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3 **MUNICIPALITY OF ANCHORAGE**  
4 **ANCHORAGE ASSEMBLY**

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6 **Assembly Chambers, Z. J. Loussac Library**  
7 **3600 Denali Street, Anchorage, Alaska**

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9 **Minutes for Regular Meeting of August 19, 2008**  
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19 *(Clerk's Note: Due to technical difficulties the first 10:00 minutes of the recorded video of the August 19, 2008*  
20 *Assembly Meeting is missing. Please refer to these Meeting Minutes for details of that missing portion.)*  
21

22 **1. CALL TO ORDER**  
23

24 The Assembly Meeting of August 19, 2008 was convened by Chair Claman at 5:00 p.m. in Assembly Chambers,  
25 Room 108 of the Loussac Library, 3600 Denali Street in Anchorage, Alaska.  
26

27 **2. ROLL CALL** A Quorum was achieved with Assemblymembers present.  
28

29 PRESENT: William Starr, Mike Gutierrez, Elvi Gray-Jackson, Chris Birch *(participating telephonically)*, Matt  
30 Claman, Sheila Selkregg, Harriet Drummond, Debbie Ossiander, Patrick Flynn and Dan Coffey.

31 ABSENT: Jennifer Johnston, excused.  
32

33 **3. PLEDGE OF ALLEGIANCE** Assemblymember Coffey led the pledge.  
34

35 **4. MINUTES OF PREVIOUS MEETINGS** There were none.  
36

37 **5. MAYOR'S REPORT** There was none.  
38

39 **6. ASSEMBLY CHAIR'S REPORT** There was none.  
40

41 **7. COMMITTEE REPORTS**  
42

43 Mr. Starr reported there would be an Audit Committee Meeting on Friday, August 22<sup>nd</sup> at 11:00 a.m.  
44

45 Mr. Gutierrez reported the Public Safety Committee would hold a Special Meeting in September to discuss the urban  
46 bear problem and the recent tragic dog attack that killed a girl in her home.  
47

48 Ms. Gray-Jackson reported that she continues to meet daily with Office of Management and Budget (OMB) Director  
49 Wanda Phillips to review department budgets and the proposed 2009 Budget, to identify ways to improve operating  
50 efficiencies. The Budget and Finance Committee Meeting scheduled for August 20<sup>th</sup> was cancelled. She reported that  
51 preliminary budget information would be presented to the Assembly in September.  
52

53 Dr. Selkregg reported the Community and Economic Development Committee would meet on August 20<sup>th</sup> to set up  
54 advisory committees to research housing and children. The Energy Workgroup would meet the following week and  
55 would present policy opportunities to the Assembly.  
56

57 Ms. Drummond reported the School Committee would meet August 21<sup>st</sup> with Anchorage School District Superintendent  
58 Carol Comeau to layout their Annual Agenda.  
59

60 Ms. Ossiander reported the Title 21 Committee would meet on August 21<sup>st</sup> at the Planning Department Conference  
61 Room from 9:30 to 11:30 a.m. to continue work on revisions to Chapter 6. The September 4<sup>th</sup> meeting was cancelled.  
62

63 Mr. Coffey reported the Energy Workgroup had met that afternoon and would meet again on September 3<sup>rd</sup> to discuss  
64 the *(power)* authority issue, in anticipation of the September 9<sup>th</sup> vote and to discuss energy generation, transmission  
65 and distribution.  
66

67 **8. ADDENDUM TO AGENDA**  
68

69 Chair Claman called for a motion and read the Addendum items. He called for additional items and AR 2008-178 was  
70 added and assigned Agenda number 9.A.2. There were no additional items and Chair Claman called for a vote to  
71 incorporate the Addendum items into the Consent Agenda.  
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73 Mr. Flynn moved, to approve the inclusion of the Addendum items  
74 Mr. Coffey seconded, into the Consent Agenda,

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Dr. Selkregg moved, *to add AR 2008-178 to the Addendum as 9.A.2,*  
Mr. Coffey seconded,  
and this was approved, 10-0.

and the main motion, as amended, was passed, 10-0.

AYES: Starr, Gutierrez, Gray-Jackson, Birch (*participating telephonically*), Claman, Selkregg, Drummond,  
Ossiander, Flynn and Coffey.

NAYS: None.

ABSENT: Johnston, excused.

Chair Claman called for a motion on the Consent Agenda.

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

Chair Claman 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**

9.A.1. Resolution No. AR 2008-176, a resolution of the Anchorage Municipal Assembly and Mayor Begich recognizing August 26, 2008 as **Women's Equality Day** celebrating 88 years of women making a difference through voting, participation in our democracy, and continuing the fight for equal rights for all. (*Addendum*)

Ms. Gray Jackson requested this item be pulled for review on the Regular Agenda. (*See item 10.A.1*)

9.A.2. Resolution No. AR 2008-178, a resolution of the Anchorage Municipal Assembly and Mayor Mark Begich honoring and celebrating the 50<sup>th</sup> Anniversary of **Congregation Beth Shalom**, Assemblymembers Birch, Claman, Coffey, Drummond, Flynn, Gutierrez, Gray-Jackson, Johnston, Ossiander, Selkregg, Starr and Mayor Mark Begich. (*Laid on the Table*)

Dr. Selkregg requested this item be pulled for review on the Regular Agenda. (*See item 10.A.2*)

**9.B. RESOLUTIONS FOR ACTION - OTHER**

9.B.1. Resolution No. AR 2008-172, a resolution of the Municipality of Anchorage appropriating \$2,500 from the Department of Health and Human Services Animal Control Donation Account, Miscellaneous Operational Grants Fund (261), to amend a grant to the Alaska Society for the Prevention of Cruelty to Animals for the provision of **low-cost feline spay/neuter services** through the Department of Health and Human Services.

a. Assembly Memorandum No. AM 536-2008.

9.B.2. Resolution No. AR 2008-173, a resolution of the Municipality of Anchorage appropriating \$80,000 from the Upper O'Malley Limited Road Service Area (LRSA) Fund Balance (Fund 143) to the **Upper O'Malley LRSA BP2008 General Operating Budget** (Fund 143), Maintenance and Operations Department, for year round road maintenance.

a. Assembly Memorandum No. AM 537-2008.

9.B.3. Resolution No. AR 2008-174, a resolution of the Anchorage Municipal Assembly lifting the on-premise staffing requirement and the hours-of-operation restriction in the alcoholic beverages conditional use permit for **Downtown Wine and Spirits**, a package store use and license operated by Brown Jug, Inc. and located at 930 West 5<sup>th</sup> Avenue, in the Downtown Business Improvement District, Assemblymember Flynn. *Postponed from 8-12-08.*

Mr. Gutierrez requested this item be pulled for review on the Regular Agenda. (*See item 10.B.3*)

9.B.4. Resolution No. AR 2008-175, a resolution of the Anchorage Municipal Assembly lifting the hours-of-operation restriction in the alcoholic beverages conditional use permit for **Grape Expectations, LLC**, a package store use and license located at 510 West 6<sup>th</sup> Avenue, within AOT, Block 70, Lot 2B; generally located west of E Street, and south of West 6<sup>th</sup> Avenue (Downtown Community Council) (Case 2008-078), Assemblymember Flynn. *Postponed from 8-12-08.*

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

**9.C. BID AWARDS** There were none.

**9.D. NEW BUSINESS**

9.D.1. Assembly Memorandum No. AM 538-2008, **Arts Advisory Commission** appointment (Lee Holmes), Mayor's Office.

9.D.2. Assembly Memorandum No. AM 539-2008, **Equal Rights Commission** appointment (Robert Heffle), Mayor's Office.

9.D.3. Assembly Memorandum No. AM 540-2008, recommendation of award to **ODS Companies** (ODS) for providing third party administration and preferred provider services to the Municipality of Anchorage, Employee Relations Department (RFP 28-P005) (\$1,380,240), Purchasing.

9.D.4. Assembly Memorandum No. AM 541-2008, request to amend grant to **Covenant House Alaska, Inc.**, for operation of the Youth Reception Center Program (\$50,000), Health & Human Services.

- 1 9.D.5. Assembly Memorandum No. AM 542-2008, proprietary purchase for services with the University of  
2 Alaska Anchorage (UAA) to conduct a **Benzene Rule Effectiveness Study** for the Municipality of  
3 Anchorage, Health and Human Services (\$283,750), Purchasing.  
4 9.D.6. Assembly Memorandum No. AM 543-2008, Change Order No. 1 to Purchase Order No. 271310 with  
5 **New Flyer** for the Municipality of Anchorage, Public Transportation Department (\$182,494.36),  
6 Purchasing.  
7

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

- 9 9.E.1. Information Memorandum No. AIM 69-2008, **AWWU Second Quarter 2008 Regulatory Report –**  
10 **Outstanding Regulatory Matters.**  
11 9.E.2. Information Memorandum No. AIM 70-2008, **2008 Second Quarter Summary Report of AWWU**  
12 **Awards.**  
13 9.E.3. Information Memorandum No. AIM 71-2008, **ML&P's 2008 Dividend and Gross Receipts Payment**  
14 **to General Government.**  
15 9.E.4. Information Memorandum No. AIM 72-2008, **contracts awarded between \$50,000 and \$500,000**  
16 **through formal competitive processes** for the month of July 2008, Purchasing.  
17 9.E.5. Information Memorandum No. AIM 73-2008, **Sole Source Procurement Report** for the month of July  
18 2008, Purchasing.  
19

20 Ms. Ossiander requested this item be pulled for review on the Regular Agenda. (See item 10.E.5)

- 21  
22 9.E.6. Information Memorandum No. AIM 74-2008, Internal Audit Report 2008-10 - **Preferential Use**  
23 **Agreements, Port of Anchorage.**  
24

25 Mr. Flynn requested this item be pulled for review on the Regular Agenda. (See item 10.E.6)

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

- 28 9.F.1. Ordinance No. AO 2008-96, an ordinance amending Anchorage Municipal Code Section 17.10.015A,  
29 regarding **Chronic Animal Noise**, Health and Human Services. P.H. 9-16-08.  
30 a. Assembly Memorandum No. AM 535-2008.  
31 9.F.2. Resolution No. AR 2008-177, a resolution of the Municipality of Anchorage appropriating \$914,989  
32 from the State of Alaska, Department of Health and Social Services and \$270,000 from the 2008  
33 General Government Operating Budget, Department of Health and Human Services Areawide General  
34 Fund (101) to the State Categorical Grants Fund (231), to fund the **Human Services Community**  
35 **Matching Grant Program** in the Department of Health and Human Services. P.H. 9-9-08.  
36 **(Addendum)**  
37 a. Assembly Memorandum No. AM 545-2008.  
3 9.F.3. Ordinance No. AO 2008-97, an ordinance authorizing the **purchase of six lots located in Mountain**  
3 **View** in Anchorage, from Habitat for Humanity, with an appropriation from the Heritage Land Bank  
4 Fund Balance (221) to the Heritage Land Bank Capital Fund (421) for \$27,786 plus closing costs.  
41 P.H. 9-9-08. **(Addendum)**  
42 a. Assembly Memorandum No. AM 544-2008  
43 9.F.4. Ordinance No. AO 2008-98, an ordinance authorizing **acquisition of two lot portions located at**  
44 **West 27<sup>th</sup> Avenue and Spenard Road**, for an amount Not To Exceed \$850,000, plus closing costs,  
45 from the Anchorage Roads and Drainage Service Area Fund (441) for right of way improvements,  
46 Heritage Land Bank/Project Management & Engineering. P.H. 9-9-08. **(Addendum)**  
47 a. Assembly Memorandum No. AM 546-2008  
48

49 Chair Claman called for a vote on the remainder of the Consent Agenda.

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51 and the motion, as amended, was passed.

52  
53 AYES: Starr, Gutierrez, Gray-Jackson, Birch (*participating telephonically*), Claman, Selkregg, Drummond,  
54 Ossiander, Flynn and Coffey.  
55 NAYS: None.  
56 ABSENT: Johnston, excused.  
57

58 The amended Consent Agenda was approved and Chair Claman led the body into discussion of the pulled items.

59  
60 **END OF CONSENT AGENDA**  
61

62 **10. REGULAR AGENDA**

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

- 6 10.A.1. Resolution No. AR 2008-176, a resolution of the Anchorage Municipal Assembly and Mayor Begich  
6 recognizing August 26, 2008 as **Women's Equality Day** celebrating 88 years of women making a  
6b difference through voting, participation in our democracy, and continuing the fight for equal rights for  
67 all. **(Addendum)**  
68

69 Ms. Gray-Jackson moved, to approve AR 2008-176,  
70 Mr. Gutierrez seconded,  
71 and this was approved without objection, 10-0,  
72 with Ms. Johnston as an excused absence.  
73

74 Ms. Ossiander read and Ms. Gray-Jackson presented the resolution to the Equal Rights Office Executive Director  
75 Barbara Jones, recognizing August 26, 2008 as Women's Equality Day, celebrating 88 years of women making a  
76 difference through voting, participating in democracy and continuing to fight for equal rights.  
77

1 10.A.2. Resolution No. AR 2008-178, a resolution of the Anchorage Municipal Assembly and Mayor Mark  
2 Begich honoring and celebrating the 50<sup>th</sup> Anniversary of **Congregation Beth Shalom**,  
3 Assemblymembers Birch, Claman, Coffey, Drummond, Flynn, Gutierrez, Gray-Jackson, Johnston,  
4 Ossiander, Selkregg, Starr and Mayor Mark Begich. (*Laid on the Table*)  
5

6 Dr. Selkregg moved, to approve AR 2008-178,  
7 Mr. Flynn seconded,  
8 and this was approved without objection, 10-0,  
9 with Ms. Johnston as an excused absence.  
10

11 Dr. Selkregg read and Mr. Gutierrez presented the resolution honoring and celebrating the 50<sup>th</sup> Anniversary of  
12 Congregation Beth Shalom. Board of Trustees President Louise Lazur accepted the resolution and thanked the  
13 Assembly for recognizing the anniversary of Congregation Beth Shalom, representing the largest Jewish community in  
14 the State of Alaska.  
15

16 **10.B. RESOLUTIONS FOR ACTION - OTHER**

17 10.B.3. Resolution No. AR 2008-174, a resolution of the Anchorage Municipal Assembly lifting the on-premise  
18 staffing requirement and the hours-of-operation restriction in the alcoholic beverages conditional use  
19 permit for **Downtown Wine and Spirits**, a package store use and license operated by Brown Jug, Inc.  
20 and located at 930 West 5<sup>th</sup> Avenue, in the Downtown Business Improvement District,  
21 Assemblymember Flynn. *Postponed from 8-12-08*.  
22

23 Mr. Gutierrez requested that AR 2008-174 and AR 2008-175, items 9.B.3 and 9.B.4, be addressed together. There  
24 were no objections.  
25

26 Mr. Gutierrez moved, to approve AR 2008-174,  
27 Ms. Gray-Jackson seconded,  
28

29 To Mr. Gutierrez, Mr. Flynn responded with an explanation of the history and proposal to impose the same restrictions  
30 to alcoholic beverage conditional use permits in Downtown.  
31

32 and this was approved without objection, 10-0,  
33 with Ms. Johnston as an excused absence.  
34

35 10.B.4. Resolution No. AR 2008-175, a resolution of the Anchorage Municipal Assembly lifting the hours-of-  
36 operation restriction in the alcoholic beverages conditional use permit for **Grape Expectations, LLC.**,  
37 a package store use and license located at 510 West 6<sup>th</sup> Avenue, within AOT, Block 70, Lot 2B;  
38 generally located west of E Street, and south of West 6<sup>th</sup> Avenue (Downtown Community Council)  
39 (Case 2008-078), Assemblymember Flynn. *Postponed from 8-12-08*.  
40

41 (*Clerk's Note: See AR 2008-174, item 9.B.3 for related details of discussion and action.*)  
42

43 Mr. Gutierrez moved, to approve AR 2008-175,  
44 Mr. Coffey seconded,  
45 and the motion was approved, 10-0,  
46 with Ms. Johnston as an excused absence.  
47

48 **10.C. BID AWARDS** There were none.  
49

50 **10.D. NEW BUSINESS** None were pulled for review.  
51

52 **10.E. INFORMATION AND REPORTS**

53 10.E.5. Information Memorandum No. AIM 73-2008, Sole Source Procurement Report for the month of July  
54 2008, Purchasing.  
55

56 Ms. Ossiander moved, to accept AIM 73-2008,  
57 Mr. Coffey seconded,  
58

59 Ms. Ossiander stated that a contract had been awarded to Clanton and Associates to write the design criteria manual  
60 (*DCM*), which was to be an implementation tool for Title 21 and had not yet been adopted by the Assembly.  
61

62 Dr. Selkregg concurred and stated the *DCM* should be closely linked to the final changes to Title 21. Municipal  
63 Manager Michael Abbott responded that the *DCM* would be published, publicly noticed, involve a 30-day public  
64 comment period, be approved by the Municipal Engineer and be consistent with Title 21. Ms. Ossiander responded  
65 that the procedures needed to be completed before policy could be set. Ms. Drummond concurred.  
66

67 and this was approved without objection, 10-0,  
68 with Ms. Johnston as an excused absence.  
69

70 10.E.6. Information Memorandum No. AIM 74-2008, Internal Audit Report 2008-10 - Preferential Use  
71 **Agreements, Port of Anchorage**.  
72

73 Mr. Flynn moved, to accept AIM 74-2008,  
74 Mr. Coffey seconded,  
75

76 To Mr. Flynn, Deputy Port Director Steven Ribuffo responded that there were times when non-revenue generating  
77 tonnage from ALPAR (*Alaskans for Litter Prevention and Recycling*) was not declared and management rules for  
78 reporting needed to be determined. Carriers were still paying for the tonnage.

Ms. Ossiander stated there were numerous times of non-reporting by carriers, which was a management responsibility. She requested a follow-up audit report on the involved entities. Mr. Ribuffo responded that the reporting was now part of the Port plan and he had already requested a 2009 audit with a third-party review.

To Mr. Coffey, Mr. Ribuffo responded the tariff would be reviewed by the Assembly in 2009. The Assembly could review the options for non-revenue generating tonnage and for continuing the tariff.

Mr. Starr supported auditing the matter. Periodic tonnage reports with current data would also be informative. Mr. Ribuffo concurred.

Chair Claman stated that Port development was premised on the growth of cargo tonnage. Mr. Ribuffo responded that it was important for the process to be corrected and to have accurate information.

and this motion was accepted without objection, 10-0,  
with Ms. Johnston, as an excused absence.

**11. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS**

11.A. Ordinance No. AO 2008-49, an ordinance of the Anchorage Municipal Assembly to provisionally adopt a new Chapter 21.05, **Use Regulations**, amending Anchorage Municipal Code Title 21 subject to concurrent final passage and approval of all provisionally adopted chapters of Title 21, Assembly Vice-Chair Ossiander.

1. Information Memorandum No. AIM 63-2008. (*Public Hearing was Closed 7-29-08; Amended; Action Postponed from 7-29-08*)

(Clerk's Note: AO 2008-49, adopting a new Chapter 5, amending AMC Title 21 was taken up by the Assembly on June 10<sup>th</sup>, July 29<sup>th</sup>, August 19<sup>th</sup>, September 9<sup>th</sup> and September 16<sup>th</sup>. For details and clarification of subsequent changes, refer to the final version of Chapter 5, attached to the Assembly Meeting Minutes of September 16<sup>th</sup>, when the Assembly provisionally adopted the revised Chapter 21.05.)

Ms. Ossiander explained that all testimony and comments would be based on the AO 2008-49 Public Hearing Draft. She described each document and the proposed amendments to Title 21.05, including Attachments A, B, C, D, E and individually submitted personal amendments. She would first move Attachment A and the Assembly could propose amendments.

Ms. Ossiander moved, to approve AO 2008-49,  
Mr. Coffey seconded,

Ms. Ossiander moved, to approve Attachment A, amending Chapter 21.05,  
Dr. Selkregg seconded,

Ms. Ossiander moved, to amend Attachment A, by approving Attachment B,  
Mr. Coffey seconded, amendments en masse,

Ms. Ossiander proposed two changes to Attachment B. The proposed change from the Title 21 Committee involved the substitution of E.8 for B.3 and the substitution of E.9 (green) for B.28. Members could request items be pulled for review and then the body could pass the remainder of Attachment B en masse. There were no objections.

Ms. Ossiander moved, to amend Attachment B on Page 1, Number 3 by substituting  
Mr. Coffey seconded, with Attachment E on Page 2, Number 8 (green) to read:  
and there were no objections.

[B.3.- Page 25, Section 21.05.030.8.b.ix.(A), Lines 43-45 "L4 screening landscaping shall be planted along each boundary of the MHC, except for vehicular and pedestrian ingress and egress points. Where two MHCs share a common lot line, the L4 screening landscaping shall be split, with 15 feet (of the total 30 foot requirement) on each lot. Along MHC lot lines abutting a dedicated park, the landscaping requirement shall be halved."]   
E.8. L3 buffer [L4 Screening] landscaping shall be planted along each boundary of the MHC, except for vehicular and pedestrian ingress and egress pints. Where two MHCs share a common lot line, the L3 buffer landscaping shall be split, with seven and one half feet (of the total 15 foot requirement) on each lot. Along MHC lot lines abutting a dedicated park, the landscaping requirement shall be halved.;

And, to amend Attachment B on Page 7, Number 28 by substituting with Attachment E on Page 2, Number 9 (green) to read:

[28.- Page 81, 21.05060C.b.i, lines 40-43 (A): A storage yard or impound yard shall not be located within 300 feet of any academic school, hospital, or government [all] administration and civic building [facility (except governmental service), or any other place of public assembly].]

E.9. (green) (A) L4 landscaping shall be planted along all lot lines where a [A] storage yard or impound yard abuts [shall not be located within 300 feet of] any academic school, hospital, residential district, or government [AL] administration and civic building. [facility (except governmental service), or any other place of public assembly];

Chair Claman called for Assemblymembers to request items in Attachment B, as amended, be pulled for review.

Mr. Coffey urged support for the substitutions and approval of Attachment B, as amended, in its entirety.

Dr. Selkregg requested that Attachment B, Amendment Number 28 be pulled for discussion.

To Mr. Starr, Ms. Ossiander responded that Amendment Number 24 dealt with heavy equipment, which involved mostly construction equipment. Senior Planner Erika McConnell responded that construction equipment was also referenced as heavy equipment elsewhere, relating to sales. Mr. Starr stated that he would accept the language, but was concerned there would be confusion between construction businesses and businesses that sold equipment.

To Mr. Gutierrez, Senior Planner Erika McConnell responded that Amendment Number 2 involved a one-foot reduction to the street width and applied only to mobile home parks, which would match street width in other residential developments.

Chair Claman called for a vote to approve the remainder of Attachment B, amending Attachment A, as amended, except for Number 28, which had been pulled for review.

and the main motion to approve Attachment B, as amended, amending Attachment A, passed without objection, 10-0, with Ms. Johnston as an excused absence.

Dr. Selkregg stated that the language in Number 28 was not the same language that had been proposed by Mr. Coffey at the Title 21 Committee Meeting.

Mr. Coffey moved,  
Dr. Selkregg seconded,

to amend Attachment B, Amendment Number 28 by substituting with Attachment E on Page 2, Number 9 (green), Amending Attachment A, to read:

~~[28. Page 81, 21.05060C-b, lines 40-43 (A): A storage yard or impound yard shall not be located within 300 feet of any academic school, hospital, or government [a] administration and civic building [facility (except governmental service), or any other place of public assembly.]~~

E.9. (green) (A) L4 landscaping shall be planted along all lot lines where a [A] storage yard or impound yard abuts [shall not be located within 300 feet of] any academic school, hospital, residential district, or government [AL] administration and civic building. [facility (except governmental service), or any other place of public assembly.]

Mr. Coffey stated that the amendment language that he submitted at the Title 21 Committee Meeting was very similar to the Planning staff language and meant the same thing. Everyone had agreed.

To Dr. Selkregg, Planning Director Tom Nelson responded the Planning staff proposal included a buffer in addition to the L4 landscaping which was required only for hospitals and residential districts, but not for schools, academic facilities or government services. The 200-foot separation between a storage or impound yard and a hospital or a residential area would only apply to future instances, to ensure fewer conflicts. L4 screening landscaping was still required and included a 30-foot setback, which was inclusive (with total footage). Dr. Selkregg stated there was a difference between the buffering setbacks, which was important. Mr. Nelson responded the current requirement required landscaping and a 300-foot buffer, so this was a reduction.

To Mr. Gutierrez, Mr. Nelson responded the reduction of footage would be attractive for industrial use and would provide buffering in a residential area, which would still have allowed uses. He responded that storage yards and impound yards often had noise from moving materials and heavy equipment, which would affect hospitals and residential areas. Landscaping was also required where buffering abutted schools or academic buildings.

Mr. Coffey stated this would also include motor freight terminals, where there was a continuous level of noise. Rarely did residential land abut industrial land and this would have put a disproportionate burden on industrial development.

Dr. Selkregg concurred and stated she would support the amendment, but would not support the lesser amount of footage for a motor freight storage area.

Mr. Gutierrez stated if industrial land abutted your house, the noise would not be incidental. Mr. Nelson responded there were industrial motor freight areas in the city which had existing rights. Planning had tried to predict future conflicts and Code changes would apply to the future. Mr. Gutierrez stated that he would oppose the green language.

To Dr. Selkregg, Mr. Nelson responded the industrial land at the Muldoon Curve was fenced, had no landscaping and involved a non-conforming use.

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2 Mr. Coffey stated there was industrial land in his district that abutted residential land with a 200-foot buffer. Industrial  
3 areas needed to comply with decibel noise allowances. He supported the green language.  
4

5 Ms. Drummond read the definition of the L4 screening landscaping requirement. Ms. McConnell responded that trees  
6 were required and credit units were given for numbers and sizes of trees and retaining or planting trees.  
7

8 and the motion was passed, 9-1.  
9

10 AYES: Starr, Gray-Jackson, Birch (*participating telephonically*), Claman, Selkregg, Drummond, Ossiander, Flynn  
11 and Coffey.

12 NAYS: Gutierrez.

13 ABSENT: Johnston, excused.  
14

15 (*Clerk's Note: Chair Claman Changed the Order of the Day to take up 13.A and other time sensitive Agenda items*  
16 *that needed to be addressed that evening. Upon completion of Assembly discussion and action of 14.C, Chair Claman*  
17 *returned the body to continue AO 2008-49, concerning Title 21.05.)*  
18

19 Ms. Ossiander stated that Attachment C included all tables for allowed uses proposed by the Planning Department,  
20 P&Z and the Title 21 Committee. Title 21 Committee amendments were in green.  
21

22 Ms. Ossiander moved, to amend Attachment A, by *approving* all Attachment C  
23 Mr. Coffey seconded, (*green*) amendments en masse,  
24

25 Ms. Ossiander proposed amendments to the tables in Attachment C.  
26

27 Ms. Ossiander moved, to amend Attachment A on Page 2, Table 21.05-1  
28 Mr. Coffey seconded, RESIDENTIAL DISTRICTS, *Telecommunication Facilities*,  
29 "Type 2 tower" by *approving* Attachment C (*green*), *deleting*  
30 [~~C-(Conditional Use Permit)~~] from all residential districts  
31 including R-1, R-1A, R-2A, R-2D, R-2F, R-2M, R-3, R-4, R-  
32 4A, R-5, R-6, R-7, R-8, R-9 and R-10; *and*,

33  
34 to amend Attachment A on Page 8, Table 21.05-2, by  
35 *approving* Attachment C (*green*) COMMERCIAL,  
36 INDUSTRIAL, MIXED-USE, AND OTHER DISTRICTS,  
37 *Transportation Facility*, "Rail yard," *adding* "P, Permitted Use"  
38 to I-1, Industrial; *and*,

39  
40 to amend Attachment A on Page 11, Table 21.05-2  
41 COMMERCIAL, INDUSTRIAL, MIXED-USE, AND OTHER  
42 DISTRICTS, *Food and Beverage Service*, by *adding*  
43 Attachment C (*green*), "Food and Beverage Kiosk," *deleting*  
44 [~~S-(Administrative Site Plan Review)~~] from Neighborhood  
45 Mixed Use - NMU; *and*,

46  
47 to amend Attachment A on Page 11, Table 21.05-2  
48 COMMERCIAL, INDUSTRIAL, MIXED-USE, AND OTHER  
49 DISTRICTS, *Retail Sales*, "Building Materials Store," by  
50 *adding* Attachment C (*green*) *and changing* [~~C-(Conditional~~  
51 ~~Use Permit)~~] to "M (Major Site Plan Review)," under Regional  
52 Mixed Use - RMU;  
53

54 Chair Claman requested that items be pulled and amended, and then Attachment C, as amended and amending  
55 Attachment A, could be approved.  
56

57 Mr. Flynn declared a possible conflict of interest on matters concerning industrial zoned land because he worked for  
58 the Alaska Railroad, which was industrial. Chair Claman questioned Mr. Flynn whether he had a financial interest in  
59 the matter. Mr. Flynn responded NO. Chair Claman questioned Mr. Flynn whether he could set aside his personal  
60 interest as an Alaska Railroad employee and vote in the public interest. Mr. Flynn responded YES. Chair Claman  
61 ruled that Mr. Flynn did not have a conflict of interest and ordered that he participate in the matter. There were no  
62 objections.  
63

64 To Dr. Selkregg, Mr. Nelson responded that Planning supported all proposed amendments except for allowing railroad  
65 freight terminals in I-1 districts, which was intended for light industrial use. Freight terminals should remain in I-2  
66 districts.  
67

68 and the motion to amend was approved without objection, 10-0,  
69 with Ms. Johnston as an excused absence.  
70

71 Mr. Starr questioned the use classification of airstrips in residential districts. Ms. Ossiander stated private airstrips  
72 were considered a conditional use in residential districts and was listed in Attachment C under *Transportation Facility*.  
73 Mr. Starr stated that airstrips would be allowed in districts zoned R-5 and above. Campbell Lake was listed as an FAA  
74 landing strip in the R-3. Mr. Nelson responded the uses for (*existing*) landing strips remained unchanged and would  
75 be grandfathered, if not permitted under a conditional use. Mr. Starr stated that a conditional use for an existing  
76 landing strip in the Eagle River Valley that was recently declined would still be allowed.  
77

78 Chair Claman called for a vote on the motion to approve Attachment C (*green*), as amended, amending Attachment A.

1  
2 and the motion to amend Attachment A, by adding Attachment C,  
3 (green) en masse, as amended, was approved without objection, 10-0,  
4 with Ms. Johnston as an excused absence.  
5

6 (Clerk's Note: The Assembly discussed extending to midnight or holding a Special Meeting to complete final action on  
7 21.05, which received opposition. Chair Claman stated that the matter would be continued on September 9<sup>th</sup>. There  
8 was no additional time left in the meeting. See details of Adjournment, Agenda item 20.)  
9

10 12. APPEARANCE REQUESTS There were none.

11 13. CONTINUED PUBLIC HEARINGS

- 12 13.A. Ordinance No. AO 2008-15, an ordinance amending Anchorage Municipal Code Sections 21.10.028,  
13 21.15.015, and 21.15.030 to give site plan authority over certain developments to the Urban Design  
14 Commission (Planning Case 2007-136), Planning Department.  
15 1. Assembly Memorandum No. AM 43-2008.  
16 2. Ordinance No. AO 2008-15(S-1), an ordinance amending Anchorage Municipal Code Sections  
17 21.10.028, 21.15.015, and 21.15.030 to give site plan authority over certain developments to  
18 the Urban Design Commission (Planning Case 2007-136), Planning Department.  
19 3. Ordinance No. AO 2008-15(S-2), an ordinance amending Anchorage Municipal Code Sections  
20 21.10.028, 21.15.015, and 21.15.030 to give site plan authority over certain developments to  
21 the Urban Design Commission (Planning Case 2007-136), Planning Department. (Laid on  
22 the Table)  
23 (Public Hearing was Closed 5-20-08; Public Hearing was Re-Opened and Continued from 6-10-08  
24 and 7-15-08; Referred to the Parks and Recreation Commission, Chugiak-Eagle River Parks and  
25 Recreation Commission and the Girdwood Park Board of Supervisors)  
26  
27

28 Chair Claman reported there was an S-1 Version and an S-2 Version (substitute versions) and Public Hearing was still  
29 open.  
30

31 BARBARA HOOD, Parks and Recreation Commission Vice Chair, speaking as an individual, reported the commission  
32 had supported AO 2008-15(S-1), to ensure certain park projects would be reviewed by the Commission with the  
33 exception of Girdwood which had its own code. The Commission recommended a change to Section J, to limit cases  
34 reviewed by the Urban Design Commission (UDC). Planning Director Tom Nelson described the differences between  
35 the two documents. Ms. Hood responded the Parks Commission supported having a strong role. To Ms. Drummond,  
36 Mr. Nelson responded that reference to a 50-acre limit applied to the natural resource use areas and community use  
37 areas, which could be as small as 1.5 acres or smaller. Ms. Hood responded that the commission wanted to review all  
38 large park issues. Ms. Drummond stated that smaller parks had high public interest and also needed to be included.  
39 Mr. Coffey stated that he had recently organized some simple improvements to Coffey Park, named after his parents,  
40 by involving the neighborhood and did not need or want a public site plan review. Ms. Hood responded that public  
41 facility site plan reviews were generally for larger parks. Mr. Nelson stated that the S-2 document included the Park  
42 Commission's intent. To Dr. Selkregg, Mr. Nelson and Parks Director Jeff Dillon responded that a public process was  
43 available for smaller neighborhood parks which involved review by the local community councils.  
44

45 VIC MOLLOZZI, Parks and Recreation Commissioner, testifying as an individual, stated that the commission's intent  
46 was to review only the larger parks that had gone through an urban design site plan review or were described by a  
47 dollar threshold or an area size. The smaller community use and special use parks could be reviewed by the UDC.  
48 Ms. Ossiander stated that she would be addressing the Girdwood Park Board (of Supervisors) in the future.  
49

50 There was no additional testimony and Chair Claman closed Public Hearing and called for a motion.

51  
52 Mr. Coffey moved, to approve AO 2008-15(S-2),  
53 Dr. Selkregg seconded,  
54

55 Mr. Nelson stated that a public facility site plan review would not normally require Public Hearing, because those  
56 projects had already gone through a public review process and by time it reached the Planning Commission all  
57 differences were often resolved. To Mr. Coffey, Mr. Nelson responded the commission would not hesitate to schedule  
58 Public Hearing if there were issues of concern.  
59

60 Ms. Ossiander moved, to amend, AO 2008-15(S-2) on Page 3, Lines 15-17, by  
61 Mr. Coffey seconded, changing to read: Public Hearing: 9.E.2. The Urban Design  
62 Commission [shall] "may, in its discretion," hold a public  
63 hearing on any site plan subject to review under this section.  
64

65 Ms. Ossiander stated that the Park Commission would still be involved with every site plan review and would make  
66 recommendations. The amendment simply allowed the UDC to use its discretion to hold Public Hearing.  
67

68 Dr. Selkregg stated that this matter was being reviewed because people had requested additional Public Hearing  
69 opportunities. Mr. Nelson responded that removing Girdwood from the process would not change the process.  
70

71 To Mr. Starr, Mr. Nelson responded that a site selection required a Public Hearing before the P&Z and a site plan  
72 review was proposed to be done by the UDC, which would hold Public Hearing if there was public interest or concern.  
73 Mr. Starr stated he would support the amendment.  
74

75 To Dr. Selkregg, Mr. Nelson responded that allowing Park Boards (of Supervisors) to hold Public Hearings and make  
76 recommendations would not change or impact issues that came before the P&Z. Mr. Dillon responded if there were no  
77 concerns, there should be leeway not to proceed with the public process to save money. Dr. Selkregg stated that

1 residents had been upset when significant park improvements were authorized for Russian Jack Park or Town Square  
2 without a public process. She would not support the amendment.

3  
4 To Ms. Ossiander, Eagle River Parks and Recreation Community Development Director JOHN RODDA responded  
5 that the Eagle River Park Board (*of Supervisors*) involved an open public process beginning with the community  
6 councils and involving Community Development, the Parks Board and any involved consultants. Generally matters  
7 had up to five reviews. Using "shall" was troublesome, because the public process was thorough from the beginning.  
8 To Dr. Selkregg, Mr. Dillon responded that Anchorage park issues involved much of the same process, with issues  
9 normally initiated by user groups, with Park commissioners normally involved throughout the process.

10  
11 and the motion to amend was approved, 7-3.

12  
13 AYES: Starr, Gutierrez, Gray-Jackson, Birch (*participating telephonically*), Ossiander, Flynn and Coffey.  
14 NAYS: Claman, Selkregg and Drummond.  
15 ABSENT: Johnston, excused.

16  
17 To Ms. Ossiander, Mr. Nelson responded that the removal of Girdwood from the S-2 Version would not create a road  
18 block when addressing a separate park process in the Title 21 Chapter for Eagle River-Chugiak.

19  
20 Mr. Coffey stated that the ordinance was to create a division of labor between the P&Z and the UDC. The UDC  
21 seemed to be the right place to provide the public facilities review. The P&Z had a heavy workload and any way that  
22 the UDC would help lighten the load needed to be supported by the Assembly. He urged support for the ordinance.

23  
24 To Mr. Starr, Mr. Nelson responded the UDC was fully staffed with members with three-year terms and would be ready  
25 to take on new items immediately. This was viewed as an interim ordinance because there may be additional changes  
26 with revisions to Title 21. This would give the UDC more experience with the responsibilities of handling a full site plan  
27 review.

28  
29 and the main motion, as amended was approved, 10-0.

30  
31 AYES: Starr, Gutierrez, Gray-Jackson, Birch (*participating telephonically*), Claman, Selkregg, Drummond,  
32 Ossiander, Flynn and Coffey.  
33 NAYS: None.  
34 ABSENT: Johnston, excused.

35  
36 (*Clerk's Note: Upon completion of item 13.B, Mr. Coffey moved for immediate reconsideration of AO 2008-15(S-2)*)

37  
38 Mr. Coffey moved, *for immediate reconsideration of AO 2008-15(S-2),*  
39 Mr. Flynn seconded,

40  
41 Mr. Coffey stated that the Department of Law had proposed additional language to minimize the risk and clarify the  
42 intent of the ordinance.

43  
44 and this was approved without objection.

45  
46 Mr. Coffey moved, *to amend AO 2008-15(S-2), Section 4 on Page 5, Line 13,*  
47 Mr. Gutierrez seconded, *by adding to read: **Section 4.** This ordinance is effective*  
48 *immediately upon passage and approval of the Assembly "as*  
49 *to new submissions."*

50  
51 Mr. Coffey moved, *to approve AO 2008-15(S-2), reconsidered and amended.*  
52 Mr. Flynn seconded,  
53 and this was approved without objection, 10-0,  
54 with Ms. Johnston as an excused absence.

55  
56 (*Clerk's Note: The body moved to take up the remainder of the Agenda, beginning with 14.A.*)

57  
58 13.B. Ordinance No. AO 2008-94, an ordinance authorizing the Municipality to execute a Participation  
59 Agreement, an Operation and Maintenance Agreement and a Lease Agreement between Chugach  
60 Electric Association (CEA) and Municipal Light & Power (ML&P) for the joint development,  
61 construction, operation, and ownership of the **South Central Alaska Power Project Generation**  
62 **Facility**; authorizing ML&P to expend up to \$3,000,000 to fund its share of the project's 2008 capital  
63 expenditures; and authorizing ML&P to proceed, with CEA, to procure the turbines for the project.  
64 1. Assembly Memorandum No. AM 498-2008. (*Continued from 8-12-08*)

65  
66 Chair Claman read the ordinance title and opened Public Hearing.

67  
68 JOHN GODAMSKY opposed the South Central Alaska Power Project (SCAPP), which was too costly and would not  
69 be good for the city or for residents. The Assembly needed to table the matter until all other options for future power  
70 were considered.

71  
72 RANDY HOBBS urged the Assembly to take more time to consider all the options before moving ahead with the  
73 participation agreement between Municipal Light and Power (ML&P) and Chugach Electric Association (CEA). To Dr.  
74 Selkregg, Mr. Hobbs responded that there were state and federal laws for utilities buying electricity from qualifying  
75 facilities. New generation was needed for ML&P within the service area and CAPP (*Cities Aggregation Power Project*)  
76 was in the center of the city, with tremendous potential to assist ML&P. To Ms. Drummond, Mr. Hobbs responded that  
77 it was recommended that ML&P consider finding legitimate, qualifying generation facilities in its generation planning in  
78 accordance with state and federal law.

1  
2 ROBERT COULTER opposed the participation agreement and requested that the Assembly consider the benefits and  
3 future increased expense to ratepayers. The Assembly needed to review all the facts and consider all significant  
4 alternatives before taking action on a proposal of this magnitude. He requested consideration of an audit and more  
5 information on the benefits, the effects to ratepayers. To Dr. Selkregg, he responded that the features and benefits  
6 involved making the energy more efficient, sharing the power in different ways and considering the need for  
7 efficiencies. To Ms. Drummond, Mr. Coulter responded other locations and designs needed to be considered and  
8 ratepayers needed to know how this would lower utility bills.  
9

10 ROBERT RHINE testified that a utility was required to buy (*electricity*) from a qualifying facility. Things that had not  
11 been addressed included calculating the price the utility would be required to pay, compiling an evaluation, generation  
12 plans, and a review of cost and capacity needs and having the information reviewed by qualifying facilities. To Dr.  
13 Selkregg, Mr. Rhine responded that costs and capacity needs had not been discussed and needed to be determined.  
14

15 JON BUCKHOLDT testified that the only energy source that needed to be considered was from the downtown heat-  
16 producing generator that produced and distributed good heat and would reduce gas consumption in the city.  
17

18 ALBERT LANGDON SWANK, JR., professional engineer and consultant and owner of Langdon Engineering &  
19 Consulting with a history of Alaskan and worldwide power generation experience, urged the Assembly to not authorize  
20 this ordinance and to consider other alternatives for lower costs and private development. Voters had the right to be  
21 involved. To Dr. Selkregg, Mr. Swank responded a project of this magnitude could be privatized. The turbine  
22 purchase was not a time-critical matter. He urged that the matter be handled in an economically responsible fashion.  
23 There were false cost estimates and misleading public statements and it was predicted there would be additional  
24 costs, times three. To Ms. Drummond, he responded that CEA would shut down some Beluga plants and there was  
25 question of what would be operational. Placing the power plant at the proposed location would create transmission  
26 and inter-tie issues that would be added costs. There were better locations for consideration.  
27

28 BOB MAIER, with Alaska Manufactured Housing Association, testified that there were regulatory ramifications with the  
29 joint operation agreement. Municipal utility function was defined in Alaska State Statute Title 42. ML&P was defined  
30 as a competitive utility and an economically regulated political subdivision of the state. Mr. Maier stated if the  
31 competition with CEA was lost, ML&P would become deregulated. The joint agreement needed to be reviewed by the  
32 Regulatory Commission of Alaska (*RCA*). To Ms. Ossiander, Mr. Maier responded that studies had not included the  
33 regulatory ramifications of joint operating agreements. To Dr. Selkregg, he responded Anchorage Water and  
34 Wastewater Utility (*AWWU*) would eventually be affected. To Ms. Gray-Jackson, he urged for the Assembly to read  
35 Title 42, which applied to competition and would affect municipal utilities.  
36

37 REBECCA LOGAN, CEA Board of Directors Chair, urged support for ML&P's participation in the project. It would be  
38 less expensive to build one large plant, rather than two small ones and joint operations would lead to cost savings. It  
39 was encouraged by the Governor's Office and the State Legislature and recommended by the Alaska Railbelt Electric  
40 Grid Authority. The benefits of joint participation would go far beyond this project and a united front would be the best  
41 leverage to maximize use of state resources. To Chair Claman, BRADLEY EVANS, CEO, responded that CEA  
42 supported an agreement between ML&P and CEA on use of the transmission line. To Mr. Starr, Mr. Evans responded  
43 that cooperative agreements had a history of success. Mr. Starr stated this agreement was not exclusive and he  
44 supported the cooperative attitude. He requested that Matanuska Electric Association (*MEA*) be welcomed at the  
45 table.  
46

47 There was no additional testimony and Chair Claman closed Public Hearing and called for a motion.

48  
49 Mr. Coffey moved, to approve AO 2008-94,  
50 Mr. Gutierrez seconded,  
51  
52 Mr. Coffey moved, to amend AO 2008-94 by adding to read: **Section 1.** The  
53 Mr. Flynn seconded, Municipality is authorized to execute the Participation  
54 Agreement, Operation and Maintenance Agreement, and  
55 Lease Agreement between ML&P and CEA, in a form  
56 substantially as presented to the Assembly", provided that it  
57 shall not do so until it reaches a cost sharing agreement with  
58 CEA on the transmission line that connects the SCAPP to the  
59 ML&P system."; And, by adding a new section to read:  
60 "**Section 2.** Prior to executing the Participating Agreement,  
61 ML&P shall obtain a commitment from CEA to seek  
62 economically viable ways to utilize the waste heat from  
63 SCAPP and to share the benefits from such use equitably  
64 between ML&P and CEA."; And, by adding a new section to  
65 read: "**Section 3.** ML&P and CEA are encouraged to  
66 negotiate with MEA to permit MEA to join the SCAPP  
67 project."; And, by renumbering Sections [2] "4," [3] "5" and [4]  
68 "6."  
69

70 To Chair Claman, MARK FOSTER, under contract to the Assembly, and with the Institute of Social and Economic  
71 Research (*ISER*), reported that he had reviewed the ordinance, documents pertaining to the site selection process,  
72 cost estimates and other related studies and issues. He had also reviewed the Integrated Resource Plans of both  
73 ML&P and CEA. Based on his review, he reported the project as documented and presented by the Administration  
74 would be a close call in terms of economic benefits to the ML&P ratepayers and owners receiving dividends.  
75 Outstanding issues include costs of interconnecting the new plant and the ML&P network and the potential value of  
76 waste heat from the generation plant that could be used elsewhere. He encouraged all parties to work towards the  
77 goal of addressing a larger plant proposed for the future that would pick up the MEA load and increase economies of  
78 scale and scope.

1  
2 To Mr. Flynn, Mr. Foster responded that the consolidation of power generation would create an environment where  
3 ML&P and CEA were net beneficiaries of the joint venture. There would be high value when professional people  
4 worked together, building up expertise and mutually solving problems to deliver services more effectively.

5  
6 To Dr. Selkregg, Mr. Foster responded by describing the value of waste heat, standards of scoring, consideration of  
7 potential site contamination, the success factor of selling the joint venture internally, plant construction, the attributed  
8 benefits to the joint venture and the benefit of people working together. The joint venture would allow ML&P to access  
9 state grants. ML&P was currently financially healthy and the incremental benefits would be modest, compared to the  
10 benefits to CEA and other users of the Railbelt Grid. Mr. Foster responded that he had addressed some of the risks,  
11 including planning, distributed costs of a transmission system and a generation plant, site selection and consideration  
12 of the Beluga plants.

13  
14 To Ms. Drummond, Mr. Foster responded the calculation of savings should have compared ML&P's Integrated  
15 Resource Plan that was already developed. Ms. Drummond questioned the value of ML&P's taking on the project.  
16 Mr. Foster responded that there were still outstanding questions concerning the value of ML&P's Beluga gas assets  
17 and who would benefit. Studies indicated that ML&P was the financially strongest utility by far and would benefit the  
18 joint venture by increasing power and increasing efficiencies. He strongly encouraged MEA involvement, which would  
19 bring value to the joint venture by increasing the size of the generation plant and creating efficiencies with respect to  
20 the fuel rate and project development.

21  
22 To Mr. Coffey, Mr. Foster responded his review was limited to ML&P's integrated power systems, power studies and  
23 independent reviews, and whether the management had, with due diligence, determined the project a good  
24 investment. He responded that the most important issues concerned transmission, waste heat and wholesale interest.  
25 Mr. Coffey explained for the record that the Assembly had requested a professional review and stated that Mr. Foster's  
26 duties and responsibilities were with the citizens and with the utility, with respect to serving the citizens. Consideration  
27 was needed to review the future benefits of this project, beyond the economic aspects. It had been determined that  
28 the study was adequate to make a decision; the benefits would move towards more efficient power generation  
29 capacities, the magnitude of risk was small, and; Anchorage would be better served. He would support the project.

30  
31 To Mr. Starr, ML&P General Manager Jim Posey responded that this deal would not prevent other investors from  
32 proposing a joint offer or buyout of ML&P. He stated that ML&P and CEA had 30-year old equipment that needed to  
33 be replaced to maintain power for Anchorage. Mr. Starr stated that ML&P had the money now, but may not in the  
34 future. Mr. Posey responded that this offer was one-half of the increment needed to replace equipment and create a  
35 new generation facility to serve the Anchorage Bowl.

36  
37 To Dr. Selkregg, Mr. Posey responded that CEA would own two-thirds of the joint venture and would manage the site  
38 and construction (*of the new plant*). CEA and ML&P each would continue managing and operating their currently-  
39 owned transmission and generation. A future consideration would be for ML&P to operate all generation aspects and  
40 CEA to manage all distribution aspects. Transmission facilities were aging and maintenance would be necessary,  
41 which could be reviewed by the State of Alaska. Mr. Foster responded that if he were to continue his review it was  
42 unlikely, but possible, to find additional material issues. The matter had been researched for years and had covered  
43 the issues, including waste heat and a site selection. To Dr. Selkregg, MARC MARLOWE responded that the  
44 proposed site would not allow use of waste heat. Using waste heat as a byproduct of the generation was dependent  
45 upon being strategically located, which would be downtown Anchorage, in close proximity to the railroad station and  
46 the military bases. Utilizing the waste heat would increase the fuel efficiency by 20%.

47  
48 To Mr. Gutierrez, Mr. Evans responded that any additions to the partnership agreement would need to be reviewed,  
49 evaluated and negotiated by the board. He responded the proposed amendment was reasonable.

50  
51 Chair Claman called for a vote on the motion to amend.

52  
53 and the motion passed without objection, 10-0,  
54 with Ms. Johnston as an excused absence.

55  
56 To Ms. Ossiander, Mr. Foster explained his methods of determining the cost savings required for his review of ML&P's  
57 Integrated Resource Plan, which had included the utility going forward with a new plant. Comparing the already  
58 developed Integrated Resource Plan with those developed for the joint venture and a new plant showed the economic  
59 comparisons were quite close, with a possible downside risk of extra cost. Mr. Foster responded that the main  
60 strategic consideration was to increase opportunities of accessing state capital.

61  
62 Mr. Flynn stated that this venture involved millions of dollars and the Assembly should have been involved from the  
63 beginning to better understand the benefits of the power generation for the greater good. Achieving consolidation of  
64 power generation providers had been a goal for decades. He would support the joint venture because it was for the  
65 greater good, but he would be watching closely to make sure the objectives were achieved.

66  
67 Ms. Drummond stated that she was still concerned with the costs and the benefits to ML&P ratepayers. Mayor Begich  
68 responded that ratepayers would be protected because the determined risk of 1% was within the margin of error.  
69 Consolidation had been sought for many years, but utilities had not been able to work together to address generation  
70 and transmission. The joint venture among ML&P, CEA and MEA created huge opportunities to access state capital.  
71 Municipal Manager Michael Abbott responded that ML&P's natural gas would not be used for any other benefit without  
72 active participation and approval from many entities, including the RCA and the Assembly.

73  
74 Mr. Gutierrez stated that his district included both ML&P and CEA ratepayers. A joint venture was a good deal for both  
75 sides and was a step forward for both utilities. He would enthusiastically support the project.

76

1 Ms. Gray-Jackson stated that this had been a complex and detailed matter. Assemblymembers had received lots of  
2 information and she thanked Mr. Coffey and the Energy Committee for their review. The joint venture was a good  
3 thing and she would support it.

4  
5 Dr. Selkregg stated that she supported people working together and being committed to benefit the community. It was  
6 worthwhile to give CEA a hand and save money. She was happy with the discussion, but this type of system was  
7 based on technologies from the 1970's and was not designed for today. The system needed to be located closer to  
8 the service areas in the city and able to use the waste heat and create efficiencies. She would not support the  
9 venture, but she looked forward to continuing work with CEA and MEA. The Assembly had been pressured in the last  
10 month to approve this matter and the Assembly would have benefited with careful evaluation of the decisions. With  
11 more research, the Assembly may not have approved this path. She would not support the matter.

12  
13 Mr. Birch stated that he had read the draft proposal from the Alaska Railbelt Energy Grid Authority and he had  
14 concerns with the rushed review of this project. Studies showed there were hundreds of thousands of dollars  
15 proposed for joint operational savings that were not being realized. The proposal was the first step in a \$368,000,000  
16 investment that would be a city-owned asset. There needed to be competition. Many questions still needed to be  
17 resolved and there should not be a rush for the turbine purchase. He would not support the project. Having the  
18 utilities working collaboratively together was a step in the right direction, but he preferred to see this integrated with the  
19 Railbelt study, which would be completed within the next month. He would prefer postponing the matter.

20  
21 Chair Claman stated that the Assembly had the responsibility to consider all the citizens of Anchorage. The Governor  
22 and Legislature had recently distributed \$1200 to all Alaskans for fuel assistance, which would have been better  
23 invested in projects like this. Consolidating and improving the methods of electrical distribution was a step in the right  
24 direction and there was much more to do. He had been encouraged by Mr. Foster's professional analysis and he  
25 would be pleased to support the joint venture.

26  
27 and the main motion, as amended, passed, 7-3.

28  
29 AYES: Starr, Gutierrez, Gray-Jackson, Claman, Ossiander, Flynn and Coffey.

30 NAYS: Birch (*participating telephonically*), Selkregg and Drummond.

31 ABSENT: Johnston, excused.

32  
33 (*Clerk's Note: Mr. Coffey moved for immediate reconsideration of AO 2008-15(S-2) and Chair Claman moved the*  
34 *body to reconsider item 13.A.)*

35  
36 **14. NEW PUBLIC HEARINGS**

- 37 14.A. Resolution No. AR 2008-112, a resolution confirming the assessment roll and levying special  
38 assessments for services on property specially benefited in the **Downtown Business Improvement**  
39 **District, Special Assessment District 1SD97**, setting the dates of assessment, and providing for  
40 assessment billing, payment due dates, application of payments, delinquency, penalties, interest and  
41 costs for delinquency and enforcement and \$71,443 in assessment revenues when tendered to  
42 Special Assessment Fund 271 for services benefiting the property owners in Special Assessment  
43 District 1SD97, Office of Management and Budget.
- 44 1. Assembly Memorandum No. AM 475-2008.

45  
46 Chair Claman read the resolution title and opened Public Hearing.

47  
48 LISA ROGERS, property owner in the Downtown Business Improvement District opposed the assessment. It was  
49 expensive and there were inequities with the assessment methodology. All properties in her area were assessed the  
50 same but did not receive the same service and it was unfair. She had discovered that her next door neighbor was  
51 exempt. She questioned the competency of the Downtown Partnership, which was not accountable to members or to  
52 the public.

53  
54 WILEY BROOKS, owner of two downtown properties, testified against the property assessments and the costs. He  
55 had been told that inequities of the assessments would be addressed. To Mr. Gutierrez, Mr. Brooks responded that  
56 the Hickels, owners of the Captain Cook Hotel, were exempt from the assessment, but received all the services. Mr.  
57 Brooks responded that his property taxes had increased 17% in four years, but the special assessment had increased  
58 68%, and he received no services. Mr. Flynn stated that he had requested the Downtown Partnership Membership  
59 Committee to review the west border and include those properties with the 2010 rebaloting. To Ms. Gray-Jackson,  
60 Ms. Ossiander responded the Assembly had reviewed the boundaries in depth, but there were significant hurdles with  
61 the process and it was decided to wait for the rebaloting.

62  
63 GLENN REID, owner of a small business and three properties, pointed out the problems he had had to the Downtown  
64 Partnership which had responded with security services and support. The tax they paid was well worth the services,  
65 which made the guests and residents feel safe. Other businesses were ready to invest millions of dollars in the area  
66 because it was so safe.

67  
68 CHRIS SCHUTTE, Executive Director of the Downtown Partnership, urged the Assembly to approve the assessment  
69 rolls for the Downtown Improvement District. The Partnership was making improvements to ensure adequate service  
70 to downtown stakeholders. A new maintenance supervisor and a new security supervisor had revolutionized the  
71 system by using a more sophisticated tracking system to follow calls and there was more interaction with stakeholders  
72 to better deliver services. Ms. Gray-Jackson thanked Mr. Schutte for his services and the improvements. Dr. Selkregg  
73 stated that there were different levels of service in the district. Deputy Municipal Attorney Rhonda Westover stated the  
74 Legal Department had reviewed the two-tiered system in 2000 and there had been some problems.

75  
76 There was no additional public testimony and Chair Claman closed Public Hearing and called for a motion.

77  
78 Mr. Flynn moved,

to approve AR 2008-112,

1 Mr. Gutierrez seconded,

2  
3 Mr. Flynn declared a potential conflict of interest because of his part ownership in The Snow City Café, which was just  
4 outside of the west boundary line and affected by this resolution. Chair Claman stated that Mr. Flynn had described  
5 property that was outside of the Downtown Business Improvement District that would not be affected by the vote. Mr.  
6 Flynn did not have a conflict. There were no objections. Mr. Flynn stated that he continually met with the Downtown  
7 Partnership and the staff and board were aware of the concerns. The only opportunity to include the properties along  
8 the western boundary would be at the rebaloting in 2010. It was appropriate to extend the west boundary to L Street  
9 and for all downtown businesses to be assessed.

10  
11 Mr. Coffey stated the Assembly had found it was difficult to address the inequities and adjust the assessment, but had  
12 concluded that a district vote in 2000 had put it in place until 2010. If this was such an important service and a good  
13 deal, it needed to be included in the budget. It was difficult to hit up people for extra money for services that were  
14 really public services.

15  
16 Ms. Drummond stated that this service district affected hundreds of people. She agreed that changes needed to wait  
17 until the rebaloting. There were other larger assessment districts that that did not want to be involved. She stated she  
18 would support the matter now, but would to take an interest in the matter in the future.

19  
20 and the main motion passed, 10-0.

21  
22 AYES: Starr, Gutierrez, Gray-Jackson, Birch (*participating telephonically*), Claman, Selkregg, Drummond,  
23 Ossiander, Flynn and Coffey.

24 NAYS: None.

25 ABSENT: Johnston, excused.

26  
27 14.B. Resolution No. AR 2008-156, a resolution of the Municipality of Anchorage, Alaska, confirming and  
28 levying assessments for the water special improvements within Levy Upon Connection (LUC) Roll 08-  
29 W-1, setting date of payment and providing for penalties and interest in the event of delinquency,  
30 Anchorage Water and Wastewater Utility.

31 1. Assembly Memorandum No. AM 485-2008.

32  
33 Chair Claman read the resolution title and opened Public Hearing.

34  
35 CYNTHIA WILSON testified that Anchorage Water and Wastewater Utility (AWWU) completed the water  
36 improvements in good faith and needed to be reimbursed for their work, but the condominium association needed  
37 more time to resolve the matter. The units in her condominium association were being assessed, based on the  
38 number of condominiums that were built to date. The association was trying to secure a loan to pay off the 42 units to  
39 be assessed and then pay off each member's loan amount, so AWWU was paid off. Then the association hoped to  
40 force the developer to pay for the assessments of the additional 28 undeveloped units, which would reduce the  
41 individual cost. The developer had not stepped forward to pay for his share of the assessment. She requested  
42 additional time to allow the condominium association to resolve the matter. To Dr. Selkregg, she responded the  
43 association would seek a loan to pay for the 70 assessments, which would be repaid to the association by the  
44 developer. To Mr. Flynn, Ms. Wilson responded that the association had had difficulty securing a loan. Mr. Flynn  
45 proposed to postpone action until a later date.

46  
47 There was no additional public testimony and Chair Claman closed Public Hearing and called for a motion.

48  
49 Mr. Coffey moved, to approve AR 2008-156,

50 Ms. Ossiander seconded,

51  
52 To Mr. Flynn, Anchorage Water and Wastewater Utility (AWWU) General Manager Mark Premo responded that  
53 AWWU had completed this project in 2005 and had been working with the association since December 2006, to  
54 resolve the situation. State law was very specific, that the assessments have to be levied on the condominium  
55 property, but the utility did not have the ability to levy the condo association. The development had a potential for 70  
56 units, but only 42 were built today and the levying action was against those units and not against the 28 units not built  
57 yet. The condo association was trying to arrange a loan to pay off the assessment in total and AWWU was willing to  
58 continue to work with them. He requested the Assembly to set a reasonable time to acquire a loan, no later than the  
59 first of 2009. He recommended deleting numbers 1-42, pertaining to the condo association.

60  
61 Mr. Flynn moved, to amend AR 2008-156, Water LUC Roll 08-W-1 AMS 2358,  
62 Ms. Ossiander seconded, Lines 1-14, by adding to read: "Effective date on March 1,  
63 2009."

64  
65 To Mr. Coffey, Mr. Premo responded the interest rate would begin on the assessment date. The term for payment was  
66 five years. Mr. Premo responded that AWWU had gotten a legal opinion on the matter.

67  
68 Mr. Birch supported postponing the matter until March 1<sup>st</sup>.

69  
70 Dr. Selkregg stated she would support the extension, but because this had gone on since 2005, she would not support  
71 an additional extension.

72  
73 Chair Claman stated that he would not support the amendment because no one else from the association showed up  
74 to address the matter.

75  
76 and the motion to amend passed, 6-4.

77  
78 AYES: Gutierrez, Gray-Jackson, Birch (*participating telephonically*), Selkregg, Drummond and Flynn.

1 NAYS: Starr, Claman, Ossiander and Coffey.  
2 ABSENT: Johnston, excused.

3  
4 and the main motion, as amended, passed unanimously.

5  
6 AYES: Starr, Gutierrez, Gray-Jackson, Birch (*participating telephonically*), Claman, Selkregg, Drummond,  
7 Ossiander, Flynn and Coffey.

8 NAYS: None.

9 ABSENT: Johnston, excused.

10  
11 14.C. Ordinance No. AO 2008-91, an ordinance of the Anchorage Assembly amending the zoning map and  
12 providing for the rezoning from PLI-p District to T District for **Tracts 2 and 3, Edmonds Lake Park**  
13 **Subdivision** (Plat 2008-59), consisting of approximately 20 acres; generally located north of the  
14 Glenn Highway (Chugiak Community Council) (Planning and Zoning Commission Case 2008-087),  
15 Planning Department.

16 1. Assembly Memorandum No. AM 492-2008.

17  
18 Chair Claman read the ordinance title and opened Public Hearing.

19  
20 TIM POTTER, representing Eklutna Incorporated (*Inc.*), testified that this was a housekeeping matter related to the  
21 Mount Baldy access and land trade between Eklutna Inc. and the city. It would conform the zoning of the land to the  
22 adjacent Eklutna Inc. land holdings. This was supported by staff and complied with the Comprehension Plan and  
23 Municipal Code and he urged support. To Dr. Selkregg, he responded voters had approved trading 20 acres at Mount  
24 Baldy for 20 acres of Eklutna land and the ordinance changed the zoning of this land to conform to land holdings.

25  
26 There was no additional testimony and Chair Claman closed Public Hearing and called for a motion.

27  
28 Dr. Selkregg moved, to approve AO 2008-91,  
29 Mr. Starr seconded,  
30 and the motion passed without objection, 10-0.

31  
32 AYES: Starr, Gutierrez, Gray-Jackson, Birch (*participating telephonically*), Claman, Selkregg, Drummond,  
33 Ossiander, Flynn and Coffey.

34 NAYS: None.

35 ABSENT: Johnston, excused.

36  
37 (*Clerk's Note: Chair Claman returned the body to complete changes to Title 21.05, Agenda item 11.A.*)

38  
39 15. **SPECIAL ORDERS** There were none.

40  
41 16. **UNFINISHED AGENDA** There was none.

42  
43 17. **AUDIENCE PARTICIPATION** None.

44  
45 18. **ASSEMBLY COMMENTS**

46  
47 Ms. Gray-Jackson introduced two friends in the audience, visiting from California, who had heard that Anchorage had  
48 one of the best city councils in the country. Both visitors thanked the Assembly for the opportunity to attend a meeting.


49  
50 19. **EXECUTIVE SESSIONS** There were none.

51  
52 20. **ADJOURNMENT**

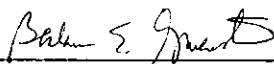
53  
54 Chair Claman called for a motion to adjourn the meeting.

55  
56 Mr. Flynn moved, to adjourn the Regular Assembly Meeting,  
57 and there was no second,  
58 and there were no objections.

59  
60 The Regular Assembly Meeting was adjourned at 10:55 p.m.

61  
62  
63  
64  
65  
66  
67   
68 MATT CLAMAN, Assembly Chair

69  
70  
71  
72 ATTEST:

73   
74 BARBARA GRUENSTEIN, Municipal Clerk  
75 Date Minutes Approved: November 18, 2008.  
76 MC/BG