

MUNICIPALITY OF ANCHORAGE
ANCHORAGE ASSEMBLY

Assembly Chambers, Z. J. Loussac Library
3600 Denali Street, Anchorage, Alaska

Minutes for Regular Meeting of December 14, 2004

1. CALL TO ORDER

The Assembly Meeting was convened by Chair Traini at 5:01 p.m. in the Assembly Chambers, Room 108 of the Loussac Library, 3600 Denali Street in Anchorage, Alaska.

2. ROLL CALL A Quorum was achieved with Assemblymembers present.

PRESENT: Anna Fairclough, Brian Whittle, Dick Tremaine, Dan Sullivan, Dick Traini, Allan Tesche, Ken Stout, Pamela Jennings, Debbie Ossiander, Janice Shamberg and Dan Coffey.
ABSENT: None.

3. PLEDGE OF ALLEGANCE Assemblymember Fairclough led the pledge.

4. MINUTES OF PREVIOUS MEETINGS None.

5. MAYOR'S REPORT None.

6. ASSEMBLY CHAIR'S REPORT None.

7. COMMITTEE REPORTS None.

8. ADDENDUM TO AGENDA

Chair Traini called for a motion and read the Addendum items. He called for additional items and AR 2004-329, AO 2004-179, AO 2004-181 and AO 2004-182 were added. He assigned to these items Agenda numbers 9.B.10, 9.F.14, 9.F.15 and 9.F.16, respectively. He then called for additional items, and there being none, he called for a vote to incorporate the Addendum items into the Regular Agenda.

Mr. Tesche moved, to approve the inclusion of the Addendum items into the
Mr. Coffey seconded, Regular Agenda.

Ms. Fairclough objected to the length of the Addendum and Laid on the Table items being added at the last minute, not allowing Assemblymembers or the public time to review the documents. She had requested a worksession on the 28th to review many of the items that had been added. Ms. Ossiander concurred, and both members requested to be listed as objecting to adding these items at the last minute: 9.B.4, 9.B.5, 9.B.6, 9.B.7, 9.B.8, 9.B.9, 9.B.10, 9.C.2, 9.C.3, 9.C.4, 9.C.5, 9.D.5, 9.D.6, 9.D.7, 9.D.8, 9.D.9, 9.D.10, 9.D.11, 9.D.12, 9.E.1, 9.E.2, 9.E.3, 9.F.14, 9.F.15 and 9.F.16.

and this motion was passed with two objections,

Chair Traini called for a motion on the Consent Agenda.

Mr. Tesche moved, to approve the Consent Agenda.
Mr. Coffey seconded,

Chair Traini called for Assemblymembers to request items be pulled and moved to the Regular Agenda for discussion.

9. CONSENT AGENDA

9.A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS None.

9.B. RESOLUTIONS FOR ACTION - OTHER

- 9.B.1. Resolution No. AR 2004-313, a resolution of the Municipality of Anchorage appropriating \$2,000 from Villages Scenic Parkway Limited Road Service Area Fund Balance (Fund 146) to Villages Scenic Parkway Limited Road Service Area 2004 Operating Budget (Fund 146) for year round road maintenance service within **Villages Scenic Parkway Limited Road Service Area**; Maintenance & Operations Department.
a. Assembly Memorandum No. AM 904-2004.
- 9.B.2. Resolution No. AR 2004-314, a resolution of the Municipality of Anchorage providing for the appropriation of \$6,370 of citizen's donations to the Miscellaneous Operation Grants Fund (261) for the Department of Economic and Community Development for the purchase of **library books and materials** including shelving; Department of Economic and Community Development, Library.
a. Assembly Memorandum No. AM 905-2004.

Mr. Whittle requested this item be pulled for review on the Regular Agenda. (See Item 10.B.2)

- 1 9.B.3. Resolution No. AR 2004-322, a resolution of the Municipality of Anchorage appropriating \$4,000 from
2 Bear Valley Limited Road Service Area Fund Balance (Fund 144) to Bear Valley Limited Road Service
3 Area 2004 Operating Budget (Fund 144) for year round maintenance service within **Bear Valley**
4 **Limited Road Service Area**; Maintenance & Operations Department. **(Addendum)**
5 a. Assembly Memorandum No. AM 936-2004.
- 6 9.B.4. Resolution No. AR 2004-323, a resolution of the Municipality of Anchorage appropriating \$45,000 from
7 **Girdwood Valley Service Area** Fund Balance (Fund 106) to Girdwood Valley Service Area 2004
8 Operating Budget (Fund 106) for year round road maintenance within Girdwood Valley Service Area;
9 Maintenance & Operations Department.
10 a. Assembly Memorandum No. AM 937-2004. **(Addendum)**
11

12 Mr. Tremaine requested this item be pulled for review on the Regular Agenda. (See item 10.B.4)

- 13
- 14 9.B.5. Resolution No. AR 2004-324, a resolution of the Municipality of Anchorage appropriating up to
15 \$10,000 from the Areawide General Fund Balance (Fund 101) as a loan to the **Rabbit Creek**
16 **View/Heights Limited Road Service Area** (Fund 145) and appropriating the loan proceeds to the
17 Rabbit Creek View/Heights Limited Road Service Area 2004 Operating Budget (Fund 145) for 2004
18 winter road maintenance services within the Rabbit Creek View/Heights Limited Road Service Area;
19 Maintenance & Operations Department. **(Addendum)**
20 a. Assembly Memorandum No. AM 938-2004.
21

22 Mr. Tremaine requested this item be pulled for review on the Regular Agenda. (See item 10.B.4)

- 23
- 24 9.B.6. Resolution No. AR 2004-325, a resolution of the Municipality of Anchorage appropriating \$100,000 to
25 the State Categorical Grants Fund (231), Department of Public Transportation from the Alaska
26 Department of Transportation and Public Facilities to assist in funding of **coordinated transportation**
27 **services** for senior citizens and persons with disabilities within the Municipality of Anchorage; Public
28 Transportation Department. **(Addendum)**
29 a. Assembly Memorandum No. AM 939-2004.
- 30 9.B.7. Resolution No. AR 2004-328, a resolution of the Municipality of Anchorage appropriating the sum of
31 \$45,500 from the State of Alaska, Department of Transportation & Public Facilities and \$2,410 as a
32 contribution from the 2004 Anchorage Police Operating Budget, Anchorage Metropolitan Police
33 Service Area Fund (151) to the State Categorical Grants Fund (231) Anchorage Police Department,
34 for the **Impaired Driving Enforcement Blitz Program**. **(Addendum)**
35 a. Assembly Memorandum No. AM 940-2004.
- 36 9.B.8. Resolution No. AR 2004-326, a resolution of the Anchorage Municipal Assembly supporting continued
37 local funding for the **COPS in Schools Program**; Assemblymembers Tesche, Jennings, Shamberg,
38 Tremaine and Whittle. **(Addendum)**
39

40 Mr. Stout requested this item be pulled for review on the Regular Agenda. (See item 10.B.8)

- 41
- 42 9.B.9. Resolution No. AR 2004-327, a resolution of the Anchorage Municipal Assembly reappointing **Greg**
43 **Moyer** as Municipal Ombudsman; Assembly Chair Traini. **(Addendum)**
44

45 Assembly Chair Traini called for a Point of Personal Privilege on this item. (See Item 10.B.9)

- 46
- 47 9.B.10. Resolution No. AR 2004-329, A resolution of the Anchorage Municipal Assembly urging the Alaska
48 State Legislature to support construction of an integrated **science facility at the University of**
49 **Alaska**, Anchorage; Mayor Begich and Assemblymembers Coffey, Fairclough, Jennings, Ossiander,
50 Shamberg, Stout, Sullivan, Tesche, Traini, Tremaine and Whittle. (Public Hearing set for 1-11-05)
51 **(Laid on the Table)**
52

53 9.C. BID AWARDS

- 54 9.C.1. Assembly Memorandum No. AM 903-2004, recommendation of award to Frank's Inc. for Anchorage
55 Memorial Park Cemetery **maintenance & burial services** for the Municipality of Anchorage, Health &
56 Human Services (ITB 24-B070) (\$129,786/yr); Purchasing.
57

58 Mr. Tremaine requested this item be pulled for review on the Regular Agenda. (See item 10.C.1))

- 59
- 60 9.C.2. Assembly Memorandum No. AM 923-2004, recommendation of award to Mythics, Inc. for furnishing
61 **Oracle database & application software and support/software updates** to the Municipality of
62 Anchorage, Anchorage Water & Wastewater Utility (ITB 24-B071) (\$271,180); Purchasing.
63 **(Addendum)**
- 64 9.C.3. Assembly Memorandum No. AM 924-2004, recommendation of award to Quality Equipment Sales &
65 Service LLC for furnishing **mobile intensive care ambulances** to the Municipality of Anchorage,
66 Anchorage Fire Department (ITB 24-B047) (\$318,560), Purchasing. **(Addendum)**
- 67 9.C.4. Assembly Memorandum No. AM 925-2004, recommendation of award to Royal Business Systems for
68 providing **rental of digital copiers** to the Municipality of Anchorage, Anchorage Police Department
69 (ITB 24-B061) (\$117,780); Purchasing. **(Addendum)**
70

71 Ms. Ossiander requested this item be pulled for review on the Regular Agenda. (See item 10.C.4)

- 72
- 73 9.C.5. Assembly Memorandum No. AM 926-2004, recommendation of award to MKB Constructors for **Ship**
74 **Creek Point Road and Bridge improvements** for the Municipality of Anchorage, Project
75 Management & Engineering (ITB 24-C063) (\$2,598,441); Purchasing. **(Addendum)**
76

77 9.D. NEW BUSINESS

- 1 9.D.1. Assembly Memorandum No. AM 917-2004, Da Mi Restaurant #4456 – New Restaurant/Eating Place
2 & Restaurant Designation Liquor License (Downtown and Government Hill Community Councils);
3 Clerk's Office.
4

5 Mr. Tremaine requested this item be pulled for review on the Regular Agenda. (See item 10.D.1)

- 6
7 9.D.2. Assembly Memorandum No. AM 918-2004, 2005/2006 Liquor License Renewals: Barry's Baranof
8 Lounge #93, Blue Fox Lounge #140, The Bradley House #814, The Bungalow Lounge #3781, The
9 Cabin Tavern #970, Carpentier's Cocktail Lounge #201, F Street Station #762, Holiday
10 Inn/Conversations #89-0519, Kincaid Grill #2115, King's X Lounge #615, Las Margaritas #3363, Lone
11 Star Steakhouse Saloon #3494, Outback Steakhouse #3753, Pioneer Bar #866 – Beverage
12 Dispensary; Al's Alaskan Inn #4288, Sheraton Anchorage Hotel #1443 – Beverage
13 Dispensary/Tourism; Double Musky Inn #1551 – Beverage Dispensary/Public Convenience; Café
14 Amsterdam #3961, El Rodeo #3082, Peggy's Restaurant #1821, Thai Village Restaurant #3576 –
15 Restaurant/Eating Place; V.F.W. Post #9981 – Club; Costco Wholesale #10, Costco Wholesale #63
16 #3149 – Package Store; Clerk's Office.
17

18 Ms. Fairclough requested this item be pulled for review on the Regular Agenda. (See item 10.D.2)

- 19
20 9.D.3. Assembly Memorandum No. AM 920-2004, 2005/2006 Liquor License Renewal: **Chepo's** #3765 –
21 Beverage Dispensary Liquor License (Eagle River Community Council); Clerk's Office. (**Addendum**)
22 9.D.4. Assembly Memorandum No. AM 921-2004, 2005/2006 Liquor License Renewal: **Thai Siam**
23 **Restaurant** #3766 (*Now Jalapenos, Inc. dba Jalapenos Mexican Restaurant*) – Restaurant/Eating
24 Place (Eagle River and Chugiak Community Councils); Clerk's Office. (**Addendum**)
25 9.D.5. Assembly Memorandum No. AM 927-2004, Change Order No. 2 to Purchase Order 230715 with
26 TriTech Inc. for the integration of VisiCAD backup software and automatic vehicle location system and
27 data radio to provide wireless modem equipment for the Anchorage Fire Department's **Computer**
28 **Aided Dispatch System** (\$815,657); Purchasing. (**Addendum**)
29 9.D.6. Assembly Memorandum No. AM 928-2004, proprietary purchase with Tiburon, Inc. to provide
30 **maintenance support services** for the Anchorage Police Department Records System and Computer
31 Aided Dispatch System for the Municipality of Anchorage, Anchorage Police Department (\$83,432);
32 Purchasing. (**Addendum**)
33 9.D.7. Assembly Memorandum No. AM 929-2004, Change Order Number 6 to Purchase Order 21APD240
34 with Doolittle & Associates, Inc. for additional **E-911 services** for the Municipality of Anchorage;
35 Anchorage Police Department (\$225,000). (**Addendum**)
36

37 Mr. Tremaine requested this item be pulled for review on the Regular Agenda. (See item 10.D.7)

- 38
39 9.D.8. Assembly Memorandum No. AM 930-2004, proprietary purchase with Siemens Building Technologies
40 to provide **maintenance repair services** for the Heating, Ventilating and Air Conditioning systems for
41 the Municipality of Anchorage, Maintenance & Operations Department (\$219,772); Purchasing.
42 (**Addendum**)
43

44 Ms. Ossiander requested this item be pulled for review on the Regular Agenda. (See item 10.D.8)

- 45
46 9.D.9. Assembly Memorandum No. AM 931-2004, recommendation of award to Mantech Mechanical to
47 replace **condensing units** at Ben Boeke Ice Arena for the Municipality of Anchorage, Maintenance &
48 Operations Department (RFQ 24-Q146) (\$69,742); Purchasing. (**Addendum**)
49 9.D.10. Assembly Memorandum No. AM 932-2004, recommendation of award to VEI Consultants for providing
50 professional engineering services for **Pump Station 10 Upgrade Project** to the Municipality of
51 Anchorage, Anchorage Water & Wastewater Utility (RFP 24-P041) (\$395,000); Purchasing.
52 (**Addendum**)
53 9.D.11. Assembly Memorandum No. AM 933-2004, Amendment No. 4 to professional legal services contract
54 with the Law Firm of Gilmore & Doherty regarding **constitutional issue services** (\$100,000); Legal
55 Department. (**Addendum**)
56

57 Mr. Tremaine requested this item be pulled for review on the Regular Agenda. (See item 10.D.11)

- 58
59 9.D.12. Assembly Memorandum No. AM 934-2004, **Police and Fire Retirement Board of Trustees**
60 appointment (Paul Burns); Mayor's Office. (**Addendum**)
61 9.D.13. Assembly Memorandum No. AM 935-2004, **Zoning Board of Examiners and Appeals** appointment
62 (Wendy Mikowski); Mayor's Office. (**Addendum**) *Postponed to 1-11-05*
63
64

65 Mr. Tremaine requested this item be pulled for review on the Regular Agenda. (See item 10.D.13)

66
67 **9.E. INFORMATION AND REPORTS**

- 68 9.E.1. Information Memorandum No. AIM 109-2004, two additional full time positions, **Library Assistant II**
69 (grade 8) under Department Identification Number 5364: Branch Libraries; Office of Economic &
70 Community Development. (**Addendum**)
71 9.E.2. Information Memorandum No. AIM 111-2004, **contracts awarded between \$50,000 and \$100,000**
72 **through formal competitive processes** for the month of November 2004; Purchasing. (**Addendum**)
73 9.E.3. Information Memorandum No. AIM 112-2004, **Sole Source Procurement Report** for the month of
74 November 2004; Purchasing. (**Addendum**)
75

76 **9.F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION**

- 1 9.F.1. Ordinance No. AO 2004-171, an ordinance amending the Fine Schedule in Anchorage Municipal
2 Code Section 14.60.030, regarding **fines for child care facility violations** under reenacted Chapter
3 16.55, adopted September 8, 2004; Health and Human Services. *(Public Hearing set for 1-11-05)*
4 a. Assembly Memorandum No. AM 912-2004.

5
6 Ms. Ossiander requested this item be pulled for review on the Regular Agenda. *(See item 10.F.6)*

- 7
8 9.F.2. Ordinance No. AO 2004-172, an ordinance of the Municipality of Anchorage creating **Special**
9 **Assessment District 1P04** for reconstruction of streets within the Town and Country Estates
10 Subdivision Area, and determining to proceed with proposed improvements therein; Project
11 Management & Engineering. *(Public Hearing set for 1-11-05)*
12 a. Assembly Memorandum No. AM 913-2004.

13
14 The Administration requested this item be pulled for review on the Regular Agenda. *(See item 10.F.2)*

- 15
16 9.F.3. Ordinance No. AO 2004-173, an ordinance of the Municipality of Anchorage creating **Special**
17 **Assessment District 2P04** for reconstruction of Marathon Circle, and determining to proceed with
18 proposed improvements therein; Project Management & Engineering. *(Public Hearing set for 1-11-05)*
19 a. Assembly Memorandum No. AM 914-2004.

20
21 The Administration requested this item be pulled for review on the Regular Agenda. *(See item 10.F.3)*

- 22
23 9.F.4. Ordinance No. AO 2004-174, an ordinance of the Anchorage Municipal Assembly authorizing an
24 amendment to Port of Anchorage Terminal Tariff No. 5 to add an hourly rate for **Anchorage Police**
25 **Department police services** at the Port, Port of Anchorage. *(Public Hearing set for 1-11-05)*
26 a. Assembly Memorandum No. AM 915-2004.
27 9.F.5. Ordinance No. AO 2004-175, an ordinance amending the zoning map and providing for rezoning of
28 **Tract B2, Turnagain View East**, from R-1 SL (Single Family Residential) with Special Limitations to
29 PLI SL (Public Lands and Institutions) with Special Limitations, generally located to the west of Elmore
30 Road, between East 135th Avenue (Extended) and north of DeArmoun Road (Huffman-O'Malley
31 Community Council) (Planning and Zoning Commission Case 2004-130); Planning Department.
32 *(Public Hearing set for 1-25-05)*
33 a. Assembly Memorandum No. AM 916-2004.
34 9.F.6. Ordinance No. AO 2004-176, an ordinance of the Anchorage Municipal Assembly amending
35 provisions of Title 28, **Elections**; Assemblymembers Tesche and Coffey. *(Public Hearing 1-11-05)*
36 a. Assembly Memorandum No. AM 919-2004.

37
38 Ms. Ossiander requested this item be pulled for review on the Regular Agenda. *(See item 10.F.6)*

- 39
40 9.F.7. Resolution No. AR 2004-315, a resolution of the Municipality of Anchorage appropriating \$225,000 in
41 reimbursements from the State of Alaska, Department of Natural Resources, for **mutual aid services**
42 performed during the 2004 wildfire season, to the Anchorage Fire Department 2004 Operating Budget;
43 Anchorage Fire Service Area Fund (131). *(Public Hearing set for 1-11-05)*
44 a. Assembly Memorandum No. AM 906-2004.
45 9.F.8. Resolution No. AR 2004-316, a resolution of the Municipality of Anchorage appropriating the sum of
46 \$1,988,100 from the U.S. Environmental Protection Agency to the Federal Categorical Grants Fund
47 (241), Department of Health and Human Services for **Anchorage Air Program Initiatives**. *(Public*
48 *Hearing set for 1-11-05)*
49 a. Assembly Memorandum No. AM 907-2004.
50 9.F.9. Resolution No. AR 2004-317, a resolution of the Municipality of Anchorage, Public Transportation
51 Department to enter into a Transfer of Responsibilities Agreement in the amount of \$384,986 with the
52 Department of Transportation and Public Facilities, State of Alaska, for the **Municipal Share-A-Ride**
53 **Program** and appropriating these funds to the State Categorical Grants Fund (231); Public
54 Transportation Department. *(Public Hearing set for 1-11-05)*
55 a. Assembly Memorandum No. AM 908-2004.
56 9.F.10. Resolution No. AR 2004-318, a resolution authorizing the Municipality of Anchorage, Public
57 Transportation Department, to enter into a Transfer of Responsibilities Agreement (TORA) in the
58 amount of \$230,991 with the State of Alaska, Department of Transportation and Public Facilities, for
59 financing the implementation of a **Public Transportation Marketing Program** and appropriating
60 these funds to the State Categorical Grants Fund (231); Public Transportation Department. *(Public*
61 *Hearing set for 1-11-05)*
62 a. Assembly Memorandum No. AM 909-2004.
63 9.F.11. Resolution No. AR 2004-319, a resolution authorizing the Municipality of Anchorage, Public
64 Transportation Department, to enter into a Transfer of Responsibilities Agreement (TORA) in the amount
65 of \$135,710 with the State of Alaska, Department of Transportation and Public Facilities, and
66 appropriating these funds to the State Categorical Grants Fund (231) for **summer landscaping and**
67 **winter ice and snow removal** at selected bus stops within the Anchorage Area through a Transit
68 Enhancement Youth Work Program; Public Transportation Department. *(Public Hearing set for 1-11-05)*
69 a. Assembly Memorandum No. AM 910-2004.

70
71 Mr. Tremaine requested this item be pulled for review on the Regular Agenda. *(See item 10.F.11)*

- 72
73 9.F.12. Resolution No. AR 2004-320, a resolution of the Municipality of Anchorage appropriating \$180,559 of
74 Interest Revenue, \$47,327 of Contribution Revenue in the Miscellaneous Operational Grants Fund (261)
75 as a contribution to the Anchorage Parks and Recreational Service Area Capital Improvement Fund
76 (461) and \$18,287 of Interest Revenue in the Anchorage Parks and Recreational Service Area Capital
77 Improvement Fund (461) to the Anchorage Parks and Recreational Service Area Capital Improvement
78 Fund (461) for payment of additional improvements to the **Kincaid Ski Chalet** not reimbursed under

the 2001 Special Olympics World Winter Games Alaska contract; Office of Economic & Community Development. *(Public Hearing set for 1-11-05)*

a. Assembly Memorandum No. AM 911-2004.

Mr. Stout requested this item be pulled for review on the Regular Agenda. *(See item 10.F.12)*

9.F.13. Ordinance No. AO 2004-178, an ordinance amending the Anchorage Municipal Code of Ordinances Section 21.40.200, I-1, Light and Industrial District, to allow **taxidermy and processing of skins and hides** "fur on" for use in Taxidermy as a permitted industrial use with restrictions; Assembly Chair Traini and Assemblymember Tremaine. *(Public Hearing set for 1-25-05) (Addendum)*

a. Assembly Memorandum No. AM 922-2004.

Mr. Tremaine requested to be added as a cosponsor to this ordinance.

9.F.14. Ordinance No. 2004-179, an ordinance approving a new **convention facility**, including site selection, site plans, landscaping and a multi-year development agreement for construction with Alaska Center for Convention & Trade, LLC; Department of Economic & Community Development. *(Public Hearing set for 1-11-05) (Laid on the Table)*

9.F.15. Ordinance No. AO 2004-181, an ordinance creating a new Anchorage Municipal Code Chapter 25.23 to restructure the Parking Authority as the **Anchorage Community Development and Parking Authority**, repealing Anchorage Parking Authority Chapter 9.60, amending Section 25.10.030 for development facilities and amending Section 4.80.010 to change the name of the Development Authority Board; Department of Law. *(Public Hearing set for 1-11-05) (Laid on the Table)*

9.F.16. Ordinance No. AO 2004-180, an ordinance of the Anchorage Municipal Assembly approving the Ten-Year Plan on **Homelessness**, amending Anchorage Municipal Code 4.60.260, Housing and Neighborhood Development Commission (HAND), to increase the commission membership and establish an oversight subcommittee on homelessness; Office of the Mayor. *(Public Hearing set for 1-11-05) (Laid on the Table)*

Chair Traini called for a motion to approve the remainder of Consent Agenda.

Mr. Coffey moved, to approve the amended Consent Agenda.
Mr. Shamberg seconded,

Mr. Coffey stated that he had conflicts of interest and would abstain from participation with the liquor license issue in 9.D.1 and many of the liquor establishments listed in 9.D.2. Chair Traini stated those items had been pulled for further discussion and that Mr. Coffey's possible conflicts of interest could be addressed when the Assembly spoke to those items.

and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.
NAYES: None.

Chair Traini announced the unanimous approval of the Consent Agenda, with the exception of the pulled items and proceeded into discussion of those items.

END OF CONSENT AGENDA

10. REGULAR AGENDA

10.A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS None.

10.B. RESOLUTIONS FOR ACTION - OTHER

10.B.2. Resolution No. AR 2004-314, a resolution of the Municipality of Anchorage providing for the appropriation of \$6,370 of citizen's donations to the Miscellaneous Operation Grants Fund (261) for the Department of Economic and Community Development for the purchase of **library books and materials** including shelving; Department of Economic and Community Development, Library.
a. Assembly Memorandum No. AM 905-2004.

Chair Traini read this resolution title and called for a motion.

Mr. Whittle moved, to approve AR 2004-314.
Mr. Tremaine seconded,

Mr. Whittle stated it was important to support the Municipal Library and thanked all those who continued to contribute.

Mr. Tremaine offered an administrative correction

Mr. Tremaine moved, to amend AR 2004-314 on Page 1, Line 23, *by removing the*
Mr. Whittle seconded, last word on that line, [~~AND~~.]
and this was unanimously approved,

Mr. Whittle moved, to approve AR 2004-314, as amended.
Mr. Tremaine seconded,
and this was unanimously passed,

10.B.4. Resolution No. AR 2004-323, a resolution of the Municipality of Anchorage appropriating \$45,000 from **Girdwood Valley Service Area** Fund Balance (Fund 106) to Girdwood Valley Service Area 2004 Operating Budget (Fund 106) for year round road maintenance within Girdwood Valley Service Area; Maintenance & Operations Department.

a. Assembly Memorandum No. AM 937-2004. **(Addendum)**

Chair Traini read this resolution title and called for a motion.

Mr. Tremaine moved, to approve AR 2004-323.
Mr. Tesche seconded,

To Mr. Tremaine, Deputy Municipal Manager Michael Abbott responded this appropriation had already been accounted for in the budget. Mr. Tremaine urged a YES-vote.

and this motion was unanimously passed,

10.B.5. Resolution No. AR 2004-324, a resolution of the Municipality of Anchorage appropriating up to \$10,000 from the Areawide General Fund Balance (Fund 101) as a loan to the **Rabbit Creek View/Heights Limited Road Service Area** (Fund 145) and appropriating the loan proceeds to the Rabbit Creek View/Heights Limited Road Service Area 2004 Operating Budget (Fund 145) for 2004 winter road maintenance services within the Rabbit Creek View/Heights Limited Road Service Area; Maintenance & Operations Department. **(Addendum)**

a. Assembly Memorandum No. AM 938-2004.

Chair Traini read this resolution title and called for a motion.

Mr. Tremaine moved, to approve AR 2004-324.
Mr. Tesche seconded,

Mr. Tremaine requested administrative corrections to the document.

Mr. Tremaine moved, to amend AR 2004-324 on Page 1, Line 2 of the title,
Mr. Sullivan seconded, correcting the spelling of "Anchorage."
and this was unanimously approved,

Mr. Tremaine moved, to approve AR 2004-324, as amended.
Mr. Tesche seconded,

To Ms. Osslander, Municipal Chief Fiscal Officer Jeff Sinz responded that this involved a cash management structuring of the fund within any given year for short-term borrowing and was considered an operating loan. This would cover an existing deficit that the Limited Rural Road Service Area had incurred through normal operations and would be required to be paid within two years.

and this was unanimously passed,

10.B.8. Resolution No. AR 2004-326, a resolution of the Anchorage Municipal Assembly supporting continued local funding for the **COPS in Schools Program**; Assemblymembers Tesche, Jennings, Shamberg, Tremaine and Whittle. **(Addendum)**

Chair Traini read this resolution title and called for a motion.

Mr. Stout moved, to approve AR 2004-326.
Mr. Whittle seconded,

Mr. Stout thought this was an important program that needed to be continued and he wanted to support it. He questioned if there had been feedback from the Anchorage School District (ASD) to the Assembly's request for sharing funding of this program. Mr. Tesche responded that the resolution stated the COPS in Schools Program would continue to be funded through Municipal Government funds. Because of the ASD's current fiscal situation they would not be able to assume responsibility of this program even though they felt the program was fundamental to school safety.

ASD Superintendent Carol Comeau responded that this program was critical to student and staff safety. She stated the ASD was funding phones, computers and equipment used by the officers in this program and she was open to continuing discussion about the program. To Mr. Stout, she responded the officers in the schools were real police officers who were dispatched into the community when calls came in.

Mr. Coffey stated he and the Assembly supported this program and questioned why this issue was not waiting to be addressed during the 2006 negotiations of the budget. Mr. Tesche responded that this was a statement of policy, an affirmation of support and the intent from the Assembly to settle the question of funding. Mr. Coffey responded that it might better be left to the budget process.

Mr. Sullivan stated that the resolution included language which allowed appropriations on an annual basis. He thought putting a policy of appropriation in a resolution was inappropriate and he moved to delete that language.

Mr. Sullivan moved, to amend AR 2004-326 *by deleting* Section II.
Mr. Tremaine seconded,

Mr. Sullivan understood the intent of the resolution and the funding was forthcoming from the Municipality. He thought that it was inappropriate to commit to future policy.

Ms. Fairclough urged a YES-vote on the Sullivan Amendment.

Mr. Tremaine stated the language of Section II only suggested appropriations and did not indicate binding policy. He thought a message could be sent to future Assemblies by leaving it in. He stated he would be voting NO.

Mr. Tesche thought it was important to support the program and the working relationship they maintained with the ASD. He urged a NO-vote on the Sullivan Amendment.

Mr. Coffey stated they had just approved funding through 2005 and thought that this issue could be addressed in November, 2005.

Ms. Shamberg stated she would be a YES-vote on the Sullivan Amendment. She wanted to reassert that she was in full support of the COPS in School Program, but she did not agree that future Assemblies would be committed.

Mr. Tesche moved, *to postpone indefinitely* AR 2004-326.
Ms. Ossiander seconded,
and this motion was approved 10-1,
with Mr. Tremaine objecting,

Mayor Begich stated that the Administration was in full support of the program and was committed to the funding for the next several years.

10.B.9. Resolution No. AR 2004-327, a resolution of the Anchorage Municipal Assembly reappointing **Greg Moyer** as Municipal Ombudsman; Assembly Chair Traini. **(Addendum)** *(Clerk's Note: this item was passed on the Consent Agenda earlier in the Meeting.)*

Assembly Chair Traini called for a Point of Personal Privilege to recognize Municipal Ombudsman Greg Moyer and his reappointment for another two-year term. He stated that all members of the Assembly, the Administration and citizens of Anchorage appreciated all that he did for the city. He stated that Mr. Moyer was often the middleman between government and citizens, helping them to reach resolution. He was involved with many issues and had gone beyond the call of duty with many cases. He thanked Mr. Moyer for accepting the position for another two years.

Mr. Moyer thanked the Assembly and the Administration. He stated it was team work, with respect and cooperation of the Assembly and the Administration, including the Mayor and the City Manager that made his office work efficiently.

10.C. BID AWARDS

10.C.1. Assembly Memorandum No. AM 903-2004, recommendation of award to Frank's Inc. for Anchorage Memorial Park Cemetery **maintenance & burial services** for the Municipality of Anchorage, Health & Human Services (ITB 24-B070) (\$129,786/yr); Purchasing.

Chair Traini read this memorandum title and called for a motion.

Mr. Tremaine moved, *to approve* AM 903-2004.
Mr. Stout seconded,

Mr. Tremaine requested a correction on Page 3 because the document listed bids that were inconsistent, citing different contractor names. The Administration stated they would look into the issue.

Mr. Tremaine moved, *to postpone* AM 903-2004 until the contractor's name was clarified later in the Meeting.
Mr. Stout seconded,
and there were no objections,

Chair Traini returned the Assembly to discussion on AM 903-2004. Municipal Purchasing Officer Bart Mauldin explained the contract was bid by Tony's Enterprises, which listed both company names as subsidiaries, so the names in the memorandum were correct.

Chair Traini Called the Question. Mr. Tremaine urged a YES-vote.

and this motion was unanimously passed,

10.C.4. Assembly Memorandum No. AM 925-2004, recommendation of award to Royal Business Systems for providing **rental of digital copiers** to the Municipality of Anchorage, Anchorage Police Department (ITB 24-B061) (\$117,780); Purchasing. **(Addendum)**

Chair Traini read this memorandum title and called for a motion.

Ms. Ossiander moved, *to approve* AM 925-2004.
Mr. Stout seconded,

To Ms. Ossiander, Municipal Purchasing Officer Bart Mauldin responded that the Municipality was finishing a three-year contract. He explained there was much competition for this contract, which was priced in favor of the city.

Chair urged unanimous consent on this memorandum.

and this motion was passed with no objections,

10.D. NEW BUSINESS

10.D.1. Assembly Memorandum No. AM 917-2004, Da Mi Restaurant #4456 – New Restaurant/Eating Place & Restaurant Designation Liquor License (Downtown and Government Hill Community Councils); Clerk's Office.

Chair Traini read this memorandum title and called for a motion. Mr. Coffey disclosed a conflict of interest because his law firm represented Da Mi Restaurant. Chair Traini ruled Mr. Coffey had a conflict and directed him not to participate.

Mr. Tremaine moved, *to postpone* AM 917-2004, to take up Public Hearing
Mr. Stout seconded, concurrently with item 14.G, AR 2004-308.
and there were no objections,
with Mr. Coffey abstaining,

Chair Traini returned the body to finish action on this item, following combined Public Hearing with 14.G.

Mr. Sullivan moved, to approve AM 917-2004.
Ms. Osslander seconded,
and this motion was passed with no objections,
with Mr. Coffey abstaining,

10.D.2. Assembly Memorandum No. AM 918-2004, 2005/2006 Liquor License Renewals: Barry's Baranof Lounge #93, Blue Fox Lounge #140, The Bradley House #814, The Bungalow Lounge #3781, The Cabin Tavern #970, Carpentier's Cocktail Lounge #201, F Street Station #762, Holiday Inn/Conversations #89-0519, Kincaid Grill #2115, King's X Lounge #615, Las Margaritas #3363, Lone Star Steakhouse Saloon #3494, Outback Steakhouse #3753, Pioneer Bar #866 – Beverage Dispensary; Al's Alaskan Inn #4288, Sheraton Anchorage Hotel #1443 – Beverage Dispensary/Tourism; Double Musky Inn #1551 – Beverage Dispensary/Public Convenience; Café Amsterdam #3961, El Rodeo #3082, Peggy's Restaurant #1821, Thai Village Restaurant #3576 – Restaurant/Eating Place; V.F.W. Post #9981 – Club; Costco Wholesale #10, Costco Wholesale #63 #3149 – Package Store; Clerk's Office.

Chair Traini called for a motion.

Ms. Fairclough moved, to approve AM 918-2004.
Mr. Tesche seconded,

Mr. Coffey disclosed that he had current or past representation with some of these establishments being discussed that evening. Mr. Tesche stated that he had reviewed Mr. Coffey's disclosure and felt that he should be recorded as recused on votes in respect to those particular clients he currently was representing. He urged the Chair to rule that Mr. Coffey vote on issues involving establishments for which he had performed legal work in the past. Chair Traini concurred and directed Mr. Coffey to vote on all others that he was not currently representing. He ruled that for those establishments Mr. Coffey was currently representing he would be recorded as abstaining. There were no objections from the body and the Chair stated the body had so ruled. *(Clerk's Note: Mr. Coffey was recorded as abstaining from voting on the following establishments: Carpentier's Cocktail Lounge, Holiday Inn, Lone Star Steak House, Pioneer Bar, Al's Alaskan Inn, Double Musky and Costco.)*

Mr. Coffey stated that he was also clarifying for the record, from the past Assembly Meeting of December 7, 2004, that he unknowingly participated with the Howard Johnson's liquor license renewal, which was also known as the Holiday Inn, and that this establishment was represented by his law firm. Chair Traini requested the Minutes Clerk make the necessary corrections.

Ms. Fairclough questioned if, when reviewing these licenses for renewal, the members were considering the numbers of alcohol-related incidents in close proximity to the establishment locations. She thought it was important to review the density of alcohol establishments in any particular area of the city. She stated that there were allegations concerning DUIs and alcohol-related arrests coming from many establishments listed in this memorandum and mentioned one with twenty-seven allegations. She stated she was not opposed to approving the licenses before the Assembly because she understood their associations with alcohol-related incidents were only allegations. She requested a meeting with the Public Safety Committee to examine their comprehensive plan and recommendations. Chair Traini responded that they were looking at a rewrite on how the information was compiled. He suspected the type of information the Assembly received would change in January.

Chair Traini requested that Ms. Jennings, as the Public Safety Committee Chair, look into the issue. Ms. Jennings responded that the upcoming Public Safety Meeting would be addressing the information received from the Police Department. Ms. Fairclough responded that the Health and Human Service Department was quoting Policy 22 of the Anchorage Comprehensive Plan on all the related conditional uses. Chair Traini requested that Ms. Jennings review the Policy 22 when addressing this issue.

Ms. Jennings questioned the several alcohol violations on the F Street Station application. With Chair Traini's recommendation, she moved to bifurcate, to address those specific issues.

Ms. Jennings moved, *to bifurcate F Street Station #762* from AM 918-2004 and
Mr. Tremaine seconded, address this issue separately.
and there were no objections,

Chair Traini Called the Question on the remainder of the memorandum.

and this motion, as amended was unanimously passed,

1 with Mr. Coffey abstaining from participation with Carpentier's Cocktail Lounge, Holiday Inn, Lone Star Steak
2 House, Pioneer Bar, Al's Alaskan Inn, Double Musky and Costco,

3
4 Chair Traini requested the Municipal Legal Staff assist with the language needed to address the F Street Station,
5 which would be taken up later in the meeting.

6
7 Mr. Tremaine moved to Change the Order of the Day to take up 9.C.1, it was seconded by Mr. Coffey and there were
8 no objections.

9
10 Chair Traini returned the body to complete the discussion and action of the bifurcated item concerning the F Street
11 Station. He called on Ms. Jennings for a motion and the proposed amended language.

12
13 Ms. Jennings moved, to approve F Street Station.
14 Mr. Tremaine seconded,

15
16 Ms. Jennings proposed amendments to the bifurcated issue concerning the liquor license renewal of F Street Station.

17
18 Ms. Jennings moved, to amend AM 918-2004, concerning the bifurcated issue,
19 Mr. Tremaine seconded, **to approve renewal of the liquor license as a conditional**
20 **non-protest** of F Street Station, *by including: "This condition*
21 *of non-protest is based upon all employees completing the*
22 *TAMS course, receiving a TAMS card and providing proof of*
23 *compliance with this requirement to the Municipal Clerk's*
24 *Office within sixty (60) days of the date of this conditional*
25 *non-protest." (December 14, 2004).*

26
27 Ms. Fairclough clarified for the record that did not that mean that if they already had an existing TAM(S) card that they
28 could provide, that they would have to retake the course. Ms. Jennings stated that was correct. Mr. Coffey concurred.

29
30 and there were no objections,

31
32 Chair Traini Called the Question on the main motion, concerning F Street Station.

33
34 and this motion, as amended, was unanimously approved,

35
36 To Mr. Coffey, Municipal Clerk Barbara Gruenstein responded that her office would notify the owners.

37
38 10.D.7. Assembly Memorandum No. AM 929-2004, Change Order Number 6 to Purchase Order 21APD240
39 with Doolittle & Associates, Inc. for additional **E-911 services** for the Municipality of Anchorage;
40 Anchorage Police Department (\$225,000). **(Addendum)**

41
42 Chair Traini read this memorandum and called for a motion.

43
44 Mr. Tremaine moved, to approve AM 929-2004.
45 Ms. Ossiander seconded,

46
47 To Mr. Tremaine, Deputy Municipal Manager Michael Abbott responded the old government operations (GO) bond
48 was designed for operations but these costs could be paid from these funds, if the contracts had been covered by the
49 bonds.

50
51 Ms. Ossiander was concerned with the continued escalation of this contract and requested a review of what had been
52 completed and what was remaining. Mr. Abbott responded the last E-911 review had included the status of the work
53 with Alaska Communications System (ACS) and Doolittle and Associates. Chair Traini responded they could approve
54 the document that evening and request a status report from the Administration on the entire system.

55
56 Ms. Fairclough, who served on the 911 Task Force, responded the Federal Government had mandated changes that
57 would allow location of cell phone calls using the existing system. She explained that two tragic incidents had
58 occurred which had altered the scope and escalated the costs of the project.

59
60 To Ms. Ossiander, Mr. Abbott responded the change order involved the final testing and implementation and rebuilding
61 the dispatch facilities. The Mayor explained that the original scope of this project had been altered due to the many
62 changes in the federal communications requirements on wireless calls, circumstances that had occurred and required
63 accommodations for new GPS technology.

64
65 To Ms. Jennings, Mayor Begich responded that this involved a ten million dollar contract with ACS over a ten-year
66 period. He offered a worksession to update members.

67
68 To Ms. Ossiander, Mr. Abbott responded that it was important for this contract to be continued because they were in
69 the process of completion. Municipal Manager Denis LeBlanc added that this contract was extremely complex and his
70 office had contested some of the costs. He was pleased with the upgrades and stated the changes were necessary.

71
72 Chair Traini Called the Question.

73
74 and this motion was passed,

75
76 AYES: Fairclough, Whittle, Tremaine, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.

77 NAYES: None.

78 *(Sullivan was temporarily out of the room at the time of the vote.)*

10.D.8. Assembly Memorandum No. AM 930-2004, proprietary purchase with Siemens Building Technologies to provide **maintenance repair services** for the Heating, Ventilating and Air Conditioning systems for the Municipality of Anchorage, Maintenance & Operations Department (\$219,772); Purchasing. **(Addendum)**

Chair Traini read this memorandum title and called for a motion.

Ms. Ossiander moved, to approve AM 930-2004.
Mr. Stout seconded,

To Ms. Ossiander, the Administration could not respond if this maintenance repair order included the swimming pools at Chugiak. They would look into the matter and give a response later in the evening.

Ms. Ossiander moved, to *postpone* AM 930-2004 until later in the evening.
Ms. Jennings seconded,
and there were no objections,

Chair Traini returned the Assembly to this item and Deputy Municipal Manager Michael Abbott indicated that pools in Chugiak were included. Ms. Ossiander stated she was satisfied. Chair Traini Called the Question on the main motion.

and this motion was unanimously approved,

Mr. Tesche moved to Change the Order of the Day to take up item 14.J. Mr. Coffey seconded and there were no objections.

10.D.11. Assembly Memorandum No. AM 933-2004, Amendment No. 4 to professional legal services contract with the Law Firm of Gilmore & Doherty regarding **constitutional issue services** (\$100,000); Legal Department. **(Addendum)**

Chair Traini read this memorandum title and called for a motion.

Mr. Tremaine moved, to approve AM 933-2004.
Ms. Ossiander seconded,

Mr. Tremaine questioned "contract creep," and thought it would be more appropriate to bid a single price instead of adding to the contract. Municipal Attorney Fred Boness responded that no new work had been assigned to this contract and this firm was continuing with four outstanding cases that had been assigned at an earlier time. Some of the cases would be going to trial soon and it was important to extend the contract with this firm which has covered the cases for several years in preparation of the trials. Mr. Tremaine responded he was pleased that much of this type of work was now being handled by the Municipal Legal Department.

Chair Traini agreed this contract was needed for professional services until these cases were completed.

Mayor Begich stated these remaining cases had been ongoing for many years and they were trying to resolve them as soon as possible.

To Mr. Tesche, Mr. Boness responded that the Gilmore law firm was receptive to the involvement of staff from the Municipal Legal Department. Mr. Tesche stated that he would be a YES-vote.

and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.
NAYES: Traini.

10.D.13 Assembly Memorandum No. AM 935-2004, **Zoning Board of Examiners and Appeals** appointment (Wendy Mikowski); Mayor's Office. **(Addendum)** (*Postponed to 1-11-05*)

Chair Traini read this memorandum and called for a motion.

Mr. Tremaine moved, to *postpone* AM 935-2004 until January 11, 2005,
Mr. Sullivan seconded, to allow public comment.
and this was unanimously approved,

10.E. INFORMATION AND REPORTS None were pulled for review.

10.F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION

10.F.1. Ordinance No. AO 2004-171, an ordinance amending the Fine Schedule in Anchorage Municipal Code Section 14.60.030, regarding **finest for child care facility violations** under reenacted Chapter 16.55, adopted September 8, 2004; Health and Human Services. (*Public Hearing set for 1-11-05*)
a. Assembly Memorandum No. AM 912-2004.

Chair Traini read this ordinance title and called for a motion.

Ms. Ossiander moved, to *introduce* AO 2004-171, with Public Hearing
Mr. Tremaine seconded, set for January 11, 2005.
Mr. Coffey was the concurring third,

Ms. Ossiander requested the task force review and discuss this matter at their next meeting. The Mayor concurred.

- 10.F.2. Ordinance No. AO 2004-172, an ordinance of the Municipality of Anchorage creating **Special Assessment District 1P04** for reconstruction of streets within the Town and Country Estates Subdivision Area, and determining to proceed with proposed improvements therein; Project Management & Engineering. (*Public Hearing set for ~~4-11-05~~ 1-25-05*)
- a. Assembly Memorandum No. AM 913-2004.

Chair Traini read this ordinance title. The Administration requested this item be set for Public Hearing on January 25, 2005 and there were no objections. The Chair called for a motion.

Ms. Ossiander moved, *to introduce* AO 2004-172, with Public Hearing
Ms. Jennings seconded, set for January 25, 2005.
Ms. Fairclough was the concurring third,

- 10.F.3. Ordinance No. AO 2004-173, an ordinance of the Municipality of Anchorage creating **Special Assessment District 2P04** for reconstruction of Marathon Circle, and determining to proceed with proposed improvements therein; Project Management & Engineering. (*Public Hearing set for ~~4-11-05~~ 1-25-05*)
- a. Assembly Memorandum No. AM 914-2004.

Chair Traini read this ordinance title. The Administration requested a change of dates for Public Hearing and there were no objections. The Chair called for a motion.

Ms. Ossiander moved, *to introduce* AO 2004-173, with Public Hearing
Mr. Tremaine seconded, set for January 25, 2005.
Ms. Jennings was the concurring third,

- 10.F.6. Ordinance No. AO 2004-176, an ordinance of the Anchorage Municipal Assembly amending provisions of Title 28, **Elections**; Assemblymembers Tesche and Coffey. (*Public Hearing set for 1-11-05*)
- a. Assembly Memorandum No. AM 919-2004.

Chair Traini read this ordinance title and called for a motion.

Ms. Ossiander moved, *to introduce* AO 2004-176.
Mr. Tremaine seconded,
Mr. Sullivan was the concurring third,

Ms. Ossiander requested discussion with the sponsors of this document. Mr. Coffey concurred and recommended scheduling a worksession. Ms. Fairclough requested it be included with their regularly scheduled Friday meetings. Chair Traini stated that Assembly Budget Director Elvi Gray-Jackson would schedule it.

- 10.F.11. Resolution No. AR 2004-319, a resolution authorizing the Municipality of Anchorage, Public Transportation Department, to enter into a Transfer of Responsibilities Agreement (TORA) in the amount of \$135,710 with the State of Alaska, Department of Transportation and Public Facilities, and appropriating these funds to the State Categorical Grants Fund (231) for **summer landscaping and winter ice and snow removal** at selected bus stops within the Anchorage Area through a Transit Enhancement Youth Work Program; Public Transportation Department. (*Public Hearing set for 1-11-05*)
- a. Assembly Memorandum No. AM 910-2004.

Chair Traini read this resolution title. He stated that Public Hearing would be set for January 11, 2005 and called for a motion.

Mr. Tremaine moved, *to introduce* AR 2004-319, as amended.
Ms. Ossiander seconded,
Ms. Jennings was the concurring third,

Mr. Tremaine requested an administrative correction on Line 4, to remove the last word in the sentence, "and." It was seconded by Ms. Jennings and there were no objections.

- 10.F.12. Resolution No. AR 2004-320, a resolution of the Municipality of Anchorage appropriating \$180,559 of Interest Revenue, \$47,327 of Contribution Revenue in the Miscellaneous Operational Grants Fund (261) as a contribution to the Anchorage Parks and Recreational Service Area Capital Improvement Fund (461) and \$18,287 of Interest Revenue in the Anchorage Parks and Recreational Service Area Capital Improvement Fund (461) to the Anchorage Parks and Recreational Service Area Capital Improvement Fund (461) for payment of additional improvements to the **Kincaid Ski Chalet** not reimbursed under the 2001 Special Olympics World Winter Games Alaska contract; Office of Economic & Community Development. (*Public Hearing set for 1-11-05*)
- a. Assembly Memorandum No. AM 911-2004.

Chair Traini read this resolution title and called for a motion.

Mr. Stout moved, *to introduce* AR 2004-320 with Public Hearing set
Ms. Ossiander seconded, for January 11, 2005.
Ms. Jennings was the concurring third,

To Mr. Stout, Economic and Community Development Director Mary Jane Michael responded that the Housing and Urban Development grant for improvements had ended, following the 2001 World Winter Special Olympic Games. The Community Development Department was in the process of finding new funding sources to pay off these improvements made for the event.

11. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS None.

12. APPEARANCE REQUESTS

12.A. **Kathy Day**, Reclaiming Futures Project, to thank Allan Tesche for his service.

MAUREEN McGLONE, Project Director with Reclaiming Futures, thanked Mr. Tesche for his dedicated volunteer work with their project. She described the program, working with young people who had gotten into trouble with the law and had substance abuse issues. She described Mr. Tesche as a respected and connected professional in the community. She spoke of his leadership, his understanding of the law and the importance of assisting youth in the community. She stated that with Mr. Tesche's recent resignation from the project, he would be remembered by the staff and the Robert Wood Johnson Foundation for his role as the Community Fellow and for his efforts helping teens overcome drugs, alcohol and crime. Mr. Tesche thanked Ms. McGlone, Reclaiming Futures and the Robert Wood Johnson Foundation for their recognition. He thanked them for the opportunity to work with the youth in the community. He stated the Foundation had made an excellent choice with their selection of Tom Begich as their new Community Fellow.

12.B. **Theresa Nangle Obermeyer, Ph.D.** Please review www.tobermeyer.info especially Theresa Nangle Obermeyer, Ph.D., vs. Anchorage School District 3AN-04-5209 CI filed 3/12/04 and dismissed by Judge Sen Tan 7/27/04. (**Addendum**)

DR. OBERMEYER spoke of her lawsuit involving her being labeled as a trespasser at East High School, the harassment she had received when she tried to testify at School Board Meetings and her being ostracized from the School District from getting a job. She stated her lawsuit with the ASD had recently been dismissed by Judge Sen Tan.

13. CONTINUED PUBLIC HEARINGS

13.A. Ordinance No. AO 2004-153, an ordinance of the Municipality of Anchorage amending Anchorage Municipal Code Section 11.60.200 to adjust **mandatory airport fees and charges** and supporting airport lease rate increases, Merrill Field Airport. (*Continued from 12-7-04; Continued to 1-11-05*)

1. Assembly Memorandum No. AM 836-2004.

Chair Traini read this ordinance title and opened Public Hearing.

DICK ARMSTRONG, Manager of ACE Fuels and ACE Hangers, Vice Chair of the Merrill Field Advisory Commission, the Representative of the Small Businesses at Merrill Field, presented a resolution addressing the issues before the Assembly. He described Merrill Field as self-supporting with current renovations and urban renewal underway and explained their concern that the proposed changes might affect the direction of their projects. They were paying their fair share and felt Merrill Field was the crown jewel of the city. There was high competition with surrounding airports for services and it was critical for them to keep costs down. He urged the Assembly to table the MESA assessment issue for the next year and urged consideration of slowing the tax increases to allow merchants time to recover without going out of business. He urged the Assembly to direct the Municipal Tax Assessor to appraise the land at fair market value. Mr. Sullivan agreed that there was an economic engine occurring at Merrill Field, and to his question, Mr. Armstrong responded the tie down fees were the most expensive in the area and that Merrill Field was limited to aviation-related businesses. To Mr. Tesche, Mr. Armstrong responded that he had considered moving his fuel operations to Big Lake. To Mr. Tremaine, he responded that he had already discussed this issue with the Municipal Assessor. He described the field being built on the former city landfill and there being fire hazards and continual maintenance dealing with the constant methane gas.

Chair Traini called for a motion to extend the meeting to complete Public Hearings on 13.A, 13.B, 14.B and 14.D.

Mr. Sullivan moved, to extend the Assembly Meeting until midnight.
Mr. Stout seconded,
and this motion was unanimously approved,

Mr. Sullivan moved, to combine Public Hearing on 13.A and 13.B.
Mr. Tremaine seconded,
and this motion was unanimously approved,

LARRY NOREEN testified as a paid consultant for the Merrill Field Group, representing business and property owners. It was his professional opinion that the system of evaluation should reflect the fair market value of the lease holds, based on State Law requirements. Mr. Noreen explained that he was an expert in this field and had created the formula for property evaluation. He offered to work with Municipal Assessor Marty McGee. To Mr. Tesche, Mr. Noreen recommended that Assemblymembers remain aware of the increased costs of airport leases. To Mr. Sullivan, Mr. Noreen responded that the most important issue was to base the leases on equity and fair market value. To Ms. Ossiander, Mr. Noreen responded that the new method of assessment currently was not based on fair market value. Mr. McGee responded that the law specified that assessments were based on full and true value which was different from fair market value and that formula had been upheld in the Supreme Court, based on a case originating in Fairbanks. Mr. Boness responded that Mr. Noreen's assessment was not based on full and true value assessment and would not hold up in a court of law. Mr. Noreen responded that the Fairbanks decision involved utilities and left the door open for future litigation. He felt that if this formula was used the city it would be opened to lawsuits. To Ms. Shamberg, Mr. Noreen responded that he agreed the people at Merrill Field were being treated unfairly and agreed with additional worksessions to further discuss this issue.

Ms. Ossiander moved to Change the Order of the Day to take up 14.B, seconded by Mr. Coffey and there were no objections. The Chair returned the body to this item after taking up items 14.B, 14.D and 9.D.2.

DAN HOLLINGSWORTH, owner of Dan's Aircraft Repair, testified against the ordinance. He felt any additional requirements or increased costs would put his business at risk. He had recently understood his property would be assessed for \$475,000, an increase of over \$440,000 over the past three years. He urged the Assembly to further discuss this issue, to better understand the impact it would have. To Ms. Jennings, he responded his MESA fee increase was \$511 per year and it was not a fair or equitable assessment.

DAVE LUNDEBY, Merrill Field Airport Municipal Manager, responded to Ms. Jennings question, explaining that the lease rates were not included with the ordinance dealing with rate increases.

ROB SWENSON, a lease holder at the airport, testified that Merrill Field acted as an economic engine for the community, helping to diversify the city's economy. It provided jobs, supported cargo transport, tourism and recreation, supported air medivac to the hospital and was a center for search and rescue operations, along with many other functions. Mr. Swenson stated that city airports across the nation often received operation funding from the city, but Merrill Field did not.

TONY FOLLETT, Senior Vice President of Aeromap US and member of the Merrill Field Aviation Advisory Committee testified that his business had been at the airport since 1960 and had 67 employees. He expressed his concern about the current assessment philosophy and imposition of additional fees and asked for consideration of the consequences. He stated his plans for construction of a multi-million dollar facility and expansion could be greatly diminished if the measures were approved. To Mr. Sullivan, Mr. Follett responded that his business would have lower costs if it were moved to another area in Alaska. He stated they were not on a long term lease with Merrill Field and felt somewhat mobile.

FELIX MCGUIRE, Director and past President of the Alaska Airmen's' Association, testified that they were a non-profit organization dedicated to the safety and enhancement of general aviation. He stated the land at Merrill Field had been given to the city by the state for airport use only. They were concerned how the taxes increases were being calculated and implemented so rapidly and thought they were excessive. Since the users of Merrill Field did not use municipal services, Mr. McGuire asked for consideration of special mill rates.

LORI JOHNSTON testified against the ordinance and thought the Municipality was not objectively assessing the value at the airport. She thought the Administration might have alternative motives, including finding other uses for the property or a desire to drive the airport out of Fairview.

JOHN ALSWORTH, airport business owner since 1977, testified against the ordinance. He urged consideration of fair and equitable treatment to the people who would be impacted by these increases of costs.

LARRY LORENZO, Manager of the Chugiak Hangers, testified that the assessments were a rapid and high increase. He stated that the hanger owners did not mind paying their fair share but wanted fair and equitable assessments.

With no addition public testimony, Chair Traini closed Public Hearing on AO 2004 153 and AO 2004-154.

Mayor Begich distributed copies of cost comparisons of Merrill Field with other airports in the state.

Mr. Tesche moved, *to Continue* AO 2004-153 and AO 2004-154,
Mr. Stout seconded, until January 11, 2005.

To Mr. Tesche, Mr. Lundebay responded the Merrill Field tiedown fees were currently less expensive than the state airports of Lake Hood and International. He thought it would be reasonable to match municipal fees with state fees.

Mr. Coffey recommended not competing with other airports but rather looking for other funding sources to cover expenses without increasing lease rates and other fees. The Mayor responded the Administration would make recommendations for consideration.

and this motion was approved unanimously,

- 13.B. Ordinance No. AO 2004-154, an ordinance amending Anchorage Municipal Code Chapter 11.60 to add a new section setting the **Municipal Enterprise Service Assessment** (MESA) calculation for municipal airports, Office of Management & Budget.
1. Assembly Memorandum No. AM 837-2004.
(Continued from 12-7-04) (Postponed until 1-11-05)

(Clerk's Note: See item 13.A for details of combined Public Hearing, discussion and action on 13.A and 13.B.)

- 13.C. Ordinance No. AO 2004-162, an ordinance designating the **former Alaskan Village Mobile Home Park** as a deteriorated area, and setting the area boundaries, pursuant to Anchorage Municipal Code Sections 12.35.005 and 12.35.050; Office of Economic & Community Development.
1. Assembly Memorandum No. AM 861-2004. (Continued from 12-7-04)

Chair Traini read this ordinance title and opened Public Hearing. Ms. Fairclough clarified this ordinance was not an application for a deteriorated property or setting the tax break, but was simply addressing setting boundaries of this property. Chair Traini responded those issues would be the second and third issues in the process.

KIM BOWMAN spoke against the ordinance. He stated that this was a poor solution to creating a town center in Muldoon. He was against the city's approach to tax reform and thought there was too much risk involved with this

venture. He understood the issues involved with deteriorated status and the tax break of this property and was concerned if the Assembly passed the first tier of the process, they would approve the second and third. To Mr. Sullivan, he responded he agreed with development, but thought it would be better if the property was sold to a professional contractor who would develop and be taxed for much more money than could otherwise be collected. Mr. Stout stated that this subject property met the criteria of deteriorated properties in the 2020 Plan and their action would not mean the property would remain tax exempt. Mr. Bowman stated there were many vacant sites along C Street that might also qualify as deteriorated properties. He thought that approval of this property would be setting precedent for developers to take advantage of tax deferment until the properties were completed. Mr. Stout responded that the Municipality would have to agree to the design plans to make sure they were in the best interest of the city.

LORI JOHNSTON testified against the ordinance. She felt that the government was ignoring voters' request of having these issue on the ballot. She gave examples of numerous properties in Anchorage that would qualify for tax exemptions and thought this venture would bankrupt Muldoon and did not think it complied with the 2020 Plan. Mr. Stout recommended that Ms. Johnston learn about the five-year plan and the proposed clean-up of the property. Heritage Land Bank Director Robin Ward added that this property was a former mobile home site and the former owner had completed all required environmental remediation over the past four years.

PETE KINNEEN, a former developer, testified that the land was clearly not deteriorated. He agreed with the town center concept but felt action involved with this land should involve a more open process and questioned if the proposed actions were in the best interest of the city. He gave examples, including the renovations of the McCay Building, which involved the application of "deteriorated" inappropriately. Mr. Stout stated that many of his constituents agreed that the subject property was not currently deteriorated, but the definition allowed property to be eligible, even after being cleaned up in the last five years and felt the Assembly had to deal with the issue as it was. To Mr. Stout, Mr. Kinneen responded that he felt the definitions of deteriorated properties were interpreted differently.

JOHN O'DAY, a resident for over fifty years and neighbor of the subject property, testified that he agreed with Mr. Noreen and Mr. Coffey, but he did not think everyone understood the concept behind this designation, a very progressive idea. He thought the Assembly had an obligation to approve this ordinance and give Mr. Pfeffer a chance to prove that this parcel fit the deteriorated designation. He stated there would be other properties whose owners would want this designation and the criteria need to be refined and more detailed. He would like to see this developed, but was not sure the time frame could be met. He was pleased the school would be located there.

With no further public testimony, Chair Traini closed Public Hearing and called for a motion.

Mr. Coffey moved, to approve AO 2004-162.
Mr. Tesche seconded,

Mr. Coffey stated that criteria involved with this ordinance were incomplete and he moved to amend.

Mr. Coffey moved, to amend AO 2004-162, *by adding* on Line 18, to read:
Ms. Fairclough seconded, "6. Within the last five years has been the subject of an order
and this motion was later withdrawn, by a government agency requiring environmental remediation
of the property." And, on Line 10 *by changing*, [five] to "six."

To Mr. Sullivan, Mr. Coffey responded that this language was already listed in Municipal Code, but was not mentioned in the ordinance. Ms. Fairclough offered a friendly amendment to also change the number on Line 10, to reflect the addition. Mr. Coffey concurred.

Mr. Tremaine questioned the distinction between the definitions of "deteriorated area," and the verbiage offered by Mr. Coffey defining "deteriorated property." Chair Traini called a recess and Mr. Coffey withdrew his amendment and offered new language.

Mr. Coffey moved, to amend AO 2004-162, *by adding* on Line [48] 19, to
Mr. Tremaine seconded, read: "WHEREAS, the two parcels of property within the
deteriorated area are defined as deteriorated property, having
been, within the last five years, subject to an order of a
governmental agency requiring environmental remediation of
the property."

Mr. Coffey stated this would recognize the difference between a deteriorated area and the property within that area. He stated the two parcels which were described in the ordinance as Tract 1 and Tract 2A would be described as deteriorated properties within the deteriorated area.

and this motion was unanimously approved,

To Ms. Fairclough, Municipal Attorney Fred Boness responded that tax abatement was enacted in 1998 in State Statutes. Municipal Assessor Marty McGee responded that there had been one other area identified as deteriorated, which would have allowed the contractor to legally apply for a tax exemption. That exemption, involving the Seafood Processing Plant, involved an economic development tax exemption and the two types of exemptions should not be compared because they were based on different criteria. Heritage Land Bank Executive Director Robin Ward responded that the subject properties were identified on a map, attached to the ordinance. It designated the boundaries which involved the whole area except for the proposed Muldoon School site, because the Anchorage School District (ASD) was tax exempt and they were not interested in the town center concept. Mr. Boness responded that there were two tracts within the boundaries which would be subject to the provisions, and could seek an exemption. To Ms. Fairclough, Mr. McGee responded that if the land were to change ownership or were replatted it could trigger taxability.

Mr. Tesche stated that many concepts of town centers and redevelopment, with tax exemptions, were used across the nation and that he supported the revitalization of properties, encouraging development and jobs and agreed with the process that the government could decide possible abatement. He stated he would be a YES-vote.

To Mr. Tremaine, Mr. Abbott responded that the security interest would be based on the tax abatement of specific properties if the development expectations had been met. Ms. Ward responded that there were many requirements involved with the town center concept and many would not apply to the ASD. It would be up to the developer to incorporate those improvements in exchange for tax abatement. Mr. Tremaine responded that the Administration should meet with the ASD to discuss sharing the vision and goals of the city. He stated he believed in private development and he would be a YES-vote.

Mr. Coffey spoke of the history of socially and economically undesirable properties in the city. He approved of allowing private contractors to rebuild an area, following specific designs and concepts. He stated the Assembly had the discretion to approve or disapprove the development designs and could maintain control. He felt the requirement criteria were being met and he would be a YES-vote.

Mr. Stout stated that this property met the criteria requirements and he would be a YES-vote, allowing the developer to complete the design. He felt comfortable that the Assembly could maintain control of the outcome of the development.

Mr. Sullivan supported the town center concept and stated there were other areas that could apply for exemptions as a deteriorated property and then there would be the possibility of competing town centers, leading to valuable development that would create a better community and a greater tax base in the future. He stated that he would be a YES-vote.

Mr. Whittle stated that all properties on that corner should be considered for the town center, including the greenhouse on DeBarr. He liked the idea of looking at a future vision of development in our city and he would be a YES-vote.

Ms. Ossiander continued to have reservations on the exemptions and she still questioned the deteriorated status of the subject property. She thought there were developers who could develop this area on their own, using other grants and fund sources. She was reluctant to support the ordinance.

Chair Traini Called the Question on the main motion.

Mr. Coffey moved, to approve AO 2004-162, as amended.
Mr. Tesche seconded,
and this motion was passed,

AYES: Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Shamberg and Coffey.

NAYES: Fairclough and Ossiander.

Mr. Tesche moved for reconsideration and urged a NO-vote.

Mr. Tesche moved, for immediate reconsideration of AO 2004-162.
Ms. Jennings seconded,
and this motion failed,

AYES: Fairclough, Stout and Ossiander.

NAYES: Whittle, Tremaine, Sullivan, Traini, Tesche, Jennings, Shamberg and Coffey.

14. NEW PUBLIC HEARINGS

14.A. Ordinance No. AO 2004-163, an ordinance amending Anchorage Municipal Code Section 4.50.070 to rename the **School Budget Advisory Commission**, have the Commission advise and report to the Mayor, School Board, and Superintendent of Schools in addition to the Assembly, to add additional powers and duties, and for other purposes; Legal Department. (Continued to 1-11-04)

1. Assembly Memorandum No. AM 862-2004.

14.B. Resolution No. AR 2004-312, a resolution requiring the approval of pay increases for **Non-Represented Employees** in order to mirror the collective bargaining agreements approved by the Assembly; Employee Relations Department.

1. Assembly Memorandum No. AM 901-2004.

Chair Traini read this resolution title and opened Public Hearing. There being no public testimony he closed Public Hearing and called for a motion.

Ms. Jennings moved, to approve AR 2004-312.
Mr. Tremaine seconded,

To Mr. Sullivan, Employee Relations Director David Otto responded that the treatment of non-represented employees was patterned after the Anchorage Municipal Employees Association (AMEA). He responded this increase would affect 650 employees, it was strictly based on salaries and there were no cost increases associated with benefits at this time. Mr. Sullivan stated that while negotiating union wages, the non-represented employees should always be taken into consideration because their wages eventually mirrored those increases.

Ms. Ossiander stated that it was important to review a cost comparison with other public agencies and hoped that information would be made available to Assemblymembers in the future.

Chair Traini Called the Question.

1 and this motion was passed,

2
3 AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.
4 NAYES: None.

5
6 Mr. Coffey moved, *for immediate reconsideration of AR 2004-312.*
7 Ms. Shamberg seconded,
8 and this motion failed,

9
10 AYES: None.
11 NAYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.

12
13 Chair Traini called for a motion to Change the Order of the Day, to take up 14.D. Mr. Tesche moved, seconded by Mr.
14 Tremaine and there were no objections.

- 15
16 14.C. Resolution No. AR 2004-304, a resolution of the Municipality of Anchorage appropriating \$749,731
17 from the State of Alaska Department of Health and Social Services, and appropriating \$270,000 from
18 the General Government Operating Budget Areawide General Fund (101) to the State Categorical
19 Grants Fund (231); Department of Health and Human Services to provide **Human Services Matching**
20 **Grants.** *(Continued to 1-11-04)*
21 1. Assembly Memorandum No. AM 880-2004.

- 22
23 14.D. Resolution No. AR 2004-311, a resolution of the Anchorage Municipal Assembly approving a **25 year**
24 **lease of 7.302 acres of land** from the Department of the Army, appropriating \$119,246 to Port of
25 Anchorage 2004 Operating Fund (570), and revising the 2004 Port of Anchorage Operating Budget.
26 1. Assembly Memorandum No. AM 900-2004.

27
28 Chair Traini read this resolution title and opened Public Hearing. There being no public testimony, he called for a
29 motion.

30
31 Mr. Tesche moved, to approve AR 2004-311.
32 Mr. Coffey seconded,

33
34 To Ms. Fairclough, Port of Anchorage Finance Director Edward Leon responded that he did not know if the lease
35 included renewal options and added that the intent of this lease with the Army and the Air Force would lead to
36 Municipal ownership of the property.

37
38 and this motion was passed,

39
40 AYES: Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.
41 NAYES: Fairclough.

- 42
43 14.E. Resolution No. AR 2004-306, a resolution of the Anchorage Municipal Assembly approving a
44 conditional use for an alcoholic beverages conditional use in the B-3 (General Business) District for a
45 new beverage dispensary use per AMC 21.40.180 D.8. for the **El Tango Restaurant**; located on Lot
46 1A, Block 1, Tudor Square Subdivision; generally located at the northwest corner of Tudor Road and
47 Old Seward Highway in the City Center Mall (El Tango) (Case 2004-175); Planning Department.
48 1. Assembly Memorandum No. AM 893-2004.

49
50 Chair Traini read this resolution title. Mr. Coffey stated this involved a conflict of interest for him because his law firm
51 represented the client. Chair Traini ruled that Mr. Coffey did have a conflict of interest and directed him to not
52 participate. Chair Traini opened Public Hearing.

53
54 SHERMAN ERNOUF, representing the owners of El Tango Restaurant, testified that Mr. Hernandez and Mr. Forrest
55 were applying for a conditional use and transfer of a new beverage dispensary use liquor license. He stated it had
56 already been approved by all the departments, there were no issues during the two years of operation at the current
57 location. To Ms. Fairclough, he responded that security would include a bar manager who would also monitor the
58 establishment and the parking lot.

59
60 With no further public testimony, Chair Traini closed Public Hearing and called for a motion.

61
62 Ms. Jennings moved, to approve AR 2004-306.
63 Mr. Tremaine seconded,
64 and this motion was passed,

65
66 AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Shamberg and Ossiander.
67 NAYES: None.
68 ABSTAIN: Coffey.

- 69
70 14.F. Resolution No. AR 2004-307, a resolution of the Anchorage Municipal Assembly approving an
71 alcoholic beverages conditional use in the B-3 District for a new restaurant or eating place use per
72 AMC 21.40.180 D.8. for **Noble's Diner Restaurant**; located on Lot 10A, Block 11, Fairview Extension
73 Subdivision; site address being 4133 Mt. View Drive; generally located on the northwest corner of Mt.
74 View Drive and North Park Street (Noble's Diner Restaurant) (Case 2004-178); Planning Department.
75 1. Assembly Memorandum No. AM 894-2004.

76
77 Chair Traini read this resolution title and opened Public Hearing.
78

ROBERT KINNEEN, chef and owner of Noble's Diner, testified in support of the conditional use permit. He stated his goal was to be community minded and to participate with the revitalization of Mountain View by establishing a neighborhood eating place. They had spent much time and money for the renovations and had been involved with community activities, including forming partnerships with Homeward Bound and Cook Inlet Tribal Council.

To Mr. Coffey, Mr. Kinneen responded that he now understood that he had unknowingly marked the wrong boxes. He responded that he would comply with all the requirements. To Mr. Tesche and to Ms. Shamberg, he responded that his intentions were to comply with all rules and regulations.

Ms. Jennings stated that she was familiar with the owners and thought they would do a great job. This was exactly what the city wanted to see for the cultural district. She wished them luck with their business venture.

With no further public testimony, the Chair closed Public Hearing and called for a vote.

Mr. Tesche moved, to approve AR 2004-307.
Mr. Coffey seconded,
and this motion passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Shamberg, Ossiander and Coffey.
NAYES: None.

Ms. Fairclough moved to Change the Order of the Day to take up item 14.E, dealing with El Tango Restaurant, seconded by Ms. Jennings and there were no objections.

- 14.G. Resolution No. AR 2004-308, a resolution of the Anchorage Municipal Assembly approving an alcoholic beverages conditional use in the B-2C District for a new restaurant, or eating place use per AMC 21.40.170 D.14. for **Da Mi Sushi Restaurant**, located on Lot 1A, Block 16, East Addition Subdivision; site address being 642 East 5th Avenue, generally located on the southwest corner of Gambell Street and East 5th Avenue (Da Mi Sushi Restaurant) (Case 2004-177); Planning Department. (*Postponed to 1-11-04*)
1. Assembly Memorandum No. AM 895-2004.
 2. Assembly Memorandum No. AM 917-2004, Da Mi Restaurant #4456 – New Restaurant/Eating Place & Restaurant Designation Liquor License (Downtown and Government Hill Community Councils); Clerk's Office.

Chair Traini read this ordinance title. Mr. Coffey stated he had a possible conflict of interest and Chair Traini ruled that he did have a conflict because the Law Offices of Dan K. Coffey represented the Da Mi Restaurant. The Chair directed him not to participate and opened Public Hearing.

SHERMAN ERNOUF, with the Law Offices of Dan K. Coffey, representing the business owner Ms. Shin, stated that she had been a responsible operator for twenty-two years at the Imperial Palace, which held a beer and wine license and had no alcohol-related incidents. They had applied for the conditional use for this restaurant, which was going to be an up-scale sushi restaurant. Ms. Shin had spent over three hundred thousand dollars improving the facility and the conditional license had been approved by all departments.

With no additional public testimony, Chair Traini called for a motion.

Mr. Tremaine moved, to approve AR 2004-308.
Ms. Fairclough seconded,

Ms. Ossiander questioned the objection listed in the packet from a daycare center across the street. Mr. Ernouf responded that they had measured portal to portal and the distance was more than the legal distance requirements.

Ms. Fairclough stated that this area had been labeled a "high risk" because of the density of liquor licenses and could lead to community problems. She recommended that the 2020 Comprehensive Plan address the standards.

To Chair Traini, Deputy Municipal manager Michael Abbott agreed to address the 2020 Comprehensive Plan, which had made recommendations, but had not established standards.

Mr. Tesche stated he would support this issue. He concurred that the 2020 Plan needed to address standards for new licenses for alcoholic beverages.

Ms. Jennings stated she would not criticize the Health and Human Services for reminding the body of the 2020 Plan. She agreed with Ms. Fairclough that it needed to be addressed.

Chair Traini Called the Question.

and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey,
NAYES: None.

- 14.H. Ordinance No. AO 2004-160, an ordinance amending the zoning map and providing for the rezoning of approximately 9.5 acres, from R-6 (Suburban Residential, Large Lot District) to R-1A (Single Family Residential District), for all of **Tract 5, Gregory Subdivision** as per Plat P-395, including that area described as the West 270 feet of the North 270 feet of the South 480 feet of the East 480 feet of said Tract 5, Gregory Subdivision, generally located on the west side of Gregory Road, north of Huffman

Road (Huffman/O'Malley Community Council) (Planning and Zoning Commission Case 2004-133);
Planning Department. *(Continued to January 11, 2005)*

1. Assembly Memorandum No. AM 853-2004.

Chair Traini read this ordinance title and opened Public Hearing.

Ms. Fairclough objected that it had been announced by the Chair that Agenda item 14.J was to be the last item heard that evening by the Assembly and those in attendance for 14.H would have left. Ryan Stencel stated that members of the community council involved with this rezone had not attended this meeting, but approved of the ordinance.

Mr. Sullivan moved, to approve AO 2004-160.
Mr. Coffey seconded,

TONY HOFFMAN, with Lantech Engineers representing the petitioner, testified they were in full support of the platting. The history had been addressed with the modification of language offered by Mr. Tremaine.

Ms. Fairclough again objected to continuing on this item, because it had already been announced that it would not be heard that evening, and it needed to be continued to the next Assembly Meeting.

Chair Traini closed Public Hearing. Mr. Tremaine moved to amend and he and Mr. Whittle urged a YES-vote.

Mr. Tremaine moved, to amend AO 2004-160 on Page 1, Line 25, *by adding*
Mr. Tesche seconded, "The property described as the west two hundred seventy feet of the north turn and two hundred seventy feet of the south four hundred fifty feet of the east four hundred eighty feet of said Tract Five Gregory Subdivision as per plat P395 shall not become R1A single family residential until six years after the adoption of this ordinance or when the properties transfer to a new owner."

Ms. Ossiander objected that the Assembly was in too much of a hurry to adjourn and the amendment had been read too fast for Assemblymembers to fully understand. She agreed with Ms. Fairclough that the public understood this item would be continued until the next Assembly Meeting.

Chair Traini adjourned the Assembly Meeting. *(Clerk's Note: Code requires adjournment by midnight. See item 20.)*

14.I. Ordinance No. AO 2004-161, an ordinance amending the zoning map and providing for the rezoning of approximately 4.6 acres from R-6 (Suburban Residential District, Large Lot) to R-1 (Single Family Residential District) for **Lots 1 and 2, Stover Subdivision**, generally located at 2201 and 2237 Huffman Road (Huffman O'Malley Community Council) (Planning and Zoning Commission Case 2004-132); Planning Department.
1. Assembly Memorandum No. AM 854-2004.

Chair Traini read this ordinance title and opened Public Hearing.

RYAN STENCEL with Huffman/O'Malley Community Council testified that the Council and Lantech Engineers had worked out an agreement on items, 14.H and 14.I. On 14.I, the platting represented community council concerns and they recommended approval of the ordinance.

TONY HOFFMAN, with Lantech Engineers representing the petitioner, testified they were in full support of the ordinance. To Mr. Coffey, Mr. Hoffman responded it was still in the platting process.

With no additional public testimony he closed Public Hearing and called for a motion. Mr. Tremaine moved and urged a YES-vote.

Mr. Tremaine moved, to approve AO 2004-161.
Mr. Coffey seconded,

Ms. Fairclough stated for the record there had been one opposition to the rezone.

and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.
NAYES: None.

14.J. Ordinance No. AO 2004-167, an ordinance submitting to the qualified voters of the Municipality of Anchorage a ballot proposition providing for an owner-occupied residential real property tax exemption of ten percent of assessed value, up to a maximum of \$20,000 of assessed value, to be exempt from property taxation, effective in Tax Year 2005, and amending Anchorage Municipal Code Chapter 12.15 to add a new section for **Residential Property Tax Exemption**; Finance; Assemblymembers Tesche and Tremaine.
1. Assembly Memorandum No. AM 885-2004.

Chair Traini read this ordinance title and opened Public Hearing.

BOB MAYER, Executive Director of the Alaska Manufacturing Housing Association, opposed raising the assessments of mobile homes. He stated that the owners of the mobile home communities would be assess thousands of dollars

1 more, while some of the residents would be totally exempt. He was discouraged with the Administration's and
2 Assemblymembers' consideration and thought this new taxation would be difficult to administer. To Ms. Ossiander, he
3 responded that some trailers would be entitled to full exemption. To Mr. Sullivan, he responded they did not collect
4 statistics, but he would guessed that five to eight percent of the five thousand mobile homes in Anchorage would be
5 exempt.

6
7 LARRY NOREEN, opposed the exemption and felt it was just another method of discrimination by shifting the tax
8 burden to vacant land, rentals and commercial properties. He urged the Assembly to examine this issue to find a
9 compelling reason to support it. To Mr. Sullivan, Mr. Noreen responded the numbers of applications would take the
10 Assessor's Office many weeks to process, and he wondered if that department could handle the extra work. To Mr.
11 Coffey, Mr. Noreen described a tax theory, based on the ability to pay taxes being measured by the type of home each
12 citizen chose to own. This ordinance complicated the issue by loading the tax burden on the higher-taxed properties
13 and eliminated many properties from the tax roll, consequently raising the mill rate. He also questioned the added
14 exemption to already exempt seniors or veterans. He urged the Assembly take more time to review all the information.
15 Mr. Tremaine responded that this was one way to shift the tax burden away from Anchorage residents.

16
17 LORI JOHNSTON testified that this was another method of increasing tax burdens to the poor people in Anchorage
18 and would eventually increase the homeless population. She urged the Assembly to take more time for consideration
19 of this decision. She proposed an amendment to give the \$20,000 exemption per unit to commercial agents who could
20 demonstrate that their rental rates reflected the tax reductions.

21
22 With no additional public testimony, Chair Traini closed Public Hearing and called for a motion.

23
24 Mr. Tesche moved, to approve AO 2004-167.
25 Mr. Tremaine seconded,
26

27 Ms. Ossiander remained concerned that voters would simply focus on the exemption and not understand fully that the
28 mill rates would increase and she disagreed with the disproportionate increase to commercial properties. She had
29 considered lowering the exemption to \$10,000, but concluded it still required the same amount of processing for a
30 questionable benefit. She urged discussion on the benefits of this proposal.

31
32 Mr. Coffey stated that with increased assessments based on true market values, the exemption would be worthless in
33 a year or so, while increasing the tax burdens on rental units, commercial properties and residences not owner
34 occupied. Because it could only be temporary relief, he wondered if it was worth the expense of putting it on the ballot.

35
36 To Mr. Tremaine, Municipal Attorney Fred Boness responded that one interpretation of the state statute was used by
37 communities to collect additional taxes from property owners who resided outside the communities. Mr. Tremaine
38 thought this was a way to shift the tax burden to non-Anchorage residents and he would support the ordinance,
39 allowing the voters to decide. He requested to be added as a cosponsor.

40
41 To Mr. Sullivan, Mr. Boness responded there were no reported lawsuits against this tax exemption. To Mr. Sullivan,
42 Municipal Fiscal Officer Jeff Sinz responded these exemptions were in addition to the existing exemptions to seniors
43 and veterans. To Mr. Sullivan, Mr. Sinz responded they wanted to complete action on this ordinance because the
44 administrative effort associated with this would need to begin immediately. A mailing to potentially eligible property
45 owners requesting them to apply for the exemption would begin the process. He stated his department had already
46 developed a simplified form and process to handle the associated work. Mr. Sullivan responded that he opposed
47 spending any funds on this matter that had not been approved by the voters.

48
49 Ms. Jennings stated that the number one wish of her constituents was property tax relief. She understood that using
50 this formula, eighty percent of the property owners would pay less tax in 2005. She would be a YES-vote.

51
52 To Ms. Ossiander, Mayor Begich recognized some of the concerns, but he calculated the lowered costs and gave the
53 example that he, as an apartment owner, would pay an additional increase of \$1.10 per unit per year. He stated that
54 the property owners of the large commercial operations, who lived outside, would not be discouraged with this tax
55 increase. He responded that the Administration would continue to complete their four-part tax relief process and urged
56 a YES-vote from the Assembly. Ms. Ossiander, who had spent over ten years on the Chamber of Commerce Board,
57 responded that the cumulative impact would not benefit small businesses. Mr. Sinz responded that the Administration
58 had similar concerns, but felt they needed to prepare to move ahead with this issue so they could be in compliance
59 with state law.

60
61 Mr. Coffey stated that he was more concerned with addressing the issue of taxation on the Ted Stevens International
62 Airport, Merrill Field and the Port of Anchorage, which were currently under-assessed. Mr. Sinz responded that
63 residency validation would be monitored through the State of Alaska Permanent Dividend Fund process. Municipal
64 Assessor Marty McGee responded that property owners' addresses needed to match residence address.

65
66 Mr. Sullivan stated that he approved of property tax relief but questioned the process. He thought a better means
67 would be for the Assessor's Office to complete assessments of commercial properties in the city. He stated that the
68 Assembly had helped the office increase staff in order to eliminate much of their office paperwork. He stated that long-
69 term tax reduction could come from reduced government and he had opposed long-term raises for all union employees
70 and non-represented employees contracts.

71
72 Ms. Fairclough stated that she had supported many points of the Mayor's tax relief plan. She felt the decision would
73 not be fair to small businesses and wondered if this was fair and equitable.

74
75 Mr. Tremaine gave examples of taxes from big business, which were a much higher percentage than residential or
76 small businesses.

77
78 Ms. Shamborg stated that she would support this ordinance because her constituents were in favor of tax relief.

Mr. Stout stated that voters should make the decision.

Mr. Whittle stated that the viability of the economy was important and felt it would not be affect by this ordinance.

Mr. Tesche stated that all arguments against this ordinance did not make sense. He stated the local residential home owners would be the ones who benefited from this and he would support it. He thought the voters deserved to make the decision in creating tax policy. He would be a YES-vote.

Chair Traini stated he would support the Mayor on this issue. He recommended making the State of Alaska fulfill their unfunded obligations of \$21 million to Anchorage, which would include benefits to senior citizens and disabled veterans. He stated the voters needed to decide if they wanted a property tax exemption.

Mr. Abbott proposed three administrative changes to make the document consistent with the Permanent Fund requirements.

Mr. Tremaine moved,	to amend AO 2004-167 on Page 1, Line 41; on Page 2, Line
Mr. Tesche seconded,	1 and on Page 2, Line 11 <i>by changing</i> [483] to "185" days.
and there were no objections,	

Chair Traini Called the Question on the main motion. Mr. Tesche urged a YES-vote.

Mr. Tesche moved,	to approve AO 2004-167, as amended.
Mr. Tremaine seconded,	
and this motion was passed,	

AYES: Fairclough, Whittle, Tremaine, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.
NAYES: Sullivan.

Mr. Tesche moved for immediate reconsideration and recommended a NO-vote.

Mr. Tesche moved,	<i>for immediate reconsideration of AO 2004-167.</i>
Ms. Jennings seconded,	
and this motion failed,	

AYES: Fairclough, Sullivan and Ossiander.
NYES: Whittle, Tremaine, Traini, Tesche, Stout, Jennings, Shamberg and Coffey.

Ms. Shamberg moved to Change the Order of the Day to take up item 14.G. It was seconded by Mr. Coffey and there were no objections.

- 15. **SPECIAL ORDERS** None.
- 16. **UNFINISHED AGENDA** None.
- 17. **AUDIENCE PARTICIPATION** None.
- 18. **ASSEMBLY COMMENTS** None.
- 19. **EXECUTIVE SESSIONS** None.
- 20. **ADJOURNMENT**

Chair Traini adjourned the Regular Assembly Meeting at midnight.

DICK TRAINI, Assembly Chair

ATTEST:

BARBARA GRUENSTEIN, Municipal Clerk
Date Minutes Approved: January 25, 2005
MC/BG

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