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

July 20, 2015 7:00 PM

City Hall Assembly Chambers
Regular Meeting 2015-21
Submitted by: _____
Kimberly A. Kiefer
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. **Aaron Dean, Equipment Operator II at JIA**

IV. APPROVAL OF MINUTES

A. **June 29, 2015 Regular Assembly Meeting No. 2015-20**

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 2014-24(AV) An Ordinance Appropriating to the Manager the Sum of $7,830 as Funding to Provide for Commercial Motor Vehicle Inspections; Grant Funding Provided by the Alaska Department of Transportation and Public Facilities.**

This ordinance would appropriate a $7,830 grant from the Alaska Department of Transportation and Public Facilities to provide commercial motor vehicle inspections.

The inspections are intended to determine the appropriateness of driver credentials as well as road worthiness of commercial vehicles with the ultimate goal of improving commercial vehicle safety in Juneau.

There is no match requirement for this grant.

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

b. **Ordinance 2015-20(E) An Ordinance Appropriating to the Manager the Sum of $642,300 as a Transfer to the General Fund as Partial Funding for the Housing First Grant, Funding Provided by the Sales Tax Funds in the Housing Land Development Capital Improvement Project (CIP) D14-095.**

This ordinance would appropriate $642,300 as a transfer from the Housing Land Development capital improvement project (D14-095) to fund the Housing First Grant. The funding source is sales tax.

The CIP was never expended because the Assembly had not finalized an order of priority for CBJ's housing development projects. In lieu of placing the funds into the Peterson or Switzer CIPs, the Assembly decided to create a new CIP called "Housing Land Development" to hold the funds until the Assembly made a decision on transferring the funds.

This funding represents a portion of the CBJ's $1.5 million commitment to the Juneau Housing First Project.

After this appropriation is completed, CIP D14-095 will be closed.

The Finance Committee approved this action at its March 28, 2015, regular meeting, and recommended forwarding it to the full Assembly for approval.

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

c. **Ordinance 2015-20(G) An Ordinance Appropriating to the Manager the Sum of $100,000 as Funding for the Lemon Creek Gravel Scale Replacement Capital Improvement Project (CIP) D14-020, Funding Provided by the Lands Fund's Fund Balance.**

This ordinance would appropriate $100,000 as a transfer from the Lands Fund's fund balance to the Lemon Creek Gravel Scale Replacement CIP (D14-020).

The existing Lemon Creek truck scale, which serves two CBJ material sources in Lemon Creek, has worn out to the point that it cannot be repaired and a replacement scale is necessary. This appropriation is required to establish a CIP for the purchase and installation of the replacement scale.

The Lands Committee approved this action at its July 13, 2015, regular meeting, and recommended forwarding it to the full Assembly for approval.

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

d. **Ordinance 2015-20(H) An Ordinance Authorizing the Manager to Accept the State of Alaska, Department of Environmental Conservation's Offer of Grant Amendment No. 1 for Partial Funding of the Salmon Creek Secondary Disinfection Capital Improvement Project and Appropriating to the Manager $3,000,000 in additional Grant Funding Provided by the State of Alaska, Department of Environmental Conservation.**

This ordinance would appropriate an additional $3,000,000 in Municipal Matching grant funding in addition to the $1,000,000 already on the project,

from the Alaska Department of Environmental Conservation (ADEC) Division of Water for the following project:

Water Treatment Improvements - Salmon Creek LT2 Upgrades
$3,000,000

This grant has a 40% match requirement which will be provided with the funds already on the CIP.

ADEC Grant 44593 originally appropriated $1,000,000 with Ordinance 2014-24(Q) and ADEC Grant Amendment No. 1 increases the grant amount by $3,000,000, which this ordinance 2015-20(H) will put on the project, bringing the total grant to $4,000,000.

The Public Works and Facilities Committee will review this item at its August 3, 2015 regular meeting.

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

e. **Ordinance 2015-32 An Ordinance Amending the Land Use Code Relating to Child and Day Care Facilities.**

This ordinance would amend CBJ Title 49 as it relates to child and day care homes and centers, in order to address an identified need in the community for child care.

The ordinance would amend the Table of Permissible Uses to expand where child care homes and centers can operate, would add minimum standards for these operations, and would amend the definitions for child care centers and homes.

At its regular public meeting on June 23, 2015, the Planning Commission adopted the analysis and findings in the Community Development Department's staff report and, with some revisions, recommended that the Assembly approve the ordinance.

The Lands Committee considered the ordinance at its July 13, 2015, meeting, and recommended that the Assembly approve the ordinance.

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

f. **Ordinance 2015-33 An Ordinance Amending the Uniform Sales Tax Code Relating to the Single Item Tax Exemption.**

This ordinance would exclude jewelry sales from the single item sales tax cap exemption. The Finance Committee addressed this issue at its April 22, 2015, meeting and recommended forwarding this change to the full Assembly for adoption.

This ordinance would be effective January 1, 2016, to allow for the current summer and holiday retail season to continue uninterrupted, and to allow affected merchants adequate time to prepare.

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

g. **Ordinance 2015-36 An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of USS 2386 Lots N, J1 and J2, Located near Glacier Highway at the South End of Auke Lake, from D1(T)D10 to D-3.**

In May 2015, the Community Development Department initiated an application to transition Lots N, J1 and J2 of USS 2386, located near Glacier Highway at the south end of Auke Lake, from D1(T)D10 to D10. These three lots were part of a larger transition area granted a zoning upgrade by the Planning Commission in November 2012, when it transitioned 49 lots east of the subject lots from D1(T)D10 to D-10. The subject lots were not ready to be transitioned at that time however.

At the June 23, 2015, Planning Commission meeting the Commission heard public testimony on the proposed transition. Based on the public testimony received, the Planning Commission declined to finalize the zoning upgrade and instead approved recommending to the Assembly a rezone of the three lots to D -3.

Two of the subject lots have a Comprehensive Plan land use designation of Medium Density Residential (MDR). The third lot is designated MDR and Urban Low Density Residential (ULDR). The MDR designation calls for between 5 and 20 units per acre. The ULDR designation calls for 1 to 6 units per acre.

Per CBJ 49.75.120, Restrictions on rezones, rezones shall only be approved upon a finding that the proposed zoning district and the uses allowed therein are in substantial conformance with the land use maps of the comprehensive plan. In considering rezone requests, Staff makes a threshold determination as to whether the proposed zoning district meets the density limitations specified by the land use designation of the comprehensive plan land use maps.

CBJ 49.25.210(b) provides that D-3 has a density of 3 units per acre, is located primarily outside the urban service boundary where public utilities are not provided, and that the limited amount of D-3 zoned land within the urban service boundary is appropriate where a lower density is deemed appropriate or, in the case of transition zones, where the zoning is intended to be changed to a higher density when sewer and water are provided.

At its meeting on July 13, 2015, the Lands Committee considered the proposed rezone and recommended forwarding it to the full Assembly for its approval.

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

h. **Ordinance 2015-37 An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed $1,300,000 to Finance the cost of Educational Capital Improvements and Districtwide Major Maintenance Projects, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 6, 2015.**

This ordinance authorizes placing on the October 6, 2015, general election ballot the question of issuing $1.3 million in 10 year general obligation bond for the purpose of funding a variety of school district deferred maintenance capital projects.

For several years the District, working together with CBJ Engineering, used prior bond money from the major maintenance capital improvement project. This source of money was fully expended. The 2015 State Legislature suspended the school-related debt reimbursement program for five years. The District need for these small projects will continue even though the state suspended its program. The Board of Education passed a motion at its June 9, 2015, meeting requesting that the Assembly provide $1.3 Million for district-wide deferred maintenance and minor capital improvements.

At the June 22, 2015, Assembly Committee of the Whole meeting, a motion was passed directing staff to prepare this ordinance. If this is approved by voters during the October general election, beginning in FY17 the debt service component of the mill rate for the new bonds would be .038 mills. This amount of debt service would raise annual property tax revenues of $160,000 to pay the annual debt service for 10 years. The .038 mill levy would collect approximately $4 per $100,000 of assessed value or approximately $14 for the average single family home (estimated at $350,000).

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

2. Liquor License

a. **Liquor License Restaurant Designation Permit Modification for Premises Expansion at Juneau Airport - Jacobsen Daniels d/b/a Romeo's Tap Room**

During the Summer of 2014, the Airport began the long-term concept of a consolidated food and beverage operation on the second floor of the airport terminal by introducing food and beverage in the departure lounge of the Juneau International Airport terminal. The Airport Board at its meeting on January 14, 2015 approved expansion of the food and beverage concession area to provide a larger bar area and to add a prep kitchen to enhance menu options.

Jacobsen Daniels representative Dan Brown has been working with Alcohol Beverage Control staff and CBJ staff to ensure the reconfiguration is compatible with the liquor license requirements. ABC Licensing Supervisor Sarah Oates indicated that this action does not require a new liquor license but is rather a change to the restaurant designation permit application. As such, it does not need to go back to the ABC Board for approval, however, it is still subject to approval by the local governing body and then approval by the ABC Director.

CBJ liquor license review staff in the Police, Fire, Finance, Community Development, and the Engineering/Public Works Departments have all had a chance to review and comment on this change to the liquor license premises. Building Official Charlie Ford has stated that there are one or two issues that remain outstanding and should be finalized and approved by Friday, July 17, 2015 and otherwise, staff from all departments recommend the Assembly approve this modification to the Restaurant Designation Permit as shown on the attached maps found in your packet.

The Manager recommends the Assembly approve the modification to the Restaurant Designation Permit provided all issues are resolved and approved by the Building Code Official prior to this meeting.

b. **Liquor License Transfer of Restaurant/Eating Place License #4192 Seongs S. Kim d/b/a Seong's Sushi Bar & Chinese Takeout to Jeong H. Kim d/b/a Seongs Sushi Bar**

The following liquor license transfer of ownership and application for a Restaurant Designation Permit (RDP) is before the Assembly to either protest or waive its right to protest and approve or deny the RDP.

Restaurant/Eating Place License #4192
Transfer from: Seong S. Kim d/b/a Seong's Sushi Bar & Chinese Takeout
Transfer to: Jeong H. Kim d/b/a Seongs Sushi Bar
Location: 740 W. 9th Street, Juneau, AK 99801

The Assembly may protest a license application for any of the reasons listed in CBJ 20.25.025. The Finance, Police, Fire, Engineering/Public Works, and Community Development Departments have reviewed the above business and found it to be in compliance with CBJ Code.

In the event the Assembly does protest the transfer of this license, CBJ Code 20.25 requires notice, with specificity regarding the nature and basis of the protest, to be sent to the licensee and provides the licensee an opportunity to exercise their right to an informal hearing before the Assembly.

The Manager recommends the Assembly waive its right to protest this liquor license transfer and approve the Restaurant Designation Permit.

VIII. PUBLIC HEARING

A. **Ordinance 2014-24(AU) An Ordinance Appropriating and De-appropriating to the Manager the Sum of $14,300 and $4,778 Respectively as Additional Funding for the Salt Water Pump House Stabilization CIP; Additional Funding Provided by the Alaska Department of Natural Resources and In-Kind Services and Supplies.**

The project is now complete and this ordinance would appropriate additional grant funds made available from the Alaska Department of Natural Resources Office of History and Archaeology to install a new roof structure and new roofing material on the Salt Water Pump House located on Sandy Beach and part of the historic Treadwell Mine Complex. In addition

this action would appropriate in-kind services and materials to the project budget which was used and approved as a portion of the required match for the grant.

The Treadwell Historic Preservation and Restoration Society provided funds to the CBJ as a match to the grant. The amount of funds provided proved to be in excess of what was required due to the additional funds provided by the state and in-kind supplies and services supplied by outside vendors. Thus, excess funds would be returned to the Society for future projects at the Treadwell Historic Mine Site.

The specific amounts subject to this ordinance are as follows:

- Appropriation of additional funds received from the Alaska Department of Natural Resources Office of History and Archaeology totaling $5,023.51.
- Appropriation of donated services and materials totaling $9,275.84.
- De-appropriation of donated funds from Treadwell Historic Preservation and Restoration Society totaling $4,777.16.

The Manager recommends this ordinance be adopted.

B. **Ordinance 2015-20(A) An Ordinance Appropriating to the Manager the Sum of $72,000 as Funding for the Accessory Apartment Grant Incentive Program, Funding Provided by the Juneau Affordable Housing Fund's Fund Balance.**

This ordinance would appropriate $72,000 for an Accessory Apartment Grant Incentive Program.

The Affordable Housing Commission has designed a program to incentivize the development of accessory apartments. The basic concept behind the program is to provide homeowners a sum of money, after a certificate of occupancy is obtained, for newly constructed accessory apartments.

Originally, the funding for this program was proposed to come from $77,000 remaining in an affordable housing grant from the State of Alaska. That ordinance failed at the Assembly's March 16, 2015, meeting.

At the June 8, 2015, Assembly meeting, a motion was passed to direct staff to prepare an ordinance that allows for the project to be funded by the Juneau Affordable Housing Fund, in the amount of $72,000.

The Manager recommends this ordinance be adopted.

C. **Ordinance 2015-20(B) An Ordinance Appropriating to the Manager the Sum of $5,270,000 as Funding for Various Water and Wastewater Capital Improvement Projects; Funding Provided by Water Utility Revenues, Water Fund's Fund Balance, and Wastewater Fund's Fund Balance.**

This ordinance would appropriate $5,270,000 for Water and Wastewater Utility capital projects with funding provided by the Water and Wastewater Fund's fund balances. The FY16 Water and Wastewater Capital Improvement Projects (CIPs) were included in the overall FY2016 -2021 CIP Resolution 2713(b) in the unscheduled funding section.

This ordinance would appropriate $1,000,000 of Water Utility funds and $330,000 of Water Fund's fund balance to the following FY16 Water Utility CIPs. The estimated remaining Water Fund's fund balance will be $4,010,000 after this appropriation.

WATER UNSCHEDULED FUNDING

Water Utility	Cope Park Water Main	$ 350,000
Water Utility	Crow Hill Reservoir improvements	500,000
Water Utility	Front Street Douglas (Savikko to D St)	150,000
Water Utility	W Juneau Reservoir - Cathodic Protection and mixer	140,000
Water Utility	Utility Adjustments: Lakewood	20,000
Water Utility	Utility Adjustments: Pavement Management	20,000
Water Utility	Distin / W Eighth Reconstruction	150,000
	Water Enterprise Fund Total	**$ 1,330,000**

This ordinance would appropriate $3,940,000 of Wastewater Fund's fund balance to the following FY16 Wastewater Utility CIPs. The estimated remaining Wastewater Fund's fund balance will be $1,750,000 after this appropriation.

WASTEWATER UNSCHEDULED FUNDING

Wastewater Utility	MWWTP Headworks Improvements	$ 1,500,000
Wastewater Utility	MWWTP Roof Repair	500,000
Wastewater Utility	Areawide Sewer Cleanout replacements	150,000
Wastewater Utility	Utility Adjustments: Eagles Edge	20,000
Wastewater Utility	Utility Adjustments: Pavement Management	20,000
Wastewater Utility	Front Street Douglas (Savikko to D St)	150,000
Wastewater Utility	Downtown, Whittier St Improvements	150,000
Wastewater Utility	Lakewood Subd Reconstruction	150,000
Wastewater Utility	SCADA	250,000
Wastewater Utility	Facilities Planning	250,000
Wastewater Utility	MWWTP Instrumentation Upgrades	300,000
Wastewater Utility	Long Run Dr Lift Station Improvements	300,000
Wastewater Utility	Distin/ Indian Reconstruction	100,000
Wastewater Utility	Cope Park Sewer improvements	100,000
	Wastewater Enterprise Fund Total	**$ 3,940,000**
	Water and Wastewater Funding Total	**$ 5,270,000**

The final design of the Cope Park Improvements project discovered additional unforeseen sewer and water repairs necessary during the project that were not accounted for in the FY16 CIP. These increases are reflected in the $50,000 increase for Cope Park Water Main and the addition of $100,000 for Cope Park Sewer Improvements.

Two water utility projects from the FY16 CIP are not included in this list due to being ADEC grant requests – Salmon Creek Secondary Disinfection ($3 million) and Last Chance Basin Well Upgrade ($2 million). Salmon Creek appears to be successful in receiving the full $3 million, but is awaiting the Governor's signature.

The projects receiving grant and loan funding will be presented to the Assembly for appropriation at a future date, when the applications are complete and the funding is made available to the CBJ.

The Public Works and Facilities Committee reviewed this ordinance at its June 22, 2015 meeting, and recommended forwarding to the full Assembly for approval.

The Manager recommends this ordinance be adopted.

D. **Ordinance 2015-20(C) An Ordinance Appropriating to the Manager the Sum of $850,000 as Funding for the City Shop Sand and Salt Storage Shelter; Funding Provided by Waste Management Fund's Fund Balance.**

This ordinance would appropriate $850,000 from the Waste Management Fund's fund balance as support for the sand and salt storage shelter to be located at the City Shop in Lemon Creek.

As discussed at the March 2nd and March 23rd Public Works and Facilities Committee meetings, there are significant operational efficiencies to be gained by constructing a new sand and salt storage shelter at the City Shop. Allocating more space to the Household Hazardous Waste program will allow that program to grow and to increase diversion from the landfill and provide the community with additional free chemical products.

The combination of this appropriating ordinance, the transfer of $176,135, approved at the June 8, 2015 Assembly meeting, and the FY16 CIP Resolution 2713d of $300K will provide the funding to complete this project. A conservative project estimate for the sand and salt storage shelter is $1.4M (the estimate has increased $200,000 since we last reported to PWFC), but we expect very competitive bidding from contractors and suppliers of fabric building systems.

Moving forward with this project will position the CBJ to achieve three important goals:

1. Save money on street maintenance.
2. Incrementally grow the HHW Program
3. Open the opportunity in the future to combine the HHW and Recycling programs and save on the costs of those programs.

The Manager recommends this ordinance be adopted.

E. **Ordinance 2015-20(D) An Ordinance Appropriating to the Manager the Sum of $500,000 as Funding for the Juneau International Airport Runway Rehabilitation Capital Improvement Project, Funding Provided by the Juneau International Airport Operating Reserves.**

This ordinance would appropriate $500,000 for the Runway Rehabilitation capital project.

Funding is provided as follows:
Juneau International Airport Operating Reserves: $500,000

These funds would be reimbursed from a pending Federal Aviation Administration (FAA) grant amendment.

This airport capital project would resurface the runway, and install new drainage. The FAA funds 93.75% of the project with the remainder being split between Alaska DOT and Juneau International Airport.

The Airport Board approved this action at its June 23, 2015, Special meeting, and recommended forwarding to the full Assembly for approval.

The Manager recommends this ordinance be adopted.

F. **Ordinance 2015-34 An Ordinance Amending the Land Use Code Relating to Transitional Housing.**

This ordinance would amend Title 49 as follows:

1. By creating a transitional housing category in the Table of Permissible Uses (CBJ 49.25.30) and related definition, consistent with the Board of Adjustment's unlisted use decision, dated August 26, 2014.

2. By amending the definition of "correctional facility" to include "halfway houses," and by amending the Table of Permissible Uses to delete references to "halfway houses."

3. By eliminating the "group home" category and definition for consistency with federal law.

4. By amending the "assisted living" definition to distinguish that category as it has historically been understood from transitional housing and multifamily housing.

The Planning Commission considered this ordinance at its July 14, 2015, meeting and, with an amendment to the definition of "transitional housing", recommended forwarding it to the Assembly for its approval. As the ordinance had already been introduced, the Planning Commission's recommendation is reflected in the memorandum included in your packet.

The Manager recommends this ordinance be adopted.

G. **Ordinance 2015-35 An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of Tract B1 of USS 1568, Located at 7400 Glacier Highway, from D-5 to D-18.**

In January 2015, the applicant applied to have Tract B1 of USS 1568, located at 7400 Glacier Highway, rezoned from D-5 to a mix of D-18 and Light Commercial. On February 26, 2015, staff held an informational meeting to discuss the proposed rezoning with all property owners in the affected area.

The Planning Commission, at its April 14, 2015, meeting, recommended denial of the proposed rezone to the Assembly. The applicant, on April 24, 2015, submitted a timely protest to the Planning Commission's recommendation of denial.

On June 11, 2015, the Assembly took comments from the applicant and the public and received information from staff. The Assembly requested staff draft an ordinance for public hearing that, if adopted, would rezone the above-identified area from D-5 to D-18.

The rezone from D-5 to D-18 conforms to CBJ land Use Code requirements as follows:

1. The request is more than 2 acres.
2. No similar request has been made in the past year.
3. The request conforms to the 2013 Comprehensive Plan land use maps.

The Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

A. **Hardship Real Property Exemption - Darnell**

B. **Hardship Real Property Exemption - Felipe**

C. **Hardship Real Property Exemption - Fratzke**

D. **Senior Citizen Exemption Late File - Lockhart**

E. **Senior Citizen Exemption Late File - Miller**

XI. STAFF REPORTS

A. **Airport Supplemental Agreement #2 - E14-259 JNU Runway 8-26 Rehabilitation**

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

A. **Juneau Arts and Cultural Center Lease Agreement**

B. **City Attorney Evaluation**

XVI. ADJOURNMENT

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