MEETING NO. 2001-03: The Regular meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 7:00 p.m. by Mayor Sally Smith.

I. **FLAG SALUTE** was led by Mayor Smith.

II. **ROLL CALL**


Assembly Absent: None

A quorum was present.

Staff Present: Laurie Sica, Municipal Clerk; Dave Palmer, City Manager; John Corso, City Attorney; Al Heese, Airport Manager; John Stone, Engineering Director; Ernie Mueller, Public Works Director; Craig Duncan, Finance Director; Kim Kieffer, Parks and Rec. Director; Gary Gillette, CDD; John Hartle, Law Department; Heather Marlow, CDD; Christi Herron, Parks and Rec.; and Joan Romesburg, Finance Department.

III. **SPECIAL ORDER OF BUSINESS** - None

IV. **APPROVAL OF MINUTES**

a. 01/22/01 - Regular Meeting No. 2001-02

   **MOTION** - by Koelsch, to approve the minutes of Regular Meeting No. 2001-02, held January 22, 2001, and he asked unanimous consent. There being no objection, it was so ordered.

V. **MANAGER’S REQUEST FOR AGENDA CHANGES**

Mr. Palmer had three changes to the Agenda. On the second page of the manager’s report, he noted an error with regard to Ordinance 2001-05, the second to the last paragraph has a date of February 26 and the actual date was March 19, 2001; the ordinance had the correct date. Under Resolutions, resolution 2078, item 2F, he wanted to pull completely from the agenda for more research. And finally, a red folder item, Bid Award E0-052 should be added as item 4b. and he recommended awarding the contract to Behrends Mechanical for $145,218.00.

VI. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS**

*Bill Leighty*, 227 Gastineau Avenue. He had recently been brought up to date on the status of the Area Wide Transportation Plan (AWTP) and it appears that a draft of the AWTP would come to the assembly after the public review process. Once that draft is out, it seems that the assembly would then be in a position of having to reject, or significantly modify, something that one of its committee’s has done. He asked that the assembly consider redirecting the Transportation Steering Committee, who has put in about three years of work on this project, in light of new information. The AWTP pre-draft does include and endorse the Egan development plan. The engineering first done was the 10th and Egan intersection and there was four alternatives...
presented. None of them were attractive and they were all expensive and had problems. In light of the difficulty that it would be to put together a comprehensive improvement of Egan Drive based on the assumption that we want to accommodate 40% more automobiles by the year 2022. The second event of information is California’s electric energy chaos. It can happen anywhere and is not limited just to electricity. This country is vulnerable because it currently imports over 50% of its crude oil. That will be about 70% by the year 2010 and there is no ready alternative replacement for that in sight. Finally, the Intergovernmental Panel for Climate Change, the group with 1,200 scientists from over 100 countries, released a report last month that said the global warming and climate change problem, proceeding largely from our burning of fossil fuels and releasing carbon dioxide, is even worse than they had thought and said five years ago and they are even more sure that it is at least partly the result of human CO2 emissions activity. He felt the Assembly, as elected representatives, would have difficulty approving an AWTP that endorses and even solicits an increase in automobility and energy consumption. He noted that he and Ms. Waterman would be speaking with Mayor Smith on this topic tomorrow and he would present a memo at that time. He felt it was time to reexamine assumptions that may have been valid three years ago, when the Transportation Steering Committee began it’s work.

Mr. Powell asked for a web address for the report that was just released by the IPCC. Mr. Leighty said he would send it to the full assembly.

VII.  CONSENT AGENDA
A. Public and Assembly Requests for Consent Agenda Changes, Other Than Ordinances for Introduction.

Mr. Koelsch asked that Resolution 2071 be removed. Mr. Wheeler asked to remove Resolution 2073 and 3b., Transfer T-703. Mr. Anderson asked to remove 2079.

B. Assembly Action

MOTION - by MacKinnon, to adopt the Consent Agenda with the exception of Resolutions 2071, 2073, 2078, 2079, and item 3b, Transfer T-703, and the inclusion of Bid Award E-01-052, and he asked unanimous consent. There being no objection, it was so ordered.

1. Ordinances for Introduction
a. Ordinance No. 2001-04

AN ORDINANCE AMENDING THE SALES TAX CODE TO REQUIRE REMITTANCE UNDER PROTEST OF DISPUTED TAXES, PENALTY AND INTEREST AS A CONDITION OF FILING OR MAINTAINING AN APPEAL.

Administrative Report: Attached. The Manager recommended this ordinance be introduced and set for public hearing at the next regular meeting.

b. Ordinance No. 2001-05

AN ORDINANCE CREATING LOCAL IMPROVEMENT DISTRICT NO 87 OF THE CITY AND BOROUGH FOR THE PURPOSE OF RECONSTRUCTING ROADBED, AND CONSTRUCTING NEW PAVEMENT, CURB AND GUTTER, SIDEWALKS, AND UNDERGROUND STORM DRAINAGE ON GREAT WESTERN STREET IN WEST JUNEAU AT A COST ESTIMATED TO BE $368,000 OF WHICH $81,600 IS TO BE BORNE BY THE PROPERTIES SPECIALLY BENEFITTED.
Administrative Report: Attached. The Manager recommended this ordinance be introduced and set for public hearing at the next regular meeting.

c. Ordinance 2001-06
AN ORDINANCE AMENDING THE ASSESSMENT CODE TO ASSESS BUSINESS PERSONAL PROPERTY TAXES AGAINST PROPERTY HAVING A TAX SITUS IN JUNEAU AND IN ANOTHER JURISDICTION, AND PROVIDING FOR A REDUCED ASSESSMENT IN SUCH CASES.

Administrative Report: Attached. The Manager recommended this ordinance be introduced and set for public hearing at the next regular meeting.

d. Ordinance No. 2001-11(AG)
AN ORDINANCE APPROPRIATING TO THE MANAGER THE SUM OF $75,000 AS PARTIAL FUNDING FOR THE MARINE PARK TRAFFIC CIRCLE PROJECT. SUCH FUNDS PROVIDED BY WASTEWATER UTILITY AVAILABLE RESOURCES.

Administrative Report: Attached. The Manager recommended this ordinance be introduced and set for public hearing at the next regular meeting.

2. Resolutions

c. Resolution No. 2075

Administrative Report: Attached. The Manager recommended that this resolution be adopted.

d. Resolution No. 2076
A RESOLUTION ACCEPTING FY 2001 CAPITAL MATCHING GRANTS WHICH WERE REPEALED AND REAPPROPRIATED BY THE ALASKA LEGISLATURE AND GOVERNOR.

Administrative Report: Attached. The Manager recommended that this resolution be adopted.

e. Resolution No. 2077
A RESOLUTION URGING THE ALASKA LEGISLATURE TO PROVIDE FOR EFFECTIVE LOCAL PROTEST OF PULL-TAB LICENSES AND TO REQUIRE LICENSING OF PULL-TAB EMPLOYEES.

Administrative Report: Attached. The Manager recommended that this resolution be adopted.

3. Transfers

a. T-702: Transferring $9,672 From The Twin Lakes Fishing Dock To The ADA Compliance Fund CIP Project.
Administrative Report: Attached. The Manager recommended that this transfer be approved.

c. T-704: Transferring $150,000 Of Temporary 1% Sales Tax Proceeds From Harbors Areawide Restrooms Construction Project to Statter Harbor Parking and Pedestrian Project.

Administrative Report: Attached. The Manager recommended that this transfer be approved.

4. Bid Awards
a. Contract No. E01-119
   J-DWWTP CO Monitor and MVWWTP Blower.

   Administrative Report: Attached. The Manager recommended award if this project to the Plumbing and Heating Company in the amount bid for a total award of $272,067.00.

b. Contract No. E01-052
   Bartlett Regional Hospital Chilled Water Piping.

   Administrative Report: Attached as a red folder item. The Manager recommended award of this project to Behrends Mechanical, Inc. in the amount bid, for a total award of $145,218.00.

5. Liquor Licenses
   Beverage Dispensary
   Summit/Inn at the Waterfront – License #1092

   Restaurant/Eating Place
   El Sombrero Mexican & American Restaurant – License #0816
   Jovany’s Italian Restaurant – License #1384

   Administrative Report: The Manager recommended the Assembly adopt the Human Resource Committee recommendation from their February 5, 2001 meeting regarding the right to protest the above license.

2a. Resolution No. 2071
A RESOLUTION REPEALING RESOLUTION 2033 AND REESTABLISHING THE YOUTH ACTIVITIES BOARD FOR THE PURPOSE OF EXTENDING THE SUNSET DATE.

Administrative Report: Attached. The Manager recommended that this resolution be adopted.

Public Testimony: None

Assembly Action:
MOTION – by Koelsch, for the purpose of amendment.
Mr. Koelsch felt this was a positive thing that the city does with its sales tax and his amendments were to emphasize that people who receive this money acknowledge it either in their programs or on the PA system or somewhere along the line. He offered the following amendments: to add a Whereas on page one: “Whereas the Assembly wishes to acknowledge the continuing support of CBJ voters of youth programs through voter approval sales tax referendums.” Turning to page 4, Section 5, part B, at the end of the second sentence add: “and ensure that these programs publicly acknowledge the CBJ source of funding through publicity such as programs, banners, PA announcements, etc.” On page 5, under (f), add a (13) “Proposals of or proposals for are evidence of an acknowledgement of the CBJ grant funded from CBJ voter approved sales tax.” This was to emphasize that the voters in the community utilize part of their sales tax revenue to support youth programs.

AMENDMENT – by Koelsch as stated above. There being no objection, the amendment was adopted.

Mr. Powell asked if the committee reports its decisions to the assembly. Mr. Palmer said that after they solicit their requests and make their score, they come to the assembly through the Finance Committee with a list of recommended expenditures.

There being no objection to the motion as amended, it was so ordered.

2b. Resolution No. 2073
A RESOLUTION URGING MERCHANTS AND CONSUMERS TO SUPPORT SOUTHEAST ALASKA SALMON PRODUCTS.

Administrative Report: Attached. The Manager recommended that this resolution be adopted.

Public Participation:
Paula Terel, 5025 Thane Road, testified as the SE Program Director for the Alaska Marine Conservation Council, the only statewide organization committed to, or working solely on, marine conservation. They have opened an office in Juneau and they are working on federal issues. One of the prime issues is promoting wild salmon; they are very opposed to farmed salmon. What is happening in Juneau is happening elsewhere, and some of the local stores are carrying farmed salmon. This has a long history and Alaska has banned finfish salmon farming, she thought in 1988, not just for economic reasons, but also for environmental reasons. Some of those concerns have come true. They have seen a large escapement of farmed salmon from British Columbia and from Washington and they have moved into Alaska. ADF&G has posted a wanted poster for fisherman saying “if you see these, please let us know.” The reason it is a problem is two fold: farmed salmon, because they are penned up, are fed antibiotics and there is a concern for disease. The other concern of having them mix in with the wild stock, is the concern of genetic delusion. Commercial fisherman are very much opposed to farmed salmon and they make their living fishing for wild salmon. It is a slap in the face when Alaska, or Southeast, does not support the fisherman that are small business that are earning their living and have really seen a reduction in their prices and what they can sell because of the competition from farmed salmon. She spoke in support of the Assembly passing this resolution and urging stores and people to purchase wild salmon rather than farmed salmon.

Kathy Hansen, 9369 N. Douglas, Executive Director for the Southeast Alaska Fisherman’s Alliance. This organization represents the interest of salmon, crab, shrimp and longline fisherman in Southeast Alaska. Within the Salmon Division, they represent gill-netters, trollers and seiners. She spoke in support of passing the resolution but noted that it supports the commercial fisherman
in a buy local program. This is not dictating what some one should buy or not buy, but it says buy locally and support what amounts to a lot of very small individual businesses. She pointed out that in Ward Cove Creek in Ketchikan, several years ago, they actually found Atlantic salmon in the headwaters. The escapes have actually gone into our streams plus a fair number have been documented every year caught in commercial catches. The mixing of farmed salmon with wild stock salmon is a great concern.

Mr. MacKinnon clarified that the concern was farmed salmon in general and not just Atlantic salmon. Ms. Hansen said particularly Atlantic salmon, although they do have concern of farmed salmon in general. There has been a fair amount of studies done that prove environmental damage from the penned up fish and disease transfers.

Greg Fisk, 230 South Franklin, Apt. 510. He referred to the issue that Ms. Hansen raised about this being a buy local campaign. In one sense that was true and he supported that notion, but in another sense, he felt this was bigger than that. The stores that are involved, one is an Alaska chain, A&P, and others, Costco and Fred Meyers, are Northwest chains. All these businesses should make an effort to support Alaska salmon fisherman, and it goes beyond just a local or regional issue. As a capital city it is important to demonstrate our support for state policy in regards to protecting and promoting wild salmon fisheries for ecological reasons and reasons of the economy. He has been involved in trying to counter the huge upsurge of farmed salmon worldwide and said it is causing a lot of havoc for wild salmon fisherman in Alaska and in British Columbia. State policy says there should be no finfish farming what so ever in the state and as a capital city we should go on record with that. He hoped that copies of the resolutions would be sent to the affected store chains. He knew one group was working very hard with one of the chains to carry wild Alaska sockeye and Coho in lieu of farmed Atlantics.

Assembly Action:

MOTION – by Wheeler, for purposes of discussion.

Mr. Wheeler felt this was a very important issue for all commercial fishermen in Southeast Alaska, not just in Juneau because there are significant environmental and economic concerns involved with these fish. Some people will ask why the Assembly is telling them what to buy, but he thought they had a role as community leaders for public education and for letting the public know the consequences of some of their actions. He read a few facts into the record: Since 1996, almost 600,000 Atlantic salmon have escaped net pens in Washington waters; over one million Atlantic salmon have escaped in British Columbia waters; recently a Canadian scientist has found evidence that non-native Atlantic salmon have successfully adapted to the Pacific and are spawning in one of British Columbia’s rivers; and from 1990 to 1991 farmed salmon production increase by 4,600%. With regard to environmental impacts from the net pens, not only do the salmon escape but according to one report, every day British Columbia’s Aqua Culture industry dumps the same amount of raw sewage into the ocean as a city of one half million people. All the chemicals are used to treat these fish and recent research shows that farmed fish sampled contain much higher levels of pollutants, including 10 times more PCB than wild fish.

Mr. Anderson said he did not have a problem working with the State of Alaska and banning the farming of finfish, specifically salmon. The resolution bothered him because it goes beyond that and goes against free enterprise. It goes against the ability of any merchant in Juneau to carry what they want to sell. It is free enterprise which decides if it will be a success or not. If no one in Juneau wants farmed Atlantic salmon, they are not going to buy it. It would behove any merchant who is going to lose his salmon because it rots on the shelf because nobody buys it to not continue to stock it. But for the Assembly to get into the middle of somebody’s freedom of choice, that’s a
problem. In the resolution, it talks about specifically, Juneau merchants stocking this salmon and in
essence it speaks against that. The next Whereas says that “Our community prospers most when we
respect and support all local businesses, . . .” and that support may mean supporting a business that
we may not personally agree with. He served on the Commercial Fisheries Entry Commission for
over four years, he knows the battles that have gone on for this industry. He would love to rework
this resolution to state the Assembly’s support for a ban on farming of finfish, but he objected to
going to the extent of speaking against merchants and their ability to carry what they want to carry.
There is scientific data coming from both sides of the isle of renowned fisheries biologists and
scientists that don’t back all the claims that were made about environmental impact. He suggested
putting it into the Fisheries Development Committee for rework.

Mr. Powell referred to Section one, the first Wherefore, to him it was a gentle nod and light push of
private industry to show some leadership. It says “hereby urges local merchants and consumer to
avoid . . .” It does not say censor, but it says urges, in favor of local products. It is not a strongly
worded statement and he spoke in support.

Mr. Wheeler noted that this in no way restricts trade, it simply provides guidance and public
information. He said the ADF&G’s white paper on the topic states that the annual release of tens of
thousands of mature Atlantic salmon into the already challenged Pacific Coast eco-system, amounts
to “biological pollution of the ocean” and represents an enormous potential threat to wild Pacific
salmon. Introductions of non-native species have frequently resulted in unexpected and often
disastrous consequences resulting from competition, predation, cross-breeding, or the introduction
of non-native diseases or parasite. He said that all the information he has seen strongly makes the
point that these salmon pose a problem to our stock.

Mr. MacKinnon spoke in support of the resolution. If the local consumers continue to buy farmed
salmon, then merchants will continue to stock farmed salmon. He had the following amendments
in an effort to increase the accuracy of a couple of statements.

**AMENDMENT** – by MacKinnon, on the third Whereas, changed “caused” to “contributed to.”
There being no objection, it was so ordered.

**AMENDMENT** – by MacKinnon, in the sixth Whereas, change “thereby” to say “possibly
jeopardizing the genetic integrity.” There being no objection, it was so ordered.

**AMENDMENT** – by MacKinnon, in Section 2 of the last page, strike out “governor and to the state
and federal legislative delegations” and insert “to local food merchants.”

**FRIENDLY AMENDMENT** – by Wheeler, to keep the legislative delegation in the resolution, and
add the “local merchants”.

Mr. MacKinnon rescinded his third amendment and accepted the friendly amendment to add “and
local food stores” to the end of the sentence in section two. There being no objection, it was so
ordered.

Objection was noted by Mr. Anderson to the adoption of resolution 2071 as amended.

**ROLL CALL**
Yea: Etheridge, MacKinnon, Muñoz, Pillifant, Powell, Wheeler, and Smith
Nay: Koelsch, Anderson
Motion carries: 7:2

2f. **Resolution No. 2078**  
A RESOLUTION NAMING AMALGA MEADOWS PARK.

Administrative Report: Attached. This resolution was pulled by the Manager for more research.

2g. **Resolution No. 2079**  
A RESOLUTION CALLING FOR THE SUPPORT OF A SOUTHEAST ALASKA TRAIL SYSTEM.

Administrative Report: Attached. The Manager recommended that this resolution be adopted.

Public Testimony:  
*Judy Chapman*, 403 Alaska Bell Court, representing the DOT/PF. She is also staff to the Governor’s Trails and Recreational Access for Alaska Board, which is an entity that hatched this idea. The idea is to create a regional trail effort that is comprised mainly of trails that already exist throughout Southeast Alaska and to eventually market them. SEAtrail planners envision hiking, diving, kayaking, boating, and biking trails that would radiate specifically from the port facility and from the Alaska Marine Highway’s system. People could get on a ferry in Juneau, head to Pelican, and go kayaking or hiking on a trail system. The potential is there for enhancing the economies of the smaller communities and providing visitors with interesting, well-known trails that they can experience. Right now, they have a partnership between the National Park Service, the US Forest Service, the DOT, the Dept. of Commerce and Economic Development, and individual communities that are passing resolutions in support of SEAtrails. They have resolutions from Craig, Pelican and Sitka. There is one in the works in Petersburg and they hope that other communities will also decide to support SEAtrails. The strength of SEAtrails comes from the fact that it is entirely community based, no trail will be included or marketed in the system until the community has said that it wants that trail included in the system. The hope is that it will create a small-scale economic boost for individual SE communities as part of a regional fabric of trails.

Assembly Action:  
*MOTION – by Pillifant, to adopt Resolution 2079, a resolution calling for the support of a SE Alaska trail system.*

Mr. Anderson was concerned with the resolution because there was no fiscal note attached. He read that “Implementation will be incremental and costs spread out to the many municipal agencies responsible for building their segments of trails.” So there would be costs and at this juncture there is no indication of what it will be. He clarified that it was all existing trails and not new trails.

Ms. Chapman said that at this point, they have not gone to the individual communities to talk about what trails were appropriate for the system inclusion. She sees the most efficient way would be to have a lot of trails radiate out of the Marine Highway port facilities and some links may not be built. But, unless the communities are willing to support the construction of trails in those areas, they are not proposing that anything be built. She added that eventually, SEAtrails would probably become a private non-profit. Once that happens, they hope to be able to get an endowment that would give money out to trail organizations and communities so that they could build those links.

Mr. Anderson was concerned with how much money was being spent on trails right now, as compared to five years ago, and the amount of money that we have coming before the assembly as a recommendation from the passenger fee committee. They are talking major amounts of money.
All the Parks and Rec. things are wonderful for the communities, but there are basic services that we have to make sure are covered before we get to creating a lot of new trails and spend on the frills. In the Whereas, they speak to creating jobs and opportunities for families to make livings, but in the sections after the Whereases, there is no mention about business enterprises or private sector involvement in developing the trail plans. He saw that as a weakness and said he was not excited about making work projects for government employees. He would like to see business enterprises and the private sector involved before he would support this. One recommendation that he would make, since there is fiscal responsibility for the community, would be to send it to the Finance Committee and have staff develop a fiscal note.

**AMENDMENT – by Anderson, to send this to the Finance Committee for consideration.**

Ms. Pillifant thought the point to be taken was that no trail would be considered for inclusion unless it goes through the public process in that community, therefore it would be very difficult to attach a fiscal note to this resolution in support of a system. Communities will bring forward those trails that they are interested in including in this marketing economic opportunity; it speaks to a concept.

Mr. Powell referred to Section 2, where it says “The Manager shall designate a staff member who shall, as resources permit . . .” That means no money is being committed, but if we have it and if this body approves it, then we will go ahead. He saw this as a conceptual resolution in support of the idea of the trails among our community being link with trails in other communities. He was satisfied with the resolution as is and he felt sure that if there was a fiscal matter in the future, it would come before this body.

Mr. Anderson referred to “as resources permit” as a classic government phrase and said that was how government gets into the swirl that it does in spending money freely that it should not be spending.

Mr. Wheeler saw the resolution as support for a concept that our neighbors are supporting and as something that has potential of bringing revenue into the communities rather than being a fiscal impact. Independent travelers spend more per capita by far than cruise ship passenger and this is the type of system that will draw those types of travelers to our region and our community. He thought supporting the concept was a good investment and that they would not be on the hook right now as any trail that would be considered would be considered on a case-by-case basis.

**ROLL CALL**

Yea: Anderson
Nay: Koelsch, MacKinnon, Muñoz, Pillifant, Powell, Wheeler, Etheridge, and Smith

Amendment fails 8:1

There being no further discussion on adoption of Resolution 2079, it was so ordered.

**3b. T-703: Transferring $450,000 Of Passenger Fee Proceeds From The Visitor’s Center/Waterfront Shelter Project To The Marine Park Traffic Circle Project.**

**Administrative Report:** Attached. The Manager recommended that this transfer be approved.

**Public Testimony:** None

**Assembly Action:**
**MOTION** – by Koelsch, for the purpose of discussion.

Mr. Anderson asked for clarification on the $450,000 for the Visitor Center and if that was a commitment that was already made. Mr. Palmer said it is a project that has already been budgeted and approved. The assembly has approved that project, staff has not started the design yet so they don’t need the construction money until next season for the Visitor Center. Next years allocation of the passenger fee money would be appropriated by the assembly and goes into effect July 1st of the fiscal year.

Mr. Wheeler asked the time frame for completion of the Marine Park Traffic Circle. Mr. Palmer said the Engineering Dept. hoped for a notice to proceed on the 15th of March and they hoped to have the project completed by May 3rd, with exception of placing the streetlights.

Mr. Wheeler said $450,000 was a significant amount of money and he felt uncomfortable allocating next year’s passenger proceeds before having a general discussion of the proceeds and how to spend that money among all the different competing uses. The original proposal called for using half port fees and then half passenger fee proceeds. Mr. Palmer said the initial plan was to do just that and split the project between port fees, which are generated by the tonnage ships, and the passenger fee. The Ports and Harbors Dept. did not want to commit those funds to this project as they have a long list of projects that are in or near the water which they felt were needed more.

Ms. Muñoz said with regards to the tonnage tax, the Assembly needs to decide whether or not they would set the tonnage tax again for the coming years. That discussion must happen in the next couple of months and she said she would like to see it tied to the review of the passenger fee money. Another issue is that it appears they would be deappropriating money for a visitor center. That is a concern because they have already approved those expenditures from a previous year. She asked if there was a commitment in the proposed list to repay those funds. Mr. Palmer said yes there was money in the list for the round-about so it will go to repay this.

Mr. Koelsch said this had been before the Public Works Committee twice, it is a very good project and has a strong focus on safety. As to the passenger fee, he felt that was a good place to take it as it was designed to mitigate some of the problems downtown with congestion. It has a very good pedestrian crossing plan and it is well thought out and put together. He urged passage of this transfer.

Mr. MacKinnon said the $450,000 appropriation for a visitor center was one of many parts. It is an annual contribution to try to build up a fund to build an adequate center. It is not unusual to do projects this way when they can’t be funded in one swoop. It is not unusual to borrow from projects as long as there is commitment to pay it back. With regard to paying this out of port dues, it is not an appropriate expenditure of port dues money for something this far back from the dock itself. He asked Mr. Palmer about the notice to proceed being March 15th. That was less than six weeks away which means the project is ready to be on the street next week. Mr. Palmer said it was being advertised now and barring any protests, it is ready to go. Mr. MacKinnon spoke in favor of the transfer.

Mr. Etheridge said as liaison to the Harbor Board, he sat through a very long meeting on the discussion between port dues and passenger fee revenues on this. The Harbor Board is moving forward with the dredging project at the waterfront and that will eat up most of what they have left in their port dues.
Mr. Wheeler asked if it were brought to Finance for review of any other passenger fee proposition, would it be too late if it were brought back to the Assembly at the next meeting. Mr. Palmer said they needed to have the money before they could award the bid. They really should have it before advertising, but they felt that if they advertised it on Friday, tonight was not that far out.

Ms. Pillifant said the information provided specifies very clearly that the funds would be reimbursed with the FY02 passenger fee proceeds. She asked if it would be better just to say the funds would be reimbursed in FY02 since it is common to maneuver funds between different accounts. Mr. Palmer said the source of money that they are fairly sure of, and that they plan to use, is the passenger fee money. This project fits within the parameters of what the passenger fee money is for. Ms. Pillifant was concerned with locking into using that fund since there has not been any discussion yet on what other projects need to be funded in FY02 with that money.

ROLL CALL
Nay: None

Motion carries unanimously.

Mr. Etheridge noted that he forgot to pull the liquor licenses from the Consent Agenda. The Assembly has already approved what the HRC recommendations were for those licenses.

ROLL CALL
8:20 p.m. – 8:30 p.m.

VIII. ORDINANCES FOR PUBLIC HEARING
A. Ordinance No. 2001-01

AN ORDINANCE AMENDING THE LAND USE CODE TO CHANGE THE MEMBERSHIP AND DUTIES OF THE HISTORIC RESOURCES ADVISORY COMMITTEE.

Administrative Report: Attached. The Manager recommended the ordinance be adopted.

Public Participation:
Ken DeRoux, 836 Calhoun Avenue, testified as a member of the Historic Resources Advisory Committee. He is the curator at the Alaska State Museum, where his job is working with other museums around the state, mostly small museums, on pretty much any issue that might confront them, including matters of governance. He is familiar with the issues that brought the proposed change to the ordinance. The City Museum has been reincarnated from what was at one time the Mining Museum and it has become a museum that represents the entire city and the city’s history. It has become increasingly professional in its operations and its collections have grown to 5,000 objects of a variety of values. He could see that the museum has increased credibility as people are donating things to the museum. These are objects of public trust and that represents responsibility on behalf of the city to care for that trust. It is customary in museum operations to have some kind of an oversite body or interface that allows protection for the governing body of the museum, as well as the staff. It also provides access to the operation of the museum by the members of the public. Those come into play when the museum is applying for grant monies from the federal government from the Institute of Library and Museum Services and they would need to have somebody acting in this capacity in order to receive grant funds.
Assembly Action:

*MOTION – by Koelsch, to adopt Ordinance 2001-01, and he asked unanimous consent. There being no objection, it was so ordered.

B. Ordinance 2001-03

AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF THE CITY AND BOROUGH TO CHANGE THE ZONING OF A TRACT OF LAND WITHIN U.S. SURVEY 381, 1053 AND 1284 AND LOCATED AT 9151 JAMES BOULEVARD FROM D-18 MULTIFAMILY TO LC, LIGHT COMMERCIAL.

Administrative Report:  Attached. The Manager recommended the ordinance be adopted.

Public Participation:

*Murray Walsh, 2974 Foster Avenue, on behalf of the property owner, made himself available for questions. He said two-thirds of this parcel was presently zoned LC but that is the part that is not accessible by any street. This rezone would make the property entirely LC and make is usable by the owner. Anything of any substance that would occur there would receive it’s own review from the Planning Commission.

Ms. Muñoz asked what types of development were possible in LC that are not possible in D-18. Mr. Walsh said D-18 was largely multi-family. LC would allow offices, retail use and other small commercial developments such as restaurants. Ms. Muñoz asked if any of those uses were available in the D-18 zone with a conditional use permit and Mr. Walsh said no.

Ms. Pillifant asked if there was something being proposed that requires the zoning to be changed now, before the city gets around to working on the Comp. Plan. Mr. Walsh said there was no project presently under planning that he knew about. There have been plans in the past, but currently the owner just wants to reconcile this split zoning on the property before doing anything else. Developing a mixed-use zone for the Mendenhall Mall area, that is called for in the Comp. Plan, but it is not scheduled for any kind of action by the Planning Commission or the staff. This would be a new rule-making effort involving its own set of public hearings and no small amount of effort by both the staff and the commission. With no schedule to do that, and no certainty that this property would be part of it, they ask this request be considered directly.

Ms. Pillifant asked if they had been in contact with neighbors in the area as there were several letters of opposition to the zoning change; one mentions a proposal to have a particular store on that site. Mr. Walsh said he knew of only one letter that was sent to the Planning Commission when it acted and they had not been told of any others. Ms. Pillifant noted there were two letters. Mr. Walsh said they had no discussions with the neighbors and he did recognize the second letter.

Mr. Wheeler asked if he had any idea of the concept or possible use the owner was planning for the property. Mr. Walsh said it was currently in quasi-commercial use by the Yard Doctor. If the owner was contemplating something else, he would have the right to change his mind to do something else until he’d actually built something; zoning paints the picture or provides the sidebars in which the owner can operate.

Assembly Action:

*MOTION – by Etheridge, to adopt Ordinance 2001-03, and he asked unanimous consent.
Ms. Marlow came forward for questions. Mr. Powell asked how the mixed-use concept fit into this rezoning. Ms. Marlow referred to the vicinity map and said that what the Comp. Plan says is, basically, for the LC area, it anticipates a mixed use zoning designation in a slight commercial area sometime in the future. When looking at an ordinance or review for the future mixed-use zoning, they, as the city, can decide what the limits of that zone change would be. Whether or not this would be compatible with mixed use in the future is something that is hard to determine now.

Mr. Powell asked if she could comment on how this comports with the current Comp. Plan. Ms. Marlow said the current Comp. Plan bisects the property just as the zoning does. Part of the property is in urban medium density residential, and part of it is in general commercial. Mr. Powell clarified that as things were developed on that parcel, they would have to go through public review. He said he was concerned about the neighbors and the change. If it were not in the Comp. Plan that it was going to change to another designation, it would be a surprise for the other neighbors. Ms. Marlow said the public process would depend on what was proposed; the land use and the size. Each one of those characteristics can generate a different type of review, either at the staff level with an allowable use permit that has limited conditions, or with a conditional use permit which has open conditions and options for the Planning Commission to deny the application.

Ms. Muñoz asked if the MU category more closely resembled the LC than the D-18. Ms. Marlow agreed and said the existing area was LC, which was designated to go to MU in the future so it was the most compatible of the zoning districts for MU.

Mr. Wheeler asked if the applicant were to want to construct a convenience store or a liquor store on that property, what type of approval would that require. Ms. Marlow said a convenience store greater than 5,000 square feet of gross floor area would be required to receive a conditional use permit. A convenience store of less than 5,000 square feet would be required to get either an allowable use permit, or staff review and approval.

Ms. Pillifant asked how long ago the zoning was set for this area. Ms. Marlow said it was set in 1986. Ms. Pillifant clarified that residents in that area expected it to be D-18 since 1986 and without a specific project request, she did not know what engine was moving the request for a zoning change.

Mr. Anderson referred to Mr. Walsh’s testimony that this was an issue of fairness. The property is split zoning, taxes have been paid, the uses have to go through public review and he saw this as an opportunity to develop this as a service to the area. He spoke in support of the ordinance.

Mr. Powell asked the impact between MU and LC and what the property was currently zoned for. Ms. Marlow said that MU zoning was something that staff would not recommend for several different reasons. The zone changes need to meet a certain number of criteria, one of which is a minimum area of a zone change. The minimum area is two acres, unless it is attached to adjacent similar zoning. This would not meet the area requirement. In addition, in order for MU zoning to have a positive public affect, you need to see an area of MU zoning that can promote the walkable, transit friendly concepts so it takes more than a single parcel to meet the design goals of MU. Mr. Powell asked if there was a technical recommendation from staff on this proposal. Ms. Marlow said that staff’s recommendation
was against the zone change request. They recommended to the Planning Commission that the entire parcel be zoned D-18.

Mr. MacKinnon asked which “entire parcel”. Ms. Marlow said the entire parcel including the parcel that is in LC. Mr. MacKinnon clarified that the zoning boundary splits the parcel plan. This was a judgement call, at one point, by a staff member back in the ‘80s of where that boundary should go. It could have gone either way and it may have been inadvertent that it ended up the way that it is. He said that looking at the debate that the Planning Commission went through, and approved on a 8:1 vote, they debated serious concerns like traffic impacts and what it would do to the intersection of James Blvd. and Loop Road. They seemed to feel that the potential for a large apartment building there, as opposed to a small commercial development, was favorable. He did not have any serious objection and deferred to the Planning Commissions decision. He referred to the greenhouse operation operating on the other side of the street and said it was a friendly thing to have in the neighborhood as it did not generate a tremendous amount of traffic. He spoke in favor of the Ordinance.

Ms. Pillifant spoke to fairness in the area and said there were residents in the area that had a particular interest in the area remaining residential. She did not see that addressed very well and said the Planning Commission seemed to consider all parts of this, but without particulars, it was difficult to determine the difference between the commercial activity of a greenhouse compared to any other possible commercial activity that would be allowed under this.

ROLL CALL
Nay: Pillifant, and Powell

Motion carries 7:2

IX. UNFINISHED BUSINESS - None

X. NEW BUSINESS - None

XI. STAFF REPORTS ON NON-AGENDA ITEMS
Mr. Corso said the Law Department was pleased to announce a Superior Court decision in favor of the CBJ with respect to an important sales tax case relating to pull-tabs. They had a report prepared to help the Assembly understand the issues along with some recommendations to make with respect to the future. He suggested that the recommendations with respect to the future be delivered to the body in an executive session. It was agreed that the assembly would finish this meeting with an executive session.

XII. ASSEMBLY REPORTS ON NON-AGENDA ITEMS
A. Committee Reports
Mr. Etheridge noted that the Human Resources committee met this evening, and they had the following recommendations to move forward for approval.

MOTION – by Etheridge, that Mr. Ken Kareen be reappointed to a term on the Personnel Board ending 1/31/04.

MOTION – by Etheridge, that Lee Hanna be appointed to the Sales Tax Board of Appeals.
MOTION – by Etheridge, that Christopher Clark serve on the Capital City Emergency Planning Committee.

There being no objection to any of those appointments, it was so ordered.

Mr. Koelsch reported that the Public Works and Facilities would meet on Wednesday at noon in the Chambers. Action items would include the Dimond Park lift pump. There would also be an update on the Gastineau Avenue and Lena Loop neighborhood meetings and a transportation plan update. He requested that the assembly consider a joint COW and Transportation Committee meeting to discuss 10th and Egan.

Mr. MacKinnon asked if he had a time in mind for that meeting and he added that it would depend on DOT’s availability. Mr. Koelsch said that DOT’s comment was supposed to be completed by the 7th and he thought that was extended to the 12th; sometime after that would be good.

Mr. Powell said the Planning and Policy Committee met at noon and they have made a lot of progress on the flightseeing noise strategy. Today the RFP was released for the long-range tourism management plan, due March 16th. They decided to change the public meeting, tentatively scheduled for February 21st, to March 1st at 5:15 p.m., location to be announced. They heard a report on the noise study that was done by the contractor; that report is posted on the web for the public. They requested staff begin drafting a quiet technology ordinance and that they begin looking at the cost of modeling for alternative heliports and monitoring noise in the community. They continue to meet every Monday at noon, and they hope to have a chart from staff laying out the three top initiatives on resources and milestones for those initiatives.

Mr. Wheeler reported that the Land Committee met today at 5. They forwarded on approval of a land exchange between the city and two different parties for the acquisition of some prime waterfront property at Eagle Harbor, near Amalga Harbor. They heard more from DEC about the possibility of doing some source testing at the Municipal Waste Incinerator at Lemon Creek and they heard brief discussion about a possibility of resolving access issues at the gravel pit. They would meet again in two weeks.

Ms. Muñoz said the Finance Committee would meet on Wednesday at 5:00 to continue discussion on the proposed sales tax modifications and also to hear a report from the Airport Board with regards to implementing a fuel flowage fee, in place of the sales tax on fuel at the airport. They would also take up the issue of the annual audit.

Mr. MacKinnon said the COW was scheduled to meet next week at 5 in the chambers. They would hear a brief presentation from the Energy Advisory Committee and from Mr. Corso on the Municipal Code re-write. In addition, they would hear a report from the JPD on public safety and from the Fire Department. There would also be discussion on junk vehicles. He added that on the 14th at noon there would be a meeting to discuss the subport waterfront development plan.

B. Liaison Reports
Mr. Wheeler reported that the Bear Advisory Committee met several weeks back and slightly altered their proposal to the assembly by removing the provision for mandatory garbage pick up. They also discussed possible public hearing dates. One date was set,
Thursday February 15th from 6-8 p.m. in the Chambers. The committee hopes to have several more meetings around the community. Comments can be sent to Juneaubears.com on the Internet or through the city office. He continued and said the Eaglecrest Board would meet February 6th at 5:30 in the downtown library.

Ms. Muñoz said the Parks and Rec. Advisory Committee would meet on February 6th at 6 p.m. The agenda would include the Fish Creek master plan and a proposal for a new commercial use trial in the Outer Point area. She would also be attending the trails working group on the 6th at noon in the downtown library.

C. **Presiding Officer Reports**
Mr. Etheridge announced that at the February 26th meeting, they would be going through the Malick appeal.

XIII. **ASSEMBLY COMMENTS AND QUESTIONS**
Mr. MacKinnon noted the advertisement for Volunteer Firemen and he asked if there were problems. Mr. Palmer said he would ask the Fire Chief to update everyone next week. He knew they were upgrading the training opportunities and making an effort to keep the roster full of active folks. He has not heard any specific concerns of the Fire Chief.

Mr. Wheeler was glad the Forest Service was bringing together a group of various departments, including the CBJ and other users of the public lands to figure out a place for motorized recreation to occur.

Ms. Pillifant thanked staff at Capital Transit for moving the new buses out on the street as soon as possible; people are excited that transit is going to improve. She also thanked the Assembly for supporting that effort this past year. She thanked the Deputy Mayor for getting the 10th and Egan issue in front of the COW as soon as he was able to schedule it.

Mr. Anderson congratulated those who volunteer and contribute to the arts in Juneau. He noted the drummers who came to town and gave a great show and he noted the businesses who sponsored that event.

Mr. Koelsch asked Mr. Palmer where negotiations stood on the Salmon Creek building. Mr. Palmer said there had been a couple of meetings with people at JAMI and their board has considered a couple of proposals. They would like to stay in the building but they have a building they are trying to sell first. They are trying to establish how to make that transition and he hoped to hear back from them within the next week or so. Mr. Koelsch asked for a report on the Assembly goals as to their status. He announced he would be out of town next week through the end of the month.

Mr. Etheridge also noted the ads for the volunteer firemen and said that was the first time he had ever heard that. He then noted a request from the Human Rights Committee for a $500 budget for buying materials to distribute. He asked if there was some way to get them the funds.

Mayor Smith said earlier she went to the demonstration hosted by KTOO by the State of Washington’s non-profit television network that does their Gavel to Gavel on the Internet. It was very impressive and she thought KTOO would be looking at doing that. The AML Board met the end of last week and they began work on updating the strategic plan. Friday they went to legislative offices with the goals that the AML adopted last fall at the statewide meeting. On Saturday the Southeast Conference committee of Mayors met for three hours and most of the
issues discussed related to Southeast issues that would more indirectly affect Juneau. She went to
the Resources Development Council meeting and had earlier been asked to serve on their
executive committee. She appeared before them and talked about the issues of importance to
Juneau. She helped to dedicate the Boys and Girls Club. She attended the meeting in Haines
with Mr. Anderson that were hosted by the Chamber of Commerce with Haines, Skagway and
Juneau, primarily to talk about issues of importance to the three communities. Tantamount were
the transportation issues of Northern Lynn Canal. When they returned, on Monday, she was on
Capital Chat. She was also asked to give a curtain speech on behalf of the CBJ before the
drumming performance and to a performance of Gypsy that was presented to the legislature last
week. She thanked the Assembly members for also being present at a lot of the activities she
attends and said it was good to have that presence.

Ms. Muñoz suggested that the Human Resources Committee request be considered on
Wednesday at the Finance meeting.

XIV. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – None

B R E A K
9:30 p.m. – 9:40 p.m.

E X E C U T I V E   S E S S I O N
9:40 p.m. – 10:15 p.m.

Mayor Smith reconvened the meeting in regular session. Mr. MacKinnon reported that the
assembly adjourned into executive session to discuss the a settlement offer received following the
outcome of the Superior Court hearing regarding the Multiple Charities sales tax delinquency
with regard to pull-tab sales. Mayor Smith appointed an Assembly sub-committee of Don
Etheridge, Chair; John MacKinnon and Cathy Munoz to determine if there is a solution to the
back tax issue.

XV. ADJOURNMENT - There being no further business to come before the Assembly, and no
objection, the meeting adjourned at 10:20 p.m.

Signed: ________________________________
Laurie Sica, Clerk

Signed: ________________________________
Mayor Smith