

Presented by: COW  
Introduced: 07/22/2019  
Drafted by: R. Palmer III

## ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-34(c)(am)

### **An Ordinance Calling for an Advisory Ballot Proposition on Grant Funding for the New Juneau Arts and Culture Center.**

WHEREAS, the existing City-owned arts and culture facility is a former National Guard armory and is in need of replacement; and

WHEREAS, Juneau citizens have raised nearly \$6,000,000 since 2012, including donations of \$10,000 and above from 112 Juneau individuals, families, and businesses; and

WHEREAS, the Partnership for the New JACC is a non-profit entity raising money to develop a new arts and culture facility in the Capital City; and

WHEREAS, the New JACC will contribute to the quality of life and economic health of the community by creating construction related jobs, creating exhibit and performing art jobs, and raising tax revenue while providing arts and culture events for residents and visitors; and

WHEREAS, the New JACC is anticipated to generate about \$19,000,000 in the Juneau economy due to construction and contribute to the \$58,000,000 spent annually by artists, arts organizations, and audiences in the region; and

WHEREAS, the Partnership for the New JACC has raised 21 percent (\$5,544,000) towards its goal of \$26,400,000 with over 70 percent from private donations; and

WHEREAS, fundraising efforts among large foundations and corporations have made clear that those private funders will take steps to provide substantial funding when the fundraising effort reaches 50 percent, especially if the City and Borough of Juneau makes an additional grant; and

WHEREAS, the Assembly is interested in providing a grant from the voter approved one percent sales tax to the New JACC and would benefit from the advice of the voters; and

WHEREAS, the voter approved one percent sales tax is expected to raise \$47,000,000 for fiscal years 2019-2024; and

WHEREAS, \$4,500,000 of the one percent sales tax is programmed for Centennial Hall upgrades and deferred maintenance, and those funds could be reprogrammed as a grant for the New JACC; and

WHEREAS, the Assembly intends to replace the funding for Centennial Hall through other funding sources; and

WHEREAS, the Assembly has decided to call for an advisory vote on this grant to be presented to the voters at the October 1, 2019, municipal election.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is a non-code ordinance.

**Section 2. Submission to Voters.** The question of whether to provide a grant to the New JACC in an amount of \$4,500,000 as provided herein shall be submitted to the qualified voters of the City and Borough of Juneau at the regular election to be held on October 1, 2019. The City and Borough Clerk shall prepare the ballot proposition to be submitted to the qualified voters as provided by this ordinance and shall perform all necessary steps in accordance with law to conduct the election and place this proposition before the qualified voters at said regular election.

**Section 3. Proposition.** The proposition to be submitted to the qualified voters of the City and Borough of Juneau as required by Section 2 above shall read substantially as follows:

### **Explanation**

The Assembly asks for your advice whether to provide a grant of \$4,500,000 for the New JACC. If a grant is made in the current fiscal year, \$4,500,000 would be appropriated from the sales tax fund balance. The Assembly intends to replenish the draw on fund balance by reallocating the \$4,500,000 of one percent sales tax funds over the next three years that was originally programmed for Centennial Hall improvements, which the voters approved in 2017. The Assembly intends to replace the funding for Centennial Hall by issuing general obligation bonds to be paid back by raising the hotel-motel room rental tax by two percent and a 0.04 mill property tax increase (~0.004% overall rate increase).

The existing City-owned arts and culture facility needs replacement and the grant would attract substantial additional private funds. The Assembly intends to require a contract with the Partnership for the New JACC that includes at least the following grant conditions: (1) the voters recommend providing a \$4,500,000 grant at the election on October 1, 2019; (2) the CBJ grant funds shall not be released until the New JACC project has received or has legal pledges for 90 percent of project funding; (3) the grant expires on October 1, 2023, if the New JACC project has not received or does not have legal pledges for 90 percent of project funding; (4) the Manager shall negotiate a contract to encumber the grant funding; and (5) the

Assembly may direct the Manager to add other terms and conditions that are in the public interest.

PROPOSITION NO. \_\_\_\_

ADVISORY PROPOSITION TO PROVIDE A GRANT OF \$4,500,000 FOR THE NEW JUNEAU ARTS AND CULTURE CENTER (JACC).

Should the City and Borough of Juneau provide a grant of \$4,500,000 to the New JACC for development of a new arts and culture center?

YES [ ]  
NO [ ]

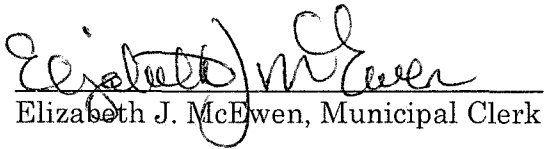
**Section 4. Effective Date.** This ordinance shall become effective upon adoption.

Adopted this 19<sup>th</sup> day of August, 2019.



Beth A. Weldon, Mayor

Attest:

  
Elizabeth J. McEwen, Municipal Clerk