lands Committee reviewed the three letters of interest received at its April 24, 2016, meeting and directed staff to work with the Affordable Housing Development Corporation (AHDC) to move forward with its proposal to purchase Lots 6 and 7 in the Renninger Subdivision at fair market value.

At its May 16, 2016 meeting, the Lands Committee passed a motion of support for the Assembly to authorize the Manager to enter into direct negotiations with the Alaska Housing Development Corporation for the sale of Lots 6 and 7 in the Renninger Subdivision utilizing city financing. Staff is proposing a financing term of 15 years.

Staff is requesting authorization to negotiate the sale of Lots 6 and 7, Renninger Subdivision with the Alaska Housing Development Corporation. Once the sale has been negotiated, staff will request authorization from the Assembly to dispose of the property by ordinance.

The Manager recommends that the Assembly authorize the Manager to enter into negotiations with AHDC.

Public Comment: None.

Assembly Action:

MOTION by Ms. Gladziszewski for the Assembly to authorize the Manager to enter into negotiations with the Alaska Housing Development Corporation.

Hearing no objection, the motion carried with unanimous consent.

C. Bridge Park Housing

At the August 31, 2015, regular Assembly meeting, the Assembly was asked to consider using the Bridge Park location as a site to develop housing. The request was referred to the September 10, 2015, Committee of the Whole meeting where the Assembly determined the appropriate area for housing consideration was from the edge of 9th Street right of way to the bridge. The COW directed staff to outline conceptual parameters for a potential housing development within that footprint and requested that the concept be taken through an appropriate internal process to determine the overall viability of the project.

CBJ code requires Planning Commission review before land can be disposed of through a negotiated sale. The Planning Commission reviewed the conceptual housing proposal at its May 10, 2015, meeting. The Commission concurred with staff's analysis that the project does not comport with the Comprehensive Plan, draft Housing Action Plan, and 2004 Long Range Waterfront Plan, and recommended that the Assembly not proceed with this disposal.

The Commission's Notice of Recommendation, the relevant portion of the Planning Commission's minutes, and the staff report to the Commission are in your packet.

The Manager recommends that the Assembly follow the Planning Commission's

recommendation and not to take any further action on this idea.

<u>Public Comment:</u>

Mr. Coogan said this was the project that he had proposed several months back. He was surprised to hear that it didn't comport with the draft Housing Action Plan to build 24 units of apartments where there is no residential development at all right now. He said he has not seen the staff analysis but regardless of all that, he told the Assembly that if anything should change down the line, they would still be willing to propose a 24-unit apartment development down there if the zoning would be appropriate. It would be 24 units of housing adjacent to the park.

<u>Assembly Action:</u>

Ms. Gladziszewski objected for purposes of discussion. She said she agrees with Mr. Coogan and after reading the staff report, she was also shocked that it said the proposal didn't comport with the draft Housing Action Plan. She read the staff report and the minutes and by their interpretation, any housing developed at market rate doesn't comport with the Housing Action Plan and she said she thinks that is a misreading of the Housing Action Plan. She does agree with the Planning Commission's recommendation to not proceed with the proposal but she does want to be sure they read the draft Housing Action Plan differently in the future.

Ms. Gladziszewski removed her objection and hearing no further objection, Mayor Koelsch said they will proceed in accordance with the Planning Commission's recommendations.

X. STAFF REPORTS

None.

XI. ASSEMBLY REPORTS

A. Mayor's Report

Mayor Koelsch said he will be speaking at Baccalaureate on May 24 and he will be speaking at the opening of the SLAM (State Libraries, Archives, and Museum) on June 6. He spoke at the "Blessing of the Fleet," the Alaska Peace Officers' Memorial service and attended the gathering that afternoon at Evergreen Cemetery. He was able to have lunch with the Street Maintenance crew. He noted that he will be reducing his office hours from an average of 4-6.5 hours a day to 2-4 hours per day, now that the Finance meetings/budget cycle is done.

B. Committee and Liaison Reports combined

Mr. Jones reported that the Human Resources Committee met earlier in the evening and reviewed board applications and recommended the Assembly make the following board appointments:

Americans with Disabilities Act Committee: Ross Douglas to a seat beginning immediately and expiring August 31, 2017.

Treadwell Arena Advisory Board: Miles Brookes to a seat beginning June 1, 2016 and expiring May 31, 2019.

Local Emergency Planning Committee (LEPC): Joe Mishler to seat 3a) Alternate Fire Fighter for a term beginning immediately and expiring December 31, 2016 plus the subsequent three year term expiring December 31, 2019.

Mr. Nankervis asked about the ability to appoint for six months and then the full term to follow. Mr. Jones explained the rules provide the ability for the Assembly to make appointments to the remainder of a term plus the next full term provided there is six months or less remaining to the unexpired seat being filled.

Lindsey Taylor to seat 4) General Public Seat for a term beginning immediately and expiring December 31, 2017.
Utility Advisory Board: There were two open seats. The HRC recommended appointment of Andrew Campbell to a term beginning immediately and expiring May 31, 2018 and the reappointment of Leon Vance to a term expiring May 31, 2019.
Hearing no objections, the above board appointments were approved.

Mr. Jones reminded the Assembly that the applications for the Aquatics Board and the Docks & Harbors Boards were due May 31 and the meeting of the Full Assembly sitting as the HRC to interview applicants for those two boards will be held on June 15. He also noted the same process for the Eaglecrest and Airport Boards with applications for those two boards due June 15 and the HRC meeting to be held on June 29.

Mr. Jones then proceeded with his liaison report. He said that the Juneau Economic Development Council's next meeting is June 1. They had a very successful Maritime Festival beginning with the Blessing of the Fleet that the Mayor referred to. He said that JEDC has a staff member back in Milwaukee, WI with two members of the Downtown Business Association (DBA) board attending a "Main Street USA" annual conference with the main focus of that looking at issues relating to downtown revitalization and Downtown Improvement Districts. The STEM program summer camps will be starting in the next week. The Assembly approved funding for the Juneau program as part of the budget process. He said that the first celebration fundraiser for a similar statewide programs will be held June 7 in Anchorage at the BP Center. The Juneau Commission on Aging (JCOA) met this month and the primary discussion was focused on the role of the Assembly liaison with the commission since they had not previously had an Assembly liaison before. He said it was a learning experience for both he and the commission in terms of what the expectations were on both sides. He said the next meeting of the JCOA will be June 9 and he will not be able to attend in case any other Assemblymembers wished to attend. The DBA meeting in May was cancelled and the next meeting was scheduled for June 7. With respect to the Airport Board, the Assembly dealt with most of the issues relating to the board on this Assembly agenda; the next meeting of the Airport Board is June 14. The Downtown Improvement Group (DIG), to which he is not a liaison but he has been attending many of their meetings, has not met the last couple of weeks as they had been trying to schedule Rep. Sam Kito III who hasn't been able to attend due to his legislative schedule.

Ms. Bursell reported that the previous meeting of the Eaglecrest Board was cancelled so that the members could wait and work on funding issues and wait to see how things would work out with their finances. She said they will be happy with this appropriation for $100,000. Revenues were below operating expenditures in FY16 due to low snow fall and that has been their greatest concern. The board will be meeting on May 24 at 5:30pm. Ms. Bursell said her other liaison report is with the LEPC and the next meeting is June 2. The biggest thing happening now with LEPC is the graduation ceremony taking place on May 25 for the CERT training course that ran from April 19 - May 14.

Ms. Troll reported that the Lands Committee met May 16 and made a decision to approve the Lands Department to negotiate with UAS for the Home build program for the Renninger subdivision for Lot 3 and that will be coming back to the Assembly for final approval. The Assembly took action on lots 6 and 7 tonight as a result of other action by the Lands Committee. The other action taken on the Renninger subdivision was leaving lots 2, 4, and 5 for consideration of a possible public/private partnership with Pacific Development Group and that discussion was forwarded to the Assembly COW and was dealt with, in part, there. The Lands Committee also received an update on the Wetlands Management Plan. The next meeting of the Lands Committee was scheduled for June 6.

For liaison reports, Ms. Troll said the May 3 meeting of the Juneau Affordable Housing Commission was focused on the Pederson Hill subdivision. It will be back on the commission's agenda in the future. They also took time to discuss the public comment that they received on the draft Housing Action Plan and the changes they will be making. The Housing Action Plan is set to go to the Planning Commission in June then brought to the Assembly. The Affordable Housing Commission also heard from a boardmember of the Alaska Housing Finance Corporation and they discussed ways that they might be able to capitalize revolving fund projects for the Affordable Housing Commission. The meeting of the commission is scheduled for June 2. The Juneau Commission on Sustainability (JCOS) cancelled its last meeting but there was a worksession on April 27 and at that worksession they hammered out formatting details for the energy plan which they hope will come to the Assembly COW at the end of June. They also received a presentation from Adrian Schwartz from the Juneau School District who has been administering their energy efficiency program and discussed ways to try to reduce energy costs with a private consultancy audit. There are two vacant seats on the JCOS as a result of Assembly action to change the membership from seven to nine members.

Ms. Gladziszewski reported that the Public Works and Facilities Committee (PWFC) met on May 16 and considered four action items, three of which were introduced at this meeting and will be on next Assembly agenda. She said the other action item on the PWFC agenda was Dunn Street. At the previous meeting, there had been direction for the manager to go back one more time and talk to the property owners in the area and it was basically back to what was on the table the last time which was that the Right of Way (ROW) is not large enough for CBJ equipment to turn around so the request is that the property owners continue to plow snow there which they would like not to do. They had a number of information items including an update on the West Douglas Road and since it has become an issue, the City Manager will consolidate various reports into one succinct place on the website. The also heard about a bus grant for two electric buses that are low or no-emission busses that would be exciting if we received them. If so, it would be at 80% federal funding.

Ms. Gladziszewski said with respect to liaison reports, the Parks and Recreation Advisory Committee (PRAC) met on May 3. They spent time talking about Fireworks in Parks and debating whether or not they wanted to make a recommendation to the Assembly about that; but they have not yet come to any conclusions on that issue. The PRAC received updates on the Juneau Ocean Center and the new staff member, Alexandra Pierce who will be working on the PRAC Comp Plan was introduced. The PRAC meets next on June 7. The Hospital Board has not met since the last Assembly meeting but there is a BRH Board meeting on May 24 at 5:15pm.

Mr. Nankervis thanked staff and the Assembly for making the budget process go so smoothly and there is nothing scheduled for the Assembly Finance Committee now until August.

Mr. Nankervis said with respect to liaison reports and the Docks & Harbors Board, the 16b art work fabrication is scheduled to begin this month with installation planned for the fall or summer 2017. He said the south berth on 16b is done and the north berth pontoon is staged offshore at the breakwater on Aurora Harbor and that is scheduled to move over and begin construction in September after the cruise ships leave for the season. Progress is continuing with Statter Harbor and substantial completion date is targeted for July 16, 2016. Aurora Harbor is awaiting the Governor's signature on a capital budget bill which currently has funds which would be available for Aurora Harbor Phase 2. Planning efforts are underway, expecting funds will be available in FY17. The Land and Management Plan for Norway Point to Bridge Park had their first meeting on May 18 with 55 members of the public showing up to that meeting. They do not have any more scheduled meetings until the fall. They are meeting with Central Council Tlingit Haida to discuss the roadside fisheries requirement in the lease at the Thane Ore House. There is a conditional use hearing scheduled for June 14.

Ms. Becker reported that the School District/Assembly Facilities Committee has not met since the last Assembly meeting. Regarding the Alaska Committee, they decided to give $10,000 each for May and June for the Bill Ray Center and additional money towards Gavel to Gavel programming for the extended

Special Legislative Session. She said the Juneau Chamber Commerce (JCC) has been monitoring the state budget, the CBJ budget, and the (CLIAA) lawsuit. She said they have not testified about the CBJ budget because nothing has bothered them. She said they did have a little concern recently about the CBJ mill rate but there was no agreement so they did not come to testify to the Assembly. JCC Executive Direct Craig Dahl spoke at the American Society of Engineers conference that was held in Juneau and he spoke about Mr. Uchytil and the Docks and Harbors and all the work that is being done and the importance of the tourism businesses to Juneau and the loyalty that Mr. Uchytil shows to continuing the projects. She said the JCC organized a harbor cruise for over 100 people and Mr. Uchytil and Mr. Watt spoke on that cruise. She said JCC's next event is a golf tournament. She reported on the Juneau Afterschool Coalition meeting at the library with eight different groups who offer activities for after school and for summer options. Zach Gordon Director Jordan Nigro organized a large community event at Centennial Hall for groups to share the variety of activities being offered within the community during the summer for kids.

Ms. White reported that the Aquatics Board and its subcommittees have been meeting regularly. The passes, including the annual passes, are still selling at a fairly brisk rate. She said the board is now working on the list of expenses. She said they are scheduled to come before the Assembly COW in late June. She stated that the Planning Commission meeting was scheduled for May 24 with a PC COW meeting to review roles and responsibilities and do some training which will then be followed by a regular PC meeting. She discussed their upcoming agenda topics. Ms. White said that Travel Juneau held several training sessions for their 140 volunteers with short 5 minute segments with the vendors and then a walkabout vendor's tour on May 7. They did a street clean up from the area by Taku Smokeries up the tourist corridor on April 29. Our community has the largest corps of visitor service volunteers in the United States through Travel Juneau. On May 29, they had a guest speaker from Trip Advisor speak about managing online reputations. The Travel Juneau website rebuild that the CBJ Assembly authorized is underway and the traffic is increasing. Upcoming events include Sealaska Heritage Institute holding Celebration June 6-11, the National Bicycle Dealers Association will be meeting June 20-23 and the Council of Yukon First Nations Juneau Conference meeting will be held June 11. The economic impact of these events will total approximately $600,000 towards the Juneau economy.

Mr. Kiehl reported that the Assembly COW last met on May 16 during which they received updates from the Treadwell Arena Advisory Board and the Airport Sustainability Master Plan. With work from the AFC on the Runway SREF transfers, the COW referred those items back to the Assembly and they were dealt with earlier in the evening. The COW had discussions on a potential public/private partnership for three lots on Jackie Street. The direction to staff was for them to work with the proposed developer and to bring a refined plan with a financial analysis and a better risk profile back to the Assembly.

For a liaison report, Mr. Kiehl noted that he spent Tuesday and Wednesday of the previous week at the Alaska Municipal League Board of Directors meeting. He was also joined by the Association of Fire Chiefs representative who happens to belong to CBJ. He said one of the topics of discussion at AML was a particular lawsuit by an industry against a municipality that might affect other municipalities and when the City Attorney calls the Assembly together about that, he will report more detail on the AML actions. There were also significant conversations regarding the recent legislative session and what local governments around the state are doing relating to the marijuana policy issues that they face. In other liaison topics, the UAS campus council met two weeks ago with its last meeting for the academic year and will meet again in September. The School Board will hold its next meeting June 14 and they had some representatives at this meeting as the Assembly finished out the School District budget and God willing, the legislature won't change it.

Mayor Koelsch said he met with the director of the Juneau Arts and Humanities Council and they will be putting together an ad hoc committee for the Arts Complex and if there were any Assemblymembers who wished to volunteer to send an email to the mayor.

C. Presiding Officer Reports – None.

XII. ASSEMBLY COMMENTS AND QUESTIONS

Mr. Kiehl welcomed Mr. Healy back to working at CBJ. Mr. Kiehl said he had an opportunity last week, not wearing his Assemblymember hat, to talk with a couple of sections of Government Class at Thunder Mountain High School. He was quite impressed with how sharp and well prepared the group of students were and encouraged members to move mountains to do a similar thing should they ever receive an invitation to do so. On May 14, he attended the UAS Community Day on Campus and it included the Elementary School Student Art Awards which were very cool. He shared a great quote on of the pieces on display that said "*I love art class because I get this weird feeling that I'm ready to learn anything after that.*" and he found it quite inspiring. He is looking forward to Celebration on June 8-11 and he encouraged everyone to attend as much as they are able. He said it has come to his attention that the Danish government has invited some representatives from CBJ to join a tour that the Danish government is funding to look at district energy projects in Denmark. There may also be a district energy project in Norway very similar to the one proposed here. He said it is his understanding that the Mayor, the former Mayor and the Manager were all invited and he said this is an excellent opportunity for CBJ to gain some on the ground knowledge and ask some of the tough questions first hand on someone else's nickel and not the taxpayer's dollar. There were some questions and they've run it by the City Attorney to make sure it is OK with the ethics code. It was his understanding that Ms. Becker is available and willing to go on those dates and he feels that is it important that a policymaker be able to attend. He encouraged the Manager under his own authority to send staff along as well, but it falls to the Assembly, under the ethics code, to authorize one of their own members to go and to report back.

MOTION by Mr. Kiehl for the Assembly to authorize Ms. Becker to take this invitation and travel and to report back to the Assembly about the trip and her studies in Denmark.

Mayor Koelsch asked the City Attorney to speak to it before they proceeded any further.

Ms. Mead said that the code provides that a gift of travel can be accepted as long it cannot be reasonably inferred that the purpose of the trip is to influence the decision maker in his or her official action on behalf of the CBJ. She said, for purposes of this discussion, what she has been told is that it is the Danish government that is funding this trip and not any of the private developers who would benefit from the CBJ going down this road. Assuming that is true, her recommendation would be, if the Assembly is in agreement to sending one of their members to take advantage of this opportunity, that the person who goes needs to keep in mind that if there comes a time when there is official action needing to be taken, and anyone who was part of funding any part of this trip is before the Assembly for any reason, that person would have to recuse themselves from that decision. If this is funded by the government, that will not be an issue but there may be things to keep in mind later on down the road.

Ms. Troll said they have had an opportunity to meet with some members of Denmark already. The heating partners who are working with Juneau Hydro did come to the city and they had discussions in which Mayor Koelsch, Mary Becker, and Ms. Troll were part of that meeting and she would be happy to discuss key policy questions with Ms. Becker as she prepares for this trip.

Hearing no objection, the motion carried.

Ms. White said she has lost faith with ever being able to pay CBJ bills online, however she asked the City Manager if the advertisement that pertains to Sales Tax and Property Tax could be posting on the CBJ website.

Ms. Becker said she gave a talk at the Arbor Day celebration at the City Museum and the group watched as the Governor dug the hole for the tree to be planted and dug with such vigor that he dug too far and some of the dirt had to be refilled in the hole. She said the event was quite fun. She enjoyed attending the engineering event related to the 16b project. She said that the request to go to Denmark came in the form of a personal invitation directly from the country of Denmark and was honored to be invited. She said she would be leaving Juneau on June 1 and returning on June 11 and will report back to the Assembly upon her return.

Mr. Nankervis said he forgot to mention under liaison reports that the next Docks and Harbors meeting will be Thursday, May 26. He said the 16b event Ms. Becker referred to was the infrastructure week that was just held. He wanted to comment with a process question regarding Mr. Jones's comments about his role as a liaison to the Juneau Commission on Aging (JCOA). Mr. Nankervis said he looked up the governing legislation for the JCOA and did not see anything in their resolution establishing a liaison with the Assembly and he thought that should be discussed at a future Assembly meeting when they talk about Assembly process as that does add to the workload of Assemblymembers. Mr. Nankervis said that everyone has received the invitation to attend the SLAM grand opening on June 6 and he encouraged them to attend. Lastly, he offered congratulations to his son and his son's fiancé as they will be married before the next Assembly meeting.

Ms. Gladziszewski extended her thanks to Mr. Uchytil for organizing the Infrastructure Week event here in the Assembly Chambers and it all the variety of presentations it included.

Ms. Troll said she wanted to respond to the editorial that was in the Juneau Empire re: Pederson Hill as there were a couple of things it asked the city to do and she wanted to point out that the city actually IS doing a number of those things. One of those was asking the city to ease the tax burden on developers while homes are being built and she said that once they received the statutory authority, CBJ has proceeded to do tax exemptions instead of tax deferrals. It mentioned that CBJ should also review the process for homebuilding and she said they have spent a considerable amount of time revising Title 49 to do just that and while there may still be some problems with the implementation of those provisions, she felt it was important to note that CBJ is doing the things that were being asked in that editorial. In other business, she also attended the community groundbreaking for the Housing First project and there was a great showing of 40 – 50 community members and it exemplified one of the things she loves most about Juneau how they have come together for this address these needs and she said thanked Mariya Lovishchuk and Scott Ciambor for their role in bringing it together. With respect to Ms. Becker's trip to Denmark, she asked her to check out the Little Mermaid statute and see what an iconic statue can do for the tourism aspect for a city.

Ms. Bursell asked if staff could explain the $1500 fee and what that fee is for that Mr. Quayle made reference to with regards to the Pedi cabs.

Mr. Watt said this fee is in the Commercial Passenger Vehicle (CPV) regulations. There was a long process to develop those regulations and it covers all forms of commercial passenger vehicles such as taxi cabs, Pedi cabs, shuttles, etc... He said that Ms. Gladziszewski had the pleasure of working on those regulations when she was a CBJ staff member. He said with respect to the $1500 fee, he has not looked at the regulation to try to find out why it is written the way it is.

Ms. Gladziszewski said the regulations and overall fees were designed because the industry wanted enforcement of the rules so they were designed to capture enough revenue to pay for a new enforcement officer. That was some time ago and whether those things still apply, she is not sure. She said at that time, Pedi cabs were not necessarily a thing at that time so they weren't really addressed when those regulations were adopted.

Ms. Bursell asked if there would be Assembly support to ask staff to look at this more closely and especially for Pedi cabs. She said she would like to support Mr. Quayle in his quest to have a Pedi cab business. He is a senior citizen who wants to work and do a business and she would like to support that.

Ms. Mead said that there is already an endorsement for human powered vehicles. It is a Class C endorsement and it is a $50 application fee but it there is an overall fee for $1500 for anyone getting into the CPV business. She said she wanted to make sure they understood what staff would actually be looking at if they ask staff to review that fee structure. Ms. Bursell said she would like to work with staff on that.

Hearing no objection, the Mayor ruled that Ms. Bursell could work with staff reviewing the CPV regulations.

Mr. Jones asked about the current CPV regulations currently out for public comment. Ms. Mead clarified that those proposed regulations deals with allowing anything with a Class C permit to have commercial advertising in addition to advertising for their own business on their vehicle.

Mr. Jones said that since the June 6 SLAM opening starts at 1pm and goes through 4pm, he asked if the PWFC meeting could meet earlier or not at all that day. He also said that a couple of members attended the most recent JCC luncheon and Samantha Stoughtenger gave an excellent presentation to the Chamber and it was well received. He said that Ms. Becker spoke about the afterschool program. He said there is another group of providers that are looking at the impact and how we can, as a community, deal with issues of youth from early years to teenagers and a lot of it has to do with the fact that the state legislature is eliminated funding for pre-K early education. The Head Start program through Tlingit Haida will continue but the school district's efforts to add more kids to the classrooms are going to end and that is a $400,000 hit. He said this group is composed of most of the providers in town and through the JEDC innovation summit, one of the speakers delivered an issue called "Collective Impact." He said that is how the impact can be measured of all the various services that are provided that target youth even though they may not be coordinated. He said the Juneau Suicide Coalition is bringing some speakers in to start talking about collective impact and have now formed All Children and Youth Prosper – A community collaboration committee. That group will meet on June 1 at 8:30a.m. at JEDC to hear from the Collective Impact speakers that the Juneau Suicide Prevention Coalition is bringing to town. He said he thinks the impact of that loss of $400,000 will be felt in this community in about three years with kids not being kindergarten ready.

Mr. Jones also stated that he will be in Anchorage June 8-10 mostly for a Marijuana Control Board meeting on June 9 and they will hopefully be issuing the first cultivation and testing licenses at the state level. Mr. Jones said on a personal level, he had the privilege of teaching three cooking classes with the CBJ Health Yourself wellness program. He said that Ms. Cosgrove attended all three classes. Mr. Jones said that Ms. Troll mentioned two vacancies on the Juneau Commission on Sustainability but in fact there are more than just those two openings since the annual report and appointments will be on the June 13 HRC agenda and the applications will be due June 7.

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Mr. William Quayle said there are several fees charged for running a Pedi cycle in the downtown area that include CPV fees as well as fees charged by the Docks and Harbors and he questioned what the purpose was for all the fees. He said he is not a fleet of vehicles, and there is no auto policy for Pedi cycles and the way it is set up is the same as if it is a taxi cab service. He said that he appreciates the speed with which the Assembly has addressed this. He said the season is hot and heavy and already underway. He said he tried to get the competition to go along with him but they didn't want to go in together so he decided to go on his own.

XIV. EXECUTIVE SESSION – None.

XV. ADJOURNMENT

There being no further business to come before the Assembly, Mayor Koelsch adjourned the meeting at 10:43 p.m.

Signed: ______________________________ Signed: ______________________________
Elizabeth J. McEwen, Deputy Clerk Kendell D. Koelsch, Mayor