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**MUNICIPALITY OF ANCHORAGE
ANCHORAGE ASSEMBLY**

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

Minutes for Regular Meeting of July 24, 2007

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1. CALL TO ORDER

The Assembly Meeting was convened by Chair Coffey at 5:00 p.m. in Assembly Chambers, Room 108 of the Loussac Library, 3600 Denali Street in Anchorage, Alaska.

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

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PRESENT: Allan Tesche, Dick Traini, Dan Sullivan, William Starr, Dan Coffey, Debbie Ossiander, Jennifer Johnston and Matt Claman (*participating telephonically*).

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ABSENT: Chris Birch, Paul Bauer and Sheila Selkregg, each as an excused absence.

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3. PLEDGE OF ALLEGIANCE Chair Coffey led the pledge.

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4. MINUTES OF PREVIOUS MEETINGS There were none.

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5. MAYOR'S REPORT

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Mayor Begich reported on expenditures of regulatory issues of AWWU. Mayor Begich welcomed members of the Youth Employment and Parks Program, working with the city. Megan Webb introduced fellow crew members J.C. McKim, Paul Huske, Carter Marvin, Cody Keyes, Cornelius Smith, Hannah Lee, Olya Meunier and Josh Apatiki, with crew leaders Sarah Kinderknecht, Gavin Dixon and Catherine Pierce. Ms. Webb explained the 10-week program involved 20 young adults who worked on various aspects of the city parks while developing leadership skills. Mayor Begich stated the young adults were recruited through the AmeriCorps and Vista Programs. Mayor Begich recognized the Jehovah Witnesses, who used the Sullivan Arena and helped maintain and improve the facility.

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6. ASSEMBLY CHAIR'S REPORT

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Chair Coffey reported that he had requested the Budget/Finance Committee to prepare a policy statement on the city's biannual budget. The statement would come before the Assembly on September 11th. Chair Coffey thanked Deputy Municipal Manager Michael Abbott, Assembly Counsel Julia Tucker, Deputy Municipal Attorney Rhonda Westover and Mr. Tesche for their work on the deteriorated property issue, Agenda item 14.C.

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7. COMMITTEE REPORTS There were none.

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8. ADDENDUM TO AGENDA

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Chair Coffey called for a motion and read the Addendum items. He called for additional items and AR 2007-176, AM 464-2007, AM 465-2007, AM 466-2007, AM 467-2007 and AR 2007-164(S) were added and assigned Agenda Numbers 9.A.1, 9.D.8, 9.D.9, 9.D.10, 9.D.11 and 14.C.1, respectively. With no additional items, Chair Coffey called for a vote to incorporate the Addendum items into the Consent Agenda.

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Ms. Ossiander moved, to approve the inclusion of the Addendum items
Mr. Sullivan seconded, into the Consent Agenda,
and this motion was passed.

61
62

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston and Claman (*participating telephonically*).

63

NAYES: None.

64
65

ABSENT: Birch, Bauer and Selkregg, each excused.

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67

Chair Coffey called for a motion on the Consent Agenda.

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69
70

Mr. Traini moved, to approve the Consent Agenda,
Ms. Ossiander seconded,

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

74

9. CONSENT AGENDA

75

9.A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS

1 9.A.1. Resolution No. AR 2007-176, a resolution of the Anchorage Municipal Assembly recognizing the **60th**
2 **Anniversary** of the community of Chugiak-Eagle River; Assemblymembers Ossiander and Starr.
3 **(Laid on the Table)**

4
5 Ms. Ossiander moved, *to introduce AR 2007-176,*
6 Mr. Sullivan seconded,
7 and there were no objections.

8
9 Mr. Starr requested this item be pulled for review on the Regular Agenda. *(See item 10.A.1)*

10
11 **9.B. RESOLUTIONS FOR ACTION - OTHER** There were none.

12
13 **9.C. BID AWARDS**

14 9.C.1. Assembly Memorandum No. AM 455-2007, recommendation of award to Seacoast Construction, Inc.
15 for **Traffic Calming Improvements** for Government Hill, Airport Heights and Northeast Anchorage for
16 the Municipality of Anchorage, Project Management and Engineering Department (ITB 27-C025)
17 (\$1,033,019); Purchasing. **(Addendum)**

18 9.C.2. Assembly Memorandum No. AM 462-2007, recommendation of award to Renegade Equipment, LLC
19 for **Scenic Park Subdivision Area Storm Drain**, Project Management and Engineering Department
20 (ITB 27-C028) (\$985,896); Purchasing. **(Addendum)**

21 9.C.3. Assembly Memorandum No. AM 463-2007, recommendation of award to QAP for **Raspberry Road**
22 **Improvements, Minnesota Drive to Arctic Boulevard**, Project Management and Engineering
23 Department (ITB 27-C027) (\$3,884,242.50); Purchasing. **(Addendum)**

24
25 **9.D. NEW BUSINESS**

26 9.D.1. Assembly Memorandum No. AM 452-2007, Change Order No. 1 to Purchase Order 25ITD180 with
27 **ASAP Software Express, Inc.** for additional software licensing for the Municipality of Anchorage,
28 Information Systems Department (ITD) (\$3,259,944); Purchasing.

29 9.D.2. Assembly Memorandum No. AM 453-2007, Change Order No. 3 to Purchase Order No. 260811 to
30 Construction Machinery, LLC. to provide an additional **motor grader** to the Municipality of Anchorage,
31 Port of Anchorage (\$274,309); Purchasing.

32 9.D.3. Assembly Memorandum No. AM 454-2007, Amendment No. 4 to professional services contract with
33 USKH, Inc., for professional engineering services for the **Lake Otis Parkway Surface Rehabilitation,**
34 **68th Avenue to Abbott Road**, Project No. 03-15 (\$55,000); Project Management & Engineering.

35 9.D.4. Assembly Memorandum No. AM 456-2007, proprietary purchase with Dataradio Corporation to furnish
36 thirty-four (34) **mobile radio modems** to the Municipality of Anchorage, Maintenance & Operations
37 Department, Fleet Services Division (\$87,180); Purchasing. **(Addendum)**

38 9.D.5. Assembly Memorandum No. AM 457-2007, Amendment No. 2 to the professional services contract
39 with **The Boutet Company, Inc.** for the 2006 professional project management services contract
40 (\$500,000); Project Management & Engineering. **(Addendum)**

41
42 Mr. Starr requested this item be pulled for review on the Regular Agenda. *(See item 10.D.5)*

43
44 9.D.6. Assembly Memorandum No. AM 458-2007, Amendment No. 1 to the professional services contract
45 with R&M Consultants, Inc. for the **Girdwood Street and Drainage Improvements**, Project No. 03-26
46 (\$305,000); Project Management & Engineering. **(Addendum)**

47 9.D.7. Assembly Memorandum No. AM 459-2007, proprietary purchase with **Anchorage Permit &**
48 **Development Center, LLC** for miscellaneous tenant improvements at the Anchorage Permit &
49 Development Center for the Municipality of Anchorage; Project Management & Engineering (\$45,000);
50 Purchasing. **(Addendum)**

51 9.D.8. Assembly Memorandum No. AM 464-2007, recommendation of Award to QAP for **Fireweed**
52 **Lane/LaTouche Street Upgrade** (ITB 27-CO24) (\$5,489, 177.75); Project Management and
53 Engineering. **(Laid on the Table)**

54
55 Ms. Ossiander moved, *to introduce AM 464-2007,*
56 Mr. Sullivan seconded,
57 and there were no objections.

58
59 9.D.9. Assembly Memorandum No. AM 465-2007, recommendation of Award to Pruhs Construction
60 Company, LLC for **Ship Creek Fishing Access Improvements**, (ITB 27-CO29) (\$481,142.50);
61 Project Management and Engineering. **(Laid on the Table)**

62
63 Ms. Ossiander moved, *to introduce AM 465-2007,*
64 Mr. Sullivan seconded,
65 and there were no objections.

66
67 9.D.10. Assembly Memorandum No. AM 466-2007, amendment No. 1 to Contract with Wilder Construction,
68 Inc., **Kincaid Park Access Road**, NSC Bunker to Kincaid Park Entrance, Project No. 05-17
69 (\$660,000); Project Management and Engineering. **(Laid on the Table)**

70
71 Ms. Ossiander moved, *to introduce AM 466-2007,*
72 Mr. Sullivan seconded,
73 and there were no objections.

74
75 9.D.11. Assembly Memorandum No. AM 467-2007, lease agreement with Sunfish, LLC, for space for the
76 Eagle River Library and other municipal offices and services in **Eagle River at Valley River Center**
77 Building A, legal description Tract K, Regional Park Subdivision #2 (\$4,590,000); Real Estate
78 Services. **(Laid on the Table)**

1
2 Ms. Ossiander moved, *to introduce AM 467-2007,*
3 Mr. Sullivan seconded,
4 and there were no objections.
5

6 Mr. Starr requested this item be pulled for review on the Regular Agenda. *(See item 10.D.11)*
7

8 **9.E. INFORMATION AND REPORTS**

- 9 9.E.1. Information Memorandum No. AIM 73-2007, Executive Appointments (Jaimie L. Barkley-Special
10 Admin Assistant I; Angela Christine Podolak-Special Admin Assistant I; Max Bamberger Hensley-
11 Special Admin Assistant I; Jennifer Wooley- Special Admin Assistant I; Kayla Renee Ruldolf- Special
12 Admin Assistant I; Michael Stefan Barber- Special Admin Assistant I; Heather M. Rauch- Special
13 Admin Assistant I; Laura J. Herman- Special Admin Assistant II, Dan Everest Dickinson-Management
14 Systems Officer II; Leo M. Carroll-Deputy Director II; William Michel Mehner-Program & Policy
15 Director; Lisa W. Arnold-Personnel Director; Wanda J. Phillips-Controller; Patti Judd-Executive
16 Director); Employee Relations Department.
17 9.E.2. Information Memorandum No. AIM 74-2007, Investment Advisory Commission Annual Report –
18 2006 Year in Review; Municipal Treasurer.
19 9.E.3. Information Memorandum No. AIM 75-2007, MOA Trust Fund Status – 2006 Year in Review;
20 Municipal Treasurer.
21

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

- 23 9.F.1. Ordinance No. AO 2007-103, an ordinance of the Municipality of Anchorage, Alaska, authorizing and
24 providing for the issuance of not to exceed \$65,000,000 in aggregate principal amount of **General**
25 **Obligation Schools Bonds** of the Municipality for the purpose of financing the costs of renewing and
26 replacing Clark Middle School and for educational capital improvements for Districtwide Major
27 Buildings Systems Renewal in the Municipality; delegating certain matters to the chief Fiscal Officer in
28 connection with the sale of the bonds; pledging the full faith and credit of the municipality to the
29 payment thereof; and authorizing an amendment to ordinance No. AO 2006-97; Finance Department.
30 *(Public Hearing 8-14-07)*
31 a. Assembly Memorandum No. AM 447-2007.
32 9.F.2. Ordinance No. AO 2007-104, an ordinance of the Municipality of Anchorage, Alaska,, authorizing and
33 providing for the issuance of not to exceed \$55,960,000 in aggregate principal amount of **General**
34 **Obligation General Purpose Bonds** of the Municipality for the purpose of financing the costs of
35 equipping and constructing park improvements; public safety and transportation improvements; fire
36 related improvements and road and drainage improvements and related capital improvement projects
37 in the Municipality; delegating certain matters to the Chief Fiscal Officer in connection with the sale of
38 the bonds; pledging the full faith and credit of the Municipality to the payment thereof; and authorizing
39 an amendment to Ordinance No. AO 2006-97; Finance Department. *(Public Hearing 8-14-07)*
40 a. Assembly Memorandum No. AM 448-2007.
41 9.F.3. Ordinance No. AO 2007-105, an ordinance amending Anchorage Municipal Code Chapter 15.70 to
42 clarify Definitions, **noise permit conditions**, and add a new section for measurements of noise;
43 amending Section 14.60.030 to increase fines; and repealing Anchorage Municipal Code of
44 Regulations Chapter 15.70; Health and Human Services. *(Public Hearing 8-28-07)*
45 a. Assembly Memorandum No. AM 451-2007.
46

47 Ms. Ossiander requested this item be pulled for review on the Regular Agenda. *(See item 9.F.3)*
48

- 49 9.F.4. Resolution No. AR 2007-174, a resolution confirming the assessment roll and levying special
50 assessments for services on property specially benefited in the **Downtown Business Improvement**
51 **District, Special Assessment District 1SD97**, setting the dates of assessment, and providing for
52 assessment billing, payment due dates, application of payments, delinquency, penalties, interest and
53 costs for delinquency and enforcement and appropriating the sum of \$27,017 in assessment revenues
54 when tendered to Special Assessment Fund 271 for services benefiting the property owners in Special
55 Assessment District 1SD97; Office of Management & Budget. *(Public Hearing 8-14-07)*
56 a. Assembly Memorandum No. AM 449-2007.
57 9.F.5. Resolution No. AR 2007-175, a resolution of the Municipality of Anchorage appropriating \$750,000
58 from the **MOA Trust Fund** (730) for expert financial management and support services provided in
59 Calendar Year 2007; Finance Department. *(Public Hearing 8-14-07)*
60 a. Assembly Memorandum No. AM 450-2007.
61 9.F.6. Ordinance No. AO 2007-107, an ordinance adopting the **Anchorage Coastal Management Plan**
62 dated July 2007 as an element of the *Anchorage Comprehensive Plan*, and amending Anchorage
63 Municipal Code Sections 21.05.030 and 21.05.130; Planning Department. *(Public Hearing 8-14-07)*
64 **(Addendum)**
65 a. Assembly Memorandum No. AM 460-2007.
66

67 Ms. Ossiander requested this item be pulled for review on the Regular Agenda. *(See item 9.F.6)*
68

- 69 9.F.7. Ordinance No. AO 2007-108, an ordinance repealing and re-enacting Anchorage Municipal Code
70 Chapter 3.97 for **Naming of Municipal Buildings, Other Fixed Facilities and Public Places**;
71 Assemblymember Claman. *(Public Hearing 8-14-07)* **(Addendum)**
72 a. Assembly Memorandum No. AM 461-2007.
73

74 Ms. Ossiander requested this item be pulled for review on the Regular Agenda. *(See item 10.F.7)*
75

- 76 9.F.8. Ordinance No. AO 2007-109, an ordinance amending Title 12 of the Anchorage Municipal Code to
77 add a new section 12.15.025 for **Disaster Tax Relief**, retroactive to January 1, 2007; Mayor Begich
78 and Assemblymember Tesche. *(Public Hearing 8-14-07)* **(Addendum)**

1
2 Chair Coffey called the Question on the remainder of the Consent Agenda.

3
4 and the motion, as amended, was passed.

5
6 AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston and Claman (*participating telephonically*).

7 NAYES: None.

8 ABSENT: Birch, Bauer and Selkregg, each excused.

9
10 The amended Consent Agenda was approved and Chair Coffey led the body into discussion of the pulled items.

11
12 **END OF CONSENT AGENDA**

13
14 **10. REGULAR AGENDA**

15 **10.A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS**

16 10.A.1. Resolution No. AR 2007-176, a resolution of the Anchorage Municipal Assembly recognizing the **60th**
17 **Anniversary** of the Community of Chugiak-Eagle River; Assemblymembers Ossiander and Starr.
18 **(Laid on the Table)**

19
20 Ms. Ossiander moved, approve AR 2007-176,
21 Mr. Starr seconded,
22 and there were no objections.

23
24 Ms. Ossiander read and Mr. Starr presented the resolution to State Representative Bill Stoltze of Chugiak, recognizing
25 the 60th Anniversary of the Chugiak-Eagle River Community. Representative Stoltze extended an invitation to
26 everyone to join in celebrating the event at a picnic at Mirror Lake on Saturday, July 28th, hosted by the Chugiak-Eagle
27 River Historical Society, the Chugiak Lions and the Chugiak Area Business Association.

28
29 **10.B. RESOLUTIONS FOR ACTION - OTHER** There were none.

30
31 **10.C. BID AWARDS** None were pulled for review.

32
33 **10.D. NEW BUSINESS**

34 10.D.5. Assembly Memorandum No. AM 457-2007, Amendment No. 2 to the professional services contract
35 with **The Boutet Company, Inc.** for the 2006 professional project management services contract
36 (\$500,000); Project Management & Engineering. **(Addendum)**

37
38 Mr. Starr moved, to approve AM 457-2007,
39 Ms. Ossiander,

40
41 To Mr. Starr, Municipal Engineer Howard Holtan responded the Administration would be creating a pool of contractors
42 for the new workload, which had unexpectedly and rapidly increased. The request for proposal (*RFP*) process was
43 competitive and would take several months to complete. Approving this contract extension would allow the current
44 project to be completed. Mr. Starr addressed the 'best-value contracting concepts' and stated that he had delivered a
45 proposal to the Purchasing Office. Purchasing Officer Bart Mauldin responded the proposal had been received and
46 would be expedited, but the process would take two months before it was presented to the Assembly.

47
48 Ms. Ossiander stated that she supported the Administration's increasing the pool of project managers. She would not
49 have supported this amendment if the Administration had responded differently. People in the community were
50 frustrated with delayed projects. Mayor Begich responded that the concern was recognized, but if this contract
51 extension was not approved the project would be delayed. Mr. Holtan and Mr. Mauldin responded it would be a
52 difficult situation to change consultants before the project was completed.

53
54 Chair Coffey stated that there had been substantial additional costs for these professional services over the past
55 months and he requested a project review. Mayor Begich responded that Mr. Holtan would provide that review.

56
57 and this was approved without objection, 7-1.

58
59 AYES: Tesche, Traini, Sullivan, Coffey, Ossiander, Johnston and Claman (*participating telephonically*).

60 NAYES: Starr.

61 ABSENT: Birch, Bauer and Selkregg, each excused.

62
63 10.D.11. Assembly Memorandum No. AM 467-2007, lease agreement with Sunfish, LLC, for space for the
64 Eagle River Library and other municipal offices and services in **Eagle River at Valley River Center**
65 **Building A**, legal description Tract K, Regional Park Subdivision #2 (\$4,590,000); Real Estate
66 Services. **(Laid on the Table)**

67
68 Mr. Starr moved, to approve AM 467-2007,
69 Ms. Ossiander seconded,

70
71 Mr. Starr commended the Administration for their efforts in finalizing the agreement that day. Mayor Begich responded
72 this was the best deal available with the current conditions. Office of Economic and Community Development Director
73 Mary Jane Michael responded this supported the Eagle River revitalization efforts. The nine-year lease agreement
74 included expanding the library to 17,500 square feet, community rooms and restrooms. The agreement would be
75 finalized in the next two weeks, once departments' needs assessments were completed.

76
77 Mr. Tesche urged support.

78

1 To Mr. Sullivan, Mayor Begich responded that the fund expenditures were listed in the memorandum and the library
2 was the main tenant. Chief Fiscal Officer Jeff Sinz responded that Real Estate Services generally managed lease
3 costs, which were allocated to each inner-governmental tenant.
4

5 Mr. Starr stated that the Eagle River Community supported the agreement, which would help revitalization efforts. He
6 thanked Mayor Begich and Ms. Michael for their work. He stated the developer had integrity, was honest, stable and
7 committed to work with the MOA. He urged approval.
8

9 Mr. Sullivan stated that he wanted to make sure all the right steps were being taken to make this happen. Ms. Michael
10 responded that she understood the purchase and sale agreement was to close the following week. Sunfish, LLC,
11 member J. Jay Brooks responded that he and his partner were confident they could provide tenant improvements for
12 \$1.30 per square foot. Mayor Begich responded that this was a good value to the community.
13

14 Chair Coffey thanked Mayor Begich, Ms. Michael, Ms. Ossiander and Mr. Starr for their efforts. Eagle River was a
15 growing community and this agreement would serve all the needs and public considerations that had been presented
16 over the years. He urged support.
17

18 and this was passed unanimously, 8-0,
19 with Mr. Bauer, Mr. Birch and Dr. Selkregg, each excused.
20

21 **10.E. INFORMATION AND REPORTS** None were pulled for review.
22

23 **10.F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION**

24 10.F.3. Ordinance No. AO 2007-105, an ordinance amending Anchorage Municipal Code Chapter 15.70 to
25 clarify Definitions, **noise permit conditions**, and add a new section for measurements of noise;
26 amending Section 14.60.030 to increase fines; and repealing Anchorage Municipal Code of
27 Regulations Chapter 15.70; Health and Human Services. (*Public Hearing ~~8-28-07~~ 11-06-07*)
28 a. Assembly Memorandum No. AM 451-2007.
29

30 Ms. Ossiander moved, *to introduce AO 2007-105,*
31 Mr. Sullivan seconded,
32 Mr. Traini was the concurring third.
33

34 Ms. Ossiander proposed to refer the matter to a special committee, comprised of members appointed by Chair Coffey.
35

36 Ms. Ossiander moved, *to refer AO 2007-105 to a special committee,*
37 Mr. Starr seconded, *with Public Hearing set [~~August 28, 2007~~*
38 *and there were no objections. November 6, 2007,*
39

40 10.F.6. Ordinance No. AO 2007-107, an ordinance adopting the **Anchorage Coastal Management Plan**
41 dated July 2007 as an element of the *Anchorage Comprehensive Plan*, and amending Anchorage
42 Municipal Code Sections 21.05.030 and 21.05.130; Planning Department.
43 a. Assembly Memorandum No. AM 460-2007. (*Public Hearing ~~8-14-07~~ 8-26-07*) (**Addendum**)
44

45 Ms. Ossiander moved, *to introduce AO 2007-107,*
46 Mr. Sullivan seconded,
47 Mr. Traini was the concurring third.
48

49 Ms. Ossiander proposed to change the Public Hearing date to August 28th.
50

51 Ms. Ossiander moved, *to change AO 2007-107 Public Hearing date*
52 *Mr. Starr seconded, to August [~~14~~] 28, 2007,*
53 *and there were no objections.*
54

55 10.F.7. Ordinance No. AO 2007-108, an ordinance repealing and re-enacting Anchorage Municipal Code
56 Chapter 3.97 for **Naming of Municipal Buildings, Other Fixed Facilities and Public Places;**
57 **Assemblymember Claman.** (*Public Hearing ~~8-14-07~~ 8-26-07*) (**Addendum**)
58 a. Assembly Memorandum No. AM 461-2007.
59

60 Ms. Ossiander moved, *to introduce AO 2007-108 and to refer to the Public*
61 *Ms. Johnston seconded, Facilities Advisory Commission, with Public Hearing*
62 *and there were no objections. set for August [~~14~~] 28, 2007,*
63

64 To Mr. Claman, Chair Coffey responded that AO 2007-108 and the original Bauer ordinance (*AO 2007-95*) would be
65 reviewed by the Public Facility Advisory Commission and would be addressed together when taken up by the
66 Assembly.
67

68 **11. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS** There were none.
69

70 **12. APPEARANCE REQUESTS** There were none.
71

72 **13. CONTINUED PUBLIC HEARINGS** There were none.
73

74 **14. NEW PUBLIC HEARINGS**

75 14.A. Ordinance No. AO 2007-90, an ordinance creating **Maui Industrial Park Area Lateral Sanitary**
76 **Sewer Special Assessment District 2116**, and determining to proceed with the proposed
77 improvements therein; Anchorage Water & Wastewater Utility.
78 1. Assembly Memorandum No. AM 402-2007.

1
2 Chair Coffey read the ordinance title and opened Public Hearing. Ms. Ossiander stated that she and the
3 Administration intended to postpone this item indefinitely.

4
5 GREG JONES, Vice President of Business Development of Cook Inlet Regional Incorporated (CIRI), testified in
6 support of the improvements. CIRI was a landowner in this area and development would make a positive impact on
7 the community. To Mr. Coffey, Mr. Jones responded that he had been informed that there were procedural concerns
8 with the ordinance and he had recommended moving the matter forward. He was not convinced that the matter
9 needed to be postponed indefinitely.

10
11 TIM POTTER with DOWL Engineers representing Target Corporation supported the ordinance which would provide
12 the improvements needed for Target's proposed development, which was set for Public Hearing before the Planning
13 and Zoning (P&Z) Commission on August 6, 2007. Postponing would cause significant delay to the second phase of
14 their project. He urged that the matter be resolved.

15
16 HENRY G. MINICH, property owner, opposed the improvements. He had been told by AWWU that his property would
17 be sold if he could not afford the two million dollar assessment and he was worried that his property would be taken
18 away. The big developers, Target and CIRI, should take responsibility for the improvements. To Chair Coffey, Mr.
19 Minich responded that he operated a transportation company on his property and used holding tanks. He had no need
20 for the improvements. To Mr. Sullivan, he responded that alternative routes needed to be considered. Mr. Sullivan
21 concurred.

22
23 LANA BELL and her husband owned the sawmill in the subdivision and they opposed the improvements. Adding
24 roads and utilities would not help their business and the costs were more than they could bear. The process was
25 faulty and consideration was needed for having the big businesses pay for the improvements. CIRI owned most of the
26 land and had all the votes and the small business owners did not have a chance.

27
28 CHERI FORD, owner of the property next to the sawmill, opposed the improvements. She used her property for
29 stockpiling material and equipment storage and used a Porta-Potty. Improvements for the whole area should not be
30 her responsibility. She had been told that her land was going to be taken away and that she could not testify. To Mr.
31 Sullivan, Ms. Ford responded there had not been enough time to respond to the letter, which some property owners
32 had not received. To Mr. Starr, Ms. Ford responded that her vote would not make a difference and she did not
33 understand the process. She stated that Target should pay for the improvements, with line extensions for property
34 owners.

35
36 GREG BELL, owner of property and the sawmill, testified that the subdivision was in favor of development, but utility
37 costs were way out of line and they were being forced to pay for improvements that needed to be shared with the
38 developers. They had not been given a choice. CIRI wanted to bring in sewer and water and they should be allowed
39 to. Chugach Electric had told him that there were no plans for electrical improvements, but when he had put in
40 electrical (*poles and lines*), others wanted to use his infrastructure. He urged the Assembly to look closely at this
41 matter and help make it fair.

42
43 MARC MARLOWE, a developer with an interest in Tract 4, had created the initiative for the improvements, but it was
44 the only process allowed. Improving the process would require a change to the tariff. To be fair, the costs should be
45 shared and property owners who did not want improvements should not be forced to buy into the infrastructure. To Mr.
46 Sullivan, Mr. Marlowe responded the proposed route was the only possible option because of the existing conditions.

47
48 PAUL D. KENDALL stated that the process needed to be improved. Many opportunities were instigated by
49 development and new members to a community needed to bear the burden of improvements. Long-term residents
50 who had contributed to the community should not have to pay.

51
52 With no additional public testimony, Chair Coffey closed Public Hearing and called the Question.

53
54 Ms. Ossiander moved, *to postpone indefinitely* AO 2007-90,
55 Mr. Sullivan seconded,

56
57 Ms. Ossiander stated there were strict requirements for regulated utilities and the balloting process had not followed
58 the requirements for the sewer tariff. AWWU had agreed that the process needed to be redone and the resolution
59 needed to be postponed indefinitely.

60
61 To Mr. Traini, AWWU Engineering Division Director Kurt Vause responded that an error had been made by combining
62 the first two stages into one combined balloting action. The tariff required two separate balloting actions.

63
64 To Chair Coffey, Mr. Vause responded that this process was a variant of what typically happens. It was a rebalot of a
65 first initial attempt to secure property owner approval for the creation of three separate improvement districts, including
66 a road, a water and a sewer improvement district. That failed as there was not sufficient interest. AWWU was
67 petitioned to go through the ballot a second time on sewer only. What AWWU did in error was simply to ask the
68 property owners the second time around, in one ballot, to reconfirm what they desired in the first round, in allocating
69 costs between prospective property owners and to confirm that they wanted to proceed with the project. That step
70 should have been done in two ballots rather than one.

71
72 To Mr. Starr, Mr. Vause responded that the sewer tariff indicated that if an improvement district did not pass there
73 would be a two-year waiting period between balloting, which could be waived by the utility general manager. AWWU
74 had indications that there was enough interest for sewer improvements. Mr. Starr stated that property owners had not
75 been told the same thing and it was frustrating.

76
77 To Chair Coffey, Mr. Vause responded AWWU had looked at alternative routes and the current alignment was the best
78 and most practical route.

1
2 To Mr. Claman, Mr. Jones responded that CIRI wanted to move forward, working with AWWU and the property owners
3 to find the best alternative routes, and for procedures that would not lead to a delay. CIRI had learned of this
4 (*complication*) the preceding day and had offered to accept a rebaloting for a different district or route and front the
5 engineering costs, which also seemed impossible with the current regulations. Mr. Potter responded that instead of
6 postponing indefinitely, he urged consideration of postponing a couple of weeks to allow time for property owners and
7 AWWU staff to discuss alternatives. Mr. Claman stated that he would support postponing for four to six weeks.

8
9 Mayor Begich stated that the city was following a correct legal process and the Administration would not object to
10 allowing the petitioner to look into legal matters. Municipal Attorney Jim Reeves responded that resolution may be
11 possible with a delay.

12
13 Ms. Ossiander stated the matter should be a no-brainer. The utility had violated a tariff requirement and had
14 requested the Assembly follow their recommendations, which were buttressed by the Department of Law. Several
15 property owners had opposed and she was curious what would change with a delay. The Assembly needed to follow
16 AWWU's recommendations.

17
18 Mr. Sullivan recommended consideration of postponing to September 11, 2007. Perhaps the big property owners
19 would pay the bill for the little property owners. Some of these people not had an opportunity to speak to the issue.

20
21 Chair Coffey called the Question on the motion to postpone indefinitely.

22
23 and the motion failed, 2-6.

24
25 AYES: Ossiander and Johnston.

26 NAYES: Tesche, Traini, Sullivan, Starr, Coffey and Claman (*participating telephonically*).

27 ABSENT: Birch, Bauer and Selkregg, each excused.

28
29 Mr. Sullivan moved, *to postpone AO 2007-90 to August 28, 2007,*
30 Mr. Traini seconded,
31 and this passed, 8-0.

32
33 AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston and Claman (*participating telephonically*).

34 NAYES: None.

35 ABSENT: Birch, Bauer and Selkregg, each excused.

36
37 14.B. Resolution No. AR 2007-162, a resolution appropriating \$19,500,000 from the Alaska Energy Authority
38 to Municipal Light & Power (Fund 531), authorizing Municipal Light & Power to act as Project Manager
39 in constructing the **Teeland/Douglas Transmission Line Upgrade Project** for the State of Alaska,
40 Alaska Energy Authority, and revising the 2007 Capital Improvement Budget for Municipal Light and
41 Power.

42 1. Assembly Memorandum No. AM 421-2007.

43
44 Chair Coffey read the resolution title and opened Public Hearing.

45
46 JIM POSEY, Municipal Light and Power General Manager, urged support, which would allow ML&P to act as Project
47 Manager under the Alaska Energy Authority, for constructing the last 25-mile segment to complete the Railbelt Intertie
48 from Anchorage to Fairbanks. The proposed project would provide the opportunity for communities to have reliable
49 and low-cost electricity.

50
51 RON MILLER, AEA Executive Director, testified in support. The Intertie Operating Committee concluded that ML&P
52 was the best party to serve as Project Manager for this project. ML&P would receive 10% of the state appropriation for
53 managing this project.

54
55 STEVE HAAGENSON, Golden Valley Electric Association President and CEO, stated that Golden Valley was ML&P's
56 largest customer, with use of the Railbelt Intertie. This was the last piece to connect Anchorage to Fairbanks. He
57 urged support. Ms. Ossiander stated that she had been told by Matanuska Electric Association employees, that they
58 opposed the project. Mr. Haagenson responded that MEA would benefit. Mr. Sullivan questioned if there was total
59 harmony among utilities. Mr. Haagenson responded that all communities would benefit.

60
61 BILL STEWART, Chugach Electric Association CEO, stated that everyone would benefit. ML&P was more than
62 qualified to do the work as Project Manager. He urged support. Mr. Starr stated that he had witnessed a lack of
63 continuity and understanding of technologies and the utilities did not talk to one another. Mr. Stewart responded that
64 individual utility companies continually upgraded technologies to better serve their customers, but could not foresee
65 any company being forced to upgrade their equipment because the technology was changing.

66
67 To Mr. Starr, Mr. Posey responded this would be a year-round project, with right-of way work to begin this winter.
68 Technology challenges for utility companies had been addressed and the RCA had received responses from all utilities
69 companies.

70
71 With no additional public testimony, Chair Coffey closed Public Hearing and called the Question.

72
73 Mr. Tesche moved, *to approve AR 2007-162,*
74 Mr. Sullivan seconded,

75
76 Ms. Ossiander stated that the Chair of the MEA Board and the MEA Director of Government Relations both had
77 concerns about the compatibility of the voltage with the MEA lines. MEA had applied for, but had not received a state
78 grant to pay for upgrades and was concerned that rates would need to be increased. She would be a NO-vote.

1
2 Mr. Traini stated that he would be a YES-vote.

3
4 Mr. Sullivan supported the project. All information on the project was favorable. MEA should have been present or
5 submitted a written statement, explaining why they objected. He urged a YES-vote.

6
7 To Chair Coffey, Mr. Posey responded that the State of Alaska had requested that ML&P act as Project Manager
8 because ML&P was a government-to-government transfer utility, which worked best under state law. The State
9 Energy Authority was responsible for the upgrades and there was no city money involved. Chair Coffey stated the
10 matter before the Assembly was pertaining to approving ML&P as the Project Manager. Mr. Posey concurred.

11
12 and this motion was passed, 7-1.

13
14 AYES: Tesche, Traini, Sullivan, Starr, Coffey, Johnston and Claman (*participating telephonically*).

15 NAYES: Ossiander.

16 ABSENT: Birch, Bauer and Selkregg, each excused.

17
18 14.C. Resolution No. AR 2007-164, a resolution of the Anchorage Municipal Assembly scheduling a public
19 hearing on an appeal under AMC 12.35.010, on **Kapp, LLC** application for deteriorated property tax
20 exemption involving the Knik Arm Power Plant; Assembly Chair Coffey. (*Approved 6-26-07*)

21 1. Resolution No. AR 2007-164(S), a resolution of the Anchorage Municipal Assembly
22 scheduling a public hearing on Kapp, LLC application for deteriorated property tax exemption
23 for redevelopment of the Knik Arm Power Plant pursuant to Anchorage Municipal Code
24 Chapter 12.35; Assembly Chair Coffey and Assemblymember Tesche. (**Laid on the Table**)

25
26 (*Clerk's Note: Applicant did not complete requirement of Section 1, AR 2007-163, and Public Hearing was not held.*)

27
28 (*Clerk's Note: AR 2007-164(S) was introduced with Consent Agenda items at the beginning of the meeting.*)

29
30 Mr. Tesche moved, *to introduce AR 2007-164(S),*
31 Ms. Ossiander seconded,
32 and there were no objections.

33
34 Chair Coffey read the resolution title of the substitute version (*S-version*) and opened Public Hearing. Mr. Tesche
35 responded that to clarify procedures, he proposed to pass the S-version immediately and then hold Public Hearing on
36 the application. To Chair Coffey, Municipal Clerk Barbara responded that that procedure was appropriate.

37
38 Mr. Tesche moved, *to approve AR 2007-164(S),*
39 Mr. Traini seconded,

40
41 To Ms. Ossiander, Deputy Municipal Attorney Rhonda Westover responded that procedurally a motion was needed to
42 amend (*AR 2007-164*), something previously adopted, which needed to be approved by a two-thirds vote before the
43 substitute version (*S-version*) was considered.

44
45 Mr. Tesche moved, *to amend AR 2007-164 as previously adopted,*
46 Mr. Traini seconded, *(to substitute AR 2007-164(S)),*
47 and this was approved without objection.

48
49 Chair Coffey stated that AR 2007-164(S) (*amended version of the previously approved AR 2007-164*) was approved.
50 He opened Public Hearing on an application from Kapp, LLC, for deteriorated property tax exemption.

51
52 STEPHANIE KESLER, former Government Hill Community Council Chair, testified the council opposed the proposed
53 project and tax exemption. A power plant in downtown was in conflict with the Ship Creek Development Plan, the
54 realignment of Whitney Road and private development in the area. The viability of the infrastructure was in question,
55 particularly the steam pipes running beneath Anchorage, which were most likely asbestos-ridden. To Mr. Tesche, Ms.
56 Kesler responded that the deteriorated facility was an eyesore. Mr. Tesche stated that the property could continue to
57 deteriorate or Mr. Marlowe's proposal for development could be considered. Ms. Kesler responded there were other
58 options that would be more compatible with community development. The power plant model was tenuous and would
59 create pollution problems. She preferred keeping the deteriorated property. To Ms. Ossiander, Ms. Kesler responded
60 that the Whitney Road realignment included taking out the power plant. The Alaska Railroad owned the land and the
61 lease agreement included terms that would require the power plant to be removed in five or six years.

62
63 MARC MARLOWE stated there would be no action taken that evening and he supported moving forward to address
64 the S-version. To Ms. Ossiander, he responded the railroad owned the land and the lease would expire in 2014 and he
65 did not know if the agreement included the power plant's being destroyed at the end of the lease. He responded the
66 proposed Whitney Road realignment was nothing more than a concept. He responded that he would keep the
67 Assembly informed of any economic studies completed for the area. To Mr. Sullivan, Mr. Marlowe responded that
68 Chief Fiscal Officer Jeff Sinz had determined that bank-ready information was necessary to determine tax exemption
69 status. His position was that the project was not needs-based, but would encourage economic development. Mr.
70 Sullivan stated that in 1999 the property had been determined deteriorated. Mr. Marlowe responded there had been
71 zoning changes and the proposed power plant was appropriate. His proposal was to rebuild the facility for a combined
72 heat and power plant, which was the most efficient. The hot water could be redirected to the fish hatchery and
73 downtown heated sidewalks. With those incentives the plan would be viable and could be considered for the (*tax*
74 *exempt status*) application. To Mr. Tesche, Mr. Marlowe responded that AMC 12.35.010 was inconsistent with the
75 intent of the law and the Assembly could determine the qualification for exemption.

76
77 PAUL D. KENDALL stated that review was needed on alternative energy sources, including use of hydrogen. The
78 State of Alaska had already denied that opportunity.

1
2 THOMAS MEACHAM, a natural resources law attorney, testified the power plant had not operated since 1980 and all
3 Ship Creek water rights that had been held by the former power plant had most likely been forfeited under Alaska
4 Statute 46.15.140. The Alaska Department of Fish and Game had applied for those rights and that application was
5 now pending before the Department of Natural Resources.

6
7 ALBERT OAKES, a local property owner, opposed the proposed power plant because of possible increased taxes.
8 Being retired and on a fixed income, he could not afford an increase to his taxes, which were already a burden.

9
10 With no additional public testimony, Chair Coffey closed Public Hearing. He stated that there had been a procedural
11 mistake with this resolution several weeks before and the matter had been rectified. The matter could be addressed
12 again in the future with a new resolution, which would allow a new Public Hearing. Mr. Tesche concurred.

13
14 To Mr. Sullivan Chief Fiscal Officer Jeff Sinz responded that he had submitted his explanation of why he had denied
15 the application in writing to the Assembly and would prepare the same in memorandum form, upon request.

16
17 **15. SPECIAL ORDERS** None.

18
19 **16. UNFINISHED AGENDA** None.

20
21 **17. AUDIENCE PARTICIPATION**

22
23 Paul D. Kendall stated that he supported natural gas instead of coal for an energy source. The Assembly was in
24 charge and should address energy. There were many other alternative energy sources that needed to be researched.

25
26 **18. ASSEMBLY COMMENTS**

27
28 Mr. Sullivan reported that funeral services were held on Saturday, July 20th, for Jack Miller, who Mr. Sullivan had
29 valued and would miss. Chair Coffey stated that Mr. Miller had always used an old-fashioned typewriter. He would
30 miss him and his wealth of knowledge of the area. Mr. Traini stated that he had enjoyed all the hand-typed messages
31 from Mr. Miller. Municipal Clerk Barbara Gruenstein stated that, because of Mr. Miller, the schedule of Assembly
32 Meetings rerun on Channel 10 was printed on each Agenda.

33
34 **19. EXECUTIVE SESSIONS** None.

35
36 **20. ADJOURNMENT**

37
38 Chair Coffey adjourned the meeting at 8:10 p.m.

39
40
41
42
43 *See Archived Document for Signatures*

44
45 _____
46 DAN COFFEY, Assembly Chair

47
48
49
50 ATTEST:

51 *See Archived Document for Signatures*

52 _____
53 BARBARA GRUENSTEIN, Municipal Clerk
54 Date Minutes Approved: August 28, 2007.
55 MC/BG

56
57 *(Copies of Approved Meeting Minutes are available from the Municipal Clerk's Office, 632 West 6th Avenue, Suite 250, Anchorage,*
58 *Alaska, (907)343-4505, or on the Municipal Web Site, www.muni.org ~Assembly~Minutes~year~month~day)*
59