2024-04 REGULAR ASSEMBLY MEETING MINUTES

February 05, 2024 at 7:00 PM

Assembly Chambers/Zoom Webinar/YouTube Livestream

Meeting No. 2024-02: the Regular Meeting of the City and Borough of Juneau Assembly was held in the Assembly Chambers and called to order by Deputy Mayor Michelle Hale at 7:01 p.m.

A. FLAG SALUTE

Assemblymember Wade Bryson led the Assembly in the Flag Salute.

B. LAND ACKNOWLEDGEMENT

Ms. Adkison provided the following land acknowledgement: We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

C. ROLL CALL

Assemblymembers present: Wade Bryson, Greg Smith, Paul Kelly, Ella Adkison, ‘Wáahlaal Gídaag, Alicia Hughes-Skandijs (via zoom), Michelle Hale, Mayor Beth Weldon (via zoom)

Assemblymembers absent: Christine Woll

Staff present: City Manager Katie Koester, City Attorney Robert Palmer, Deputy City Manager Robert Barr, Municipal Clerk Beth McEwen, Deputy Clerk Di Cathcart, Assistant City Attorneys Emily Wright, Sherri Layne and Nicole Lynch, Lands Manager Dan Bleidorn, Parks and Recreation Director George Schaaf, Engineer John Bohan, Chief GE Engineer Bridget LaPenter

D. SPECIAL ORDER OF BUSINESS

1. Proclamation Recognizing Elizabeth Djajalie, scholar in this year's Regeneron Science Talent Search

Mr. Smith read the proclamation recognizing Elizabeth Djajalie (packet pg. 8).

2. Proclamation: Recognizing National Engineers Week 2024

Chair Hale read the proclamation recognizing National Engineers Week 2024 (see proclamation under Supplemental Materials)

E. APPROVAL OF MINUTES

3. May 8, 2023 Assembly Regular Meeting #2023-11 DRAFT Minutes

4. May 17, 2023 Special Assembly No. 2023-12 Meeting Minutes - Draft

5. December 14, 2023 Special Assembly Meeting #2023-27 -BRH Board & Planning Commission Appointments DRAFT Minutes

MOTION by Mr. Kelly to adopt the above minutes and asked for unanimous consent. *Hearing no objection, the minutes were approved by unanimous consent.*

F. MANAGER'S REQUEST FOR AGENDA CHANGES

None

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G. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS (Not to Exceed a Total of 20 Minutes, Nor More than Five Minutes for Any Individual.)

Joshua Adams, a local landlord, said he is going to speak about the housing crisis as it relates to ordinance 2023-14(b)(U). Chair Hale informed him that the ordinance is on tonight's agenda.

Mike Clemens, a valley resident, said the Assembly has rubber stamped whatever the Juneau School Board wants. He suggested indigenous linguistic reparations, and a change in practice; give the school district money but do it independently from their budget process by giving the money to a native non-profit that can contract with the school district so that the funding does not compete with other budget items. He said this big change is going to take the Assembly no longer rubber stamping the board, as well as communication with the Commissioner of the Department of Education and the Governor. He said the Assembly is going to have to bail out the district, and that the board has let him and the community down.

Nancy Waterman, a downtown resident, informed members that the Juneau League of Women Voters (JLWV) adopted an update to the League's avalanche and mass wasting position in January. She said there are differences between landslides and avalanche areas, and that potential hazard areas exist borough wide. Studies received by CBJ from avalanche and landslide experts are valuable information. In order to ensure the safest use of properties impacted by potential avalanches and landslides, CBJ should: educate and notify the public regularly; regulate use of structures and of new buildings; prevent or reduce existing hazards; explore remedies for existing situations. The JLWV recognizes the difficulty in determining how best to use area of Juneau in potential hazard zones, especially when balancing the rights of property owners, housing supply, insurance, public safety, health, and welfare.

McKenzie Dane, implored members to vote for a ceasefire in Gaza. She said people must stand up for Palestine.

Sonia Kumar, a valley resident, informed members that she is representing the group Juneau for Palestine, a group that demands a cease fire in Palestine, and she is testifying today to urge the Assembly to call for a permanent ceasefire and end to all U.S. funding in Israel. 50 U.S. cities have called for a ceasefire. The group has emailed a draft resolution for the Assembly to consider, which seeks an end to Israel funding. She said this is a chance to take a stand for Palestinians and against genocide.

Jeff Landfield, an Anchorage resident in Juneau for the legislative session, noted that there was a ceasefire in Palestine until October 6 when Hamas murdered over 1,000 Israelis. He said the real problem though is snowplowing. He has been coming to Juneau for the past six years and stated that CBJ does a great job at snowplowing and Anchorage is bad at it. He commended CBJ's work in snowplowing the entirety of the town and that it is nice to be in a city where he can move around.

Jared Olin, a downtown resident, shared that he is Koyukon from Galena. He asked CBJ to call for a ceasefire in Palestine. It is important to him and he hopes it is important to the Assembly, whose constituents are indigenous. He stressed that, with CBJ having indigenous interests, it must have indigenous interest in other parts of the world. He urged members to call for a ceasefire.

H. CONSENT AGENDA

Public Request for Consent Agenda Changes, Other than Ordinances for Introduction

Assembly Request for Consent Agenda Changes

Assembly Action

MOTION by Mr. Smith to adopt the Consent Agenda and asked for unanimous consent. *Hearing no objection, the motion passed.*

I. Ordinances for Introduction

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6. **Ordinance 2023-32 An Ordinance Clarifying the Process for Electing an Assemblymember Due to a Midterm Vacancy.**

   The date when an office of the Assembly is vacant dictates whether the Assembly appoints a successor or the voters elect a successor. Notably, CBJ Charter 3.6(b) states "The assembly by ordinance shall provide for the filling of vacancies on the assembly." The Assembly enacted CBJC 11.10.040(a) to prescribe how vacant Assemblymember positions are filled. While that code provision provides a helpful standard, it does not provide specificity when a midterm vacancy occurs whether the Assembly appoints or the voters elect. This ordinance clarifies that ambiguity:

   -If a midterm vacancy occurs more than 60 days from the election, then the voters elect the vacant position;

   -if a midterm vacancy occurs within 60 days of an election, then the Assembly appoints an interim and the vacancy would be placed on the subsequent year's election.

   The Assembly Human Resources Committee recommended this ordinance at its meeting on November 28, 2023.

   The City Manager recommends the Assembly introduce this ordinance and set it for public hearing on the next regular Assembly meeting.

7. **Ordinance 2024-07 An Ordinance Amending the Recreation Areas Code Relating to Prohibited Uses and Providing for a Penalty.**

   This ordinance will help the Parks & Recreation Department manage large, non-commercial events held in municipal parks or recreation facilities. Currently, a permit is only required for commercial activities or events where admission is charged. Things like concerts, festivals, or even large weddings do not require a permit even if they attract hundreds or thousands of people to a municipal park. These types of events are happening more frequently, impacting the public's ability to use parks and recreation facilities, and incurring significant costs to taxpayers due to excessive trash, litter, and overcrowded restrooms. This ordinance will allow the Parks & Recreation Department to (1) manage the time, place, and manner of large events in public parks, (2) require reasonable conditions to protect public safety and property, and (3) recover costs through reasonable permit fees.

   The Parks & Recreation Advisory Committee discussed this ordinance on November 7, 2023 and December 5, 2023, and unanimously recommended that it be adopted.

   The City Manager recommends the Assembly introduce this ordinance and set it for public hearing on the next regular Assembly meeting.

8. **Ordinance 2023-14(b)(Y) An Ordinance Transferring $540,340 from Various Capital Improvement Projects to CIP R72-167 Dogwood Lane, CIP R72-169 10th, F, W. 8th Streets Reconstruction, and CIP U76-127 Collection System.**

   This housekeeping ordinance would transfer $540,340 from multiple nearly complete or fully complete projects to newer projects to allow bidding and construction during the 2024 season. Due to significant continued cost escalation, projects receiving funding no longer have sufficient budgets to complete the construction stage. This transfer will allocate additional funds to complete construction on these high priority projects. Any ongoing projects will retain sufficient funds funding to cover remaining project work. Funding is provided by Water Funds and Wastewater Funds.

   The Public Works and Facilities Committee will review this request at the January 29, 2024 meeting**.**

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

J. Resolutions

9. Resolution 3050 A Resolution Approving Amendments to the Bylaws of the Board of Directors of Bartlett Regional Hospital.

This resolution would repeal the BRH Executive Committee. The Executive Committee was created more than 50 years ago to operate the hospital when the Board of Directors was not available. The hospital, healthcare law, the provision of healthcare services, and technology significantly changed over the last 50 years that eliminates the need for an Executive Committee. Importantly, if the CEO needs Board direction, technology enables a quorum of the Board to quickly convene.

The Board discussed this topic on November 28, 2023. On January 23, 2024, the Board recommended the Assembly repeal the BRH Executive Committee from its bylaws.

The City Manager recommends the Assembly adopt this resolution.

K. Transfers

10. Transfer Request T-1070 A Transfer of $75,590 from CIP U76-118 ADOT Project Utility to CIP U76-127 Collection System Improvements.

This housekeeping request would transfer $75,590 of Wastewater Funds from CIP U76-118 ADOT Project Utility to CIP U76-127 Collection System Improvements. The ADOT Project Utility CIP is complete and ready to close. The Collection System Improvements CIP is in need of additional funding for rehabilitating failures and troublesome areas of the Wastewater Collection System.

The Public Works and Facilities Committee reviewed this request at the January 29, 2024 meeting.

The Manager recommends approval of this transfer.

11. Transfer Request T-1071 A Transfer of $2,069,263 from CIPs W75-061 Douglas Highway Water - David to I Streets and W75-077 Aurora Vault Removal to CIP W75-069 Glacier Highway and Lena Loop System Scope and CIP W75-070 Cope Park Pump Station Upgrade.

This housekeeping request would transfer $2,069,263 of 1% sales tax and Water Funds from completed Water CIPs to CIPs W75-069 Glacier Highway and Lena Loop System Scope and W75-070 Cope Park Pump Station Upgrade. These projects repairing failing water utility infrastructure are currently being designed and require additional funding for bidding and construction. The Douglas Highway Water – David to I Streets CIP is a completed project that requires no additional funding. The cost of work for the Aurora Vault Removal project costs less than anticipated, and the project will retain sufficient funding for the remaining work.

This transfer of project funding is consistent with the intent of the 2017 1% Sales Tax initiative approved by voters in the October 3, 2017 municipal election.

The Public Works and Facilities Committee reviewed this request at the January 29, 2024 meeting.

The Manager recommends approval of this transfer.

12. Transfer Request T-1069 A Transfer of $3,949,000 from Various Capital Improvement Projects to CIP R72-162 Crow Hill Surface and Utility Rehabilitation, CIP R72-167 Dogwood Lane, R72-169 10th, F, 8th Streets Reconstruction, and R72-176 Pavement Management.

This housekeeping request would transfer $3,949,000 from multiple nearly complete or fully complete projects to newer projects to allow bidding and construction during the 2024 season. Due to significant continued cost escalation, projects receiving funding no longer have sufficient

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budgets to complete the construction stage. This transfer will allocate additional funds to complete construction on these high priority projects. Any ongoing projects will retain sufficient funding to cover remaining project work.

The transfer of temporary 1% sales tax funding is consistent with the intent of the 2007 1% Sales Tax initiative approved by voters in the October 2, 2007 municipal election.

The Public Works and Facilities Committee reviewed this request at the January 29, 2024 meeting.

The Manager recommends approval of this transfer.

L. Liquor/Marijuana Licenses

13. Liquor License Action

This liquor license action is before the Assembly to either protest or waive its right to protest the license action.

Liquor License - Renewal

Licensee: Thibodeau's Market, Inc. d/b/a Thibodeau's Liquor

License Type: Package Store, License: #4742 Location: No Premises, Juneau

Staff from Police, Finance, Fire, Public Works (Utilities) and Community Development Departments reviewed the above license and recommended the Assembly waive its right to protest the application.

This licensee has applied for a no premises waiver for the third time and that is currently pending a final decision by the ABC Board. Copies of the documents associated with this license are available in hardcopy upon request to the Clerk's Office.

The City Manager recommends the Assembly waive its right to protest the above-listed liquor action.

M. Other

14. FY25 Legislative Capital Priorities

N. PUBLIC HEARING

15. Resolution 3051 A Resolution Petitioning the Alaska State Alcoholic Beverage Control Board to Issue up to 20 Additional Restaurant or Eating Place Licenses within the City and Borough of Juneau Under Alaska Statute 04.11.405.

Currently, our community exceeds the number of Restaurant or Eating Place Licenses (REPLs), and there appears to be demand for more alcohol licenses. Alaska law recently changed that now allow municipalities to apply for those additional REPLs. The Assembly Human Resources Committee discussed the recent changes to alcohol licensing, considered demand, and considered the impacts to existing alcohol license holders. Ultimately, the Committee recommends the Assembly request 20 additional REPLS from the State.

The Assembly Human Resource Committee discussed this topic on November 13, 2023; December 11, 2023; and January 8, 2024.

The City Manager recommends the Assembly hold a public hearing and then decide whether to adopt this resolution.

MOTION by Mr. Bryson to Table Resolution 3051.

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Chair Hale asked Mr. Palmer to explain the effect of tabling the ordinance. Mr. Plamer explained that if a majority of the Assembly votes yes, the item is done for this cycle through October. If the Assembly votes no, then the public hearing would occur, and the Assembly would decide what to do. He said they would not be able to table this any more because they would have already voted on the question. Manager Koester clarified that the motion, "postponing for a time certain" is debatable but a simple motion to table is not, and that the motion to table is one vote. Mr. Palmer concurred with the manager's explanation.

Roll call Vote on Motion to Table Resolution 3051

Yeas: Mr. Bryson

Nays: Ms. Adkison, Mr. Kelly, 'Wáahlaal Gídaag, Mr. Smith, Ms. Hughes-Skandijs, Chair Hale, Mayor Weldon

Motion failed to pass: 1 Yea, 7 Nays

Public Comment

Venetia Bingham, a valley resident and downtown restaurant owner, said she does not believe there is a need for 20 REPLs, or any at all, considering there are currently 7 of them for sale. She said she was interested in how many people have applied over the past 10 years, but the Alaska Alcohol Board does not keep a record of those who have applied; the only way to find out is to microfilm every newspaper since it is required for REPL applicants to put in legal notices that they are seeking a license. She urged more consideration and asked why the Assembly is considering it now because there could be some financial damages that could be done to current owners. Mr. Smith asked, if a community at their license cap, is there anything for them to apply for. Ms. Bingham explained that applicants are required to do somethings before they are rejected by the Alcohol Board. She said she is searching for the need for new licenses because she paid a large amount, $60,000, for her restaurant license. Mr. Smith asked, if someone knew there was a cap and were going to get denied, whether the applicant would just not go through the trouble. Ms. Bingham relayed that the Alcohol Board person said the process opens the door for potentially other options, like buying from a private owner.

Marty McKeown, a valley resident, shared that he just started the vintage food truck in the valley and his daughter owns Crepe Escape. Her business is expanding with one location downtown and a second location in the valley, with a plan to open a third truck with a beer and wine license. She is planning to buy the license from another businessperson in town for $50,000. He stressed that there is a certain number of licenses issued based on population; to toss in 20 more licenses when there are already 7 on the market is unnecessarily disrupting the business community. He pointed out that many from the business community were not at today's meeting, so they must have not been informed of the proposal. Mr. Smith asked if other licenses are limited, like real estate agent licenses. Mr. McKeown said agents do have a professional license, but it is not considered an asset and therefore not the same.

Skye Stekoll, an Auke Bay resident representing Forbidden Peak Brewery, testified in support of Resolution 3051. There has historically been a process to petition for additional licenses, but after the State's Title 4 rewrite the petition process has been removed and the onus is now on business owners to request additional licenses. He explained that their business could apply for a seasonal REPL, but those are only good for 6 months of the calendar year and those licenses don't encourage year-round business; it doesn't even span the now 7-month tourism season. He asked how often the Assembly wants to revisit this. The idea of having 20 licenses is so that people can come forward with their request and it wouldn't require businesses to wait two years before being able to apply.

Jake Ridle, a Lemon Creek resident and Cofounder of Devil's Club Brewery, shared that they were excited about the new laws the state adopted because it would be the first time they were legally allowed to acquire an REPL. Such a license was previously illegal for a manufacturer to own. He said the

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retail license would be great for Devil's Club because it would remove the brewery license's entertainment restrictions. He stated that they have every intention of acquiring an REPL but there is a new type of license called a seasonal REPL, which allows everything that a regular REPL does but just for six months of the year and are not capped since they are based on tourist population. He stated that the route of the seasonal REPL is much more attractive than haggling and spending thousands of dollars just to operate for the other 6 months of the year. He said the REPL's value is a question then, as how much would it be worth for the new business to operate during the winter when the seasonal license is free. Devil's Club would much rather have a regular REPL because they believe in the strength of Juneau as a year-round community and not just a cruise port. He said choosing to not add more licenses would mean limiting competition and further encouraging a closed market for year-round businesses. He urged members to add more licenses in order to allow new local businesses to operate year-round and encourage a healthy competitive industry. Mr. Bryson asked if the brewery was looking for a license prior to the rule change. Mr. Ridle answered yes, they are always interested in a new license type that becomes available to them. Mr. Bryson said he asked that because there are seven other licenses that are available in town and inquired if they had investigated getting those licenses. Mr. Ridle responded that they have looked into the licenses, but said his testimony tonight aimed to highlight that the seasonal REPL is going to be available six months out of the year, and to question whether operating the other six months of the year would be worth the extra tens of thousands of dollars. He reiterated that 20 more REPL licenses would be beneficial because more businesses could operate year-round.

Mitch Falk, a Juneau resident and owner of Bullwinkle's, stated that this whole question confuses him. He shared that, when he bought Bullwinkle's 18 years ago, the business had two REPL licenses. He said these licenses are a critical part of his business. Creating more licenses out of thin air would devalue the current licenses. He said it seems this process is made to harm existing businesses. He pointed out that there are seven licenses for sale, and if someone wants one, they should go and buy one like everyone else. He said if the city is going to create more licenses, he would like a couple of them.

Leanne Thomas, an Auke Bay resident and owner of The Triangle Club, said she watched previous meetings and that it seems like the proposed number of new licenses, 20, came out of nowhere. She stated that 20 new licenses would crush many of the license holders in the room. There are people who may not even know what is happening since REPL holders were the only ones that were told. She noted that people paid $300,000-$350,000 for a Beverage Dispensary License while REPL holders have paid $50,000 to $75,000. She said they are a good group of business owners that have paid into the regulations the city has set based on population. She said most of them are year-round businesses, and that the ones who are seasonal have been around awhile. They hire locals and give back to the community but are struggling with staffing. She noted that the resolution mentions the thought that adding licenses would provide more jobs; businesses would like these potential workers because they are currently having a hard time employing and keeping people. Seasonal businesses that open take their employes by offering them $10 more an hour to work their seasonal work. They also struggle with housing their employees. Another problem is bathrooms as the city has not provided enough bathrooms in the historical district. She stressed that the additional 20 licenses will hurt year-round businesses. Mr. Kelly asked, if she has been able to acquire one of the licenses at no cost, would she be able to pay her employees $10 more an hour. Ms. Thomas answered yes and said she didn't choose to buy the seven unused licenses. She said if she used a little shack instead of a building and didn't have to pay for the license, she would be able to pay more per hour. Mr. Kelly inquired as to what number of new licenses would be appropriate, since she is against 20. Ms. Thomas answered zero and said that the city needs to do its own education of licenses in town and the problems current local businesses are facing. She suggested that anyone who comes to the city for new licenses should be shown the licenses for sale.

David McCasland, a Douglas resident and owner of Deckhand Dave's, said he is testifying against this resolution. He pointed to language in the resolution that says there appears to be a demand for more alcohol licenses; this is not true as he has two licenses for sale, and there are five others also for sale. He

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stated that he bought the nastiest building in Juneau to acquire a liquor license. After tearing the building down, the rear foundation wall collapsed, resulting in him having to redo the foundation wall. This is an expensive project, and he is banking on the licenses selling to help fund the project. He said that 20 more licenses will not only devalue his license, but also the two other licenses he is trying to sell. Chair Hale asked if he was aware of the legislature passing a law that creates an avenue for more licenses. Mr. McCasland responded that he had heard about new licenses but knows it is ultimately up to the assembly. Mr. Smith inquired if it would have been helpful to start his business had the financial barrier been lower. Mr. McCasland answered of course, and said he has licenses for sale, and he will own or finance them out to anyone who wants to buy them at any cost that appeals to them.

Paul Thomas, an Auke Bay Resident, stated that this is a huge mistake. He said the Assembly is looking at wiping out businesses in Juneau that have been generational by throwing away their investments. He urged more vetting of the state's Title 4 rewrite. He called on the Assembly to table the resolution and get rid of it.

Reecia Wilson, a Douglas resident and owner of Hangar on the Wharf, said that she had emailed her concerns and would be happy to answer any questions as it relates to the Title 4 rewrite. She urged a pause in this process and said that restaurant owners do not have the time to follow resolutions. She explained that, when the rewrite was being worked on, Wasilla had a specific concern; they have a low population but a high demand by being on the road system, and were a big proponent for letting communities add licenses. Just because Juneau qualifies for such action, doesn't mean that it's a community limited by population as it relates to supply. There are REPLs in Juneau for sale.

The Assembly took a break at 8:17 pm and returned at 8:30 pm.

Chair Hale informed members that there are more members of the public wishing to testify.

Brendan Howard, a downtown resident, shared that he was involved in the Title 4 rewrite. He acknowledged that there are 6-7 licenses for sale currently with each costing $50,000-$70,000; that is money that doesn't go to things like payroll or building renovations. He explained that the quota systems in other states are laxer than Alaska's, and typically have unlimited BDL licenses. While he understands that the licenses have become assets, it's a weird thing. He said he thinks about the smaller restaurants that don't have access to licenses because they cost so much. He recalled that Alaska's own quota system went into place in 1985, and those who had a license at the time still have it or have had the opportunity to sell; it closed the door on seeing new business and opportunity. He stated that, if you're a good place and open, the REPL isn't the thing that's going to carry that business though.

Jack Manly, a valley resident, commented that the liquor industry has never been a free market, it has always been limited entry in order to control alcohol consumption issues. He said the best enforcement is a high-value license. He advised that 20 is an incredible number and that if the city floods the market with licenses, they may not be as good operators. He suggested alternatives to the proposed 20 licenses, like a formula that provides one or two a year.

Assembly Action

Chair Hale invited Assemblymembers to ask questions of staff.

Mr. Kelly asked Mr. Palmer about testifiers referring to the licenses as assets and whether the licenses can be put down as collateral for a loan. Mr. Palmer responded that he has not studied this issue, so he does not want to speak without any specific knowledge.

Mayor Weldon asked Mr. Palmer, if the Assembly passed this resolution, it would have no control over who gets the licenses. Mr. Palmer answered that the role the city has is to request an increase in the total number of licenses, which the state Alcohol Beverage Control Board would analyze and issue licenses consistent with state law.

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Mr. Smith said that he wants to amend the resolution, but it needs to moved first. Chair Hale asked if he wants to share his intent with the body before proposing his motion. Mr. Smith said that his intention is to propose 2 sets of motions – to reduce the REPL number down to 5 and then table the resolution for 6 months to see how this would play out with the seasonal REPLs and if people would purchase those currently for sale. He said that he doesn't love the system but understands that people will be harmed if this resolution is passed.

MOTION by Mr. Smith for Assembly to postpone action on Res. 3051 until no earlier than November 4, 2024, and objected for purposes of an amendment.

AMENDMENT by Mr. Smith to change the number in the Resolution from 20 licenses to 5 licenses and those numbers would be changes on lines 10 and 44 on page 1 and line 58 on page 2.

Objections by Ms. Hughes-Skandijs and 'Wáahlaal Gidaag.

Ms. Hughes-Skandijs said she is not in the room so not sure if Mr. Smith conferred with the attorney or manager during the break. She stated that she finds herself compelled by some of the arguments to increase opportunity under these new Title 4 rules. The Assembly can do this every other year. Not sure if there was something Mr. Smith heard that made him change his mind to lower the number from what was discussed in committee. Mr. Smith commented that he is making the motion to give folks some time. He said he doesn't like it, but in terms of giving current license owners time to see what the impacts might be of the seasonal REPLs and suggested a cooling off period. Ms. Hughes-Skandijs said she maintains her objection.

'Wáahlaal Gidaag concurred with Ms. Hughes-Skandijs and suggested action be done sooner rather than later. She explained that the proposed 20 figure was to increase opportunity in the community. Many people in the room spent the money to get their licenses, but not everyone has such means, namely, people of color.

Mayor Weldon raised a Point of Order and said Mr. Smith needs to decide what he is doing. If he is making an amendment, he needs to make an amendment, if he is opting to postpone, a motion to postpone takes precedence over an amendment.

Chair Hale asked Mr. Palmer to clarify the motion. Mr. Palmer responded that Mayor Weldon is correct, motion to postpone does take precedence over an amendment as the motion to amend is a lower priority. He said Mr. Smith is in an awkward position, he made both motions in the same movement, and that he needs to either withdraw the motion to postpone or there's no debate on the amendment because the motion to postpone takes precedence.

Mr. Smith withdrew his amendment. Leaving the original Motion to postpone.

Mr. Kelly asked if the motion to postpone is in order when there is no motion on the table, because the ordinance has not been moved yet. Mr. Palmer answered that the motion to postpone Resolution 3051 is on the table and is a motion that is ripe.

Ms. Hughes-Skandijs, 'Wáahlaal Gidaag, and Mr. Bryson objected to the motion to postpone.

Ms. Hughes-Skandijs explained that her decision is based on the comments and testimonies and the assembly has to consider how it affects the whole community. She acknowledged that there has been investment from the businesses in the community to get into this industry. Throughout the Title 4 rewrite process, she heard from people that thought there were going to get hurt, and others who were excited at opportunity. She said they don't want to regulate in a way that's going to harm anyone, but they also don't want to regulate the market selectively, so members need to consider how this affects the whole community and not just the folks who have made an investment.

Mr. Bryson spoke in support of Mr. Smith's motion. He said members were not given 100% accurate information when Alcohol Marijuana Control Office (AMCO) staff gave their presentation to the HRC,

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because when he left that meeting, he was under the impression that there were zero REPLs available; this is because, in AMCO's eyes, if somebody owns the license then it is tied up. If there were zero available, then the Assembly would need to do something, but that is not the case. He advised caution in harming existing people who own licenses. He said that kicking the matter down the road is not a good practice, but believes it is needed here as there is not enough information. Also, those who testified said they had awareness of this proposal since Friday. He suggested a pause to give the industry a chance to vet the proposal.

Mayor Weldon said she finds herself in a hard position, as they are trying not to harm current businesses while also encouraging new entrepreneurs. She asked Mr. Palmer what would prevent people who already have licenses from getting the other licenses. She said she supports postponing the proposal. People who do want an REPL are about to go into the seasonal REPL time so postponing would not hurt them until AMCO or the state legislature decide to do anything; the state is going to have to work on Title 4.

Mr. Kelly noted that the consent agenda often provides opportunities for protest of liquor license and asked under what circumstances licenses can be protested. Ms. McEwen explained that the basis for any protest is based on code or financial reasons as outlined in CBJ Code Chapter 20 and cannot be arbitrary or capricious.

Chair Hale said she is in favor of postponing. Regarding the seasonal licenses, she explained that residents complain about businesses not being open in the summer. She is interested in seeing how the seasonal licenses work this summer.

Chair Hale asked for a Roll Call Vote on the motion to postpone Resolution 3051.

ROLL CALL on the motion to postpone Resolution 3051 to a date not earlier than November 4, 2024.

Yeas: Mr. Smith, Ms. Adkison, Mr. Bryson, Chair Hale, Mayor Weldon

Nays: Mr. Kelly, 'Wáahlaal Gidaag, Ms. Hughes-Skandijs

Motion to postpone passed: 5 Yeas, 3 Nays

16. Resolution 3055 A Resolution Partially Opposing the Petition Submitted by the City of Hoonah for Incorporation of the Xunaa Borough Including Horse Island, Colt Island, and the Mansfield Peninsula on Admiralty Island.

The City of Hoonah recently submitted a petition to the Local Boundary Commission to form the Xunaa Borough. The petition proposes to annex the northern portion of Chichagof Island, the Glacier Bay area, and the northern tip of Admiralty Island (including Horse and Colt Islands). The proposed Xunaa Borough would likely be beneficial to people living in, working in, and visiting the area. However, the northern tip of Admiralty Island may be challenging because it is within the City & Borough of Juneau model borough boundaries and has substantially more connections to the Juneau community than any other area. Whereas clauses in the resolution describe those connections.

On January 29, 2024, the Assembly Committee of the Whole discussed this topic and recommended the Assembly consider submitting a public comment to the Local Boundary Commission. Comments are due on February 28.

The City Manager recommends the Assembly hold a public hearing and then decide whether to adopt this resolution.

<u>Public Comment</u>

None

<u>Assembly Action</u>

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MOTION by Mr. Bryson to adopt Resolution 3055.

Objection by 'Wáahlaal Gidaag for purposes of a question. She said the language "The Manager's recommendation for the Assembly is to hold public hearing and then decide whether to adopt this resolution" is new and asked whether the manager is recommending a separate second public hearing. Manager Koester explained that the Assembly indicated a strong desire to hear from the public; she is not recommending a second hearing, rather, she is not providing policy direction. Ms. Hale added that the public hearing was recommended because the Assembly doesn't normally have a public hearing on a resolution as they are normally part of the consent agenda. This resolution was pulled from the consent agenda to have a public hearing.

Mr. Bryson said that he incorrectly made his motion and would like to restate it.

MOTION by Mr. Bryson that the Assembly forward Resolution 3055 for Public Hearing at the next available Assembly meeting.

Ms. Hale asked Mr. Palmer, since the Assembly is already in public hearing, whether the motion is in order. Mr. Palmer answered yes, if the Assembly wants to postpone the item to the next meeting it can do that. It may need to hold a Special Assembly meeting to hold a public hearing prior to the end of the public comment period on February 28.

Objection by Mr. Kelly for purposes of a question. He interpreted the manager's recommendation to convey that she wants to stay neutral and not make a recommendation. Manager Koster responded that's correct. If the Assembly recommends a second public hearing, she would like guidance on when to hold it.

Mr. Palmer said the Assembly just held a public hearing on this, it was legally noticed, and the public had the opportunity for public hearing. Public comment has been closed, so the item is ripe for assembly action. The Assembly is free to consider a second public hearing.

Objection by Mr. Smith. He pointed out that this was noticed, and no one testified. He stressed that public comment to the Local Boundary Commission is due by February 28.

Ms. Hughes-Skandijs said she objects for the reasons that Mr. Smith just said. This is sufficient for the Assembly to take action. She urged sticking with the timeline and dealing with this tonight.

Mr. Bryson said he envisioned a public notice, like ordinances when they are printed in the newspaper. He sought confirmation that public testimony was already made available. Ms. Hale answered that is correct, the testimony period was 15 minutes ago.

Mayor Weldon apologized for the confusion. She explained that, when the Assembly sees a resolution that could use some public comment or just more thought, they pull it from the consent agenda. She said she told Manager Koester to pull the item from the consent agenda and put it to public hearing. She figured the Assembly wanted to discuss the item more. The resolution did follow all the criteria for public hearing, and she said she would support not having another hearing.

Mr. Bryson removed his motion.

MOTION by Mr. Bryson to adopt Resolution 3055 and asked for unanimous consent.

Objection by 'Wáahlaal Gidaag. She said she spoke to CCTLITA President Peterson at a reception recently. The Alaskan Native community supports the Hoonah community in this, and since the Assembly has not heard from the A'awk Kwaan or Tlingit Haida (CCTLITA) on this, she said they are opposed to this, so she is objecting to this resolution.

Objection by Ms. Hughes-Skandijs. She recalled that, when the Assembly spoke on whether to draft the resolution, members made comments regarding being aware that all of this is on stolen land; yet the Assembly is working in the constructs of cities, states, and local boundaries. She said she wrestled with

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this resolution, as she found some of language compelling, but if the Assembly were to put in a comment and this area didn't go into the Xunaa Borough, then the area would still be in the unorganized borough. She stated that she is not interested in further annexation, but unsure whether there is something to be gained by asking the boundary commission to not put the area with Xunaa. She said the Juneau borough is fine as it is, and that the Assembly doesn't need to submit comment to the commission.

Mayor Weldon appreciated the comments of the previous speakers. She spoke in favor of the resolution due to the whereas clauses regarding the land having more relationship to Juneau. She is not in favor of Juneau annexation at this time, but she feels the ties to Juneau are much stronger than to Xunaa. She relayed that she spoke with Fran Houston, and Ms. Houston told her that the area was A'awk Kwaan land and not Xunaa land. Mayor Weldon said she was not speaking for Ms. Houston but rather wanted to relay their conversation. She realizes that a yes vote would keep this in the unorganized borough, which she is okay with because perhaps Angoon might do something with the land one day.

Chair Hale commented in support of the resolution, partly because CBJ is not making a decision to try to annex that land as that is decision for a future Assembly to make, but if they don't file this, they lose the opportunity to petition in the future if the Local Boundary Commission (LBC) grants the area to Xunaa.

ROLL CALL on the passage of Resolution 3055

YEAS: Mr. Bryson, Ms. Adkison, Mr. Smith, Chair Hale, Mayor Weldon

NAYS: 'Wáahlaal Gidaag, Mr. Kelly, Ms. Hughes-Skandijs

Motion passed: 5 Yeas, 3 Nays

17. Ordinance 2023-36(b) An Ordinance Authorizing the Sale of Foreclosed Property Located at 520 Sixth Street by Sealed Competitive Bid Auction.

In June of 2023, the City and Borough of Juneau received a Clerk's Deed for the property located at 520 Sixth Street (downtown/Starr Hill area) after the owners failed to pay property tax for the tax years of 2019-2022. The property consists of a 5,353 square foot lot and a 780 square foot house, which is in poor condition. The current amount owed for tax years through 2023, including penalties and interest, is approximately $22,324.

This property will be sold through a sealed bid process and if the property sells for more than the amount owed in taxes and penalties and interest, the remainder is forwarded to the former owner and lienholders.

The Lands, Housing, and Economic Development Committee considered this topic at its meeting on July 13, 2023. The Systemic Racism Review Committee reviewed this ordinance at its January 9, 2024 meeting.

Version (b) includes a correction to the legal description of the property, and is being re-introduced as a result.

The City Manager recommends the Assembly adopt this ordinance.

Public Comment

None.

Assembly Action

MOTION by 'Wáahlaal Gidaag to adopt Ordinance 2023-36(b) and asked for unanimous consent.
Hearing no objection, the motion was passed by unanimous consent.

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18. Ordinance 2023-14(b)(U) An Ordinance Appropriating $900,000 to the Manager for a Loan to Coogan Alaska, LLC for the Island Hills Building LMN Project; Funding Provided by the Affordable Housing Fund.

During the 2023, Round Three competition of the Juneau Affordable Housing Fund, the application review committee forwarded a recommendation for funding of $900,000 for Island Hills Building LMN to the Lands, Housing, and Economic Development Committee on November 6, 2023. Because the requests that were recommended exceeded the available funds in the Affordable Housing Fund, $1.6 million was appropriated from the General Fund to the Affordable Housing Fund through ORD2023-14(b)(R).

This ordinance appropriates funds for a low interest $900,000 loan to Coogan Alaska, LLC to promote the construction of 18 units of new housing in Juneau. The loan will be secured by the property to be developed.

The Lands, Housing, and Economic Development Committee heard this at the November 6, 2023 meeting. The Systemic Racism Review Committee reviewed this ordinance at its meeting on January 9, 2024.

The City Manager recommends the Assembly adopt this ordinance.

Public Comment

Joshua Adams, a local landlord, said that people are stuck on the idea that just throwing any kind of housing is going to create an economy of scale that might alleviate pressure on the housing market; the concept of "build it and they will come" has not worked, and it is not going to work. Juneau has more housing units than ever before in its history, and yet the city keeps giving more loans to contractors. The housing crisis is not going to be solved by building more overpriced housing. Juneau residents don't need more housing, they need housing to be more affordable. He explained that, as Juneau's economy becomes more seasonal and less diverse, there's a widening incentive for property owners to get onto the short-term rental bandwagon. As of June, nearly 600 units were tied up in AirBnB. Out of state corporations rent and purchase living units with the intention of using them for the tourist season. The need for housing is so great that Juneau is willing to allow those living units to go empty most of the year. He said this is why the Telephone Hill Redevelopment Project is ill-advised, as it is another expensive megaproject that can only serve outside seasonal interest. He stressed that homes are not meant to be hotels, and that greed is causing people to get kicked out of their homes. He said the Assembly has levers, as it could regulate short-term housing, offer tax incentives for landlords who offer long-term rentals, work with the Alaska Housing Finance Corporation (AHFC) and section 8 to help the poor. He suggested that Coogan Construction be required to follow the affordability guidelines. He also suggested to listen to Waahlaal Giidaak about putting up these guardrails.

Assembly Action

MOTION by Ms. Adkison to adopt Ordinance 2023-14(b)(V)(b) and asked for unanimous consent.
Hearing no objection, the motion passed by unanimous consent.

19. Ordinance 2023-14(b)(V)(b) An Ordinance Appropriating $2,250,000 to the Manager for a Loan to Chilkat Vistas, LLC for Chilkat Vistas Apartments; Funding Provided by the Affordable Housing Fund.

During the 2023, Round Three competition of the Juneau Affordable Housing Fund, the application review committee recommended funding this project. This ordinance appropriates $2,250,000 for a loan to Chilkat Vistas, LLC to complete 48 efficiency apartment units. The ordinance includes an affordability requirement. The loan will be secured by the property to be developed.

The Lands, Housing, and Economic Development Committee heard this at its November 6, 2023 meeting. The Systemic Racism Review Committee reviewed this ordinance at its meeting on January 9,

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2024. The Assembly Committee of the Whole recommended the Assembly adopt version (b) of this ordinance at its meeting on January 29, 2024.

The City Manager recommends the Assembly adopt version (b) of this ordinance.

Public Comment

Joshua Adams said the ordinance is more in line with what members should be doing as an Assembly. He suggested focusing on grants for private property owners, people who want to restore old homes, and those who wish to refurbish and utilize units that are not being used year-round. It's not a question of more units, it's a question of sovereignty of private ownership and young people wanting to build their own homes. He explained that the housing crisis is symptomatic of a larger economic problem, and that there needs to be an overhaul of the assessor database. Mr. Kelly asked, regarding Mr. Adam's comments that more housing would not solve the crisis, whether he feels that an increase in supply would reduce the rise in inflation and allow more opportunity for people to buy homes. Mr. Adams answered that it would, but not for poor people, nor people from Juneau; it would help people who are invested in seasonal tourism.

Don McDougal, a Hillcrest Ave. resident, stated that he is all for affordable housing, and that if the project goes through the prices they are saying, it would be great. He said he is leery of the city approving the projects and then backsliding, like the project on Glacier Avenue that were supposed to be affordable housing units but are now expensive condos. He shared that he was one of the first residents to buy in Hillcrest Vistas and was told that the houses that would be built in front of them would be one-story houses; now he is looking at a two-story apartment building that is hundreds of feet long with over a hundred cars, and he is worried about his property value. Another concern is that they are in phase three that was approved by the city, but those in Hilcrest's phase one, like him, still don't have city services. He said the last snowstorm was tough since the road didn't get plowed because the city stops where the new development started. He stressed that, if the city is going to approve something more to be built in the area, shouldn't it wait until they finish what was started. He pays over $4,000 a year in taxes and gets no services. Another worry is that, if the city approves the project, then all the things that need to be done to finish phase one and two will be put off so the buildings can be built. He is also worried about property values, as he once had a great view of mountains, but now has a great view of a parking lot and asked whether there should be a buffer that separates him from that kind of development.

Mike Huemann, a Smuggler's Cove resident and the project developer, said he wants to set the record straight. Regarding street acceptance, phase one has been complete for a while, but due to city bureaucracy, they have not been able to get it accepted. They are demanding that phase two be entirely complete before they accept phase one. He concurred with Mr. McDougal and said he does not have the equipment to keep the street maintained, and that he had to personally drive his excavator up there to move snow during the snowstorm because the snowplow truck drivers he hires can't do it anymore. On another matter, he said he has always said they were building a multifamily project, and that the roofline would be below the floor, which is the case. He explained that the wetlands permit includes a giant vegetation covered berm to shield the parking lot from the residences uphill. He shared that the project almost didn't happen and almost was condos, but the Mayor and Assembly members lobbied for them to come back. He said they were going to build a senior friendly condo project had the assembly not approve the money. Apartments do not pencil out, which is why no developers build them in town, but this money from the city make it possible.

Assembly Action

MOTION by Mr. Kelly to adopt Ordinance 2023-14(b)(V)(b) and asked for unanimous consent.

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Objection by Mayor Weldon for the purposes of a question. She pointed to page 3 of the ordinance (page 68 of the meeting packet) and asked about the affordability section on lines 6 through 8 and what it means. Manager Koester answered that there are two different affordability components in Chilcat Vista's revised proposal, and one was that the rent would be $1,400 a month and adjusted for inflation annually. Staff were comfortable that this satisfied the affordability component because 80% of Juneau's area median income (AMI) for the same unit is $1,712 per month. Chilkat Vistas proposed that 14 of the units would be at that threshold and that the remainder would be made available at 80% or less of Juneau AMI. She added that the Affordable Housing Fund requires that 20% of the units are at 80% Juneau AMI or below. The combination of the $1,400 units and the remainder being below AMI is beyond the affordability requirements of the fund itself, in staff's opinion. Mayor Weldon removed her objection.

Objection by Chair Hale for purposes of a statement. She clarified that the language is not saying that the other 31 units would be rented at $1,712 a month, it Is saying that that is 80% of AMI and would be rented at a figure under, or up to that figure. She removed her objection. *With no further objection, the ordinance passed by unanimous consent.*

20. Ordinance 2023-14(b)(X) An Ordinance Transferring $800,000 from CIP F22-027 Juneau Police Department Roof Replacement to CIP P44-090 Deferred Building Maintenance.

This ordinance would transfer $800,000 from the Juneau Police Department Roof Replacement CIP to the Deferred Building Maintenance CIP. The bid for the roof replacement project came in lower than anticipated. Ordinance 2023-14(b)(G) previously transferred funds from the Deferred Building Maintenance CIP to the Juneau Police Department Roof Replacement CIP. This transfer would return excess project funding back to the Deferred Building Maintenance CIP. The Juneau Police Department Roof Replacement CIP will retain sufficient funding for the project that is scheduled to begin construction in summer 2024.

This transfer of project funding is consistent with the intent of the 2022 1% Sales Tax initiative approved by voters in the October 4, 2022 municipal election.

The Systemic Racism Review Committee reviewed this ordinance at its meeting on January 9, 2024. The Public Works and Facilities Committee will review this request at the January 29, 2024 meeting.

The City Manager recommends the Assembly adopt this ordinance.

Public Comment

None.

Assembly Action

MOTION by Ms. Hughes-Skandijs to adopt Ordinance2023-14(b)(X) and asked for unanimous consent. *Hearing no objection, the ordinance passed by unanimous consent.*

O. UNFINISHED BUSINESS

None.

P. NEW BUSINESS

None.

Q. STAFF REPORTS

None.

R. ASSEMBLY REPORTS

Mayor's Report

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The Mayor reported that the Community Health Needs Assessment Survey was on the website: JuneauSurvey.com and encouraged citizens to take it. If people enter, they could win a $500 prize.

Committee and Liaison Reports

Assembly Human Resources Committee (HRC) Chair Smith relayed that the HRC met and forwarded the following appointments to the Assembly.

MOTION by Mr. Smith to appoint Ethel Stokes to the Juneau Commission on Aging for a term beginning immediately and ending December 31, 2025 and asked for unanimous consent. *Hearing no objection, the motion was passed by unanimous consent.*

MOTION by Mr. Smith that the full Assembly recommend forwarding to the State of Alaska Emergency Response Commission the appointment of Nathan Ramsey to BRH seat 5a, for a term beginning immediately and ending December 31, 2026, and the appointment of Steven Karnass to Venerable Populations seat 11a for a term beginning immediately and ending December 31, 2025 on the Local Emergency Planning Committee and asked for unanimous consent. *Hearing no objection, the motion was passed by unanimous consent.*

MOTION by Mr. Smith to reappoint Mila Cosgrove to the Personnel Board general seat for a term beginning immediately and ending January 31, 2027 and asked for unanimous consent. *Hearing no objection, the motion was passed by unanimous consent.*

Presiding Officer Reports

None

S. ASSEMBLY COMMENTS & QUESTIONS

T. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

U. EXECUTIVE SESSION

V. SUPPLEMENTAL MATERIALS

21. Proclamation: Recognizing National Engineers Week 2024

W. ADJOURNMENT

There being no further business to come before the Assembly, the meeting was adjourned at 9:47p.m.

Signed: _____
Elizabeth J. McEwen,
Municipal Clerk

Signed: _____
Michelle Hale,
Acting Mayor

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