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

December 21, 2015 7:00 PM

City Hall Assembly Chambers
Regular Meeting 2015-32

Submitted By:

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Kimberly A. Kiefer
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. **Honoring AML Award Recipients Beth McEwen, the Juneau Police Department's Bicycle Safety Program, the Juneau International Airport's Runway Rehabilitation Team, and the Zach Gordon Youth Center Kitchen Remodel Project**

B. **Selection of Deputy Mayor**

IV. APPROVAL OF MINUTES

A. **November 9, 2015 Regular Assembly Meeting No. 2015-28**
B. **November 11, 2015 Special Assembly Meeting No. 2015-29**
C. **November 30, 2015 Regular Assembly Meeting No. 2015-30**

V. MANAGER'S REQUEST FOR AGENDA CHANGES

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

VII. CONSENT AGENDA

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

B. Assembly Requests for Consent Agenda Changes

C. Assembly Action

1. Ordinances for Introduction

a. **Ordinance 2015-48 An Ordinance Amending the Revenue and Taxation Code Relating to Same-Sex Domestic Partnerships.**

The CBJ currently extends certain tax benefits to same-sex domestic partners. Doing so was predicated upon the fact that same-sex partners could not legally marry. Given the change in the law, and in order to treat all domestic couples

equally, this ordinance would amend the code to delete the references to same-sex domestic partners. Tax benefits would continue to be extended to spouses of eligible taxpayers.

This ordinance was considered by the Assembly at the Finance Committee meeting on December 16, 2015.

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

b. **Ordinance 2015-50 An Ordinance Amending the Penal Code Relating to Criminal Mischief.**

This ordinance would amend the penal code by adding a definition of "property of another" consistent with State law. The addition of this definition would clarify that a person commits the crime of criminal mischief if the person damages the property of another, regardless of whether the violator also has an interest in the property. The idea that a co-owner can "lawfully" damage property (where all other elements of the State's criminal mischief offense are satisfied) was specifically rejected by the Alaska Supreme Court. This ordinance clarifies that the CBJ's criminal offense ordinance is intended to be consistent with state law.

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

c. **Ordinance 2015-51 An Ordinance Amending the Personnel Management Code Relating to Partially Exempt and Exempt Service Classifications.**

This ordinance would amend the Personnel Management Code relating to the classification of exempt and partially exempt employees. The amendment would clarify the exempt status of the City Manager and City Attorney and the Bartlett Regional Hospital Chief Executive Officer, Chief Financial Officer, Chief Behavioral Health Officer and employed medical staff.

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

d. **Ordinance 2015-52 An Ordinance Amending Ordinance 2008-08, Authorizing the Port Director to Execute an Amendment to the 2008 Auke Bay Boatyard Lease Agreement.**

After obtaining the final permits for a new boatyard at the Auke Bay Loading Facility (ABLF) in July 2015, Dock & Harbors approached the Auke Bay Boatyard lessee (Harri Plumbing & Heating, Inc. dba Harri Commercial Marine) to relocate boatyard operations from Don D. Statter Harbor Facility to the ABLF. The parties' 2008 lease allowed for negotiation of a new lease if a new boatyard was constructed. An appraisal conducted in August 2015 established the fair market rent of the proposed ABLF boatyard lease premises to be $27,000 per year. The parties negotiated a lease amendment for the new space. The Docks & Harbors Board approved the proposed lease amendment at its regular board meeting on October 29, 2015. The Assembly Lands Committee approved the lease amendment at its November 23, 2015, meeting.

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

e. **Ordinance 2015-20(Y) An Ordinance Appropriating to the Manager the Sum of $24,423 as Funding for the Juneau International Airport Runway Rehabilitation Capital Improvement Project; Funding Provided by the Alaska Department of Transportation (ADOT).**

The $24,423 in funding comes from an amendment to the ADOT matching grant for this CIP.

The Federal Aviation Administration (FAA) funds 93.75% of the project with the remainder being split between ADOT and Juneau International Airport (JNU). FAA and JIA funds have been previously appropriated.

The Airport Board approved this action at its August 12, 2015, meeting.

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

f. **Ordinance 2015-20(Z) An Ordinance Appropriating to the Manager the Sum of $1,800,000 as Funding for the Juneau Housing First Collaborative (JHFC) Capital Project, Funding Provided by the General Fund's Fund Balance.**

Juneau Housing First Collaborative (JHFC) requests the CBJ provide a $1.8M "bridge funding" for construction of the Housing First facility, which could become a permanent increase in funding provided by the CBJ to the JHFC project.

JHFC has identified committed and potential funding sources for the $7.5 million capital project to build an approximately 16,000 square foot facility (initial phase of potentially larger building). Restrictive conditions from a large committed grantor (AHFC SNHG) and project developer (Tlingit-Haida Regional Housing Authority) require total funding to be committed prior to using their resources for project construction.

JHFC states that there are significant benefits beginning the construction project immediately. The current project cost estimate is $7.5 million (a $6.5 million construction contract). To meet restrictions, funding commitments must total $6.5 million. To date the JHFC has committed funding of $4.7 million ($1.8 short of the construction contract amount). They are in varying stages of the funding request process, with six additional grantors/funders, to secure an additional $3.2 million of funding. Total committed and potential funding is $7.9 million.

In January 2015, the Assembly adopted Resolution 2708 in support of the JHFC mission, recognizing the public purpose of the project and community need. The resolution also committed $1.5 million of CBJ funding for the project. In March 2015, the Assembly Finance Committee adopted the plan for funding the $1.5 million.

The JHFC organization does not have sufficient financial resources or credit rating to support a standard loan agreement. The project participant restrictions referenced above require "unconditional" loan funding. Basically

unconditional means loan funds become a grant if sufficient alternate funding is not obtained.

The Assembly directed the commitment of $1.8 million of additional funding. It is the intent of the Assembly that any additional CBJ funding provided by this ordinance be spent only after the current committed funding of $4.7 million is spent, and that the amount of additional CBJ funding provided be immediately reduced by the amount of any subsequent grant/funding secured by JHFC for the project.

The Assembly Finance Committee approved this action at its December 16, 2015, meeting.

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

2. Resolutions

a. **Resolution 2733 A Resolution De-Appropriating $1,380,236.15 from the Lower West Mendenhall–Pederson Phase III Capital Improvement Project, Grant Funding from the Alaska Department of Environmental Conservation.**

This de-appropriation is occurring because the Capital Improvement Project is complete.

Staff has worked with the Department of Environmental Conservation staff and the state legislative delegation trying to expand the scope of the grant or re-appropriate the grant to a project of similar scope. These efforts were not successful and ADEC has closed the grant, making this financial housekeeping action necessary.

The grant 44591 lapsed, was not fully expensed, and is now closed. The grant amount on this project was $1,406,600, leaving $26,363.85 expended and the remaining amount of $1,380,236.15 to be de-obligated with this resolution.

The Public Works and Facilities Committee heard the de-appropriation at its October 26, 2015, meeting and forwarded it to the Assembly for approval.

The Manager recommends the resolution be adopted.

b. **Resolution 2734 A Resolution Expressing Assembly Support for the Juneau Ocean Center Facility to be Developed by the Juneau Ocean Center**

At its November 9, 2015, meeting, the Assembly directed staff to prepare a resolution in support of the Juneau Ocean Center, a proposed waterfront marine science interpretive center. While many details remain to be worked out, passing this resolution would demonstrate Assembly support for the use of Docks and Harbors-managed tidelands for this project and would allow the JOC planning group to pursue project grant funding. It would also direct staff to begin working with the group on seawalk planning and land negotiations with adjacent property owners.

The Docks and Harbors Board heard the resolution at its December 10, 2015 meeting and forwarded it to the Assembly for approval.

The Manager recommends this resolution be adopted.

c. **Resolution 2735 A Resolution Certifying that the City and Borough of Juneau Did Suffer Significant Effects During the Program Base Year From Fisheries Business Activities that Occurred Within the FMA 17: Northern Southeast Fisheries Management Area.**

This resolution would authorize the acceptance of the CBJ's share of the FY2016 State Shared Fisheries Business Tax. This distribution represents CBJ's share of state fishery revenues generated in the Northern Southeast Fisheries Management Area (NSFMA), but outside the boundaries of the organized communities.

The funds are allocated by the DCCED (State of Alaska's Department of Commerce, Community, and Economic Development) to each community in the NSFMA (Angoon, Gustavus, Haines Borough, Hoonah, Juneau, Skagway, and Tenakee Springs). Because the NSFMA's FY2016 allocation falls below the DCCED's long-form threshold value, the short-form method of allocation, as approved by DCCED, is used this year. It is anticipated that the CBJ will receive approximately $9892 in FY2016.

The Manager recommends this resolution be adopted.

d. **Resolution 2736 A Resolution De-appropriating $171,146 from the Juneau International Airport Aircraft Rescue & Fire Fighting (ARFF) Building Modification Design & Environmental Capital Improvement Project; Grant Funding was from the Federal Aviation Administration and Alaska Department of Transportation.**

Funds de-appropriated would be as follows:

Federal Aviation Administration (FAA) grant:	$165,625
Alaska Department of Transportation (ADOT):	$ 5,521

The FAA reduced the grant amount after it was introduced for appropriation with adopted ordinance 2015-20(J); they required the project formulation and environmental work to precede the design work, which will be awarded at a later date.

The Airport Board will review this at its January 12, 2016 meeting.

The Manager recommends the resolution be adopted.

3. Bid Award

a. **Seawalk - Bridge to Gold Creek, Phase I**

Bids were opened on the subject project on December 15, 2015. The bid protest period expired at 4:30 p.m. on December 16, 2015. Results of the bid opening are as follows:

McG Constructors	$2,550,185.00
Arete Construction Corp.	$2,695,087.50

Miller Construction Co. Ltd.	$2,698,635.00
SECON	$2,795,671.00
Glacier State Constructors, Inc.	$2,849,595.00
James Dean Construction Inc.	$3,002,130.50
Engineer's Estimate:	$2,898,890.00

Staff recommends award of this project to McG Constructors, Inc. for the total bid amount of $2,550,185.00.

The Manager recommends that the Assembly approve awarding the bid to McG Constructors, Inc. for the amount of $2,550,185.00.

4. Liquor License

   a. **New Beverage Dispensary Tourism Liquor License #5430 MAC Ventures LLC and Application for Restaurant Designation Permit**

   The following is an application for a New Beverage Dispensary-Tourism liquor license #5430 and application for a Restaurant Designation Permit (RDP). The action before the Assembly is to either protest or waive its right to protest the Beverage Dispensary-Tourism liquor license and approve or deny the Restaurant Designation Permit.

   New Beverage Dispensary-Tourism Liquor License #5430
   Mac Ventures, LLC d/b/a McGivney's Sports Bar and Grill
   Location: 51 Egan Drive, Juneau, AK 99801 [Goldbelt Hotel location]

   Staff from the Finance, Police, Fire, and Community Development Departments has reviewed this license and recommend the Assembly waive its right to protest the issuance of this license and approve the Restaurant Designation Permit application.

   The Manager recommends the Assembly waive its right to protest the application for the new Beverage Dispensary-Tourism License #5430 and approve the Restaurant Designation Permit application.

VIII. PUBLIC HEARING

A. **Ordinance 2015-44 An Ordinance Amending the Real and Personal Property Tax Code to Repeal the Property Tax Deferral and Create a Property Tax Exemption for Certain Subdivided Property.**

Last session, the legislature amended AS 29.45.050 by adding an optional exemption that authorizes municipalities to exempt all or a portion of an increase in assessed value directly attributable to the subdivision of a single parcel of property into three or more lots.

This ordinance would provide for the allowable exemption with the exemption terminating for each individual lot when the lot's ownership is transferred, a residential or commercial structure has been completed on the lot and a certificate of occupancy or a temporary certificate of occupancy has been issued, or taxes have been exempted for three years. While the statute permits up to five years for the exemption, it is staff's

recommendation that the exemption be limited to three years to serve the public purpose of increasing housing and promoting development.

In 2013, the Assembly created an exemption for the deferral of increased taxes caused by a subdivision. No one has taken advantage of that opportunity. This ordinance, if adopted, would replace the property tax deferral with a tax exemption. The ordinance was drafted at the request of the Committee of the Whole at its August 24, 2015, meeting. On December 1, 2015, the Affordable Housing Commission passed a unanimous motion supporting a five-year period for the tax abatement policy.

The Manager recommends this ordinance be adopted.

B. **Ordinance 2015-20(X) An Ordinance Appropriating to the Manager the Sum of $5,487.44 as Funding for the Reimbursement of Bulletproof Vests for JPD Officers, Funding Provided by the U.S. Department of Justice.**

The Department of Justice offers a bulletproof vest partnership program to law enforcement agencies across the nation. JPD has a mandatory vest-wear policy which makes our agency eligible for this partial reimbursement. This is a 50/50 match program.

The Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

A. **Senior Citizen Exemption Late File - Kennedy**

B. **Senior Citizen Exemption Late File - Trott**

C. **Special Election Discussion**

XI. STAFF REPORTS

XII. ASSEMBLY REPORTS

A. Mayor's Report

B. Committee Reports

C. Liaison Reports

D. Presiding Officer Reports

XIII. ASSEMBLY COMMENTS AND QUESTIONS

XIV. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XV. EXECUTIVE SESSION

XVI. ADJOURNMENT

XVII. SUPPLEMENTAL MATERIALS

A. Additional Information on Mayor Succession and Filling Vacancy on Assembly

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org