

**EXHIBIT H-8**

CBJ has attached materials and minutes from the 7-22-2019 Assembly Meeting

City Manager Rorie Watt said that this is a status update on the Annexation. Resolution 2817am directed the Manager to file an Annexation Petition for areas described in that Resolution. CBJ staff drafted that petition and submitted it for informal technical review to the Local Boundary Commission (LBC) in early July. The LBC provided helpful recommendations, like updating the fiscal exhibits for FY20, clarifying police service and clarifying geographic descriptions of the areas. Staff has made the changes and is ready to submit the petition for formal review and further public process.

Mayor Weldon asked if there were any questions for Mr. Watt.

Ms. Hale thanked the Mayor and Mr. Watt. She said she has been exploring this and talking with members of the public and she understands that the community of Angoon was concerned about this. She said that some of the questions that have come to her are as follows:

- 1) This resolution was passed in February 2018 and it took quite a while to come back to the Assembly. She said that it seems it may have gotten a little stale in the period of time and she asked why it took so long.
- 2) What was public process then and do we need to revisit a public process now since there might be some staleness associated with it since it is a year and half later.

City Attorney Rob Palmer said he will attempt to answer some of those questions. In the red folder are some color maps and in the meeting packet on page 270 is the final report of the CBJ Annexation Study Commission. That was a commission tasked by Mayor Botelho in 2005 to study what should happen with annexation in the future if that decision was made. He also pointed out that on page 289 of the packet which had an excerpt of the model borough boundary study that was done by the LBC and it specifically talked about the Juneau boundaries. He said that he described those as the current process, depending on where they wished to start, either started a long time ago or started more recently.

Mr. Palmer said that the report on page 270 from the CBJ Annexation Study Commission made recommendations that if the Assembly were to make annexation a priority, to annex the properties that are currently proposed, areas A, B, C, and D. He said that had one minor exception and that was for Funter Bay which has been excluded and it was initially envisioned to be included. He said this current process may have started back in 2005-2007 era. What happened since then is that CBJ filed a petition to annex the area A and some area south of that. Ultimately, that had competing petitions with Petersburg that went to the Alaska Supreme Court and the Supreme Court confirmed the LBC's decision regarding the Petersburg petitions which had some consideration for Juneau's petition. After that decision was rendered, the Assembly reviewed the annexation process and realized that there was an opportunity to annex all the way out to the model borough boundaries which is essentially what has been done here. He said this is slightly different than the actual lines on the model borough boundary and that difference is mainly related to the current boundaries of specifically areas B and C follow watershed boundaries. That is a requirement of the LBC regulations that you are recommended to follow watershed boundaries instead of

having arbitrary lines going over geographic areas. Area B and C boundaries are with the intent of the model borough boundary lines and are consistent.

Mr. Palmer said that if you jump forward some, the Assembly Committee of the Whole, in 2016, started the process of deciding what properties to try to annex and that process went for about a year. Ultimately, the Assembly Lands Committee unanimously approved forwarding the annexation back to the Committee of the Whole with the areas that are on here with slight differences. The Committee of the Whole made decisions in January 2018 and the Assembly held a public hearing on annexation in January 2018 and recommended what they see. There was an amendment in February 2018 to remove Funter Bay. There were some other amendments at the time but that is the one that passed.

Mr. Palmer said to address the staleness concept, because this annexation petition is different from what was presented in 2012 regarding the triangle near Tracy Arm, staff had to go back and get significant data. It took the better part of a year and half to work with the U.S. Forest Service, the State of Alaska Division of Elections, to work with the U.S. Coast Guard and try to get an idea of what properties are out there, what services are provided, where people live, what school arrangements are out on those properties, what the condition of the properties that they could determine through aerial photography. We had some appeals that we made because we were denied information through public records requests, through the Forest Service in particular, that had to go through an appeal process. CBJ ultimately prevailed in the appeal process and received a lot of information that is now the basis of this packet. He said it was quiet from the public view but staff was diligently working and there was a staff person from the Lands Division during which this was almost her full time job for about a year and half. That is a short summary of what led to the prior Assembly action to go forward with the Annexation Petition. It is up to this Assembly if there is a change in heart.

Mayor Weldon called on Mr. Edwardson followed by Mr. Watt.

Mr. Edwardson asked if was ripe for his motion yet as it seems like they are diving into exactly what he wanted to move.

Mayor Weldon asked if there were any questions from Assemblymembers first.

Mr. Bryson said it was brought to his attention that there is a light house organization that controls 1500 acres of Federal lighthouse land and he wanted to know what the impact to that organization would be if they were to annex that land.

Mr. Palmer said the CBJ has not had or reached out to individual specific private property owners. They have tried to reach out to some commercial operators to figure out what type of activities they provided and what types of activities may be subject to taxation. The property in particular he is referring to is the Pt. Retreat Lighthouse and some property around it on the Mansfield Peninsula which would be in area D on the

map. He said that without knowing exactly what is on the ground and with the limited information that has come in, there is probably some discussions that the property owner and the Assessor could have at some point to figure out what might be potential property tax liabilities, which seems to be the largest concern. He said what has been a little challenging on the project at this time is that they have moved far enough along to proceed with an annexation petition but because they have not gone through that process and had a lot of public comment and had staff go out on site to look at some of these unique properties, they can't say definitively what will happen. He said it is a bit of a public process ordeal which has to occur for that back and forth discussion. If the Annexation petition would be approved, there would be a transition period for which specific analysis would be done for those property owners. The Assessor and Manager's office can provide some ideas on what might be available but we are a little information poor right now on the specifics of that property.

Ms. Hale said she understands from what Mr. Edwardson said is that he has a motion, and she was not on the Assembly at the time this was initially decided. She said she is sensitive to other entities, like what Petersburg did, claiming land for their borough. She said that if she were a property owner, she would be pretty uncomfortable about the idea that we want to annex land but we don't know what the effects of that annexation will be.

Mr. Watt said that going back to the question on why it has taken so long, that goes to the Assembly's thinking in 2016. We were somewhat caught off guard by the Petersburg Borough and the thinking of the Assembly at that time was to do it once and to do it for all time since it is so much work to do an annexation petition. It is a very data-intensive exercise and it has taken a long time. The thought was that rather than doing all the work for a residual triangle left by the Petersburg Borough, was to set the Juneau Borough boundary and to complete that action.

Mayor Weldon called on Mr. Edwardson.

Mr. Edwardson said he will explain his thinking before putting forward a motion. There is an entire manual on annexation. There are two reasons to annex. They are either due to population increase or because industry has increased. He said neither of those has happened in the area. He said he does not want to get into the details at this time but rather wants a future date where they can get into specific details. The way that the Petersburg decision is used and the way the model borough boundaries have been explained could use some discussion. He said he disagrees with the way they are represented entirely.

Mr. Edwardson said that his motion is on whether or not the Assembly addresses this again, not the merits of the arguments because that would take too long tonight. He said that the Assembly passed Resoution 2817(am) by a vote of 5:4 and it was hardly a resounding victory. He said the Assembly is composed of very different members now and there is curiosity about discussing this in depth to make sure that we are either doing the right thing or that we stop doing the wrong thing. The members supporting the

resolution, by and large, chose not to explain their votes on the record during the hearing and that was noted by the press and they were given an opportunity in the press to state their positions but not on the public record. He said that would be an opportunity for the supporters to do that. He said that even the Deputy Mayor at the time said to the press, that he should have spoken up in the meeting. Mr. Edwardson said this is not hyperbole or exaggeration, he has yet to find a single person in Juneau, that supports this that is not sitting behind the Assembly desk or that wasn't sitting behind the desk at the time. He said if you consider that there isn't community support, decisions weren't explained, there wasn't very full discussion, and it wasn't a resounding victory, they have all new members now, and because all that, our neighbors vigorously oppose this. They vigorously oppose this at a time when we are trying to have unity in the region because basically we are under attack by the state government. He said he doesn't think this is the time to rile people up, especially when there doesn't really seem to be a reason to annex. That is his opinion and he is not asking people to change their opinions or their votes but what he is asking is to have a resolution introduced at the next Assembly meeting to repeal Resolution 2817am to provide a platform and mechanism to where they can have discussions and see if the Assembly still supports this.

**MOTION by Mr. Edwardson to have a resolution introduced at the next Assembly meeting to repeal Resolution 2817am.**

Ms. Becker asked if Green's Creek is in the location of the unannexed area that we are considering for annexation?

Mr. Watt said that Green's Creek Mine is in the current borough boundaries and is generally moving in the direction of area C. They are close to our boundary and there is some possibility that continued development could cross the borough boundary but he doesn't think that is imminent.

Ms. Gladziszewski said she is opposed to the motion. She said that this process has been going on for many years and there is not a perfect answer to this question. She said the Assembly has spent over a year and half in the most recent go around talking about these things. She said she didn't look up the vote but she recalls that there was back and forth about areas B plus C plus D plus which one. She said she doesn't know how the 5:4 ultimately came out but some of it was disagreements on the bits of boundary. She said that if they open this up again, they will spend a long time and it wasn't a factor in people running for office but that would take back what prior Assembly's did in good faith from moving forward. She said she disagreed with some of the decisions that were made when this Assembly made them but she feels that they had a good hearing, they heard from the public and this Assembly would need to be reeducated in a long process. If this Assembly wants to do that, that would be its prerogative. She said she hopes they would move forward and let the Local Boundary Commission begin its process. This is the beginning of a longer process and certainly not the end. The LBC will take it and continue to move forward and there will be more discussion in those forums. She hopes the Assembly would let the previous decision

stand, which she had quibbled with, but she thinks it was a reasonable move forward for the borough to get close to the model borough boundaries.

Mr. Edwardson said he is seeking a platform to have a discussion and they won't be doing that at 10 p.m. after a long contentious meeting. He said it is worth the time and one of the reasons he thinks it is worth the time is that, at least in the discussions he took part in, he doesn't think they were full and clear discussions. That is why he voted against it. He pointed out that knowing the people in the area, they are scared. They are scared about what this is going to do. Nobody talked to them and there was not a public meeting that they were included in. They stand to lose a lot of money, they stand to lose the ability to have the homesteads and the properties that they have over there if we start taxing them. If we don't start taxing them, what are we doing this for. He said we have in the audience, Mr. Denton who took a \$500 helicopter flight to be here today just to listen to this. He is just one of the people who came and is very concerned with this. This hall was stacked last year and not one person spoke in favor of annexation. What are we doing this for? He would like us to say, this is why I am against it or here's why I'm for it facing these people who all spoke against this last year.

Ms. Hughes-Skandijs asked for clarification regarding Ms. Becker's question about Green's Creek as she wanted to be clear that Green's Creek is within the CBJ borough boundaries. Mr. Watt confirmed that was correct. She said that she recalls watching this discussion closely as a citizen. She said that while the room was full, as resident of Juneau, it didn't feel like it had a long and great public process, which is not to say that it didn't meet its obligations but she would second Mr. Edwardson's comments. She said that it was not abundantly clear why it was moving forward, even if that was against what she wanted. She said she would like to take this up as an Assembly so she would be in favor of the motion. She recognizes Ms. Gladziszewski's concerns and she greatly appreciates the amount of time this has taken staff and she wouldn't want to grind that into the ground and drag out their time. She thinks it makes sense that when something takes this much effort, that they would undertake to do it once and forever. That said, this has large consequences, and if it takes longer, that would be alright. She said that it seems to her to be poor public policy with the exclusion of Funter Bay and, if this does proceed, she would follow the public process of the model boundary commission to see what the justification for that is. It seemed to be at the time, an exclusion based on the loudest voices in the room when many of the residents of Funter Bay would be some of the most seemingly logical taxable properties with most of those residents being registered to vote in CBJ. She pointed out packet page 279 which highlights taking into consideration the interest of other communities in this area, particularly the City of Angoon. She said the last sentence of that paragraph reads: "At such time as the CBJ decides to pursue annexation it will be critical to initiate a discussion with the City of Angoon community leaders." Ms. Hughes-Skandijs said as a member of the Assembly at this time, she does not feel comfortable going forward with this annexation, if we have the opportunity to reconsider it, because she believes it is poor behavior to our southeast neighbors. The timing couldn't be worse when we really need to be drawing together in this area of the state. She spoke in favor in the motion.

Ms. Hale said she appreciated the clarification about Funter Bay and that was a vote by a prior Assembly to exclude Funter Bay and that helps her understand it. She said she also appreciates Ms. Gladziszewski's description of the process that has occurred. Ms. Hale said she is not an advocate of reversing a decision by a prior Assembly, particularly after a public process. She doesn't support Mr. Edwardson's motion as she thinks it may set them back pretty significantly. This is a tough topic and she would like there to be some kind of a public process going on as Ms. Hughes-Skandijs said, they haven't effectively reached out to Angoon. As Mr. Benton said, they have not contacted property owners.

Mr. Watt said he would like to characterize the efforts to reach out to the community of Angoon. He said there were substantial efforts made to reach out to the community of Angoon. CBJ offered to meet, they offered to visit and had arranged to visit and that visit was declined. He said it is not fair to characterize Juneau's efforts with regards to Angoon as anything less than completely open and collegial.

Ms. Hale thanked Mr. Watt for that and this is part of the problem for some of the newer Assemblymembers is that they are coming in not having been in the process so she appreciated that clarification.

Mr. Watt said that the second clarification is that there is a bit of a chicken and egg issue. In order to find out who has property in potential areas for annexation, you need to do the work to investigate that issue. We didn't know who had pockets of land here and there in these areas until they did the research for the annexation petition. CBJ held public meetings and there have been opportunities for Juneau citizens to see what we are doing in the paper. Other communities saw that and it was widely reported on and until we actually did the work to find out who those property owners were, we didn't really even have a catalog of that until recently. He said that for that reason, the LBC itself has an extensive public process. He said that Mr. Palmer or Ms. Cosgrove might be able to illuminate more about the LBC's public process. He said that it has really only just begun and the Assembly decision of what areas to pursue is incumbent upon people to watch us because we couldn't know who they were. Now, through the LBC process, there will be a lot more public process.

Ms. Hale asked if she could finish. Mayor Weldon said if it is a follow-up, she could finish but if it was a new question, Mr. Edwardson was in front of her. Ms. Hale said she was interrupted and can't grasp her previous thoughts so she will stop at this time.

Mr. Edwardson said he feels it is important that Ms. Hale and the other members understand this in as much depth as they would like and they wouldn't be able to just as a result of this meeting and that is why he was making this motion. He said going back about a year and half, he said something to the effect that we don't want to jump into this and spend a whole bunch of work on it just to turn around and find out it was the wrong thing. He said that about this and other subjects and the reason is, it is a bad decision making process called sunk costs. You start dumping time and resources into something and you may not be ready to do it but you don't want to call it quits because

you have so much invested. He said he has no sympathy for the costs that we have put in. He said he does not think we got it right last year and he feels sorry for the fact that people dumped as much work into it as they did. We are still here and there is still no support and we still have people angry at them. He said others may know people who do support it but he does not know those same people. He thinks this deserves a long discussion and the only way he could figure out how to have a long discussion is to have a motion on repeal. Chances are, it might lose but it will provide an opportunity for a discussion and an opportunity for public comment and that is what he wants is the discussion.

Ms. Hale said she has a related question. She said that Mr. Dave Benton who is the manager of the Point Retreat Light House is present if they have any questions for him. She said, this is a question for Mr. Watt or Ms. Cosgrove. How can we, as an Assembly, and how can Mr. Benton and his organization have the certainty in the tax implications for their 1500 acre parcel? If they were taxed, the organization would no longer be able to exist so how can we have that kind of certainty.

Ms. Cosgrove said she doesn't know that they can offer today any assurances to Mr. Benton to say this will be the outcome. Ms. Cosgrove said that what she can say is that the properties within the newly annexed area, if approved by the process before the LBC, would be subject to property tax of the general mil rate off the roaded system which is the same that Shelter Island and Taku River properties pay. She said she believes that rate is 6.7 mills at this time. There are many exemptions to our property tax rules. Mr. Benton is involved with a 501(c)(3) property with the Pt. Retreat Lighthouse. She said they just started to look at his issues to see whether or not that property would be subject to property tax. She said there are ways that it could possibly be excluded. He told her that he spoke with Mr. Gillette earlier and Mr. Gillette is involved with the Sentinel Island property and the Sentinel Island property is excluded from property tax. She said that she can't make any guarantees right now as she doesn't have enough information. His situation is not necessarily different than any other people that might be newly contained within those boundaries such as people who own property on Horse and Colt Islands. People who own properties that, if they go into the borough and there isn't an exemption, they would be subject to that base rate of property tax. She said she doesn't know if that is helpful or not as it doesn't answer his underlying question but we can't do that sitting here at this meeting.

Mr. Bryson said as a new Assemblymember he doesn't have enough information and he doesn't even know how he feels about this but at the same time, he doesn't know how he feels about undoing the work of previous Assemblies. He said he may have a hard time with that as he thought how he would feel if the next Assembly started to undo some of the work that this Assembly has done. He asked if an amendment could be made, not so much that they do a repeal right now but they table it so they could get additional information. He said he would like to get more information about it as he doesn't feel he has an informed decision at this time. He asked if it could be postponed so they could have a full discussion with lots of information and bring all the new Assemblymembers up to speed.



Mr. Watt said that as Mr. Palmer alluded to earlier, they could pick this issue up at any point in time. He said that if an Assemblymember or member of the public wants to know more about annexation, they will need to commit a lot of time to reading historical documents. They would need to go back to 1963 when the Greater Juneau Borough first was incorporated because it is that long view. They would want to read the Petersburg annexation petition and figure out why Petersburg formed and why Sitka and Haines Borough formed and all the boundary issues. It is detailed and weedy. There is no obstacle to doing that. He said that what the prior Assembly found was that this is a very difficult decision and as the Deputy Mayor said there is no one right answer and he thinks they would find that true today. There are multiple answers and the LBC has a role to play. He said that Ms. Cosgrove noted that in the New Assemblymember on-boarding packet there is a briefing on this topic so that contains some of the recent information on that. He said that what they hear tonight is that it is a bit of a philosophical discussion as well as a detailed discussion and he said that while it is complicated but that the overlying question here is the whole concept of boroughs. When the state formed and adopted the constitution and envisioned the borough form of government, this is the model that they've offered for the development of the state. He said we are where we are but this could be a lot of effort for the Assembly to become educated about the full history of this.

Ms. Triem asked if one of the staff members could explain what the process would be going forward. She said she gets the sense that part of the reluctance is the feeling that the public has not had enough input. She said that her understanding is that CBJ and this Assembly is not the final decision maker here but there is a possibly long process after this with the LBC and that the legislature will also be involved. She asked for clarification on what that process will be.

Mr. Palmer said there is a long process. If the current resolution stands, the formal petition will be filed with the LBC. Staff at the LBC undertakes another technical review and hopefully that goes quickly. Their regulations provide some timeframes with a maximum duration that they can undertake the review. That then comes back for CBJ to make any changes. He is hopeful that there will not be significant changes, or any changes. Then, there is a much longer public process at that point where there has to be at least one more public meeting where people within the proposed areas to be annexed and the current borough get to see more detail of what is being proposed. That is the point at which there is more certainty as to what services will be provided and yes, there would be some taxation liability for some properties but they can see the full picture at that point. How that public meeting is set up is not clearly defined so there is a lot of opportunities there in whether it is held in City Hall, at Centennial Hall or other options. Ultimately, there is a long hearing in front of the LBC. The last time we went through this with Petersburg, he said there was close to two weeks of public hearing in front of the LBC. Then the LBC makes a recommendation. That recommendation, assuming there is some part that they recommend annexing, that recommendation gets forwarded to the legislature. He said this is the part that gets a little odd. That recommendation has to be forwarded to the legislature within a certain time frame of the

beginning of the legislative session. Depending on how long this process takes, the goal is to get it in front of the legislature in January 2020 but it might take until January 2021. Once it is there, the legislature has a short period of time to affirmatively disapprove of the petition. The legislature, if they want to do anything, they would stop it by taking action. If they don't take action, then it goes through. That paints the big picture on the process but he can go into further details if they wish.

Mayor Weldon thanked Mr. Palmer for the explanation. She said that now that everyone else has had a chance to speak, she will speak and then call on Ms. Hale and Mr. Edwardson again.

Mayor Weldon said she was part of the Assembly that initially voted on this and she would agree with Ms. Gladziszewski that a lot of the 5:4 votes wasn't necessarily, should they annex, but rather had to do with the different pieces and what parts should be annexed. She said that with respect to the question "Why should we annex?" she would disagree with Mr. Edwardson in that the reason we should annex is why our boundary was drawn in the first place. These weren't just lines drawn willy nilly to say we should do this. This is protecting ore bodies and ore bodies are important to Juneau. A lot of our economy is based on our two major mines and this would be related to potential expansion for one mine in particular and another mine to be potentially started. That is why she sees it as a compelling reason. With all the residential property, she gets it. She owns a cabin in Taku. She said they should look at some point if these recreational properties should be taxed as much. Keep in mind they are not paying the full property tax since they are outside the roaded service area. She said we are working with the lighthouse association so hopefully we can find a solution for that and any other non-profit or conservation land. She said they have heard already that they went through an extensive period, two years, of working on this so it isn't something they will hear about in one meeting and solve the problem. They would need to take this on for a long period of time and she feels the Assembly has already weighed in on this.

Mayor Weldon noted that as the City Attorney explained, this is not the end of it. It is going to the LBC and they will have public process, it will go to the legislature where there is more public process. There is still a lot of public process ahead of them. She said she is very sensitive to Angoon but she was one of the ones who reached out initially to the first mayor. It was not the same mayor they have now but at the time, she and the first mayor had conversations about this and CBJ had a trip planned to go to Angoon. She was planning on going on that trip and then Angoon chose not to have CBJ come down there. She said CBJ has reached out and unfortunately, Angoon is not in a position right now to become a borough and CBJ has waited for some time to see if they could do that and they have not. She said they can't claim the land until they are a borough. She said that why CBJ needs to take it on is that we learned our lesson with Petersburg. Petersburg took part of our land, sorry Ms. Triem, but we lost part of our land. There is another entity forming a borough right now that is looking to claim some land and again, CBJ does not want to wait and let them claim the land that we are trying to protect. We are trying to protect ore bodies.

Ms. Hale said that as a former state official who actually dealt with a lot of problems that arose from the fact that Alaska does not have counties, and because Alaska does not have counties, there are many people in boroughs or unorganized boroughs that simply rely upon the state to do what counties do in other states. She said she has long been an advocate for organized boroughs. She said she is coming to this situation in particular, one because it was sprung on them as an Assembly and she understands the process now. In general, she is an advocate and is eager for more public process around this. She said that she agrees that boroughs are a good idea and the areas for expansion make sense to her, they are more closely associated to Juneau than any other community that she can see.

Mayor Weldon called on Mr. Edwardson. Mr. Edwardson asked if he could cover a number of subjects because he's been wanting to respond to people as they've gone along.

Mr. Edwardson said that the LBC has a public process but that it is their public process, not that of CBJ. When our citizens go before the LBC, they will be fighting the full weight of the CBJ government in a process to take over. They will fighting us and that is the way that it works. Instead of listening to them and saying "what are your concerns?" we will be basically taking them to court and saying "we're going to take your stuff, fight it, this is your process." He said that doesn't make sense to him. As for willy nilly, he is still waiting to see some evidence that there are ore bodies or that we would have access to it. He is open for the evidence but we didn't see it last time and he doesn't see it at this meeting and this is one of the reasons why he would rather have a process where the Assembly is receiving that information. As far as the Petersburg thing, he encouraged everyone to read all of the information possible, including the Supreme Court decision where they said the Juneau arguments were wrong and they explained each and every reason they were wrong. He said one of those was talked about earlier and that was the model borough boundaries. He suggested they go to the LBC website, print off the document on the model borough boundaries and read the whole thing. They were never meant to establish a claimed land. What they were, were questionnaires that were sent out to people to say "what do you think the boundaries should be?" He encouraged them to read the document itself and to read the Supreme Court decision. He said he has hundreds of hours into this and the reason he has hundreds of hours into this is because we are talking about taking drastic action against people's property. If that doesn't deserve the Assembly's time, what does? Do they want to get out of the meeting early. Do they want to understand it just enough? What is just enough? It is going to be hard to find out what it is they are making these huge decisions on, that is the job of the Assembly.

There being no other comments, Mayor Weldon asked for a roll call vote on the motion.

**Roll Call Vote on the MOTION by Mr. Edwardson for the Assembly to have a resolution introduced at the next Assembly meeting to repeal Resolution 2817am.**

**Ayes: Edwardson, Bryson, Hughes-Skandijs**

**Nays: Becker, Gladziszewski, Hale, Triem, Weldon**

**Motion Failed Ayes: 3 Nays: 5**

*Mayor Weldon called for a 10-minute break at 10 p.m.*

*Mr. Bryson was excused for the remainder of the meeting.*

*Respectfully submitted,  
Beth McEwen, MMC*

DRAFT

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

July 22, 2019 7:00 PM

Assembly Chambers  
No. 2019-27

Submitted By:

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Duncan Rorie Watt  
City and Borough Manager

**I. FLAG SALUTE**

**II. ROLL CALL**

**III. SPECIAL ORDER OF BUSINESS**

- A. **Special Recognition: Cathy Turner**
- B. **Special Recognition: Gary Gillette**
- C. **Special Recognition: Bob Bartholomew**

**IV. APPROVAL OF MINUTES**

- A. [March 19, 2019 Draft Special Assembly Meeting #2019-15](#)
- B. [March 21, 2019 Draft Special Assembly Meeting #2019-16](#)
- C. [March 22, 2019 Draft Special Assembly Meeting #2019-17](#)
- D. [April 1, 2019 Draft Regular Assembly Meeting #2019-18](#)

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

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

**VII. CONSENT AGENDA**

- A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction
- B. Assembly Requests for Consent Agenda Changes
- C. Assembly Action
  - 1. Ordinances for Introduction

a. **Ordinance 2019-31 An Ordinance Increasing the Rates for Water and Wastewater Utility Services.**

The last utility rate increase approved by the Assembly became effective on July 1, 2018. In March 2019, the Utility Advisory Board recommended that Water and Wastewater Utility rates increase by 4% in each of the next five years. In April 2019, The City Manager recommended an alternative: that Water and Wastewater Utility rates increase by 2% in each of the next five years. The increased revenue from these new rates will be used for anticipated operating cost growth and allow increased investment in needed capital improvements.

This ordinance provides a balance between these two recommendations with a 4% rate increase for both Water and Wastewater Utilities beginning in January 2020 and 2% rate increases for the 2021-2024 period effective each July 1. The first rate increase will be 18 months after the last increase in 2018 and the second rate increase will again be 18 months from the January 2020 rate increase. These rate increases provide for prudent investment in water and wastewater systems while acknowledging a desire to mitigate the impacts to the rising cost of living in Juneau.

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

b. **Ordinance 2019-36 An Ordinance Temporarily Increasing the Hotel-Motel Room Tax by Two Percent, from Seven Percent to Nine Percent, for a Fifteen Year Period, and Providing for a Ballot Question Ratifying the Increase.**

This ordinance would place the question of temporarily increasing the hotel-motel room rental tax from seven to nine percent on the ballot at the next regular municipal election. In accordance with the Assembly Committee of the Whole direction at its meeting on July 15, 2019, the increase would be for fifteen years from January 1, 2020, until December 31, 2035. The hotel-motel room rental tax would automatically return to seven percent on January 1, 2036.

The hotel-motel room rental tax was last increased in 1988. The increased rate authorized by this ordinance would initially generate an estimated \$440,000 per year in additional revenue. It is the intent of the Assembly to use this increase in the hotel-motel room rental tax to provide funding for the construction of capital improvements for Centennial Hall. Proceeds could also be used to help pay for general obligation debt service relating to Centennial Hall. If this ordinance is adopted by the Assembly, it would also need to be approved by the voters in the October election.

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

c. **Ordinance 2019-35(b) An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed Ten Million Dollars to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 1, 2019.**

This ordinance authorizes the issuance of not to exceed \$10 million of general obligation bonds. The purpose of the bonds is to fund renovations to Centennial Hall. Initial project scope is provided in section 6 of the ordinance. The funding sources to repay the bonds are:

- 2% increase in the hotel tax (if approved by the voters) paying 45% of the debt service payments.
- 0.1 mills (1% total increase in tax) increase in the property tax mill rate paying 55% of the debt service payments.

The ordinance provides for the issuance of 15 year bonds. If this ordinance is approved the question of whether to sell the bonds would be placed before the voters on October 1, 2019. The need for the bond/debt financing was discussed and approved at the July 15 Assembly Committee of the Whole meeting, and staff was directed to prepare an ordinance for final consideration.

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

- d. [Ordinance 2019-35\(a\) An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed Seven Million Dollars to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 1, 2019.](#)

This ordinance authorizes the issuance of not to exceed \$7 million of general obligation bonds. The purpose of the bonds is to fund renovations to Centennial Hall. Initial project scope is provided in section 6 of the ordinance. The funding sources to repay the bonds are:

- 2% increase in the hotel tax (if approved by the voters) paying 65% of the debt service payments.
- .04 mills (0.4% total increase in tax) increase in the property tax mill rate paying 35% of the debt service payments.

The ordinance provides for the issuance of 15 year bonds. If this ordinance is approved the question of whether to sell the bonds would be placed before the voters on October 1, 2019. The need for bond/debt financing was discussed and approved at the July 15 Assembly Committee of the Whole meeting, and staff was directed to prepare an ordinance for final consideration.

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

- e. [Ordinance 2019-34 An Ordinance Calling for an Advisory Ballot Proposition on Grant Funding for the New Juneau Arts and Culture Center.](#)

The existing City-owned arts and culture facility needs replacement. The City and Borough has been asked to provide a \$7.5 million grant for the New JACC to help attract substantial additional private funds. At the Committee of the Whole meeting on July 15, the Committee directed that an ordinance be presented asking the voters whether the CBJ should provide a grant for the New JACC.

If a grant is made in the current fiscal year for \$7.5 million, \$1 million would be appropriated from FY20 sales tax revenue, \$3.5 million would be appropriated from the sales tax fund balance and \$3 million would be appropriated from the general fund balance. The Assembly discussed that it intends to replenish the draw on fund balances by reallocating an additional \$2 million of unallocated 1% sales tax over the next three years and reallocating the \$4.5 million of 1% sales tax funds over the

next three years that was originally programmed for Centennial Hall improvements, which the voters approved in 2017.

The Assembly also discussed that it intends to replenish the 1% sales tax funds originally programmed for the Centennial Hall improvements by issuing general obligation bonds. The general obligation bonds are intended to be paid back by raising the hotel-motel room rental tax by two percent and increasing the property tax by 0.1 mills (~1% overall rate increase).

If the voters support the City and Borough providing a grant for the New JACC, the Assembly intends to impose the following grant conditions in an appropriation:

- (1) that to provide grant funds, the voters would need to approve the general obligation bond proposition for Centennial Hall at this election;
- (2) that the grant funds not be released until the New JACC project is funded at 90 percent, which must occur prior to October 1, 2023;
- (3) the Manager shall negotiate a contract to encumber the grant funding; and
- (4) the Assembly may direct the Manager to add other conditions that are in the public interest.

**The Manager recommends the Assembly introduce this ordinance and refer it to the Committee of the Whole scheduled for July 29, 2019.**

f. [Ordinance 2019-06\(B\)\(v.1\) An Ordinance Appropriating to the Manager the Sum of \\$7,500,000 in Grant Funding for the Juneau Arts and Culture Center; Funding Provided by the FY20 Sales Tax Revenues, Sales Tax Fund Balance, and General Fund Balance.](#)

This ordinance would appropriate \$7,500,000 in grant funding for the JACC. Funding sources are:

FY20 Sales Tax Revenue	\$1,000,000
Sales Tax Fund's Fund Balance	\$3,500,000
General Fund's Fund Balance	\$3,000,000

At its June 15, 2019, meeting, the Assembly Committee of the Whole (COW) approved providing funding for the JACC grant. Direction from the COW was to use funds from the 2017 voter approved 1% sales tax. Since the sales tax funds will be received during the next four years it is necessary to initially use fund balances and then reimburse the funds as revenues come in.

**The City Manager recommends the Assembly introduce this ordinance and refer it to the Committee of the Whole scheduled for July 29, 2019.**

g. [Ordinance 2019-06\(B\)\(v.2\) An Ordinance Appropriating to the Manager the Sum of \\$4,500,000 in Grant Funding for the Juneau Arts and Culture Center, Funding Provided by the Sales Tax Fund Balance.](#)

This Ordinance would appropriate \$4,500,000 in Grant funding for the JACC. Funding sources are:

FY20 Sales Tax Revenue:	\$1,000,000
Sales Tax Fund's Fund Balance:	\$3,500,000



At their June 15, 2019, meeting, the Assembly Committee of the Whole (COW) approved providing funding for the JACC grant. Direction from the COW was to use funds from the 2017 voter approved 1% sales tax. Since the sales tax funds will be received during the next 4 years it is necessary to initially use fund balance and then reimburse the fund as revenues come in.

**The Manager recommends the Assembly introduce this ordinance and refer it to the Committee of the Whole scheduled for July 29, 2019.**

2. Resolutions

a. [Resolution 2854 A Resolution Changing the Methodology for Calculation of Stipend for Emergency Service Volunteers, and Repealing Resolution 2554.](#)

The volunteer firefighter stipend program has been updated to more effectively meet the needs of the organization and to comply with federal and state labor laws. The proposed update was created with input from a committee of volunteers, volunteer mentors and officers. The updates are supported by the Gastineau Chapter of Alaska State Fire Fighters.

Under the proposed revisions, stipends are distributed in three parts. There is a stable fixed stipend that all volunteers in good standing receive based on their current certification level. Additional stipend amounts can be earned through responding to an emergency call. The third element of the revised program provides a predictable quarterly reimbursement to volunteers for general expenses such as vehicle maintenance and/or day care. This program also fixes inequities that are created when a volunteer rides on a 24 hour shift.

It is anticipated that the revised volunteer stipend system will cost approximately \$60,000 less in FY20. The additional \$60,000 will be used to help pay for volunteers and volunteer officers to attend additional training and relevant conferences and used for volunteer recognition and retention programs. Currently these costs are paid for through volunteer fundraising efforts. Volunteer time is a very valuable commodity; it is a benefit to the community to utilize their time in training and responding to emergencies instead of fundraising for items not normally covered in a department budget.

The Human Resources Committee at its meeting on June 24, 2019, moved to forward Resolution 2854 to the Assembly for approval.

**The City Manager recommends the Assembly adopt this resolution.**

b. [Resolution 2858 A Resolution Ratifying the Labor Agreement between the City and Borough of Juneau and the Public Safety Employees Association, AFSCME Local 83, AFL-CIO.](#)

This resolution would provide Assembly ratification, as required by CBJ 44.10.020, of the terms of the tentative agreement negotiated between the City and Borough of Juneau and the Public Safety Employees Association (PSEA) for a collective bargaining agreement that will go in effect on July 1, 2019, and expire on June 30, 2022.

The tentative agreement includes economic modifications to the pay plan and to the employer's contribution for health insurance. The total costs of this tentative agreement are estimated to be \$571,000 in Fiscal Year 2020, \$652,000 in Fiscal Year 2021, and \$735,000 in Fiscal Year 2022.

In addition, there are minor operational changes that will increase administrative efficiencies and facilitate a more harmonious and cooperative workplace. An overview of the agreement is included in your packet.

This tentative agreement has been ratified by the PSEA membership and the economic terms are in keeping with Assembly direction.

**The City Manager recommends the Assembly adopt this resolution.**

- c. [Resolution 2859 A Resolution Ratifying the Labor Agreement between the City and Borough and the Marine Engineers Beneficial Association.](#)

This resolution would provide Assembly ratification, as required by CBJ 44.10.020, of the terms of the tentative agreement negotiated between the City and Borough of Juneau and the Marine Engineers Beneficial Association (MEBA) for a collective bargaining agreement that will go in effect on July 1, 2019, and expire on June 30, 2022.

The tentative agreement includes economic modifications of annual wage increases of 2%, 1%, and 1% during the three years of the contract, a \$500 per employee lump sum payment, and increases to the employer contribution to health insurance of approximately 5% each year for the three years of the contract. In addition, there are minor housekeeping language changes to the collective bargaining agreement.

This tentative agreement has been put out for ratification vote by the MEBA membership, but the voting period is not yet complete. Assembly ratification of this tentative agreement is conditioned on MEBA ratification of the tentative agreement.

The economic terms are in keeping with Assembly direction.

**The City Manager recommends the Assembly adopt this resolution.**

- d. [Resolution 2860 A Resolution Amending the Personnel Rules and Approving Economic Terms between the City and Borough and the City and Borough of Juneau Non-represented Employees.](#)

This resolution would provide Assembly approval for certain economic terms of employment in fiscal year 2020 to fiscal year 2022 for non-represented employees and approve the corresponding changes to the Personnel Rules. Specifically, this resolution approves annual wage increases of 2%, 1%, and 1% over the next three fiscal years, up to 5% increases to the employer contribution to health insurance for the next three fiscal years, and a \$500 lump sum payment to full time employees employed on July 1, 2019 that is prorated for part time and seasonal employees.

This resolution is in accordance with previous Assembly direction.

**The City Manager recommends the Assembly adopt this resolution.**

- e. [Resolution 2861 A Resolution Urging the Alaska Legislature and Governor to Restore Funding for the State Operating Budget to Help Ensure Long Term Fiscal and Economic Stability for the Citizens of the State of Alaska.](#)

The Assembly has requested a strongly worded and diplomatic resolution that expresses its dismay at the Governor's vetoes of the state operating budget and encouraging the Legislature and Governor to work together to restore funding to

critical state programs and services and to help ensure the long term fiscal and economic stability of the state.

**The City Manager recommends the Assembly adopt this resolution.**

3. Bid Award

a. [DH18-013 Statter Harbor Improvements Phase III\(A\)](#)

The project generally consists of demolishing the old launch ramp and travel lift pier. After demolition, the inner harbor will be dredged and a rock obstruction will be drilled and blasted through a rock pad built by the contractor. Preliminary dirt work and soft ground settlement for a new MSE wall will take place as well as the installation of a storm drain system.

Bids were opened on this project on July 17, 2019. The bidders and their total bids are as follows:

Bidders	Total Bid
Pacific Pile & Marine, LP	\$4,061,000
Western Marine Construction, Inc.	\$4,216,200
Kiewit Infrastructure West Co.	\$5,770,600
<i>Engineer's Estimate</i>	\$2,957,900

At a special board meeting on July 17, 2019, the Docks and Harbors Board unanimously approved award of this bid to Pacific Pile & Marine, LP. 75% of project funds will come from the cruise passenger vessel excise tax and 25% will come from harbor funds that are already in a CIP which has sufficient funds to award.

**The City Manager recommends award of this project to Pacific Pile & Marine, LP, for the total amount bid of \$4,061,000.**

b. [DH19-014 Downtown Waterfront Improvements](#)

The project consists of all activities necessary to construct the Downtown Waterfront Improvements Phase I project as shown in the contract documents. The work generally includes demolition, salvage, earthwork, utilities, sewer lift station, curb and gutter, storm drains, concrete paving, concrete retaining walls, steel pipe piles, steel pipe caps, timber and reinforced concrete structural decks, guardrails, planters, parking canopy, power and lighting and other associated improvements.

Bids were opened on this project on July 16, 2019. The bidders and their total bids are as follows:

Bidders	Total Bid
Trucano Construction Co.	\$12,367,699
Coogan Construction Co.	\$13,212,570
Pacific Pile & Marine, LP	\$16,280,000
<i>Engineer's Estimate</i>	\$13,623,730

**The City Manager recommends award of this project to Trucano Construction Company in the total amount bid of \$12,367,699.**

## 4. Other Items for consent

a. [New License-Standard Marijuana Cultivation Facility License #21086 NUGZ, LLC](#)

CBJ received notice of the following new Alcohol and Marijuana Control Office (AMCO) marijuana license application:

***Standard Marijuana Cultivation Facility, License #21086, NUGZ LLC., d/b/a NUGZ LLC., located at: 9331 Glacier Hwy, Juneau***

CBJ staff from the Police, Fire, and Finance departments reviewed this application for compliance with CBJ laws and regulations and recommends that the Assembly waive its right to protest the issuance of this license. The Community Development Department also waives its right to protest but requests the CBJ add the following verbiage to the letter sent to AMCO from CBJ notifying AMCO of the Assembly decision:

*Although NUGZ, LLC does not yet have a CBJ Marijuana Business License, a Building Permit, or a Conditional Use Permit, CDD recommends allowing the applicants to move forward to obtain the State License. The applicant cannot operate in the Borough until the following is completed - approval of the Conditional Use Permit, a Certificate of Occupancy for the structure, and issuance of the CBJ Marijuana Business License.*

Due to the large quantity of documents associated with each marijuana license, your packets have been limited to the following documents:

- State of Alaska Alcohol & Marijuana Control Office (AMCO) Notice to Local Governing Body
- AMCO Marijuana online application forms (redacted)

Copies of all the documents relating to this license are available upon request from the office of the Municipal Clerk during regular business hours.

In the event the Assembly does protest the issuance of this license, CBJ Code 20.30 requires notice, with specificity regarding the nature and basis of the protest, to be sent to the licensee and provides the licensee an opportunity to exercise its right to an informal hearing before the Assembly. The sixty-day comment period for local governing body action will expire as of Tuesday, August 13, 2019.

**The City Manager recommends the Assembly waive its right to protest the issuance of AMCO marijuana license #21086.**

## 5. Transfers

a. [Transfer T-1020 A Transfer of \\$642,441 from Existing Capital Improvement Projects including from Statter Harbor Loading Facility CIP, and from Taku Harbor Deferred Maintenance CIP, and from Statter Harbor Breakwater Safety CIP; to Statter Harbor Improvement Phase III CIP, and to Amalga Fish Cleaning Station CIP, and to ABMS Maintenance & Improvement CIP.](#)

This transfer moves a total of \$642,441 from three different projects into three other projects. The funds consist of \$139,919 of sales tax funds and \$502,522 of harbor funds. The projects from which the funds will be transferred are complete and this action will close those accounts. The projects to which the funds will be added are

currently in progress. Notably, this transfer would simply move money to different accounts; a separate appropriation ordinance is required to spend the money. The breakdown of specific actions is as follows:

From: CIP			
	H51-093	Statter Harbor Loading Facility	\$139,919
	H51-109	Taku Harbor Deferred Maintenance	\$140,062
	H51-106	Statter Harbor Breakwater Safety	\$362,460
<hr/>			
To: CIP			
	H51-108	Statter Harbor Improvements-Ph III	\$267,379
	H51-105	Amalga Fish Cleaning Station	\$140,062
	H51-117	ABMS Maintenance & Improvements	\$235,000
<hr/>			

The Docks and Harbors Board reviewed and recommended approval of this request at its May 30, 2019 regular public meeting.

**The City Manager recommends approval of this transfer.**

**VIII. PUBLIC HEARING**

**A. [Ordinance 2019-29\(b\) An Ordinance Amending the CBJ Code to Allow for the Consumption of Marijuana by Smoking and Edibles in Licensed Marijuana Retail Facilities with an Onsite Consumption Endorsement.](#)**

In late 2018, Senate Bill 63 went into effect and authorized the Alaska Marijuana Control Board to promulgate regulations to allow onsite marijuana consumption in certain freestanding marijuana facilities. The Marijuana Control Board regulations (3 AAC 306.370) now allow consumption of marijuana in a certain marijuana retail stores. This ordinance would amend CBJ’s codes to allow marijuana to be consumed outdoors at a marijuana retail store with an onsite consumption endorsement.

The Committee of the Whole discussed this topic on April 8, June 10, and July 8, 2019. On July 8, the Committee amended the ordinance to version b, which would only allow marijuana consumption at a marijuana retail store with an onsite endorsement in a State approved outdoor location. A memo from the City Attorney is in the packet that describes some of the policy considerations discussed at the July 8 Committee of the Whole meeting.

**The City Manager recommends the Assembly adopt this ordinance.**

**B. [Ordinance 2019-23 An Ordinance Providing for a Property Tax Abatement Program to Incentivize the Development of Assisted Living for Senior Citizens.](#)**

This ordinance would create a property tax abatement program for assisted living developments that create 15 or more new residential units for senior citizens. Private developers have expressed that the high cost of construction and operations in Juneau render assisted living projects insufficiently profitable to attract private investment. Without municipal incentives like this ordinance, a new senior assisted living housing project is unlikely. Consistent with state law (AS 29.45.050(m)), municipalities that are also school districts may only exempt property taxes in excess of 2.65 mills, which is approximately a 75% tax exemption if the mill rate is 10.66. This ordinance provides a property tax abatement on the full value of newly constructed assisted living units for senior citizens for twelve years.

The Committee of the Whole discussed this topic on April 8, April 29, and June 10, 2019. The Committee referred this ordinance back to the Assembly for public hearing.

**The City Manager recommends the Assembly adopt this ordinance.**

C. **[Ordinance 2019-19 An Ordinance Amending the CBJ Codes Related to Planning Commission Review of City and Borough of Juneau Real Property Transactions.](#)**

This ordinance would amend sections of CBJ code to clarify when the Planning Commission reviews a land transaction between the CBJ and another party.

On March 4, 2019, the Assembly authorized Assemblymember Jones to work with staff to identify potential regulatory amendments to make conveying CBJ property more practical and less confusing. This ordinance would remove the Planning Commission review process for leases and easements of CBJ property and instead require Assembly Lands Committee review. This ordinance would also clarify that Planning Commission review is not required when the CBJ acquires property. The Planning Commission would still review any sale or exchange of CBJ property.

This ordinance has been reviewed by the Docks & Harbors Board (March 28, 2019), the Planning Commission (April 23, 2019 and May 14, 2019), and the Lands Committee (June 10, 2019). All three committees recommended the Assembly adopt the regulatory changes in this ordinance.

**The City Manager recommends the Assembly adopt this ordinance.**

D. **[Ordinance 2019-20 An Ordinance Amending the Hospital Code Relating to Board Appointment, Contracts for Professional Services, and Medical Records.](#)**

This ordinance would update the Hospital Code to modernize three provisions. Section 2 of the ordinance adds a sentence with qualifications that the Hospital Board desires for new appointees. Section 3 of the ordinance amends a professional services contracting provision to comply with federal law. Section 4 of the ordinance updates the preservation of patient medical records provisions to be consistent with Alaska and federal law. The Law Department has provided a more detailed memo explaining the background for this ordinance.

The Hospital Board reviewed these changes on August 29, 2018 and on March 26, 2019, and recommends the Assembly adopt this ordinance. The Assembly Human Resources Committee reviewed this ordinance on June 3, 2019, and recommended the Assembly adopt this ordinance.

**The City Manager recommends the Assembly adopt this ordinance.**

E. **[Ordinance 2019-24 An Ordinance Amending the CBJ Codes Related to New Utility Service Connections in Public Right of Ways.](#)**

This ordinance would amend the CBJ water code, sewer code, and excavation code to make it easier for private developers to connect to CBJ utilities in a State right-of-way. The Southcoast Region of the Alaska Department of Transportation and Public Facilities (DOT) has recently made public utility connections for development adjacent to State rights of way nearly impossible again. DOT refuses to let private developers and other State agencies connect to CBJ water and sewer mains in a State right of way without the CBJ signing as the developer and promising to indemnify DOT if the private developer or State agency damages the State right of way. DOT asserts that position despite the CBJ not being involved in any of the development. DOT supposedly has taken that position because of old sections of CBJ code that have been superseded by recent amendment to Title 49. This ordinance would amend those old sections of

CBJ code to clarify that in State right of ways, the private developer is responsible for obtaining the necessary permits and installing the utility service lines at no cost to the CBJ.

The Public Works and Facilities Committee recommended adoption of this ordinance at its meeting on June 10, 2019, the packet for which also contain more detailed memos describing background for this ordinance.

**The City Manager recommends the Assembly adopt this ordinance.**

F. **[Ordinance 2019-27 An Ordinance Amending the Land Use Code to Extend the Sunset Date for the Downtown Juneau Overlay District.](#)**

This ordinance would amend Article XII Alternative Development Overlay District (CBJ 49.70.1210) by extending the sunset date for the downtown Juneau ADOD for an extra year to August 2020.

The purpose of the alternative development overlay district is to provide adequate minimum standards and procedures for the construction of new residential buildings and the expansion, restoration, or repair of existing residential buildings, while providing time to implement new zoning regulations. This extension provides adequate time for the review and adoption of new zoning for the downtown neighborhoods.

The Committee of the Whole considered this ordinance on June 10, 2019. The Planning Commission forwarded this ordinance to the Assembly for approval at its meeting on June 25, 2019.

**The City Manager recommends the Assembly adopt this ordinance.**

G. **[Ordinance 2019-28 An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of Lot 1A, Emerald 3 Subdivision, Located at the end of Vista Drive, from a Mix of D5 and D18 to D18.](#)**

The Planning Commission, at its regular meeting held on May 14, 2019, recommended that the Assembly approve a request to rezone approximately 27.88 acres near Vista Drive from a mix of D5 and D18 to D18. The Planning Commission found that the proposed expansion of the D18 zoning district substantially conforms to the Medium Density Residential designation of the land use maps of the Comprehensive Plan. Furthermore, the proposed rezone is consistent with the Comprehensive Plan vision, policies and its implementing actions, standard operating procedures, and development guidelines, which support increased residential densities when appropriate infrastructure is in place to serve the development.

The CBJ Land Use Code provides certain restrictions for zone change requests. This proposal conforms to these restrictions as follows:

1. The request is for more than two acres and is an expansion of an existing zoning district.
2. No similar request has been made in the past year.
3. This request substantially conforms to the land use maps of the 2013 Comprehensive Plan.

The Planning Commission recommends that the Assembly approve the rezone of the subject parcel from D5 and D18 to D18.

**The City Manager recommends the Assembly adopt this ordinance.**

H. **[Ordinance 2019-06\(A\) An Ordinance Appropriating to the Manager the Sum of \\$1,100,000 as Funding for the Juneau International Airport Terminal Construction](#)**

**Capital Improvement Project; Funding Provided by the Airport Fund's Fund Balance and Sales Tax Fund's Fund Balance.**

This ordinance would appropriate \$1,100,000 to the Terminal Construction Capital Improvement Project (CIP).

Funding sources are:

2012 Sales Tax CIP Authorization: \$300,000  
 Airport Fund's Fund Balance: \$800,000

At its June 11, 2019, meeting, the Airport Board approved this action.

At its June 12, 2019, meeting, the Assembly Finance Committee approved this action, and forwarded it to the Assembly for action.

**The City Manager recommends the Assembly adopt this ordinance.**

- I. **Ordinance 2018-11(AO) An Ordinance Appropriating to the Manager the Sum of \$6,345 as Partial Funding for the Trail Improvements Capital Improvement Project to Design, Furnish, and Install Trailhead and Trail Marker Signage Along the Switzer Creek – Richard Marriott Trail; Grant Funding Provided by the Juneau Glacier Valley Rotary Club.**

This ordinance would appropriate grant funding in the amount of \$6,345.31 as provided by the Rotary Club of Juneau, Juneau-Gastineau Rotary, Juneau Glacier Valley Rotary, Rotary Club of Juneau 58° Innovators, and Capital City Rotaract. No match is required.

Juneau's Rotary Clubs have been working with the Parks & Recreation Department and Trail Mix to improve the Switzer Creek - Richard Marriott Trail, improving over 1,900' of trail in the last year. This funding will be used to design, furnish, and install trailhead and trail marker signage along the trail.

The Public Works and Facilities Committee reviewed this topic at its meeting on May 20, 2019 and referred it to the Assembly.

**The City Manager recommends the Assembly adopt this ordinance.**

- J. **Ordinance 2018-11(AP) An Ordinance Appropriating to the Manager the Sum of \$653,744 as Partial Funding for the Playground Rebuild Capital Improvement Project, for the On Sidewalk & Stairway Repairs Capital Improvement Project, and the Maier Drive Force Main Capital Improvement Project; Funding Provided by the Risk Fund's Fund Balance.**

This ordinance would appropriate \$653,744 to fund three Capital Improvement Projects (CIP) resulting from property damage insurance claims. The insurance settlements are outlined in the table below:

PROJECT NAME	FUNDING SOURCE	AMOUNT	CIP #
Playground Rebuild	Lexington Insurance	\$63,198	P41-095
On Sidewalk & Stairway Repairs	Geico Insurance	\$25,000	R72-035
Maier Drive Force Main Emergency Repair	Lexington Insurance	\$565,546	U76-113
<b>Total</b>		<b>\$653,744</b>	



In order to provide funding for FY19 project expenses, all of these funds will be appropriated from the Risk Fund's Fund Balance and will be reimbursed to the fund once insurance funds are received.

The Public Works and Facilities Committee forwarded this request to the full Assembly at its May 20, 2019 meeting.

**The City Manager recommends the Assembly adopt this ordinance.**

## IX. UNFINISHED BUSINESS

### A. [Assembly Appeal #2019-01 Terraces at Lawson Creek v. CBJ Assessor: Proposed Decision](#)

This is a 2019 property tax appeal filed by the Volunteers of America for multi-family property known as the Terraces at Lawson Creek. The Assembly accepted the appeal, assigned a presiding officer who administered a prehearing conference and established a briefing schedule. The Assessor filed a motion to dismiss. After considering the briefing by both parties, the Assembly issued the proposed decision. The proposed decision was served on the parties on July 9, who had five days to file objections. No objections have been filed.

No testimony or evidence of any nature other than that contained in a timely filed objection may be received by the Assembly at this meeting.

**The City Attorney recommends the Assembly adopt the proposed decision as the final decision for this appeal.**

## X. NEW BUSINESS

### A. [Airport Terminal Reconstruction Art Panel](#)

The Juneau International Airport is currently designing the Phase II Airport Terminal Reconstruction project. This project must comply with CBJ Ordinance 62.65 "Art Works in Public Places"; requiring 1% of the construction costs to public art. The Airport is looking to incorporate some of the art work into the building during construction. The Art Panel was established by the Assembly earlier this year. This spring, the Art Panel reviewed 35 proposals and selected four artists with work totaling \$147,800.

The attached memo outlines the four artists, their proposed work and the costs. The Airport Board concurred with the art panel recommendation at the May 14, 2019 Airport Board meeting. On July 1, 2019, the Public Works and Facilities Committee concurred with the Art Panel selection, as outlined. In accordance with the ordinance, the art panel recommendation is forwarded on to the Assembly for final concurrence.

**The City Manager recommends that the Assembly concur with the recommendations of the Art Panel.**

## XI. STAFF REPORTS

### A. [Annexation Update Regarding Resolution 2817am](#)

Resolution 2817am directed the Manager to file an annexation petition for the areas described in the resolution. CBJ staff drafted that petition and submitted it for informal technical review to the Local Boundary Commission. In early July, the Commission provided helpful recommendations like updating the fiscal exhibits for FY20, clarifying police services, and

clarifying geographic descriptions of the areas. Staff has made those changes and is ready to submit the petition for formal review and further public process.

**XII. ASSEMBLY REPORTS**

- A. Mayor's Report
- B. Committee Reports, Liaison Reports, Assembly Comments and Questions
- C. Presiding Officer Reports

**XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS**

**XIV. EXECUTIVE SESSION**

**XV. ADJOURNMENT**

**XVI. SUPPLEMENTAL MATERIALS**

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

## EXHIBIT H-8

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

Annexation Update Regarding Resolution 2817am

#### MANAGER'S REPORT:

Resolution 2817am directed the Manager to file an annexation petition for the areas described in the resolution. CBJ staff drafted that petition and submitted it for informal technical review to the Local Boundary Commission. In early July, the Commission provided helpful recommendations like updating the fiscal exhibits for FY20, clarifying police services, and clarifying geographic descriptions of the areas. Staff has made those changes and is ready to submit the petition for formal review and further public process.

#### ATTACHMENTS:

	<b>Description</b>	<b>Upload Date</b>	<b>Type</b>
▢	<a href="#">Res 2817am</a>	7/18/2019	Resolution
▢	<a href="#">Res 2817am Corrected Map</a>	7/18/2019	Map
▢	<a href="#">Petition v Model Borough Boundary</a>	7/5/2019	Map
▢	<a href="#">Traditional Tlingit Country Map via ANNK</a>	7/8/2019	Map
▢	<a href="#">2007 Final CBJ Annexation Study Report</a>	7/18/2019	Report
▢	<a href="#">1997 Model Borough Boundary Report</a>	7/5/2019	Report

Presented by: The Manager  
Introduced: 01/22/2018  
Drafted by: A. G. Mead

**RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2817(am)**

**A Resolution Authorizing the Filing of an Annexation Petition by Legislative Review before the Local Boundary Commission.**

WHEREAS, Article X, sec. 3 of the Alaska Constitution requires the State to be divided into boroughs which encompass an area and population with common interests to the maximum degree possible; and

WHEREAS, Article X, sec. 12 of the Alaska Constitution directs the establishment of a local boundary commission to consider any proposed local government boundary change; and

WHEREAS, the Local Boundary Commission conducted an intensive study, which included public testimony from throughout Alaska, in order to adopt "model borough boundaries" throughout the unorganized borough to be used as a "frame of reference" by the Local Boundary Commission in evaluating future petitions; and

WHEREAS, by Resolution 2587, the Assembly authorized the filing of an annexation petition to annex that portion of land between the CBJ and the then City of Petersburg, an area also sought by Petersburg as part of its borough incorporation petition; and

WHEREAS, in deciding Petersburg's petition and granting Petersburg much of the land identified in the CBJ's annexation petition it became necessary for the CBJ to amend its petition; and

WHEREAS, the City and Borough of Juneau Assembly has carefully considered whether amending its annexation petition to include other areas of the unincorporated borough either previously identified as part of Juneau's model borough boundary, or which, in considering the standards for annexation set by state law, would appropriately and best be served by annexation to the City and Borough of Juneau; and

WHEREAS, at its Committee of the Whole meeting on January 3, 2018, the Assembly directed a resolution be prepared to authorize the amendment of the CBJ's currently pending annexation petition to include the following areas, as amended by the Assembly at its meeting on February 12, 2018, (identified on the map attached as Exhibit A):

- Lands abutting and in Seymour Canal beginning with the Pack Creek watershed and including all lands to the north that drain into Seymour Canal;
- The Glass Peninsula;

- All of the lands on Admiralty Island to the north of Hawk Inlet, including Horse and Colt Islands but excluding those lands that lie with the watersheds that drain into Funter Bay;
- An area south of the Greens Creek Mine and the existing City and Borough of Juneau boundary that encompasses all lands that drain into Wheeler Creek and lands to the west of the Wheeler Creek basin that drain directly into Chatham Strait.

WHEREAS, the Assembly further directed that the petition be filed as a petition for annexation by legislative review process; and

WHEREAS, state law (3 AAC 110.425) requires that prior to submitting a petition for legislative review, prospective petitioners prepare a draft of the prospective petition, provide public notice, and conduct a public hearing on the annexation proposal.

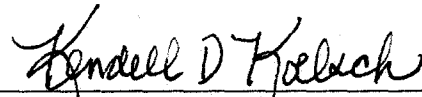
NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1.** The Assembly directs the Manager to amend the City and Borough of Juneau's petition, currently pending (in stayed status) before the Local Boundary Commission by including those lands identified herein and as shown on Exhibit A, and by filing the petition as a petition for annexation by legislative review.

**Section 2.** The Assembly directs the Manager to initiate the process in accordance with 3 AAC 110.425 by preparing a draft of the prospective annexation petition and providing for the public notice and hearing as required by law.

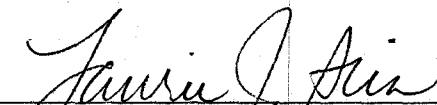
**Section 3. Effective Date.** This resolution shall be effective immediately after its adoption.

Adopted this 12<sup>th</sup> day of February, 2018.

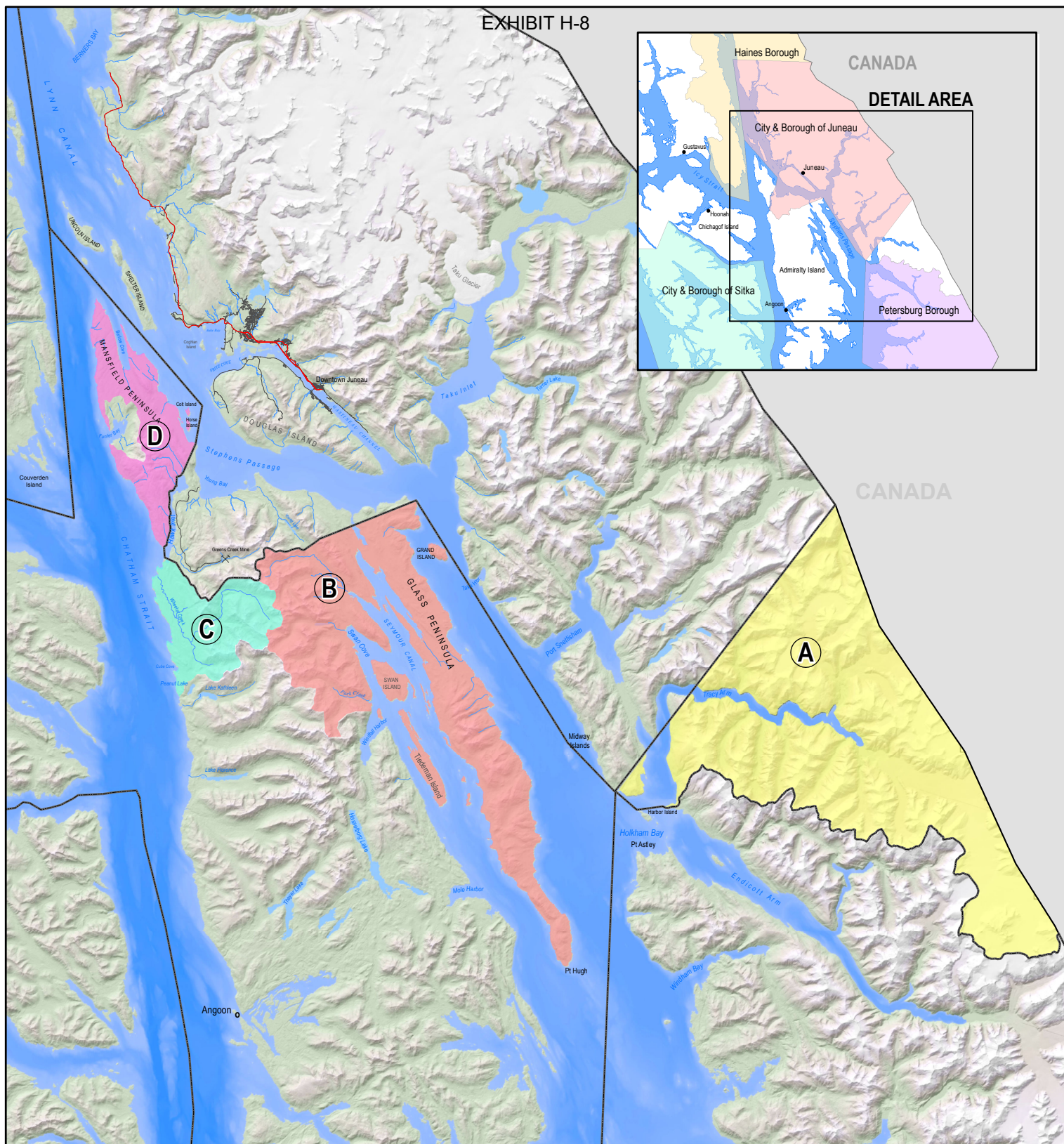


Kendell D. Koelsch, Mayor

Attest:



Laurie J. Sica, Municipal Clerk



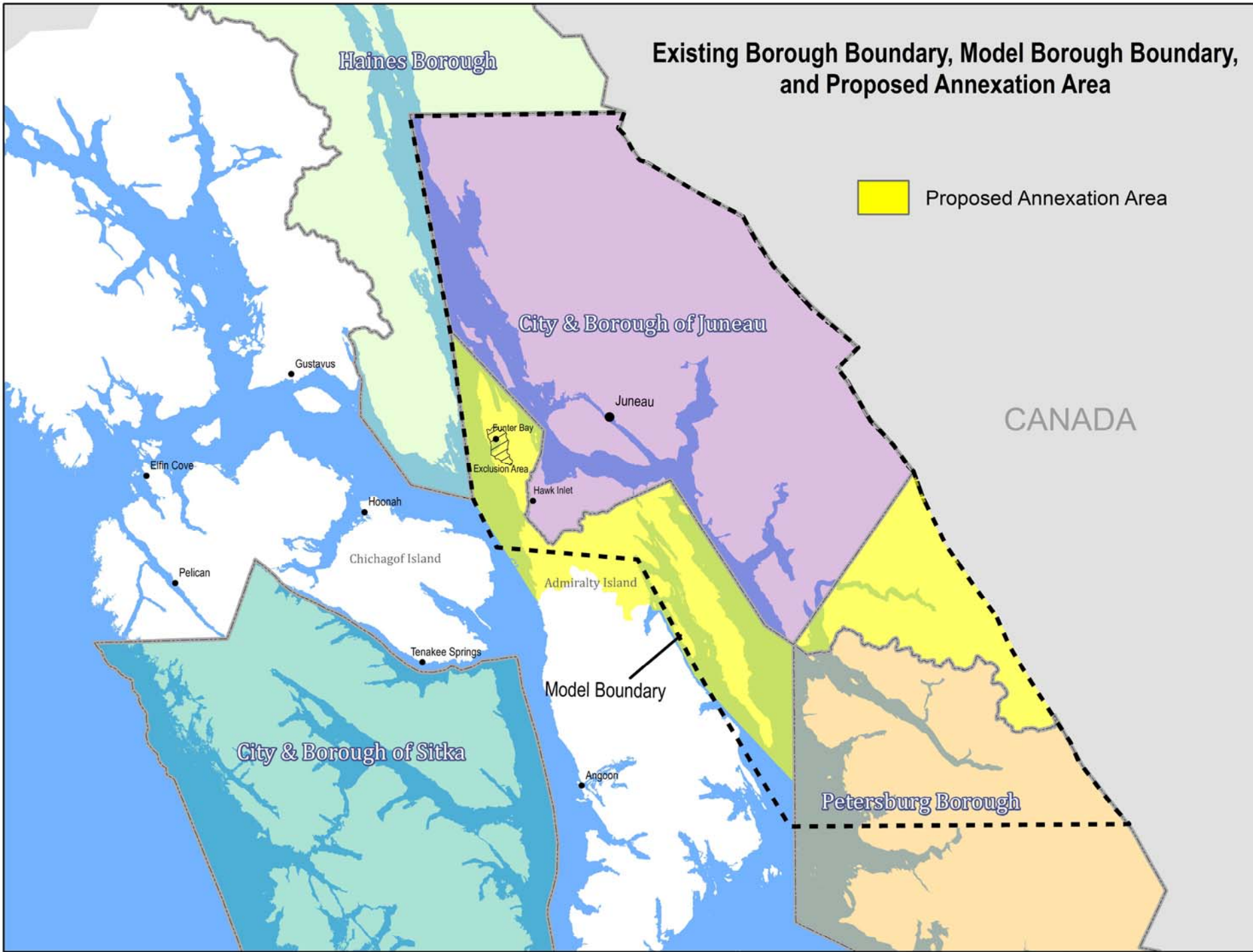
# PROPOSED ANNEXATION AREAS

Map date: 7/9/2018





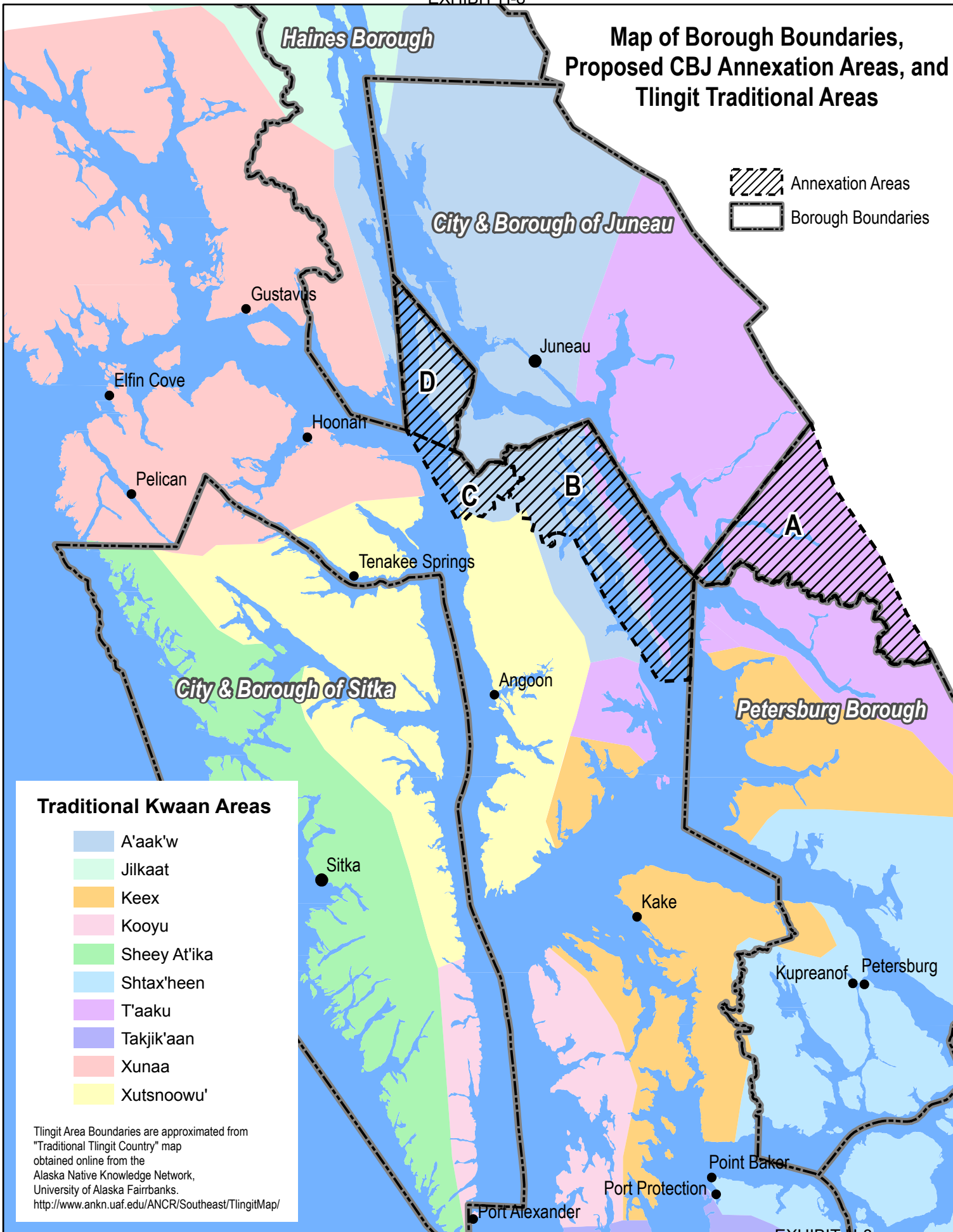
## Legend

- Major Road
- Roads
- Borough Boundary
- Proposed Annexation Area A
- Proposed Annexation Area B
- Proposed Annexation Area C
- Proposed Annexation Area D



# Map of Borough Boundaries, Proposed CBJ Annexation Areas, and Tlingit Traditional Areas

 Annexation Areas  
 Borough Boundaries



### Traditional Kwaan Areas

-  A'aak'w
-  Jilkaat
-  Keex
-  Kooyu
-  Sheey At'ika
-  Shtax'heen
-  T'aaku
-  Takjik'aan
-  Xunaa
-  Xutsnoowu'

Tlingit Area Boundaries are approximated from "Traditional Tlingit Country" map obtained online from the Alaska Native Knowledge Network, University of Alaska Fairbanks. <http://www.ankn.uaf.edu/ANCR/Southeast/TlingitMap/>



**CBJ ANNEXATION STUDY COMMISSION****REPORT TO THE MAYOR AND ASSEMBLY ON THE  
COMMISSION'S ACTIVITIES, FINDINGS, AND RECOMMENDATIONS**

January 10, 2007

**I. Introduction**

Mayor Bruce Botelho created the CBJ Annexation Study Commission by order dated December 6, 2005. The Commission was tasked to undertake a public process to consider and make recommendations on whether the CBJ should annex all or part of the territory within the CBJ's model borough boundaries as established by the State of Alaska's Local Boundary Commission (LBC). The Commission's purpose statement was as follows:

*The purpose of the commission is to study and make recommendations to the Assembly concerning (a) whether the CBJ should file a petition to annex territory within the 'model borough boundaries' of the CBJ, and (b) if so, what territory should be proposed for annexation and by what procedure.*

The Mayor's order called for the Commission to submit a report on its activities, findings, and recommendations to the Mayor and Assembly by December 1, 2006. At the request of the Commission, the Mayor extended the December 1 deadline to accommodate the schedules of the members and staff for completing work on the report. This report was adopted by the Commission at its final meeting on January 10, 2007.

The attachments to this report include the Mayor's order, the agendas and minutes of the Commission's meetings, the maps developed by the Commission (including Map 6, which shows the Commission's recommended ideal borough boundaries for Juneau in the future), and other background information. The complete file on the Commission's work is available at the Community Development Department.

**II. Activities of the Commission****A. Proceedings**

George Davidson served as the Chairman of the five-member Commission. The other members of the Commission were Vice-Chairman Sandy Williams,

Steve Sorensen, Errol Champion and Caren Robinson. The Commission held eleven public meetings starting with its organizational meeting on December 21, 2005. Staff support was provided by Peter Freer, Planning Supervisor at the Community Development Department, and Barbara Ritchie, Assistant City and Borough Attorney.

The Commission solicited comments from the public and property owners, and considered presentations on a variety of issues by service providers, regulators, CBJ staff, and LBC staff. The Commission provided an opportunity for public comment at all of its meetings. In addition, the Commission established a webpage on the CBJ's website where staff regularly posted meeting announcements, minutes, correspondence to and from members of the public, maps, and other pertinent information.

The Commission's webpage is located at:

[http://www.juneau.org/clerk/boards/Annexation\\_Study\\_Commission/CBJ\\_Annexation\\_Study\\_Commission.php](http://www.juneau.org/clerk/boards/Annexation_Study_Commission/CBJ_Annexation_Study_Commission.php)

## **B. Topics and Issues Considered**

The Mayor's order creating the Commission identified five areas of inquiry. The Commission agreed that it would address the specific criteria for annexation as it considered the Mayor's order. These areas are set out below, followed by a short discussion of the Commission's work on that topic.

- 1. Research and evaluate possible proposed boundaries for territory to be annexed, with emphasis on consideration of the "model borough boundaries" for the CBJ as established by the LBC.*

The Commission received a three-ring binder of material at its December 21, 2005, organizational meeting. The packet included the order creating the Commission, the LBC Model Borough Boundary Study prepared in 1997, information on the procedures for petitioning for annexation, the CBJ's 1989 petition to annex Greens Creek, and other related materials.

At its meeting on January 5, 2006, the Commission reviewed the LBC's Model Borough Boundary Study and met with Dan Bockhorst, lead staff to the LBC. Mr. Bockhorst provided a history of borough formation in Alaska, explained the origin and purpose of the model borough boundaries, and provided an update on municipal boundary activity in Southeast Alaska.

The model boundaries are significant under the regulatory standards for annexation. 3 AAC 110.190(c) provides: “*Absent a specific and persuasive showing to the contrary, the commission will not approve annexation of territory to a borough extending beyond the model borough boundaries developed for that borough.*”

Several Southeast municipalities – Ketchikan, Wrangell, Petersburg, and Hoonah – are undertaking or considering borough incorporation or annexation. Neither the Ketchikan Gateway Borough annexation petition nor the Wrangell borough incorporation petition identifies boundaries that overlap or otherwise affect the CBJ model borough boundaries. The prospective Petersburg borough incorporation petition and the Initial Glacier Bay-Chatham Borough Feasibility Study are of particular interest to the CBJ, as both proposals include territory that is within the CBJ model borough boundaries.

It is notable that all of the boundary actions and studies underway in the region, including the boundaries recommended in this report, represent departures from the model borough boundaries identified by the Local Boundary Commission in its 1997 report.

**The City of Petersburg** intends to petition for the incorporation of a home rule borough some time early in 2007. The proposed northern boundary of this borough would abut the existing southern CBJ boundary near Tracy Arm, including a significant amount of territory that is outside the Petersburg/Wrangell model borough boundaries and within the CBJ model borough boundaries. If approved as prepared, the Petersburg petition would essentially end the prospects of CBJ annexation on the mainland south of the existing CBJ boundary. A map of the proposed Petersburg boundaries is attached to this report. See Attachment F.

**The City of Hoonah** prepared an Initial Feasibility Study for a proposed Glacier Bay-Chatham Borough in June, 2006. The study area runs from Cape Fairweather on the Gulf Coast to the Coronation Islands below Port Alexander and includes all of Admiralty Island not now within the CBJ boundaries. The Mansfield Peninsula (including Funter Bay), a small portion of Admiralty Island south of the Greens Creek mine, and the Glass Peninsula/Seymour Canal, which are now located within the CBJ model borough boundaries, are included within the Glacier Bay-Chatham study area.. An illustration of the boundary is attached to this report. See Attachment F.

A follow-up borough feasibility study is underway and is expected to be completed in early/mid 2007. It is unknown when, or if, a borough incorporation petition will be submitted to the Local Boundary Commission as a result of this effort.

The Commission concluded that the model borough boundaries for the CBJ as identified by the LBC are fundamentally correct “as is” and reflect an area of interest more closely tied to Juneau than to other municipalities. This conclusion was based on Juneau’s role as a transportation, supply, services and communication hub for property owners at Funter Bay and on Horse and Colt Islands, and the fact that Goldbelt Corporation, the Juneau-based Urban Native Corporation established under ANCSA, has land holdings at Hobart Bay.

The Commission identified several modifications to the CBJ’s model borough boundaries, which are addressed in the findings section of this report.

2. *Research and evaluate the community of interests between the territory proposed to be annexed and the existing CBJ boundaries, including social, cultural, and economic characteristics and activities, and communication media and land, water, and air transportation facilities.*

Many CBJ residents own property on the Taku River and on Shelter Island within the existing CBJ boundaries. Many CBJ residents also own property outside but near the current CBJ boundaries, including in Funter Bay and on Horse and Colt Islands, and other dispersed locations on Admiralty Island and on the mainland. Juneau serves as the supply, transportation, and services center for all of these outlying areas, which characteristically do not have many year-around residents, but instead have non-resident property owners.

Economic, transportation and social linkages to Juneau are well-established, with Juneau providing employment, facilities, goods and services, and very limited emergency medical response to outlying areas. There is no scheduled air or marine service to locations within the model borough boundary area for Juneau, such as Funter Bay or Hobart Bay, although air charter services are readily available to destinations throughout and beyond the borough. The economic activity generated by a logging camp, tourist destination, or remote mine could prompt scheduled transportation services in the future. Radio coverage from KINY-AM, KJNO-AM and KTOO-FM reaches some of the model borough boundary area. The only certain means of communication within many areas of the CBJ model borough boundary area is via satellite telephones.

The Juneau ANCSA (Alaska Native Claims Settlement Act) corporation, Goldbelt Corporation, is the primary surface estate owner at Hobart Bay. Goldbelt

employed shareholders at Hobart Bay during its logging operations in that area in the 1980's and '90's. These operations were supported, in part, by personnel, supplies and equipment delivered through Juneau. Goldbelt has considered developing tourism facilities at Hobart Bay and has prepared conceptual plans for a destination-style cruise ship development.

Gary Droubay, Goldbelt's Chief Executive Officer, attended the Commission's meeting on May 3, 2006. He stated that Goldbelt did not want its land holdings at Hobart Bay to be in a borough and that it would oppose a petition to annex or incorporate that property unless the benefits from property taxation could be clearly demonstrated. Goldbelt's property at Hobart Bay is currently located within the model borough boundaries of both Juneau and Petersburg. Mr. Droubay stated that Goldbelt would prefer that its land at Hobart Bay remain in the unorganized borough, but if the land were to be included in a borough by annexation or borough incorporation, it would prefer that the land be in one borough rather than in two.

There is little economic activity at the present time within the Juneau model borough boundary area. Logging was concluded at Hobart Bay about ten years ago and tourism development of the property is now in the early stages. A tourist lodge operates seasonally on Colt Island and tourist excursion activity occurs regularly to Tracy Arm and Ford's Terror. Active mining operations and development occurs within the current CBJ boundaries at Greens Creek and Kensington/Jualin. At least one company, Century Mining, has shown interest in exploring old prospects in the Juneau area, one of which is across Hawk Inlet from Greens Creek, just outside the current borough boundaries.

Commissioners discussed the National Forest Receipts Program as an incentive for annexation. Additional National Forest acreage within the borough boundaries could result in a greater annual forest receipts payment to the CBJ; however, the program was not re-authorized in the recently-recessed 109th Congress. It appears there will be an attempt to re-authorize the program in an omnibus spending bill in February of 2007, and it is possible that the funding formula could be amended if the program is re-authorized. Commissioners did not believe that the prospect of increased payments from the program offered a strong incentive for annexation, particularly given the uncertain future of the program.

*3. Research and evaluate the population characteristics of the proposed borough after annexation.*

There is almost no year-round population within the Juneau model borough boundary area. According to the state demographer, the 2000 census data shows 10 residents in the model borough boundary area. The 2005 Permanent Fund

Dividend distribution shows seventeen PFD recipients within the model borough boundary area, with the following distribution:

Funter Bay - 6  
 Colt Island - 4  
 Horse Island - 3  
 Hobart Bay - 2  
 Windham Bay - 1  
 Hawk Inlet - 1

The state demographer has not made an estimate of seasonal population within the model borough boundary area, although it is thought to be higher with seasonal use of recreational property.

4. *Research and evaluate the economy within the proposed borough boundaries, including the human and financial resources necessary to provide essential borough services on an efficient and cost-effective basis.*

The CBJ's economy, while largely based on government employment, is also diversified in the areas of tourism, mining, services, commercial fishing, and seafood processing. The CBJ possesses the human and financial resources to provide not just for essential borough services within the existing borough, but for a comprehensive and sophisticated range of services. As a unified Home Rule municipality, Juneau is efficiently organized and capable of responding to some service delivery needs and issues when required.

There is little economic activity in the CBJ model borough boundary area at the present time. Economic development that might occur in the model borough boundary area, such as tourism or resource extraction, is consistent with Juneau's overall economy and can be managed through existing administrative and regulatory structures.

The relationship of property taxation to services provided was at the heart of property owners' opposition to annexation and of major concern to the Commission. The areawide mill rate currently (FY 07) stands at 7.62 mills (\$762 per \$100,000 of assessed value), of which 6.1 mills (\$610) is used for school operations, 0.91 mills (\$91) is used for debt retirement, and 0.61 mills (\$61) is used for general government, including a portion of emergency medical transport costs. Property owners located off the CBJ road system do not pay for fire, police protection, street maintenance, transit or parks and recreation services that cost 2.55 mills in FY 07.

Local government property taxation is governed by state statute. Under state law, education is specifically identified as an areawide or borough-wide function. The state statutes require that local governments levy areawide property taxes for areawide functions. The tax levy must also be consistently applied to all of the taxable properties with a taxing area. The tax levy for debt service is to cover general obligation bond debt. Under state law, the CBJ Charter, and the CBJ Code, general obligation bond debt is secured by the full faith and credit of the borough and requires areawide voter approval. As such, debt service for general obligation bonds is an areawide liability of the CBJ.

It should be noted that while the CBJ provided 6.1 mills of financial support to the Juneau School District for FY 07, state law also provides for a reduction of state support equal to 4.0 mills of the full and true taxable property value in the borough. Thus, even though the CBJ contributed 6.1 mills, the school district is only benefiting by 2.1 mills (6.1 mills less 4.0 mills). State law requires that the 4.0 mill offset occur even if the CBJ were to choose not to levy an areawide tax in an annexed area. As such, the value of the property in an annexed area, if not taxed, would result in an areawide cost of 4.0 mills to the remaining taxpayers. The State of Alaska also requires local governments to value property at its full and true value.

Given these state statutory requirements, the FY07 areawide mill levy noted above could be restated as follows:

Support to Education	2.10 mills
General Obligation Debt Service	0.91
All Other Areawide Functions	0.61
School District Support Offset by the State	4.00
Total:	7.62 mills

All areas within the borough are subject to CBJ building codes and planning and zoning requirements. Under state law, planning, platting, and land use regulation are mandatory areawide functions.

The Commission believes that a careful balance must be struck between rates of property taxation and levels of service delivery as annexation is considered. Mr. Champion proposed a use-based approach to property taxation in an effort to reduce the tax load on outlying recreational and residential property; however, such an approach is not currently consistent with applicable state law on municipal property taxation. Mr. Champion also noted that the cost to the CBJ of identifying and assessing private properties located within the model borough boundary area (or other remote areas to be potentially annexed), so as to add those

properties to the tax rolls, could be considerable, possibly in excess of the tax revenues that would be generated, at least in the short term.

*5. Research and evaluate whether annexation of the proposed territory to the CBJ is in the best interests of the state.*

The Alaska Constitution calls for maximum local self-government with a minimum number of local governments units. Annexation of the model borough boundary area would fulfill both of these goals by extending unified home rule powers into territory in the unorganized borough already identified as within CBJ's "area of interest." State responsibility for providing education services through a Regional Education Attendance Area would be reduced as additional territory becomes included within a unit of local government. Demands on the State for services within the unorganized borough would diminish, while the opportunities for local service delivery would be enhanced.

The Commission believes that the issues and concerns raised by property owners, such as the practical aspects of service delivery in remote areas, to be significant in the CBJ's consideration of annexation. Based on the public input received, the Commission believes that a lower, or minimal, tax rate for remote areas of the borough, and specifically any territory proposed for annexation, would diminish the resistance of extra-territorial property owners to annexation.

### **C. Findings and Recommendations**

At its meeting on April 5, the Commission discussed boundaries that it might recommend in its report to the Assembly and how to go about the process of developing its findings and recommendations. Chairman Davidson had prepared a memorandum dated March 2 setting out his views for discussion and a map showing a possible boundary configuration.

Chairman Davidson expressed his belief that the Commission was not bound to looking only at the LBC's model borough boundaries for the CBJ. He suggested the Commission also consider and make a recommendation to the Assembly on the boundaries that it determines would make the most sense for the CBJ. The Commission supported Chairman Davidson's approach.

The March 2 memorandum was then posted on the Commission's webpage. It is also included in the attachments to this report because it served as the framework for Commission's decision making process.



At its next four meetings on May 3, May 17, May 31, and July 18, the Commission focused its work on studying and discussing alternative boundary maps presented by members, determining what it concluded would be the most appropriate CBJ boundaries, and formulating the Commission's findings and recommendations to the Assembly.

The Commission posted on its webpage six maps that depict the current CBJ boundaries, the LBC model boundaries, and the Commission's proposed northern, western, and southern boundaries and a map showing the compilation of these proposed boundaries. The maps were posted on June 2, 2006 and the Commission solicited public comments until June 30. The maps are attached to this report as Attachment C.

A public hearing was held on May 17, and the Commission held a decisional meeting on July 18, 2006. At the July 18<sup>th</sup> meeting, the Commission adopted the boundaries shown on Map 6 as its recommended boundaries for the CBJ. The Map 6 boundaries are referred to below in this report as the ideal boundaries of the CBJ.

The Commission met on December 13, 2006, to review its draft report and provide final comments and amendments. The Commission approved the final report at its meeting on January 10, 2007.

**Based on its study over the past year as outlined in this report, the Commission makes the following findings:**

- 1. The LBC's model borough boundaries for the CBJ are largely acceptable, subject to some modification.**

The Commission's modifications to the LBC's model borough boundaries for the CBJ, and the rationale for those modifications, are as follows:

- **North Boundary:** Only upon concurrence of the Haines Borough, extend the northern boundary of the CBJ to include the watersheds draining into Berners Bay. See Attachment C, Map 3.

The Commission took this position because Berners Bay is located within the CBJ. The Commission concluded that the watersheds that drain into the Berners Bay should be in the same jurisdiction as the Bay itself. While including the Berners Bay ecosystem within a single unit of local

government makes sense, the Commission would rely on the Haines Borough's consent for the CBJ to annex the area. The Commission also observed that the Juneau Access Road might best be included within the CBJ boundaries. At such time as the CBJ decides to pursue annexation it will be critical to initiate a discussion with Haines Borough community leaders.

- **West Boundary.** Only if the territory is not incorporated within a borough that includes the City of Angoon, extend the western boundary to include central Admiralty Island above Mitchell Bay. See Attachment C, Map 4.

The Commission is aware of the City of Angoon's interest in this area. It is also aware of the conceptual inclusion of this area into a possible Southeast mega-borough reaching from Glacier Bay to Kake. Commission members cited long-time recreational use of this area by Juneau residents. A member of the public, Mr. Al Shaw, provided evidence that Juneau had proposed to annex this area in the late 1960's.

Taking into consideration the interest of other communities in this area, particularly the City of Angoon, the Commission concluded that this area should be considered for future annexation by the CBJ only if it is not, at that time, included in a borough that includes the City of Angoon. At such time as the CBJ decides to pursue annexation it will be critical to initiate a discussion with City of Angoon community leaders.

- **South Boundary.** Extend the southern boundary to include all of Goldbelt's property at Hobart Bay. See Attachment C, Map 5.

Mr. Droubay of Goldbelt Corporation informed the Commission that, while the corporation would prefer that Hobart Bay not be in any borough, it would like even less for its land holdings in the Hobart Bay area to be split between two boroughs. Such a split is conceivable because the LBC's model borough boundaries for Juneau and Petersburg divide the Goldbelt holdings at Hobart, with approximately three-quarters of the holdings in the Juneau model borough boundaries and one-quarter in the Petersburg model borough boundaries.

Extending the southern boundary south by just a few miles would encompass all of Goldbelt's land holdings in the Hobart Bay area.

The northern, western, and southern boundaries described above are shown on the Commission's recommended boundary map attached to this report and identified as Map 6 (see Attachment C).

**2. Regional interest in annexation and incorporation makes it important for the CBJ to identify its "ideal" future boundaries.**

The CBJ should be prepared to respond to, and if necessary, oppose, municipal boundary petitions or applications presented to the LBC by other municipalities in Southeast Alaska that encroach upon or would otherwise impact CBJ's ability to annex its "ideal" boundaries as identified by this Commission, at an appropriate time in the future.

**3. Given the very small population, the lack of substantial economic activity, and the physical remoteness of the areas, there is not now a demand, or a compelling need, for local government services** within the LBC's model borough boundary area or the Commission's recommended "ideal" CBJ boundary area. However, this need may arise in the future with the development of commercial enterprises, additional population living in remote areas, or other development.

**4. The CBJ areawide property tax rate, together with the prospect of minimal services provided off the road system, are very significant issues for residents and property owners** (including Goldbelt Corporation) in locations such as Funter Bay, Windham Bay, Horse and Colt Islands, and Hobart Bay. The perceived disparity between the areawide mill rate and the corollary lack of services is at the "nut" of opposition to annexation. (Even property owners on the Taku River and on Shelter Island have issues with the areawide property tax rate, stating that they do not receive commensurate services from the borough.)

**Recommendations of the Commission:**

1. The Commission recommends that the CBJ Assembly adopt the Commission's boundary map for the CBJ as shown on the attached Map 6 as the ideal future boundaries for the CBJ. See Attachment C.
2. The Commission recommends that the CBJ *not* file a petition to annex the territory shown on the Commission's Map 6 at this time because such

action is not now necessary or warranted. However, annexation of this territory may be appropriate in the future.

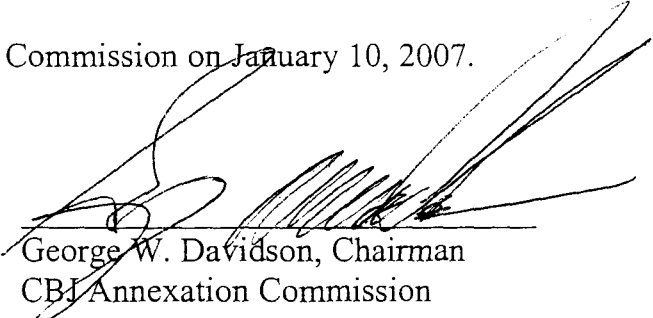
3. The Commission recommends that the CBJ identify its future ideal borough boundaries, advise the LBC of these ideal boundaries, and defend those boundaries as necessary and appropriate.
4. The Commission recommends that at such time as the CBJ may decide to proceed with annexation, that it consider all means available to ensure that the property taxation rate for the area to be annexed is commensurate with services to be provided. This should include a review of property taxation rates in *all* of the non-roaded areas of the borough, as against the services provided by the CBJ in those areas, because all remote areas should be treated similarly.

### III. Conclusion

The ideal boundaries of the City and Borough of Juneau, and whether and when the CBJ should petition to annex more territory, are vitally important subjects for the Assembly, the residents of Juneau, the residents and property owners in the areas outside the current CBJ boundaries, as well as other municipalities in Southeast Alaska and the State of Alaska. The Commission carefully considered the issues involved, including the views of interested members of the public and presentations by staff and others with expertise in various areas of municipal government and services, in reaching its findings and recommendations.

The members of the Commission would be pleased to meet with the Assembly to discuss our recommendations and answer any questions you may have. On behalf of the Annexation Study Commission, thank you for the opportunity to serve the City and Borough of Juneau.

Adopted by the CBJ Annexation Commission on January 10, 2007.



George W. Davidson, Chairman  
CBJ Annexation Commission

**Attachments to Report:**

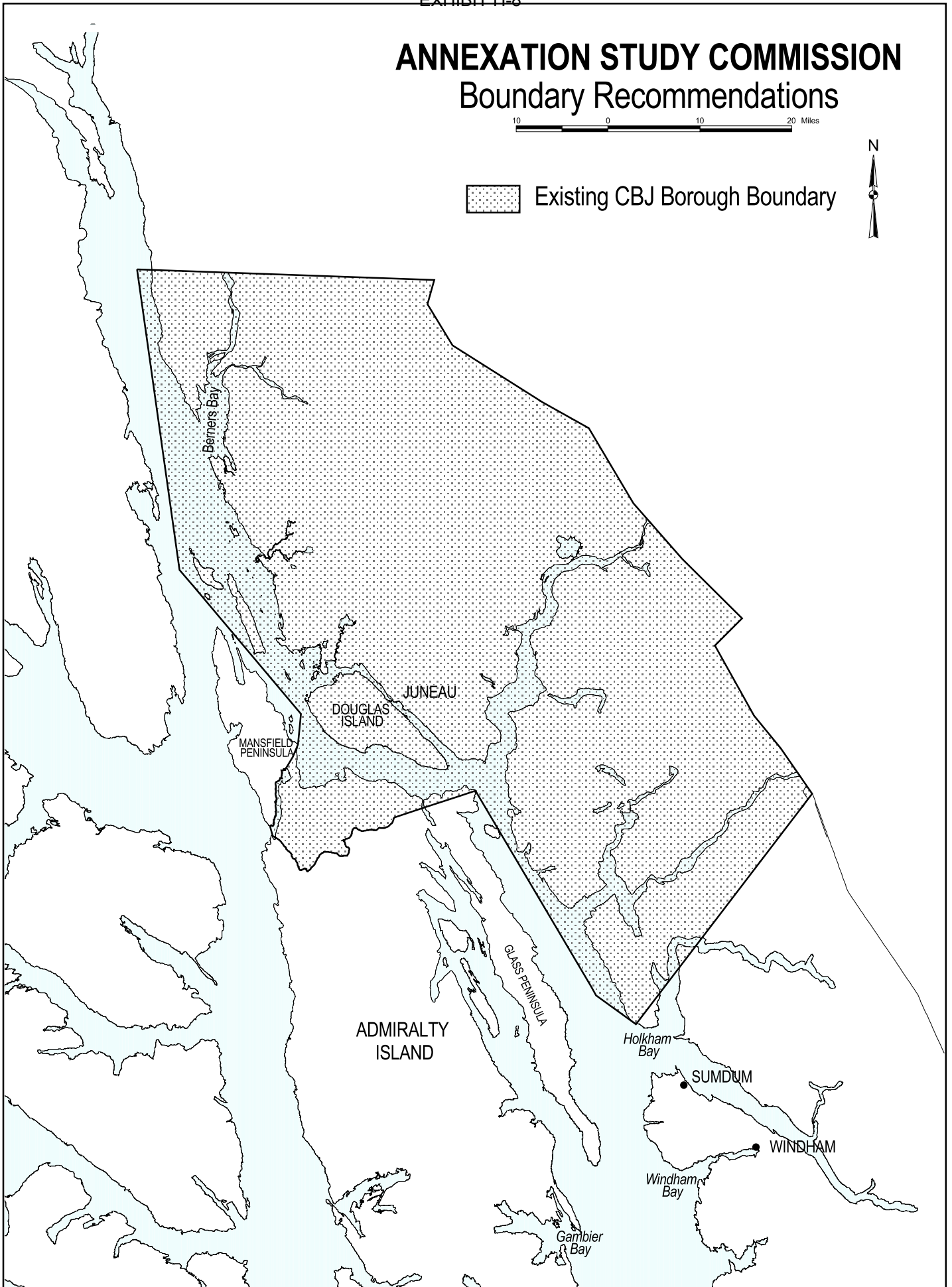
- Attachment A Mayor's Order creating CBJ Annexation Study Commission,  
December 2005
- Attachment B Commission's meeting Agendas and Minutes:  
December 21, 2005  
January 5, 2006  
February 1, 2006  
March 1, 2006  
April 5, 2006  
May 3, 2006  
May 17, 2006  
May 31, 2006  
July 18, 2006  
December 13, 2006  
January 10, 2007
- Attachment C Boundary Maps 1-6 approved by the Commission
- Attachment D Borough Boundaries Overlay Map
- Attachment E Chairman Davidson's March 2, 2006 memorandum
- Attachment F Southeast portions of the State of Alaska Model Borough  
Boundary Study, June 1997
- Attachment G Alaska Statutes on Annexation and Detachment
- Attachment H State of Alaska Regulations on Petitioning for Annexation
- Attachment I "Planning and Preparing Proposals for Annexation to  
Boroughs
- Attachment J Public Correspondence

# ANNEXATION STUDY COMMISSION

## Boundary Recommendations

10 0 10 20 Miles


 Existing CBJ Borough Boundary

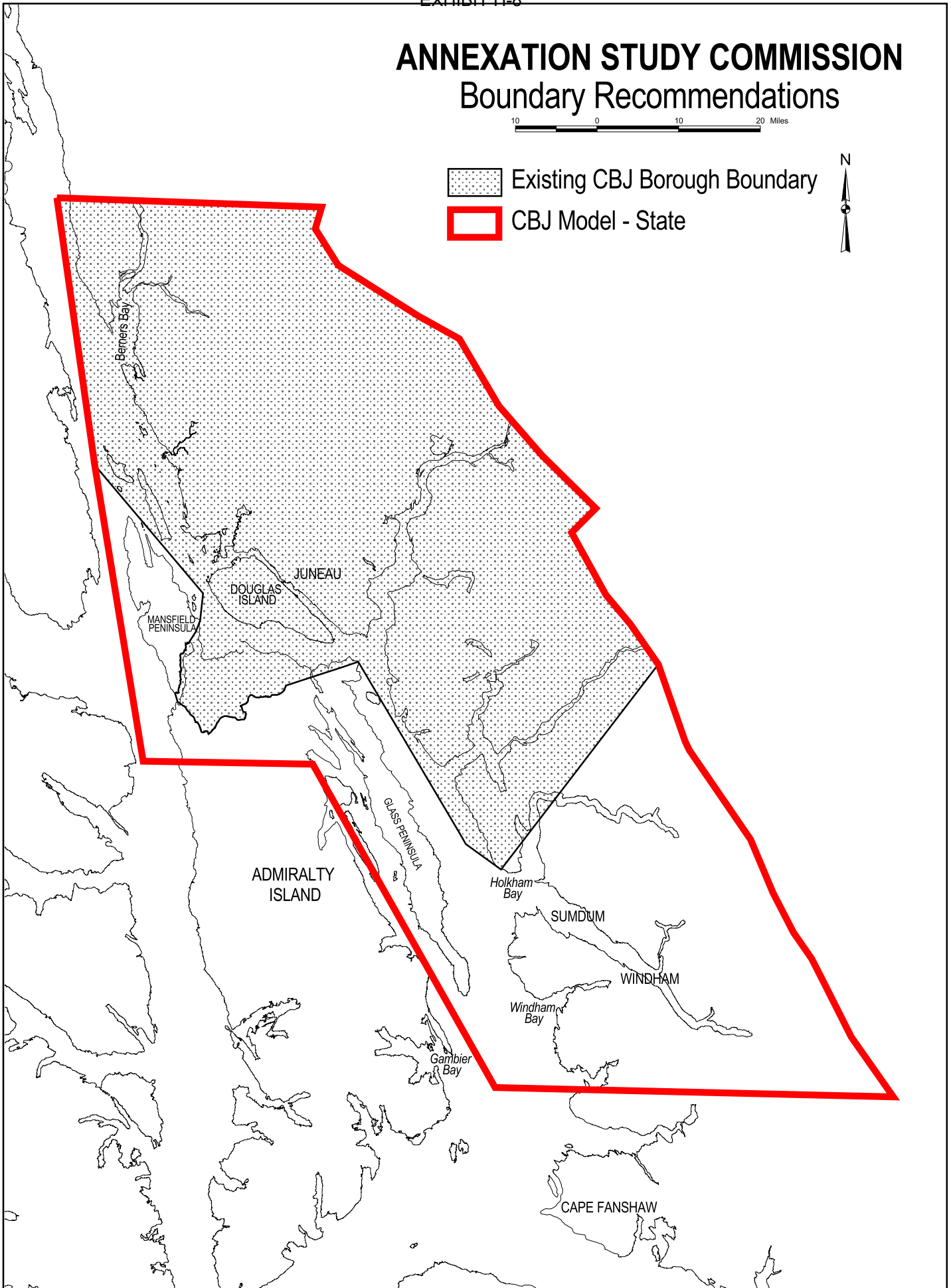


# ANNEXATION STUDY COMMISSION

## Boundary Recommendations

10 0 10 20 Miles




-  Existing CBJ Borough Boundary
-  CBJ Model - State



# ANNEXATION STUDY COMMISSION

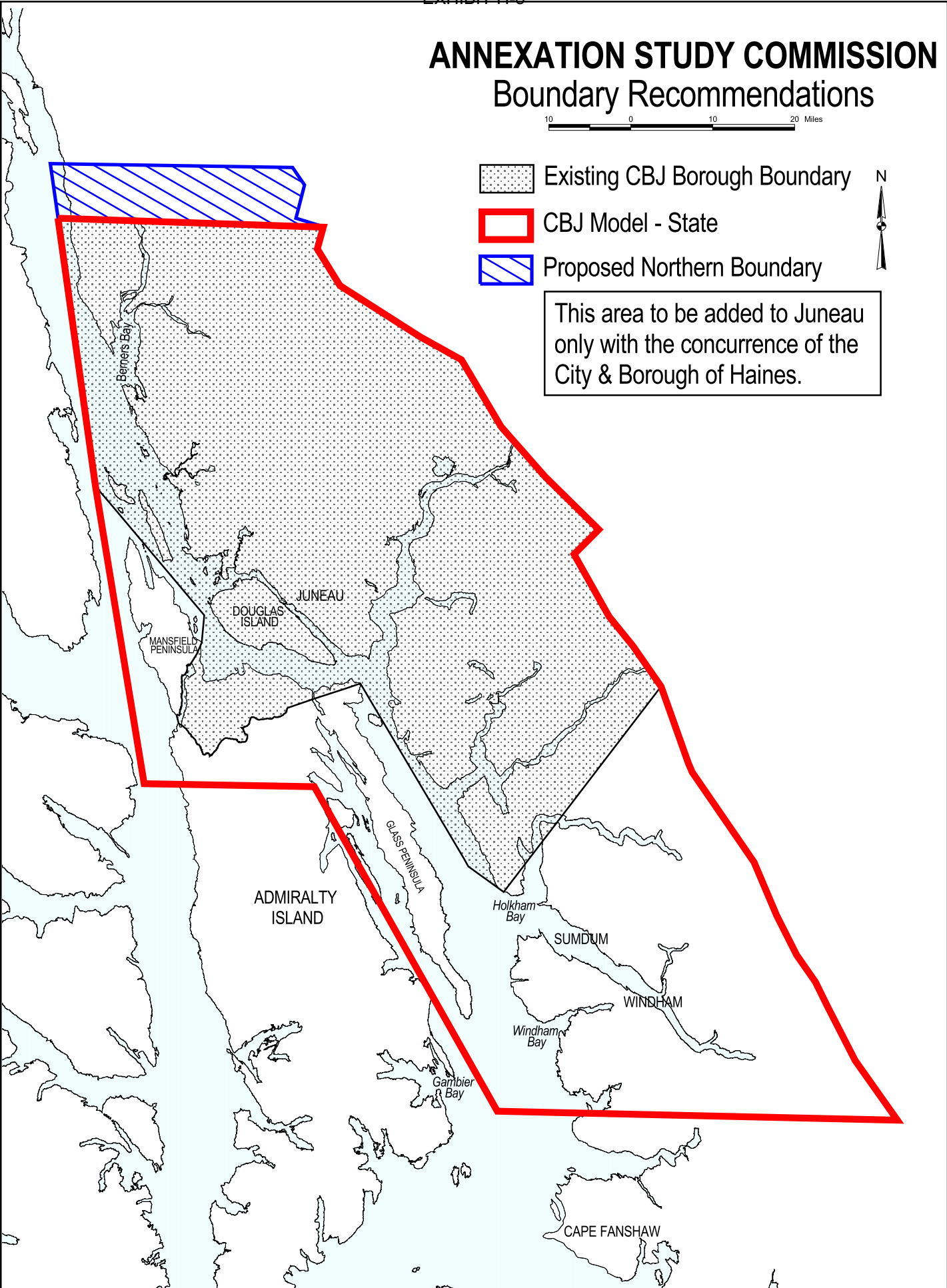
## Boundary Recommendations



-  Existing CBJ Borough Boundary
-  CBJ Model - State
-  Proposed Northern Boundary



This area to be added to Juneau only with the concurrence of the City & Borough of Haines.








# ANNEXATION STUDY COMMISSION

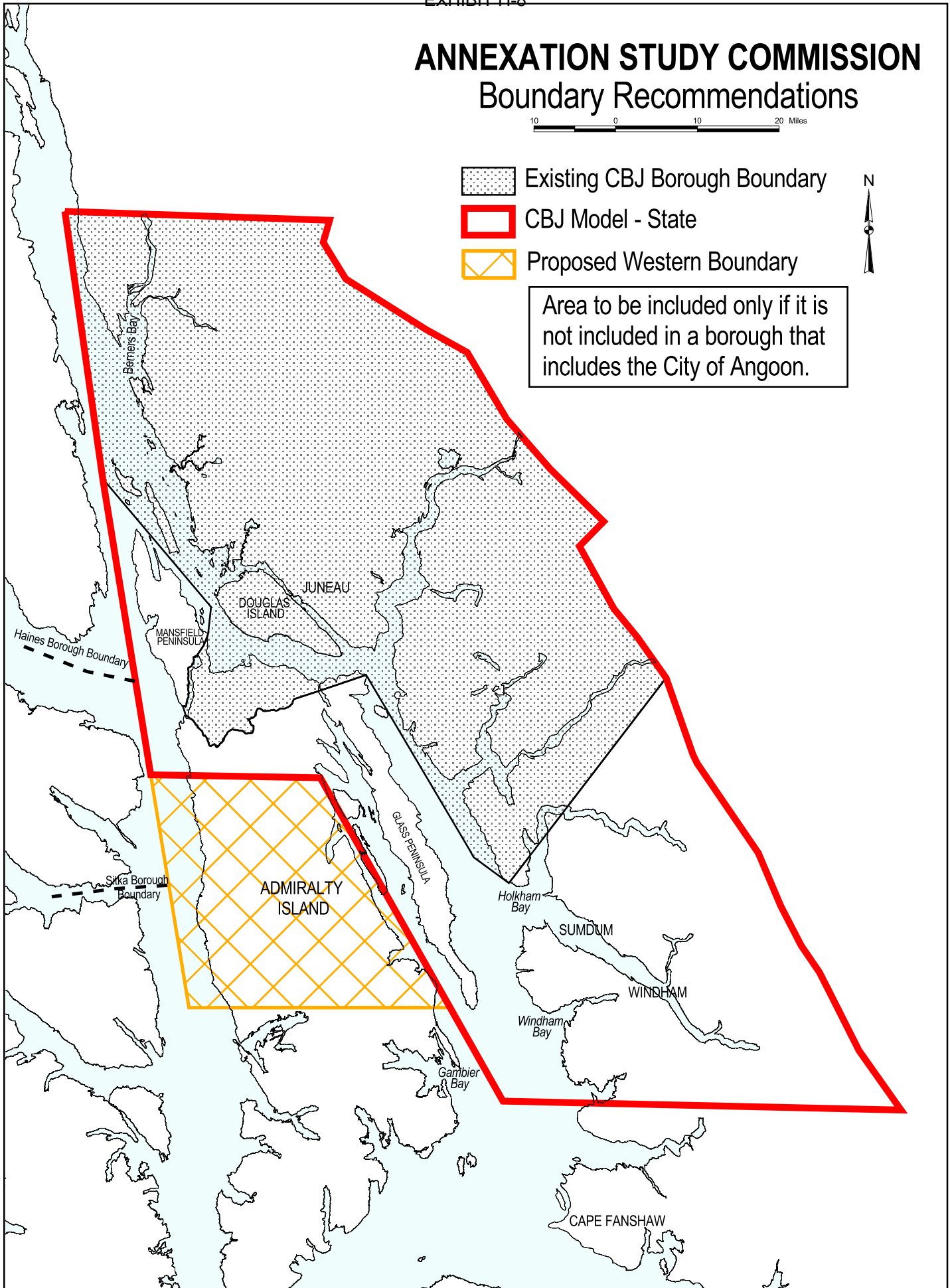
## Boundary Recommendations

10 0 10 20 Miles

-  Existing CBJ Borough Boundary
-  CBJ Model - State
-  Proposed Western Boundary






Area to be included only if it is not included in a borough that includes the City of Angoon.



# ANNEXATION STUDY COMMISSION

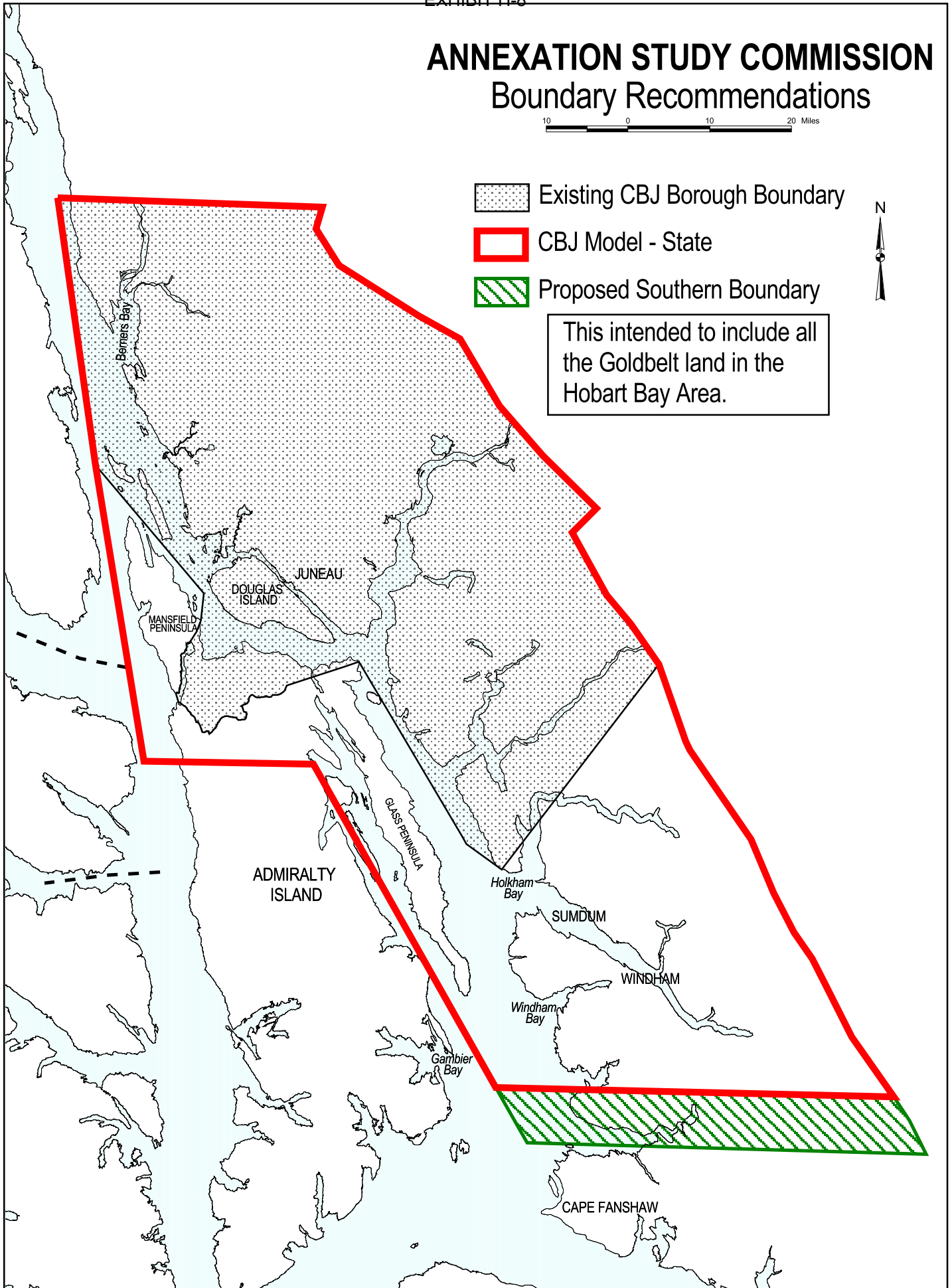
## Boundary Recommendations

10 0 10 20 Miles

-  Existing CBJ Borough Boundary
-  CBJ Model - State
-  Proposed Southern Boundary






This intended to include all the Goldbelt land in the Hobart Bay Area.





# ANNEXATION STUDY COMMISSION Boundary Recommendations

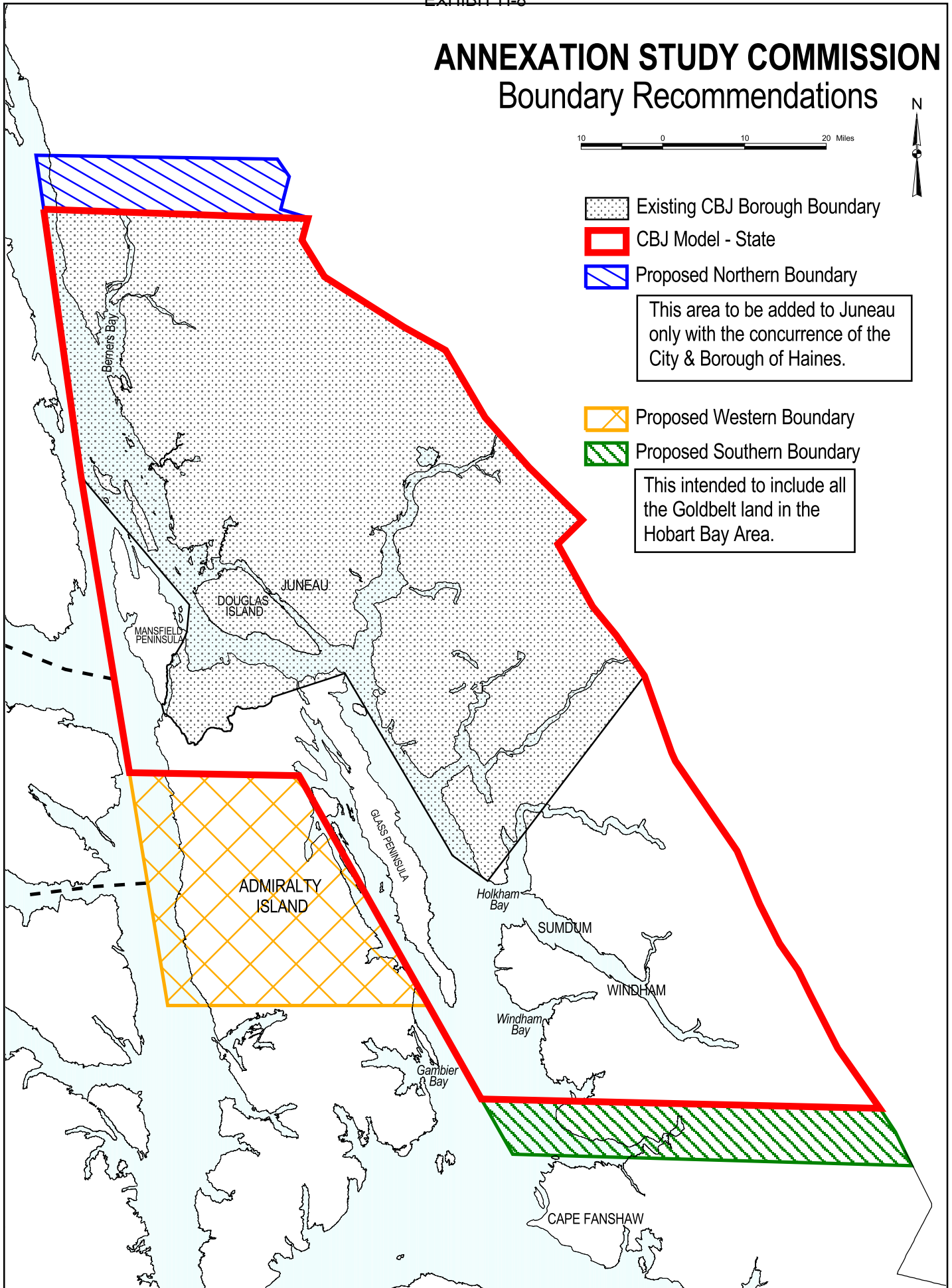


-  Existing CBJ Borough Boundary
-  CBJ Model - State
-  Proposed Northern Boundary

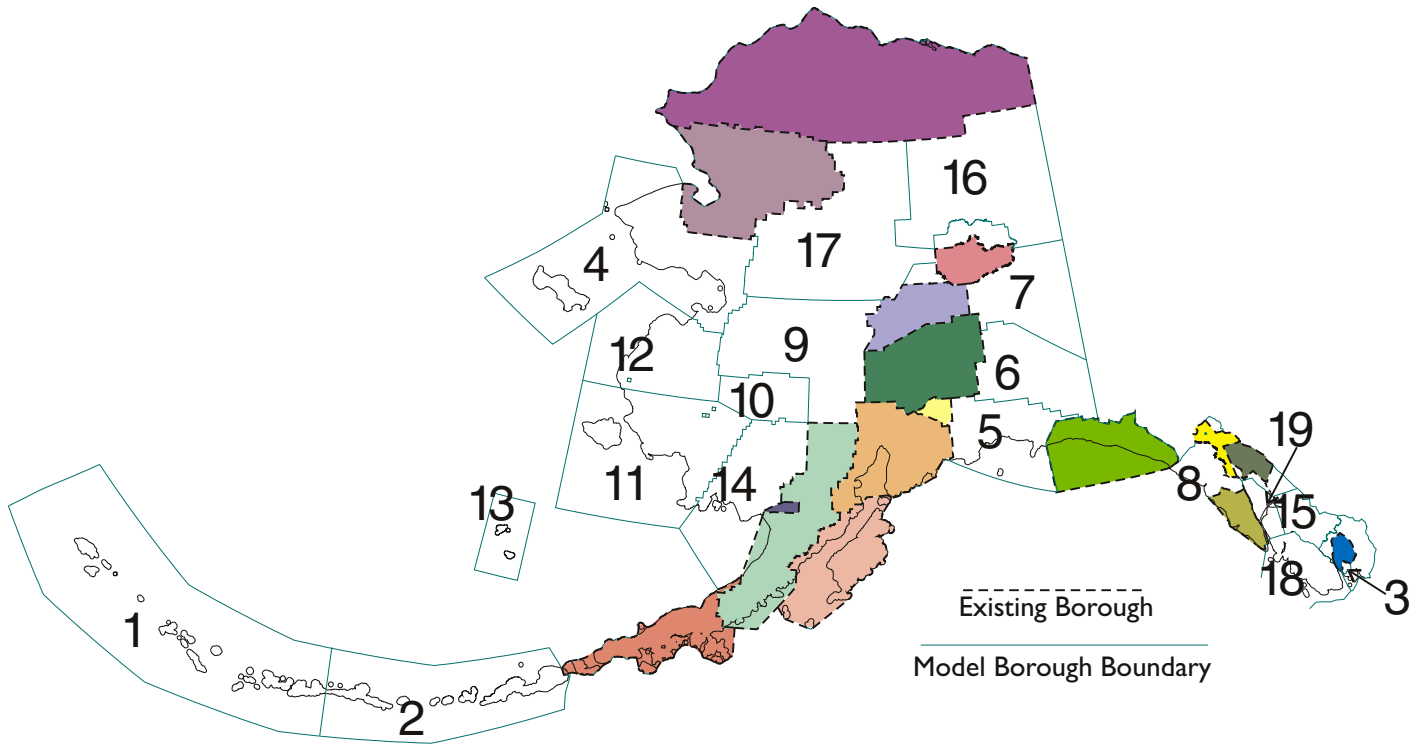
This area to be added to Juneau only with the concurrence of the City & Borough of Haines.

-  Proposed Western Boundary
-  Proposed Southern Boundary

This intended to include all the Goldbelt land in the Hobart Bay Area.



# Model Borough Boundaries



- |                           |                                |
|---------------------------|--------------------------------|
| 1. Aleutian - Military    | 11. Lower Kuskokwim            |
| 2. Aleutians West Region  | 12. Lower Yukon                |
| 3. Annette Island Reserve | 13. Pribilof Islands           |
| 4. Bering Straits         | 14. Dillingham-Nushagak-Togiak |
| 5. Prince William Sound   | 15. Wrangell/Petersburg        |
| 6. Copper River Basin     | 16. Yukon Flats                |
| 7. Upper Tanana Basin     | 17. Yukon-Koyukuk              |
| 8. Glacier Bay            | 18. Prince of Wales Island     |
| 9. Iditarod Region        | 19. Chatham                    |
| 10. Kuspuk                |                                |

# MODEL BOROUGH BOUNDARIES

(REVISED JUNE 1997)

## PURPOSE OF THE MODEL BOROUGH BOUNDARY STUDY

Article X, Section 3 of Alaska's constitution requires the entire state to be divided into boroughs, organized or unorganized. It further provides that each borough must embrace an area and population with common interests to the maximum degree possible.

To carry out the constitutional mandate that the state be divided into boroughs, the 1961 legislature passed a law providing that all areas not within the boundaries of an organized borough constitute a single unorganized borough.<sup>1</sup> At the time the law was passed, no organized borough existed. Thus, all of Alaska was originally within the unorganized borough. The establishment of a single residual unorganized borough was seemingly done to preserve maximum flexibility in the setting of boundaries for organized boroughs.

From its beginning, the unorganized borough has always embraced an area and population with greatly diverse interests. Some take the position that the constitutional mandate that each borough embrace an area and population with maximum common interests was never intended to apply to unorganized boroughs. However, others take the opposite view.<sup>2</sup>

In the late 1980's four boroughs attempted to annex portions of the unorganized borough. Several factors precipitated those actions. Among them were declining State aid to local governments and local concerns over the allocation and development of resources.

The unorganized borough's lack of maximum common interests among its parts also contributed to the borough annexation frenzy. In some instances, the annexation petitions precipitated the filing of competing proposals to incorporate new organized boroughs.

In October of 1988, the Kodiak Island Borough petitioned to annex an estimated 12,825 square miles. That prompted residents of the Alaska Peninsula to petition for the incorporation of the Lake and Peninsula Borough. The proposed Lake and Peninsula Borough contained an estimated 16,675 square miles, including much of the territory proposed for annexation to the Kodiak Island Borough.

In May of 1989, the Fairbanks North Star Borough petitioned to annex 216 square miles. The area in question contained substantial taxable property, comprised principally of pump station #7 of the trans-Alaska oil pipeline and some 16 miles of the pipeline. Residents of the

<sup>1</sup> That law is currently codified as AS 29.03.010.

<sup>2</sup> The appendix lists the basis for some of the opposing views.

adjacent area were hostile to the proposed annexation. While the annexation petition prompted the adjacent region to conduct a study of the feasibility of forming a borough, no competing petition was ever filed.

In June of 1989, the City and Borough of Juneau petitioned to annex 140 square miles. The area in question contained the Greens Creek Mine. Again, while the annexation proposal was resolutely opposed by inhabitants of the adjacent region, no competing borough proposal was filed.

In June of 1989, the Matanuska-Susitna Borough petitioned to annex an estimated 9,844 square miles to and including Healy. In October of that year, residents of the Railbelt Regional Educational Attendance Area filed a competing petition for the formation of the Denali Borough. The boundaries of the proposed Denali Borough encompassed an estimated 9,406 square miles, including much of the territory proposed for annexation by the Matanuska-Susitna Borough. That same month, another group of residents filed an unprecedented third competing petition for incorporation of the Valleys Borough. The Valleys Borough proposal took in an estimated 14,900 square miles, including most of the proposed Denali Borough as well as the community of Nenana.

Amid the intensive activity, it was readily apparent that three groups had a significant stakes in any borough boundary decision. These were

residents within the proposed boundaries, people of the adjacent areas and the state as a whole. Further, it was amply evident that proposals for the formation of new boroughs or the expansion of boundaries of existing boroughs are sensitive issues in Alaska. Lawsuits or long-standing boundary disputes tend to erupt each time a borough incorporation or annexation proposal is advanced.



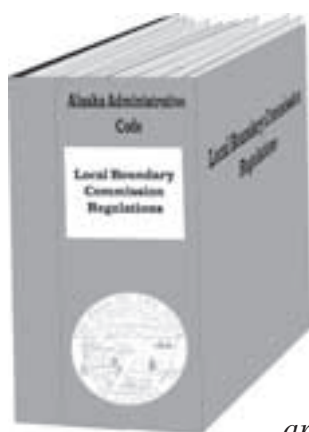
On the basis of such factors, the Commission concluded that, rather than examining borough boundaries only when petitions are lodged, it would invite

public testimony from throughout the entire state and adopt 'model borough boundaries' throughout the unorganized borough. Such 'model' boundaries were to be used as a frame of reference in the evaluation of future petitions. They were to be considered when existing organized boroughs seek to annex unorganized borough territory or when unorganized borough residents petition for borough incorporation.

The Commission and its staff provided by the Department of Community and Regional Affairs (DCRA) began planning the model borough boundary study in mid-1989. They focused first on the areas of the state for which borough annexation or incorporation petitions were pending. The effort to determine specific boundaries began in earnest in 1990 and was completed by the end of 1992. Specific funding for the project had been appropriated by the Alaska legislature.

Because borough formation and annexation proposals are often very emotional issues in Alaska, the Commission's reason for pursuing the model borough boundary project was occasionally misunderstood. The purpose of the study was not to force the incorporation of new boroughs or to promote annexation to existing boroughs. Instead, the study was intended to enable the Commission and DCRA to be better prepared for future borough petitions through the information and public comment obtained in the study process. The study also encouraged communities in the unorganized borough to consider where future boundaries should be drawn, as well as give guidance to petitioners on the factors which go into borough incorporation decisions.

The Commission adopted two provisions in its regulations relating to model borough boundaries. Both provisions were adopted prior to the completion of the model borough boundaries project.



The first provision relates to the incorporation of new boroughs. 19 AAC 010.060(b) provides that, *“Absent a specific and persuasive showing to the contrary, the commission will not approve a proposed borough with boundaries extending beyond the model borough boundaries adopted by the commission.”* [effective 10/12/91, register 120]

The second provision relates to borough annexation proposals. 19 AAC 010.190(c) provides, *“Absent a specific and persuasive showing to the contrary, the commission, in its discretion, will not approve a proposed borough or unified municipality with boundaries extending beyond the model borough boundaries adopted by the commission and identified in the 1992 Interim Report on Model Borough Boundaries.”* [effective 7/31/92, register 123]

The provisions in the regulation make it clear that the model borough boundaries are not rigid or unchangeable. Petitioners for borough incorporation or alteration of existing borough boundaries can successfully propose different boundaries if they make a specific and persuasive showing to the Commission why other boundaries are more appropriate.

## STUDY PROCEDURES

The Commission began its study of each area by sending out an eight-page tabloid which explained the study and set out the questions the Commission expected to consider in its decision-making process. Each tabloid included a map on which recipients were requested to draw suggested boundaries. DCRA prepared and widely distributed a report of its findings and recommendations for the area, and then the Commission held hearings in as many communities as resources allowed. At the completion of the project, hearings had been conducted by the Commission in 88 communities (either in person or by teleconference).

The study prompted residents and organizations throughout the state to articulate where they believed future boundaries should be

set. Municipal governments and other public and private local and regional organizations helped execute the model boundaries project. Many hundreds of interested parties provided written comment or oral testimony.

Completion of the study renders the Commission and DCRA much better prepared to evaluate future petitions. A wealth of information and public comment was obtained in the study process.

Maps and a brief discussion of model borough boundaries adopted by the Commission follow.

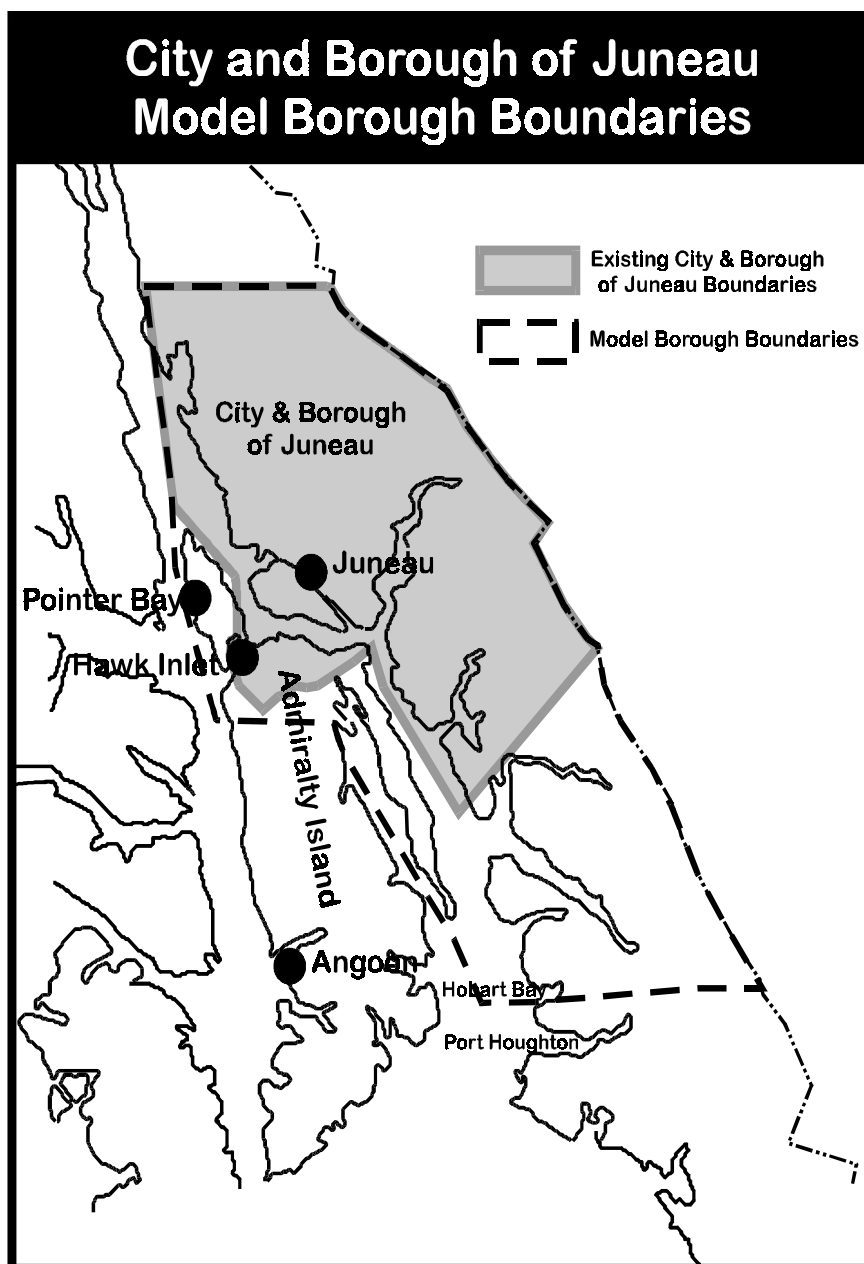


**City and Borough of Juneau.** The Commission conducted a hearing on the model boundaries for the City and Borough of Juneau in July, 1990, but delayed action on the boundaries pending testimony from residents of adjacent regions. In November of 1990, the Commission held model boundary hearings in Kake, Hoonah, Cube Cove, Angoon, Sitka, Elfin Cove, Port Alexander, Pelican, Tenakee Springs, Haines, Skagway, Yakutat and Gustavus (due to weather conditions, the hearings were conducted by teleconference.)

In November, 1991, the Commission defined the model boundaries for the City and Borough of Juneau to include the Mansfield Peninsula, Glass Peninsula, and Seymour Canal areas of Admiralty Island. The model boundaries extend south along Stephens Passage to Hobart Bay on the mainland. From there, the boundaries run due east to the Alaska/Canada border. The boundary continues northward along the Alaska/Canada border following the existing boundaries of the City and Borough of Juneau.

The model borough boundaries take in about 2,400 square miles of land and water

outside of the current boundaries of the City and Borough of Juneau. The area defined by the model borough boundaries had a 1990 population of 26,938 residents, all but 187 of whom lived within the established corporate limits of the City and Borough of Juneau.



## APPENDIX

The following lists certain of the reasons why some believe that the provision of Article X, Section 3 of Alaska's Constitution requiring each borough to embrace an area and population with common interests to the maximum degree possible, applies to both organized and unorganized boroughs.

A direct reading of Article X, Section 3 is unambiguous in its application to unorganized boroughs. The provision states in relevant part, "The entire State shall be divided into boroughs, organized or **unorganized**. **They** shall be established in a manner and according to standards provided by law. . . **Each** borough shall embrace an area and population with common interests to the maximum degree possible. . ."

The Public Administration Service (PAS) expressed the view that unorganized boroughs had to conform to the borough boundary standards.<sup>3</sup> On page 52 of its Local Government Under the Alaska Constitution (January 1959) the PAS notes that "Returning then, to the question of the proper size and number of the **initial unorganized boroughs**, it would seem desirable to begin with a small number of very large boroughs. One possibility would be to begin with only four, which might correspond precisely or substantially to the four major senate districts. Since these districts were drawn primarily on the basis of the way in which the State is divided into **natural 'socio-economic' areas, with drainage and other geographic factors such as mountain barriers** being considered in setting the boundary lines, this division of the State might well provide a logical basis for the differential treatment of local affairs which, as already indicated, the borough system permits.

<sup>3</sup> The PAS, a non-profit organization, was selected by the Alaska Statehood Committee to provide research and consulting services in conjunction with the efforts to develop Alaska's constitution. (See Alaska's Constitutional Convention, Victor Fisher, pages 18 - 21.) The PAS also provided consulting services to the First Alaska State Legislature in the implementation of Alaska's constitution.

*If experience showed the need for further differentiation, the large boroughs could be broken down into somewhat smaller ones. It is important to remember that it is always easier to subdivide a political area than it is to combine areas previously subdivided.*" (emphasis added).

The Executive Director of the Alaska Legislative Council held those same views. In a December 1, 1959 paper entitled Local Government and the State Constitution - Constitutional Intent, the John C. Doyle wrote that, "Under the terms of the proposed article, all of Alaska would be subdivided into boroughs. Each would cover a geographic area with common economic, social, and political interests. Boundaries are to be established by the state. . . . Three classes of boroughs might be sufficient, but the legislature is not limited to three. . . . The unorganized borough would be the third class borough. . ."<sup>4</sup>

Vic Fischer states on page 119 of Alaska's Constitutional Convention (University of Alaska Press 1975) that one of the initial principles set forth by the Convention's Committee on Local Government was that "Provision should be made for subdividing all Alaska into local units

<sup>4</sup> The paper was submitted to Representative Peter J. Kalamarides, Chairman of the Alaska Legislative Council with the following statement, "Attached hereto you will find a report on the local government article of the State Constitution. The report is the one which was submitted by the Committee on Local Government to the Constitutional Convention (1955-56), but it has been revised to reflect the amendments and thinking of the Convention when the proposal was discussed and finally approved on the floor. The Committee's report and comments, and the transcript of the Convention's proceedings were used in preparing this revised report. . ." At the time the report was submitted, two of the ten members of the Alaska Legislative Council had been delegates to the Constitutional Convention. These were Senator Frank Peratrovich, Vice Chairman of the Council, and Representative Warren A. Taylor.

*(boroughs) based on economic, geographic, social, and political factors; initially, not all need be organized.”<sup>5</sup>*

Thomas A. Morehouse and Victor Fischer wrote in Borough Government in Alaska under the heading “Organized and Unorganized Boroughs” that, “All of Alaska was to be subdivided into logical borough units. Depending on readiness and capability for government, these would be classified as organized or unorganized boroughs . . .”

Richard W. Garnett, III, wrote in a paper for the Institute of Social, Economic and Government Research that, “The local government article of the state constitution calls for the division of the state into boroughs, organized and unorganized. The language of the article presupposes plural unorganized units.<sup>6</sup> The specific reference in Section 6 to ‘maximum local participation and responsibility’ in unorganized boroughs indicates that manageable units encompassing communities of interest were contemplated for unorganized as well as organized boroughs. It is difficult to believe that the single unorganized borough that now exists complies with the intention expressed in the constitution.”

The Local Boundary Commission expressed views consistent with this interpretation during its “Model Borough Boundary Study”.<sup>7</sup> For example, in the LBC’s paper announcing the model borough boundary study for the Aleutian/Pribilof Islands Region, the LBC stated, “Clearly, the Unorganized Borough does not meet the requirement of Article X, Section 3 of the Alaska Constitution that, ‘each borough embrace an area and population with common interests to the maximum degree possible.’” (August 1991, page A-2)

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<sup>5</sup> Vic Fischer was a Delegate to Alaska’s Constitutional Convention and was also a member of the Convention’s Committee on Local Government. He is widely regarded as an expert on Alaska’s Constitution, particularly the local government article.

<sup>6</sup> Equalization of Local Government Revenues in Alaska (ISEGR Occasional Papers, January 1973). Richard W. Garnett, III, is a former Assistant Attorney General for the State of Alaska. His remarks may have represented his personal views rather than those of the Department of Law.

<sup>7</sup> The LBC and its DCRA staff began the Model Boundary study throughout the unorganized

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borough in mid-1989. The goal of the study was to “identify the best potential boundaries for future boroughs.” The project was completed in 1992.

# Buried in opioids, sickened community eyes drugmakers' role

By **ANGIE WANG**  
and **JOHN MINCHILLO**  
ASSOCIATED PRESS

## JACKSON, Ohio

— The numbers are staggering: An average yearly total of 107 opioid pills per resident were distributed over a seven-year period in this rural Appalachian county.

The newly released federal data is shocking

even to people who live here in Jackson County, where nearly everyone seems to have known someone who died from drug-related causes. Five children in one elementary school class were said to have lost a parent to an overdose death this past academic year.

Standing at his son's grave in Coalton, a village of fewer than 500 people,

Eddie Davis remembers vividly his last conversation, in his home nearly 10 years ago, with the son he called Bub, "not knowing that would be the last time I would see him or hear his voice or be able to hug him."

Soon, Jeremy Edward Davis was dead, at age 33.

"My son was accountable for himself; he did what he did, he chose to

do that," Davis, 67, said Wednesday.

But then he wondered aloud about the role of the drugmakers, and those who did the over-prescribing. "Again, how did the drugs get here, how did the pills get here, who is responsible for it? I think they should pay."

The outsized numbers of prescription pain pills have helped fuel many

heartbreaking stories of overdose deaths like Davis'. They've also contributed to uneven addiction recovery and surging foster care rates as parents lose their children or leave them orphaned.

"When I was an addict, this town was misery," said William Carter, who struggled with an addiction to pain pills, and then heroin, for more than a decade. "It was nothing but trying to hustle to make your next fix."

The 42-year-old resident of Jackson, the county seat, started on pain pills in 2000, then later turned to far cheaper and more available heroin as law enforcement crackdowns reduced the availability of pills.

Carter said his life "was pure hell. It was just trying not to be sick. It was shooting up in every gas station bathroom in this town," he said. "When I think about that, it disgusts me."

Such stories are all too common here.

"Essentially, there is no segment of our communities that are not impacted by this," said Robin Harris, executive director for a governmental board that helps provide addiction and mental health services in the region.

Treatment centers and psychiatric hospital beds are full, and while churches and faith organizations are helping the government and agency efforts, resources don't stretch nearly far enough in an impoverished area, said Harris.

In the elementary class of 53 children, she said, the five who experienced the deaths of parents from overdose included a boy who was alone with his dead father for 12 hours because he had no telephone service to call for help.

Census data shows nearly one in five of the county's more than 32,000 residents live in poverty in a region that has long lagged the rest

of the nation economically as a result of losing coal, iron and steel industry jobs.

Yet people will buy drugs, said Jackson County Municipal Judge Mark Musick, who oversaw Carter's recovery.

"It's amazing how many young adults have told me across the podium what the cost of their habit is daily. And you think, 'I wouldn't be able to spend \$250 a day. Where do they get that?'"

Musick said many county residents are disabled by addiction — struggling to keep jobs and support their children.

"The amount of grandparents raising grandkids in that area is just unbelievable," said state Rep. Ryan Smith, a Republican whose district includes Jackson and Gallia counties.

The drug data released this week by a federal court in Cleveland shows that drug companies distributed 8.4 billion hydrocodone and oxycodone pills to commercial pharmacies in 2006 and 12.6 billion in 2012. That's an increase of over 50%.

Records kept by the federal Drug Enforcement Administration show that 76 billion oxycodone and hydrocodone pills — the vast majority of them generics, not brand names — were shipped to U.S. pharmacies from 2006 to 2012. The data was reported first by The Washington Post, which had sued along with HD Media to obtain the data. During that time, prescription opioids contributed to more than 100,000 deaths in the United States, according to the U.S. Centers for Disease Control and Prevention.

The distribution database is a key element of lawsuits filed by more than 2,000 state, local and tribal governments. The first trials are scheduled for October.

SEE OPIOIDS | Page A8

## THE CITY AND BOROUGH OF JUNEAU YOUR MUNICIPALITY

### MEETING & EVENTS SCHEDULE July 19 - 29, 2019

This listing includes meetings currently scheduled as of July 18.

For updates, please refer to: <https://beta.juneau.org/calendar>

#### Friday, July 19, 2019

7:00am: Hospital Board Planning Committee, BRH Admin Boardroom 3260 Hospital Dr

#### Saturday, July 20, 2019

9:00am: Airport Emergency Disaster Drill, Juneau Airport

#### Monday, July 22, 2019

6:00pm: Assembly Human Resources Committee, Assembly Chambers  
7:00pm: Regular Assembly Meeting, Assembly Chambers

#### Tuesday, July 23, 2019

4:00pm: Aquatics Board Meeting, Conference Room 224  
5:30pm: Bartlett Regional Hospital Board of Directors Meeting, BRH Admin Boardroom  
5:30pm: Planning Commission Committee of the Whole, Assembly Chambers  
7:00pm: Regular Planning Commission Meeting, Assembly Chambers

#### Wednesday, July 24, 2019

12:00pm: Juneau Commission on Sustainability Worksession, Downtown Library Large Conference Room  
12:00pm: Auke Bay Implementation Committee Meeting, Marine View Building 4th Floor Conference Room  
5:00pm: Building Code Advisory Committee, Juneau Fire Station 820 Glacier Ave  
5:30pm: Treadwell Arena Advisory Board, City Hall Conference Room 237

#### Thursday, July 25, 2019

12:30pm: ADA Committee, Downtown Library Large Meeting Room  
5:00pm: Sister Cities Committee, Conference Room 224  
5:00pm: Docks & Harbors Annual Board Meeting, Assembly Chambers

#### Friday, July 26, 2019

No Public Meetings Scheduled

#### Monday, July 29, 2019

12:00pm: Assembly Public Works & Facilities Committee, Assembly Chambers  
5:00pm: Assembly Lands Committee, Assembly Chambers  
6:00pm: Assembly Committee of the Whole, Assembly Chambers

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

July 22, 2019 7:00 PM Assembly Chambers No.2019-27

Submitted By: Duncan Rorie Watt, City and Borough Manager

#### I. FLAG SALUTE

#### II. ROLL CALL

#### III. SPECIAL ORDER OF BUSINESS

- Special Recognition: Gary Gillette
- Special Recognition: Bob Bartholomew

#### IV. APPROVAL OF MINUTES

- March 19, 2019 Draft Special Assembly Meeting #2019-15
- March 21, 2019 Draft Special Assembly Meeting #2019-16
- March 22, 2019 Draft Special Assembly Meeting #2019-17
- April 1, 2019 Draft Regular Assembly Meeting #2019-18

#### V. MANAGER'S REQUEST FOR AGENDA CHANGES

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

- Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction
- Assembly Requests for Consent Agenda Changes
- Assembly Action

#### 1. Ordinances for Introduction

- Ordinance 2019-31** An Ordinance Increasing the Rates for Water and Wastewater Utility Services.
- Ordinance 2019-36** An Ordinance Temporarily Increasing the Hotel-Motel Room Tax by Two Percent, from Seven Percent to Nine Percent, for a Fifteen Year Period, and Providing for a Ballot Question Ratifying the Increase.
- Ordinance 2019-35(b)** An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed Ten Million Dollars to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 1, 2019.
- Ordinance 2019-35(a)** An Ordinance Authorizing the Issuance of General Obligation Bonds in the Principal Amount of Not to Exceed Seven Million Dollars to Finance Capital Improvements to the Facilities of the City and Borough, and Submitting a Proposition to the Voters at the Election to Be Held Therein on October 1, 2019.
- Ordinance 2019-34** An Ordinance Calling for an Advisory Ballot Proposition on Grant Funding for the New Juneau Arts and Culture Center.
- Ordinance 2019-06(B)(v.1)** An Ordinance Appropriating to the Manager the Sum of \$7,500,000 in Grant Funding for the Juneau Arts and Culture Center; Funding Provided by the General Fund's Fund Balance.
- Ordinance 2019-06(B)(v.2)** An Ordinance Appropriating to the Manager the Sum of \$4,500,000 in Grant Funding for the Juneau Arts and Culture Center; Funding Provided by the General Fund's Fund Balance.

#### 2. Resolutions

- Resolution 2854** A Resolution Changing the Methodology for Calculation of Stipend for Emergency Service Volunteers, and Repealing Resolution 2554.
- Resolution 2858** A Resolution Ratifying the Labor Agreement Between the City and Borough of Juneau and the Public Safety Employees Association, AFSCME Local 83, AFL-CIO.

c. **Resolution 2859** A Resolution Ratifying the Labor Agreement Between the City and Borough and the Marine Engineers Beneficial Association.

d. **Resolution 2860** A Resolution Approving Economic Terms Between the City and Borough and the City and Borough of Juneau Non-represented Employees.

e. **Resolution 2861** A Resolution Urging the Alaska Legislature and Governor to Restore Funding for the State Operating Budget to Help Ensure Long Term Fiscal and Economic Stability for the Citizens of the State of Alaska

#### 3. Bid Award

- BE19-217 - JNU Terminal Reconstruction - Electrical Service**
- DH19-014** Downtown Waterfront Improvements
- DH18-013** Statter Harbor Improvements Phase III(A)

#### 4. Other Items for consent

a. **New License-Standard Marijuana Cultivation Facility License #21086 NUGZ, LLC**

#### 5. Transfers

- Transfer T-1020** A Transfer of \$642,441 from Existing Capital Improvement Projects including from Statter Harbor Loading Facility CIP, and from Taku Harbor Deferred Maintenance CIP, and from Statter Harbor Breakwater Safety CIP; to Statter Harbor Improvement Phase III CIP, and to Amalga Fish Cleaning Station CIP, and to ABMS Maintenance & Improvement CIP.

### VII. PUBLIC HEARING

A. **Ordinance 2019-29(b)** An Ordinance Amending the CBJ Code to Allow for the Consumption of Marijuana by Smoking and Edibles in Licensed Marijuana Retail Facilities with an Onsite Consumption Endorsement.

B. **Ordinance 2019-23** An Ordinance Providing for a Property Tax Abatement Program to Incentivize the Development of Assisted Living for Senior Citizens.

C. **Ordinance 2019-19** An Ordinance Amending the CBJ Codes Related to Planning Commission Review of City and Borough of Juneau Real Property Transactions.

D. **Ordinance 2019-20** An Ordinance Amending the Hospital Code Relating to Board Appointment, Contracts for Professional Services, and Medical Records.

E. **Ordinance 2019-24** An Ordinance Amending the CBJ Codes Related to New Utility Service Connections in Public Right of Ways.

F. **Ordinance 2019-27** An Ordinance Amending the Land Use Code to Extend the Sunset Date for the Downtown Juneau Overlay District.

G. **Ordinance 2019-28** An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of Lot 1A, Emerald 3 Subdivision, Located at the end of Vista Drive, from a Mix of D5 and D18 to D18.

H. **Ordinance 2019-06(A)** An Ordinance Appropriating to the Manager the Sum of \$1,100,000 as Funding for the Juneau International Airport Terminal Construction Capital Improvement Project; Funding Provided by the Airport Fund's Fund Balance and Sales Tax Fund's Fund Balance.

I. **Ordinance 2018-11(AO)** An Ordinance Appropriating to the Manager the Sum of \$6,345 as Partial Funding for the Trail Improvements Capital Improvement Project to Design, Furnish, and Install Trailhead and Trail Marker Signage Along the Switzer Creek – Richard Marriott Trail; Grant Funding Provided by the Juneau Glacier Valley Rotary Club.

J. **Ordinance 2018-11(AP)** An Ordinance Appropriating to the Manager the Sum of \$653,744 as Partial Funding for the Playground Rebuild Capital Improvement Project, for the On Sidewalk & Stairway Repairs Capital Improvement Project, and the Maier Drive Force Main Capital Improvement Project; Funding Provided by the Risk Fund's Fund Balance.

### VIII. UNFINISHED BUSINESS

A. Assembly Appeal #2019-01 Terraces at Lawson Creek v. CBJ Assessor: Proposed Decision

### IX. NEW BUSINESS

A. Airport Terminal Reconstruction Art Panel

### X. STAFF REPORTS

A. Annexation Update Regarding Resolution 2817am

### XI. ASSEMBLY REPORTS

- Mayor's Report
- Committee Reports, Liaison Reports, Assembly Comments and Questions
- Presiding Officer Reports

### XII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

### XIII. EXECUTIVE SESSION

### XIV. ADJOURNMENT

### COMMUNITY DEVELOPMENT

WEDNESDAY, JULY 31, 2019

### COMMUNITY DEVELOPMENT BLOCK GRANT

INFORMATIONAL MEETING

5:30pm, City Hall Room 224

The City and Borough of Juneau (CBJ) is seeking proposals for grant funds through the Federal Community Development Block Grant program (CDBG). Through this program, a project may be eligible for a grant, up to \$850,000.

The CDBG is awarded on a competitive basis for projects that will primarily benefit persons of low and moderate income. CBJ will evaluate project proposals and select one application that will compete against applications statewide. The purpose of the July 31st meeting is to discuss the CDBG application, process, eligible projects, ranking, and timelines.

For more information, contact Laurel Christian at 586-0761 or [laurel.christian@juneau.org](mailto:laurel.christian@juneau.org), or visit: <https://www.commerce.alaska.gov/web/dcra/GrantsSection/CommunityDevelopmentBlockGrants.aspx>



ADA Accommodations Available Upon Request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: [City.Clerk@juneau.org](mailto:City.Clerk@juneau.org)

Published: July 19, 2019

AO-111064

## KIEHL:

Continued from Page A1

Earlier this month the governor announced roughly \$444 million in cuts to the state budget which caused a stand off between rival factions of the legislature. Disagreement over where the legislature was to meet fell largely along the line of support or opposition to the governor's vetoes, with Dunleavy's supporters convening in Wasilla. Kiehl and the majority of the legislature, who opposed the vetoes, met in Juneau.

Wednesday the governor announced that the remainder of the special session, which ends the first week of August, will take place in Juneau. Kiehl thanked the governor for making that decision, noting that legislative leadership and the governor had been "at loggerheads," but that those differences were put aside in order to finalize a budget.

He thanked the legislature for coming out against the governor's vetoes, joining other chambers around the state which also opposed such deep cuts. The Juneau Chamber, Kiehl said, recognized the vetoes went "too far, too fast," he said.

Kiehl said he had spoken to several people over the past weeks who said they were planning to leave Alaska because of worry about losing their job. He also said

that he had spoken with several people about the deep cuts the governor made to the ferry system which would have deep economic consequences for many coastal communities who rely on the ferries for transportation.

During the question and answer session, Kiehl was asked about the status of House Bill 2001, the bill currently making its way through committee which restores many of the cuts made by Dunleavy's vetoes but only allocates a \$1,600 Permanent Fund Dividend.

"I think it's highly unlikely that the legislature will come up with a 45 vote majority without negotiating with the governor," Kiehl said. Kiehl said he was hopeful that the legislature would be able to come up with a budget that provided enough state funds to qualify for federal matching funds, as well as fund many of the state programs Alaskans relied on, though not to the extent they had been previously.

Kiehl did say that he believed it was time to re-examine the formula used to calculate the PFD, and that it was time for Alaskans to decide what role they wanted the Permanent Fund to play in Alaska's fiscal future.

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