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

January 12, 2015 7:00 PM

City Hall Assembly Chambers
Regular Meeting 2015-01
Submitted by: ______________________________
Kimberly A. Kiefer
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. **Proclamation - Big Brothers Big Sisters National Mentoring Month**

IV. APPROVAL OF MINUTES

A. **December 22, 2014 Regular Assembly Meeting 2014-29**

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(AA) An Ordinance Appropriating to the Manager the Sum of $130,000 to the School District Facilities Renovation and Repair Capital Improvement Project; Funding Provided by an Insurance Settlement from Zurich American Insurance Co.**

This ordinance would authorize the appropriation of $130,000 from the Gastineau Elementary School Roof Insurance Settlement to a new CIP titled "School District Facilities Renovation and Repair."

The School District intends to use approximately $75,000 of these funds to complete the Marie Drake planning process. The remaining funds of approximately $55,000 will be used for one or more repair projects (to be determined). The Marie Drake planning process commenced in November 2013 using funds remaining from the District Wide Major Maintenance CIP. These funds were sufficient to complete the first phase of planning, orientation and education plan. This appropriation will allow completion of the remaining phases including master planning, conceptual design, educational specifications, and construction cost estimates. This information is required by the Department of Education and Early Development for approval under the bond debt reimbursement program.

The Juneau School District Facilities Committee approved this appropriation at its December 18, 2014 meeting. The Public Works and Facilities Committee approved this appropriation at its December 29, 2014 meeting. The School Board will hear this appropriation request at its January 13, 2015 meeting.

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

b. **Ordinance 2015-01 An Ordinance Amending the Excise Tax on Tobacco Products Code.**

This ordinance would increase the tobacco excise tax from the current $1.00 per pack to $3.00 per pack of cigarettes, and would amend the definition of "other tobacco products" to include e-cigarettes and other vapor-inducing products. The primary objective of the ordinance is to reduce consumption of cigarettes and tobacco products, particularly among youth. The increase would be effective April 1, 2015. The higher excise tax rate would increase annual tax revenue collected by an estimated $1.7 million.

The ordinance also amends the existing language providing for the creation of a lien for failure to submit the tax by removing an outdated reference to the Alaska Statutes, and by deleting the language setting the priority of the lien in recognition of the Supreme Court's holding that a municipality has no discretion to set lien priority by ordinance unless there is express statutory authority to do so.

The proposed amendments were reviewed by the Assembly Finance Committee on November 12, 2014, which recommended an ordinance be drafted and brought to the full Assembly for its consideration.

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

c. **Ordinance 2015-02 An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Remote Subdivisions Area Map for Hidden Valley Tract B, Located in the Upper Lemon Creek Valley, from "Not Remote" to Remote.**

In April 2014, the applicant applied to have Hidden Valley Tract B, located in the upper Lemon Creek valley, rezoned from "Not Remote" to Remote.

On May 14, 2014, the Planning Commission approved the rezone application. The proposed ordinance was pulled from the Assembly's agenda when it was learned that the applicant had a concurrent easement application pending that would have provided road access to the property, making it ineligible for a "Remote" designation. It was subsequently learned that the applicant had constructed a gravel roadway to the property connecting it to the roadway without the CBJ's knowledge.

On December 9, 2014, the Planning Commission reconsidered the rezone application and determined that the 12 – 16 foot gravel roadway did not prohibit the Commission from recommending the lot be rezoned from "Not Remote" to

"Remote."

The Planning Commission recommends that the Assembly approve the text amendment to change the subject parcel from Not Remote to Remote.

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

d. **Ordinance 2015-05 An Ordinance Authorizing the Port Director to Negotiate and Execute a Lease of Alaska Tidelands Survey No. 1277, Located at Approximately 3155 Channel Drive, Juneau, Alaska.**

Salmon Creek Development leases 1.83 acres of CBJ Docks & Harbors managed tidelands adjacent to the Sampson Tug & Barge facility near Channel Drive. The original lease between the State and Salmon Creek Development was recorded in 1984 and provided a 30 year lease of $9600/annum subject to adjustment following the expiration of the initial 25-year period. The lease was transferred to the City and Borough in 2001. A lease rent adjustment was set in April 2009, making the new lease amount $11,957.25. The lease expired in April 2014.

Salmon Creek Development submitted a request to re-lease these lands under a provision allowed in CBJ 53.20.100 (Preference Privilege). Docks & Harbors contracted with Horan & Company to appraise the property pursuant to the issuance of a new lease. An appraised value of $11,957.25 (unchanged) was received and the Docks & Harbors Board, at its October 30, 2014 meeting, recommended accepting this value for the initial five-year period of the new 35-year lease.

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

e. **Ordinance 2015-06 An Ordinance Approving a Lease Amendment to the 1995 Lease Between the City and Borough and Goldbelt Aerial Tramway, LLC, ("Goldbelt") of Approximately 10,000 Square Feet Within Lots 1 and 2A, Dockside Subdivision and Lots 13B, 16, And 17, Block 83, Tidelands.**

Since 2011, Docks & Harbors has been engaged in dispute resolution and negotiations with Goldbelt with respect to the required lease rent adjustment contained in the original lease agreement relating to Mount Roberts tram lease. In October 2013, the Docks & Harbors Board appointed a special sub-committee consisting of Docks & Harbors Finance Committee members to commence negotiations with Goldbelt to reach a fair market value, lease rate and terms.

On November 20, 2014 the Docks & Harbors Board approved a settlement agreement and the negotiated lease amendment contemplated by this ordinance. The resulting effect of the lease amendment would be that Docks & Harbors will collect $272,000 per year until 2020 when the next appraisal is required. The amendment would also: (1) allow Goldbelt to use the lease premises spaces as "retail space;" (2) remove the provision requiring that a percentage of the annual lease amount would consist of a royalty of 1 – 5 percent depending on the leasehold revenues received by the lessee; (3) change the lease base rent to nine percent of the appraised value of the property from ten percent or $30 per square foot, whichever is greater; (4) memorializes the assignment of the lease from Mount Roberts Development Corporation to Goldbelt Aerial Tramway, LLC; and

(5) in an effort to avoid future appraisal disputes, include an appraisal dispute resolution process which changes depending on the extent of the disparity between the parties' respective appraisals.

On November 20, 2014, the Docks & Harbors Board approved forwarding the proposed amendments to the Assembly for final approval. On December 8, 2014 the CBJ Lands Committee recommended forwarding the proposed lease amendment to the Assembly for final approval.

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

2. Resolutions

a. **Resolution 2702 A Resolution of the City and Borough of Juneau in Support of Full Funding for the State of Alaska Harbor Facility Grant Program in the FY 2016 State Capital Budget.**

The substantive portions of this resolution were drafted by the Alaska Association of Harbormasters and Port Administrators (AAHPA), of which the CBJ Docks & Harbors is a member. This resolution recommends full funding for the State of Alaska Department of Transportation's Harbor Facility Grant Program. Although the CBJ does not have any projects pending approval in FY2016, Docks & Harbors has been the beneficiary of approximately $9M in harbor grant funding since the program's inception in 2006. (Statter $5M; Aurora $2M; Douglas $2M)

This year, the municipalities of the Aleutians East Borough, the City and Borough of Sitka, the City of Seward, the City of Ketchikan, the City of Coffman Cove and the Municipality of Anchorage have offered to contribute $14,262,722 in local match funding for FY2016 towards seven harbor projects of significant importance for Alaska. The continued support of this program is critical for sustaining Alaska's maritime infrastructure.

The Docks & Harbors Board reviewed this resolution at its December 11, 2014 meeting, and recommended forwarding it to the full Assembly for approval. The Public Works & Facilities Committee heard this resolution at its December 29, 2014 meeting, and recommended forwarding it to the full Assembly for approval.

The Manager recommends this resolution be adopted.

b. **Resolution 2704 A Resolution Authorizing the Manager to Submit a Grant Application for StoryCorps Programming to the American Library Association Public Programs Office.**

StoryCorps is an independent non-profit organization that has been collecting and archiving the oral histories of individuals across the country since 2003. Stories, once collected, are archived at the American Folklife Center at the Library of Congress as well as in certain localities. Selected stories are also aired, with permission, on National Public Radio's *Morning Edition*.

StoryCorps @ your Library is a two year pilot project of the American Library Association's Public Programming Office, funded by the Institute for Museum and Library Services. Successful library applicants receive equipment, training, and promotional materials to help develop community documentation projects using the StoryCorps facilitated interview model.

This resolution, if adopted, would approve and support the City and Borough submitting a grant application.

The Manager recommends this resolution be adopted.

c. **Resolution 2705 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 Drinking Water Fund, for the Salmon Creek Secondary Disinfection Project.**

This resolution would authorize the Manager to enter into a loan agreement with the Alaska Department of Environmental Conservation, Drinking Water Fund, for the Salmon Creek Secondary Disinfection Project in the amount of $3,000,000.

The Salmon Creek Secondary Disinfection Project involves the assessment of levels of disinfection required, facility permitting, and the design and construction of a secondary disinfection process at the Salmon Creek Water Treatment Facility. This project is necessary to comply with the U.S. Environmental Protection Agency Surface Water Treatment Rule requirement to provide secondary disinfection of surface water sources, which became effective in 2013. (The City and Borough applied for and received an extension to have an approved secondary disinfection system in place by no later than October 1, 2015.)

The $3 million loan would provide the remaining funding necessary to meet the ADEC compliance deadline of October 1, 2015. This $3 million will bring the total project funding to $7.3 million. The project is in the final stages of design and preparation for bid with the anticipated bid opening in April 2015, with completion scheduled for October 2015.

The CBJ has been successful in ranking highest on the State's FY2016 ADEC Municipal Drinking Water Grants list for this project, however the ranking and amount have to survive the 2015 Legislative session and the grant award is not effective until July 1, 2015. If the $3 million grant is awarded to the CBJ, the grant expenditures are able to be prorated 120 days prior to the effective date, or March 2015. The grant funds would be used to repay the $3 million loan which would be applied for if authorized by this resolution.

The terms of the low interest loans under the Alaska Revolving Loan Fund programs are 20-year repayment at a 1.5-percent interest rate. If the grant funds are not awarded to the CBJ, the project loans will be re-paid with Water Utility customer revenues.

The Public Works and Facilities Committee passed a motion of support for the resolution at its December 29, 2014 meeting, and recommended forwarding to the full Assembly for approval.

The Manager recommends this resolution be adopted.

d. **Resolution 2708 A Resolution in Support of the Juneau Housing First Project**

This resolution would commit $1.5 million dollars for the construction of the Juneau Housing First Project, consistent with Assembly goals. The Glory Hole will be submitting a grant request for construction of the Juneau Housing First Project through the Alaska Housing Finance Corporation's Special Needs Housing Grant program. The CBJ's commitment of the $1.5 million is needed to improve the prospects of receiving the AHFC grant. Tlingit-Haida Regional Housing Authority has donated land for the project, and MRV Architects has drafted renderings of the facility. The facility would include 32 single resident occupancy units, dining and kitchen facilities, administrative offices, and space for the Front Street Clinic. Total estimated construction costs of phase one are $6.8 million.

Potential funding sources identified at this time include: tobacco tax increase allocation, housing land development CIP, reprioritize 1% sales tax proceeds from FY16 funding of budget reserve, BRH fund balance, JEDC revolving loan fund return of capital, and CBJ fund balance. Because of the short turnaround time, the BRH and JEDC boards have not been able to meet to discuss the option of partially funding the project. I recommend the project funding discussion take place at the February 18 Finance Committee meeting allowing time for input from BRH and JEDC.

The Manager recommends this resolution be adopted.

3. Transfer

a. **Transfer T-963: Transfer $494,954 of Sales Tax Revenues from existing CIP's to a new Street Reconstruction CIP.**

This action would transfer $494,954 of Sales Tax Revenues from three completed, existing, capital improvement projects, listed below, to provide additional funding to complete the reconstruction of Jackson Street as the next phase of the Blueberry Hills CIP.

The initial phasing plan for the Blueberry Hills project was to continue up the hill from the most recent phase of Pioneer Avenue, however it was determined that Jackson Street (planned for FY16 in the CIP) is in a more serious state of disrepair, making it a higher priority, and requiring completion sooner, leading to the funding shortfall that this transfer of these completed CIP's is providing.

Transfer From - Closing	
R72-044 Gold Creek Flume	$101,190
R72-062 Irwin &Reinhardt Street Recon	$232,827
R72-108 Third St. Construction	$160,937

Transfer To – NEW CIP	
R72-114 Blueberry Hills	$494,954

The Public Works and Facilities Committee reviewed and approved this action at its December 8, 2014 meeting, and recommended forwarding to the full Assembly for approval.

The Manager recommends approval of this transfer.

4. Liquor License

a. **Liquor License Renewals**

The following liquor license applications are before the Assembly to either protest or waive its right to protest these renewals.

Beverage Dispensary Licenses

License #76 Arctic Bar Inc. d/b/a Arctic Bar, Location: 148 S. Franklin St.
License #674 MSE,LLC d/b/a Lucky Lady, Location: 192 S. Franklin St.
License #1081 Shayz, LLC d/b/a Squirez, Location: 11806 Glacier Hwy.
License #2766 Alaska Red Dog Saloon LLC, d/b/a Red Dog Saloon, Location: 278 S. Franklin St.

Beverage Dispensary-Seasonal License #3720 Goldbelt Aerial Tramway, LLC d/b/a Timberline Bar & Grill, Location: Mt. Roberts 1800 Foot Level

Package Store Licenses

License# 176 Breeze-In Corporation d/b/a Breeze-In Liquor, Location: 8 Mile Old Glacier Hwy.
License# 662 Breeze-In Corporation d/b/a Douglas Island Breeze-In, Location: 3370 Douglas Hwy.
License# 4543 Breeze-In Corporation d/b/a Breeze-In, Location: 5711 Concrete Way (Lemon Creek)
License# 828 Thibodeau's Market Inc. d/b/a Thibodeau's Liquor, Location: No premises.
License# 849 Oke Hui Rodman d/b/a Percy's Liquor Store, Location: 214 Front St.
License# 3352 Costco Wholesale Corporation d/b/a Costco Wholesale #107, Location: 5225 Commercial Way

Recreational Site License# 5095 Taku Lanes LLC d/b/a Taku Lanes LLC, Location: 608 W. Willoughby Ave.

Restaurant/Eating Place Licenses

License #188 Bullwinkle's Inc. d/b/a Bullwinkle's Pizza, Location: 318 Willoughby Ave.
License #816 El Sombrero Inc. d/b/a El Sombrero Mexican & American Food, Location: 157 S. Franklin St.
License #1384 Alfonso Soriano d/b/a Jovany's Italian Restaurant, Location: 9121 Glacier Hwy.
License #1690 Bullwinkle's Inc. d/b/a Bullwinkle's Pizza, Location: 2687 Mendenhall Loop Road
License #2175 The Silverbow, LLC d/b/a Silverbow Bakery and Catering, Location: 120 Second St.
License #4731 DJ LLC d/b/a Asiana Gardens, Location: 9116 Mendenhall Mall Road

Wholesale - General License# 4859 Southern Wine & Spirits of Alaska LLC d/b/a Southern Wine & Spirits of Alaska, Location: 5452 Shaune Drive - Bay 2

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

In the event the Assembly does protest the renewal of one or more of these licenses, CBJ Code 20.25 requires notice, with specificity regarding the nature and basis of the protest, to be sent to the licensee and provides the licensee an opportunity to exercise their right to an informal hearing before the Assembly.

The Manager recommends the Assembly waive its right to protest the above liquor license renewals.

VIII. PUBLIC HEARING

A. **Ordinance 2014-24(S) An Ordinance Appropriating to the Manager the Sum of $64,282 as Funding for the Implementation of the Police K-9 Program at Juneau Police Department, $48,091 in Grant Funding Provided by United States Department of Justice, Drug Enforcement Agency Grant and a $16,191 Match Provided by the Roaded Service Area Fund Balance, Asset Forfeiture Reserve.**

This ordinance would appropriate $64,282 to the Manager for the new K-9 Program. Funding is provided as follows:

United States DOJ, Drug Enforcement Agency Grant:	$48,091
Asset Forfeiture Reserve Fund:	$16,191

The grant funding provides for the purchase, travel, training and maintenance of a Police K-9 through September 30, 2015. The K-9 will be utilized for controlled substances interdiction, investigations and enforcement operations. Grant funding is provided by the United States Department of Justice, Drug Enforcement Agency as a part of Operation DIPNET. The grant period is October 1, 2014 ending September 30, 2015. For FY15, the grant funding to be appropriated is $35,000. The Police K-9 will be assigned to a current officer of the Juneau Police Department.

Overtime costs incurred upon start-up of the program and continued K-9 upkeep for the grant period will be paid by funds in the Asset Forfeiture account, the amount appropriated for FY15 is $16,191.

The Assembly Finance Committee reviewed this request at its November 12, 2014 meeting, and recommended forwarding to the full Assembly for approval.

The Manager recommends this ordinance be adopted.

B. **Ordinance 2014-24(Y) An Ordinance Appropriating to the Manager the Sum of $50,000 as Funding for Phase I of the Amalga Harbor Fish Cleaning Station Project; Grant Funding Provided by the Alaska Department of Fish and Game.**

CBJ Docks and Harbors requests approval of an appropriation ordinance that would receive funding from the Alaska Department of Fish and Game (ADF&G) for the purpose of determining the most appropriate and feasible fish cleaning station at Amalga Harbor.

The ADF&G cooperative agreement grant is in the amount of $50,000 for Phase I of the project that would include planning, design, permitting, if applicable, and determining the most appropriate and feasible fish cleaning station at Amalga Harbor. It is anticipated that ADF&G would amend the cooperative agreement for construction funding if a feasible solution is vetted through the Phase I process.

The Docks and Harbors Board reviewed this recommendation at its December 11, 2014 meeting, and recommended forwarding to the full Assembly for approval.

The Manager recommends this ordinance be adopted.

C. **Ordinance 2014-24(Z) An Ordinance Appropriating to the Manager the Sum of $650,000 as Funding for the new Waste Management Baler Project; Funding Provided by the Waste Management Fund Balance and the Waste Management Fleet Reserve.**

This ordinance would transfer $650,000 to the new Waste Management Baler CIP from the Waste Management Fund Balance and Fleet Reserve for purchase and installation of a new industrial recycling baler at Capitol Disposal.

Funding of $450,000 would be provided by the Waste Management Fund Balance.
Funding of $200,000 would be provided by the Waste Management Fleet Reserve.

The Public Works and Facilities Committee reviewed this transfer at its December 8, 2014 meeting, and recommended forwarding to the full Assembly for approval.

The Manager recommends this ordinance be adopted.

D. **Ordinance 2014-48(b) An Ordinance Amending the Administration Code Relating to the Appeal Process for Civil Violations.**

This is a housekeeping ordinance to correct an inconsistency in the civil fine citation appeal timelines specified by CBJ 03.30.075 and 03.30.085. Under the current code, an appeal must be filed within 20 days of the issuance of the citation. However, if the citation is not paid within 30 days, the CBJ sends a notice that the appeal will be accepted if the individual presents evidence that he or she did not receive the notice of violation. This ordinance clarifies that a timely notice of appeal must be received within 30 days of the citation issuing, and allows for a process by which the hearing officer may accept a late-filed appeal upon a satisfactory showing that the original citation had never been received. This ordinance would also amend CBJ 03.30 to allow the hearing officer some discretion in reducing fine amounts in the interest of justice, unless prohibited from doing so by ordinance.

Version (b) amends the ordinance from the version introduced by replacing an "or" with an "unless" in section 03.30.070.

The Manager recommends this ordinance be adopted.

E. **Ordinance 2014-50 An Ordinance Imposing a Limited Moratorium on the Receipt or Processing of Applications, Permits, or Pending Approvals Pertaining to Marijuana Establishments.**

On November 4, 2014, Alaskan voters approved a ballot measure related to the legalization of marijuana. The initiative, which goes into effect on February 24, 2015, allows the State nine months to enact regulations concerning the registration and oversight of marijuana establishments, defined by the initiative as marijuana cultivation, testing and product manufacturing facilities and marijuana retail stores. The initiative requires the State to begin accepting and processing applications for the registration of marijuana establishments within one year of the effective date of the act. The initiative authorizes local governments to enact legislation concerning the time, place and manner related to the operation of registered marijuana establishments (for example, hours of operation, allowable locations, and limitations on the number of establishments allowed within the municipality .)

The purpose of the moratorium is to allow the CBJ time to consider and enact legislation concerning the operation of marijuana establishments in the CBJ. The moratorium is set to expire within one year of adoption, which is after the date the State is required to enact regulations given the fact that it may be necessary to coordinate our local legislation with the State's regulatory scheme, but before the time the State is required to begin processing applications.

The Lands Committee heard this ordinance at its December 29, 2014 meeting, and recommended forwarding it to the full Assembly for approval.

The Manager recommends this ordinance be adopted.

F. **Ordinance 2014-51(b) An Ordinance Amending the Second-hand Smoke Control Code to Regulate the Use of Marijuana.**

This ordinance would amend the Second-hand Smoke Control Code, Chapter 36.30, to provide for the regulation of marijuana smoking in the same way the smoking of tobacco products is regulated within the City and Borough.

The Lands Committee heard this ordinance at its December 29, 2014 meeting, and recommended forwarding an amended version to the full Assembly for approval.

Version (b) of the ordinance clarifies that medical marijuana is not exempted in the same manner as tobacco cessation products or products prescribed by a licensed physician.

The Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

A. **Application for De-designation of Liquor Licensed Premises - Suite 907, LLC**

A liquor license de-designation application is subject to approval by the local law enforcement agency as well as the local governing body. This is an application to de-designate the liquor license for Suite 907 for certain dates/times to allow the business to hold youth-related events for persons between the ages of 17 and 20.

A similar de-designation application was approved by the Assembly at its August 11, 2014 meeting with the condition that the police department could revoke its approval at any time should any law enforcement issues arise. At its August 11, 2014 Assembly Human Resources Committee meeting, the HRC delegated the review and approval process of these applications directly to the Assembly.

If approved by the Assembly at this meeting, the event dates/times approved for this application are below (all dates are for the 2015 calendar year):

Jan. 19, 9pm - Jan. 20, 1am

Feb. 12, 9pm-Feb. 13, 1am
March 16, 9pm – March 17, 1am
May 24, 9pm – May 25, 1am
June 15, 9pm – June 16, 1am

The Manager recommends the Assembly approve this application with the condition of allowing JPD revocation ability should there be any law enforcement concerns arising from any of these events.

B. **Liquor License Mid-Cycle Protests of Continued Operations**

Liquor licenses are issued by the State of Alaska on a two-year cycle. Alaska Statute 04.11.480 provides for a mid-cycle protest by the local governing body for the continued operation of liquor license as follows: (***emphasis added***)

Sec. 04.11.480. Protest.
(a) A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license by sending the board and the applicant a protest and the reasons for the protest within 60 days of receipt from the board of notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and in no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer. ***The local governing body may protest the continued operation of a license during the second year of the biennial license period by sending the board and the licensee a protest and the reasons for the protest by January 31 of the second year of the license. The procedures for action on a protest of continued operation of a license are the same as the procedures for action on a protest of a renewal application.*** The board shall consider a protest and testimony received at a hearing conducted under AS 04.11.510(b)(2) or (4) when it considers the application or continued operation, and the protest and the record of the hearing conducted under AS 04.11.510(b)(2) or (4) shall be kept as part of the board's permanent record of its review. If an application or continued operation is protested, the board shall deny the application or continued operation unless the board finds that the protest is arbitrary, capricious, and unreasonable.

CBJ Finance Department is recommending the Assembly protest the continued operations of the following liquor licenses based on unfiled sales tax returns, the associated taxes owing for those returns, and all associated penalties and interest.

Seong S. Kim d/b/a Seong's Sushi Bar & Chinese Takeout, Restaurant/Eating Place License #4192. Protest based on a total balance owing of $25,285.72 as of January 2, 2015 for the monthly periods February - September 2014 and unfiled sales tax returns for October - November 2014 and all associated taxes, penalties and interest.

Joan Deering d/b/a Paradise Cafe & Bakery, Restaurant/Eating Place License #5278. Protest based on a total balance owing of $224.42 as of January 2, 2015 for June - July 2014 and unfiled sales tax returns for September - November 2014 and all associated taxes, penalties and interest.

NYT, Inc. d/b/a Rendezvous, Beverage Dispensary License #772. Protest based on unfiled third quarter sales tax returns with the associated unremitted sales taxes, penalties and interest.

Jacobsen/Daniels Associates, LLC d/b/a Romeo's Tap Room Beverage Dispensary-

Tourism License #5341. Protest based on balances due as of January 2, 1015 of $501.06 for sales tax periods August-October 2014.

These protest recommendations were scheduled for the January 12, 2015 Assembly Human Resources Committee to review and forward recommendations for Assembly action.

CBJ Code 20.25.025(c) provides licensees with the right to an abbreviated informal hearing before the Assembly. If a licensee wishes to exercise that right, this would be the opportunity for them to do so.

The Manager recommends the Assembly act according to the Human Resources Committee recommendations regarding the continued operation of these liquor licenses.

C. **Export Manufacturing Property Tax Exemption**

Alaska Glacier Seafood Inc., Taku Smokeries, and AKB EV Group, LLC (Alaska Brewery) timely applied with the Assessor's Office for the 2013 & 2014 Export Manufacturing tax exemption.

CBJ 69.10.020(10) provides for exempting qualifying manufacturing property from assessment and taxation. Qualifying property may receive a declining five-year percentage exemption from the property's market value as follows

- 100% exemption in year 1
- 80% exemption in year 2
- 60% exemption in year 3
- 40% exemption in year 4
- 20% exemption in year 5

Property owners seeking an exemption must file a request with the Assessor's Office on or before January 31 of each year. The code places the authority for approving the Manufacturing exemption requests with the Assembly.

	2014	**2013**
Alaska Glacier Seafood Inc.		
New Export Mfg. Exempt Property Value	$278,480	$497,276
Tax Amount @ Appropriate Mill Rate	$2,969	$55,350
S A S S Co, Inc. Taku Smokeries		
New Export Mfg. Exempt Property Value	$112,981	$72,538
Tax Amount @ Appropriate Mill Rate	$1,204	$781.00
AKBEV Group, LLC		
New Export Mfg. Exempt Property Value	$553,752	$1,665,212
Tax Amount @ Appropriate Mill Rate	$5,903	$17,918

The Assessor's Office reviewed the exemption applications and determined that the properties met the code requirements. They granted the export manufacturing exemption without Assembly approval. The Assembly Finance Committee reviewed this issue at its November 12, 2014 meeting, and recommended forwarding the tax exemptions for 2013 & 2014 to the full Assembly for authorization.

The Manager recommends approval of these exemptions.

XI. STAFF REPORTS

A. **Combining State and Local Elections**

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

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