



ASSEMBLY COMMITTEE OF THE WHOLE WORKSESSION AGENDA

June 26, 2023 at 6:05 PM

Assembly Chambers/Zoom Webinar

Assembly Committee of the Whole Worksession-Immediately following the Special Assembly Meeting. (No public testimony will be taken during the COW Meeting.)

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

A. CALL TO ORDER

B. LAND ACKNOWLEDGEMENT

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land, and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

C. ROLL CALL

D. APPROVAL OF AGENDA

E. APPROVAL OF MINUTES

1. **September 26, 2022 Assembly Committee of the Whole DRAFT Minutes**

F. AGENDA TOPICS

2. **Short Term Rental Ordinance**

3. **BRH proposed purchase of BBGH Development LLC, property**

4. **Aurora Integrated Oncology Foundation – TEFRA Bond Hearing Request**

G. STAFF REPORTS

H. NEXT MEETING DATE

July 17, 2023, 6:00p.m.

I. SUPPLEMENTAL MATERIALS

5. **RED FOLDER - Ordinance 2023-26(b) An Ordinance Creating a Short-Term Residential Rental Registration Program and Providing for a Penalty.**

J. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.gov.

ASSEMBLY COMMITTEE OF THE WHOLE DRAFT MINUTES

September 26, 2022 at 6:30 PM

Assembly Chambers/Zoom Webinar/YouTube Livestream



Immediately following adjournment of the Special Assembly Meeting

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

I. CALL TO ORDER

The Assembly Committee of the Whole Meeting, held in the Assembly Chambers and broadcasted virtually via Zoom immediately following the Special Assembly Meeting 2022-23, was called to order by Deputy Mayor Gladziszewski at 6:29 p.m.

II. ROLL CALL

Assemblymembers Present: Mayor Weldon, Deputy Mayor Gladziszewski, Wade Bryson, Michelle Hale, Alicia Hughes-Skandjis, Greg Smith (via Zoom), Carole Triem, Christine Woll, 'Wáahlaal Gíidaak (via Zoom)

Assemblymembers Absent: None

Staff Present: Deputy City Manager Robert Barr; Municipal Attorney Robert Palmer; Municipal Clerk Beth McEwen; Deputy Clerk Diane Cathcart; Lands Manager Dan Bleidorn; Planning Manager Scott Ciambor; Assistant Municipal Attorney Adam Gottschalk; Finance Director Jeff Rogers

III. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved as presented by unanimous consent.

IV. AGENDA TOPICS

A. Ordinance 2022-06(b)(P) Gastineau Lodge Apartment Update

Mr. Palmer explained that Ordinance 2022-06(b)(P), a loan of \$700,000 to Gastineau Lodge Apartments was before the Assembly again because the ordinance inadvertently included the abbreviation "LLC" in the title and throughout the text. He explained that the way the ordinance was originally drafted was that, should it pass, the CBJ would loan the money to a partnership. In a partnership arrangement the individuals receiving the loan would be personally liable if something moves into default; with an LLC the individuals receiving the loan would not be personally liable and risk shifts from the individuals to the CBJ. Mr. Palmer said the Assembly needed to decide if they were comfortable with the increased risk, in which case

LLC could remain in the title, or if the Assembly was not comfortable with that risk, LLC would need to be removed from the title and the Ordinance would need to be reintroduced.

Ms. Gladziszewski asked if this group was currently an LLC. Mr. Palmer said they were not, but that becoming an LLC is a relatively short process.

Ms. Hale asked if Mr. Palmer knew the preferences of Gastineau Lodge Apartments. Mr. Palmer said he believed the intent of the company was to use an LLC. Ms. Hale pointed out that the Gastineau Lodge Apartments is a partnership between an LLC and an individual.

[Clerk's Note: Ms. Triem stepped left the meeting at 6:33p.m. to attend to the Gastineau Ave. slide event.]

Mayor Weldon said that it was her intent to provide the loan to a partnership and not to an LLC.

MOTION by Mayor Weldon to amend Ordinance 2022-06(b)(P) by striking "LLC" throughout the ordinance and to make sure that it is a partnership throughout the ordinance between the partnership of the other LLC, Mr. Trucano, and CBJ.

OBJECTION Mr. Bryson objected for the purpose of a question. He asked if changing the loan terms so that the individuals would be personally responsible would change their interest in receiving the loan.

Ms. Gladziszewski asked staff if they had the answer to Mr. Bryson's question. Mr. Barr said that only the applicants could answer those questions.

Mr. Steven Soenksen, manager of the Gastineau Lodge Apartments, was present via Zoom, and stated that Mr. Palmer didn't have it quite right. He said they had formed an LLC about a year ago and had applied for this loan as a single entity LLC.

Mr. Soenksen continued to answer questions from the Mayor and Assemblymembers regarding the status of the entity as an LLC vs. a partnership as well as the status of the land as collateral with this loan.

Mr. Bryson r asked if they will go forward with the loan if the Assembly changed the language from an LLC to a partnership. Mr. Soenksen said the LLC is the business entity and they would probably not be interested in a partnership type of loan.

Ms. Gladziszewski asked Mr. Soenksen for clarification if Gastineau Lodge Apartments was an LLC. Mr. Soenksen said the original application included an attachment with LLC paperwork and that they have a state license.

Mayor Weldon asked Mr. Palmer to provide the information that he had available. Mr. Palmer said that this has been a contentious issue for administration up to this point. He stated that “Gastineau Lodge Apartments, LLC” does not exist and they have been looking for proof of it and have been asking Mr. Soenksen for proof of it for a number of months and what they have received in response are partnership documents between Verde Infrastructure Partners, LLC and Douglas Trucano. Mr. Palmer said that as of this evening, September 26, 2022 and during the past month, there was nothing in the State of Alaska Corporation database under the name Gastineau Lodge Apartments, LLC showing that they exist. He said that that is OK as long as there are documents that are forthcoming and staff can review those documents and provide information to the Assembly so they can understand the risk. He said that right now, the entity does not exist.

Mayor Weldon withdrew her motion and her amendment and make a new motion.

MOTION by Mayor Weldon to keep Ordinance 2022-06(b)(P) in the Committee of the Whole until Gastineau Lodge Apartments LLC is an entity and they provided LLC paperwork to prove it.

OBJECTION Mr. Smith objected for the purposes of a question. Mr. Smith asked if they could approve the ordinance and when the paperwork is produced, continue forward then. Mr. Palmer answered that the ordinance has been introduced and it puts us into an awkward position to negotiate with an entity that does not exist.

Mr. Smith retained his objection.

Roll Call Vote on the motion to hold Ordinance 2022-06(b)(P) in the COW until an LLC entity exists

Ayes: Weldon, ‘Wáahlaal Gíidaak, Hughes-Skandjjs, Hale, Bryson, Gladziszewski

Nays: Woll, Smith

Motion carried 6 Ayes, 2 Nays.

Ms. Gladziszewski noted that there was a second question in the memo regarding possibly changing the terms. She asked if any member wished to entertain a motion to change the terms. Hearing none, this matter was concluded.

Ms. Hughes-Skandjjs requested an at ease at 6:55pm.

Mr. Barr announced that they were made aware that during the recent power outage it appears that a landslide occurred on Gastineau Avenue and that Capital City Fire and Rescue and Juneau Police Department were responding. Mr. Barr said they do not have very much

information at this time but that the images that he has are of trees coming down between houses and not on top of houses. He said that he did not believe that any individuals were injured or at risk of injury. He said that CBJ was advising individuals in the area to evacuate as they are expecting more rain throughout the evening and it is not unreasonable to expect possible additional slide activity.

B. THRHA Request to Acquire City Property Located at Pederson Hill

Mr. Bleidorn said that he and members of Tlingit and Haida Regional Housing Authority (THRHA) were available to answer any questions that the Assembly had about a proposed land transfer from CBJ to THRHA. Mr. Bleidorn said that the transfer of Pederson Hill property had been to the Lands, Housing, Economic Development Committee on August 29, 2022, where it received a motion of support, and the Assembly on September 12, 2022 under new business, where it also received a motion of support.

Ms. Gladziszewski asked about the history of CBJ being involved in less than fair market value large land disposals. Mr. Bleidorn said there are few examples of CBJ selling land at less than fair market value. In 1995, CBJ worked with the THRHA to develop affordable workforce housing in the Mendenhall Valley. CBJ had a preliminary plat and worked with THRHA who installed the infrastructure. Afterwards THRHA deeded back to CBJ properties that equaled the value of the property before improvements were made.

Ms. Jacqueline Kus.een Pata, President and CEO of the THRHA, said that in the above case, the Housing Authority developed every other lot generally as rent-to-own properties and other entities developed other lots. One of those entities was the Juneau School District House Build Project. Some of the vacant lots were sold to private individuals for them to build homes within the subdivision. Ms. Pata said that building the houses brought in future revenue to CBJ through property tax benefits.

Mayor Weldon asked Ms. Pata if THRHA is willing to consider donating money to develop a park in the neighborhood. Ms. Pata said yes.

Mr. Bryson asked if a land trade would be possible, such as the backside of Douglas. Ms. Pata said she had not considered that before. The Housing Authority has some parcels of property that are not currently developable but to create affordable housing, they would need easy access to water, sewer, or infrastructure to keep costs down.

‘Wáahlaal Gíidaak asked Ms. Pata if the residents who occupy these homes would be able to provide short-term rentals. Ms. Pata said that this must be people’s primary residence as a condition of purchase.

Mr. Smith asked if these would go mostly to first-time homebuyers. Ms. Pata said that they typically serve first-time homebuyers, with the caveat that they also consider people who currently own a mobile home.

Mayor Weldon asked how many homes are planning to be built. Mr. Bleidorn said that it would be 69 lots total between the two phases of development on 11.5 acres of land. Ms. Pata clarified that there would be a park and there is the potential of up to 69 houses but that they could not say there would be exactly 69 houses. Mr. Bleidorn said that CBJ has a preliminary plat there will likely have some minor changes before it becomes a final plat.

Ms. Gladziszewski asked Mr. Bleidorn if he has all the information he would have gotten if THRHA had gone through the affordable housing application process. Mr. Bleidorn said that there are two different funds: the affordable housing fund and the land fund. He believes that the land fund is the correct place to move this application forward because the affordable housing fund requires some amount of land ownership and in this case CBJ owns the land.

MOTION by Mayor Weldon to pass a motion of support instructing the Manager to negotiate with Tlingit Haida Regional Housing Authority for Phase 1B and 1C of the Pederson Hill subdivision and asked for unanimous consent. *Hearing no objection, the motion passed.*

C. Resolution 2993 A Resolution Amending the Accessory Apartment Grant Incentive Program Criteria Regarding Short Term Rentals.

Mr. Palmer said that at a prior Committee of the Whole meeting 'Wáahlaal Gíidaak requested an amendment to the Accessory Apartment Grant program to limit short-term rental use of the properties. Mr. Palmer said that the draft resolution has two concepts embedded in it; the first would be asking the applicant to promise not to use the property as a short-term rental and the second would be to provide some amount of money upfront and only receive the second half of the money if the unit was not used as a short-term rental in the meantime. 'Wáahlaal Gíidaak said her goal was to return to the original intent of the program, to increase housing availability in the community.

Ms. Hughes-Skandjis, referencing previous Assemblymember Rob Edwardson, said that she believes most people want to follow the law. She recommended amending the resolution so that instead of having multiple payments, that if someone uses the property for short-term rentals then they pay the money back.

Mr. Bryson asked how big of a problem this has been. Mr. Scott Ciambor, Planning Manager, said that, as of last summer when they looked at the data, CBJ had provided around 30 grants total and 8 of those had been short-term rentals at some point and that 4 had been doing it routinely.

Ms. Gladziszewski asked Mr. Ciambor to provide information on how many units/grants had been given out through this program. Mr. Ciambor provided the below statistics for FY18-FY23 with \$96,000 available per year for the program. *He said that in 2020, there had been some backlog due to the COVID pandemic and they are working on bringing those backlogs up to date.

<u>Year Awarded</u>	<u>Total # of Grants Awarded</u>
FY18	6
FY19	7
FY20	10
FY21	2*
FY22	8
FY23	7 pending applications still being processed

Ms. Hale said she had a comment similar to Ms. Hughes-Skandijs’ with respect to the idea of potentially splitting the payments, which is not currently included in the resolution. Ms. Hale said that she didn’t like the idea of splitting the payment because having \$6,000 towards paying the permit fees will go a long way towards doing the work rather than waiting for 5 years before you see the money.

MOTION by ‘Wáahlaal Gíidaak to move Resolution 2993 on to the Assembly and asked for unanimous consent.

OBJECTION by Ms. Woll. She said that the Assembly has not decided how they want to regulate short-term rentals and that she does not want to discourage people from using the program. She said that she understands that the intent of this program is to support housing and that should be the intent of the program. However, she thinks those who are looking at creating housing and using this program will be looking at all the long-term options. Hopefully they will be renting or have some guests in their home. They may possibly be interested in having a short-term rental periodically and she would hate to discourage those folks from taking advantage of this opportunity.

Mr. Bryson thanked Ms. Woll and stated that this program allows for property owners to expand their dwelling space which in turn provides more housing. He said that anyone who uses this program is going to pay more money in property tax over the course of them living in their home than they receive in grant funding from CBJ. He said that limiting the program to limit short-term rentals might be short-sighted.

Ms. Hughes-Skandijs said that she had a few amendments that she would like to make and asked for clarification if she should do it all together or separately. Ms. Gladziszewski asked her to make them individually.

AMENDEMENT #1 by Ms. Hughes-Skandjis on page 26 of the packet (page 2 of the draft resolution), lines 70-71 to add a comma after “rental” and then strike the words “from issuance of the certificate of occupancy for three years, and” So that section 7. Reads:

“Agree not to rent the apartment as a short-term rental a default would cause the property owner to owe the CBJ the grant award...”

OBJECTION by Ms. Hale. She said that this recent Iron Man event was an example where someone might choose to make the property a short-term rental temporarily for the benefit of the community. Mayor Weldon also objected as this being too restrictive and as Ms. Woll noted, the Assembly has not yet made any regulations about Short Term Renewals

Mr. Smith said that the enforcement of this provision is problematic, but philosophically agrees that CBJ money should not be subsidizing short-term rentals.

Roll Call Vote on Amendment #1:

Ayes: Hughes-Skandjjs, Smith, ‘Wáahlaal Gíidaak, Gladziszewski

Nays: Hale, Bryson, Woll, Weldon

Motion failed: 4 Ayes, 4 Nays

Ms. Gladziszewski asked Ms. Hughes-Skandjjs if she had any other amendments. Ms. Hughes-Skandjjs said that in light of the failure of her first amendment, she will refrain from making further amendments.

AMENDMENT #2 by Mr. Smith to page 2 of the ordinance (page 26 of the packet) on line 70, to strike “from issuance of the certificate of occupancy for three years, and a default would cause the property owner to owe the CBJ the grant award.” So that that section would read: ***“Agree not to rent the apartment as a short-term rental. A short-term rental means a dwelling unit, or portion of a dwelling unit, offered for overnight occupancy in exchange for a fee and that is available for rent for fewer than 30 consecutive days.”***

OBJECTION by Mayor Weldon saying that this amendment would take out the teeth of this program.

Mr. Smith said that he agrees that the Assembly has not yet decided how to regulate short term rentals. He commented that property owners can choose to do short term rentals but that this attempts to ensure that public funds are not used to fund them. He would like to see, when someone is signing up for this program, that they sign on the line stating that they will not use it for a short-term rental and to judge it based on that certification and their honor rather than requiring staff to undergo an extensive regulation tracking process.

Ms. Hale spoke to property owners will look at their property options as it evolves over time and that while she would be in favor of limiting it to no short-term rentals during first three years, she would not be in agreement of limiting if forever because life is complex and

circumstances change over time. Mr. Bryson said he agreed with Ms. Hale on limited any prohibitions to only the first three years.

Additional discussion took place with 'Wáahlaal Gíidaak proposing an amendment to Mr. Smith's amendment. Mr. Palmer provided parliamentary guidance and Mr. Smith amended his original Amendment #2 to read as follows:

Amendment #2 revised – Page 2, starting at Line 70 to read:

“Agree not to rent the apartment as a short-term rental from issuance of the certificate of occupancy for three years. A short-term rental means a dwelling unit...” and striking the second portion of the first sentence “and a default would cause the property owner to owe the CBJ the grant award.”

OBJECTION by Ms. Hale, Ms. Hughes-Skandjjs, and Mayor Weldon stating that removing the default portion of the first sentence takes away the teeth of the amendment.

Roll Call Vote on Amendment #2:

Ayes: Smith, Woll, 'Wáahlaal Gíidaak

Nays: Hughes-Skandjjs, Hale, Bryson, Weldon, Gladziszewski

Motion failed: 3 Ayes, 5 Nays

Roll Call Vote on Resolution 2993:

Ayes: 'Wáahlaal Gíidaak, Smith, Hughes-Skandjjs, Hale, Bryson, Weldon, Gladziszewski

Nays: Woll

Motion passed, 7 Ayes, 1 Nay

D. Ordinance 2022-21 An Ordinance Related to Property Tax Appeals and Codifying the Board of Equalization Rules of Procedure.

Mr. Palmer explained that the Board of Equalization (BOE) process could be clearer and more transparent for taxpayer, BOE members, the assessors and any other appeals that might go forward from the BOE. Mr. Palmer noted that Assistant Attorney Adam Gottschalk has served as the legal counsel to the Board of Equalization during the past two appeal cycles. Following those appeal cycles, he helped identify areas of improvement and brought the proposed changes to the BOE for their review. They based some of these changes on the Municipality of Anchorage BOE process and one of the goals of this ordinance proposed is to have appeals earlier in the year. The version of this ordinance in the packet is the version that the BOE would like to see adopted which codifies the BOE policies and makes changes to the process. Mr. Palmer stated that we currently have only five members on the BOE and four vacancies and those five members are shouldering the burden of the whole process. He said that if they lose even one more member, they would lose quorum and those appeals would revert to the Assembly for sitting as the BOE.

Adam Gottschalk provided an in-depth explanation of the changes proposed. He noted that there are fourteen pages of changes highlighted and explained that this ordinance is codifying what they already do but also adding additional language based on the Municipality of Anchorage processes. Mr. Gottschalk then proceeded to answer a number of follow up questions from the Assembly. Mr. Palmer said that he will follow up with answers to some of the questions that they asked and noted that the goal is to bring this ordinance back to a future COW.

E. Off Street Parking Management

Mr. Barr explained that the Parks and Recreation department manages two downtown parking garages and two parking lots. Daily, monthly, and annual payment for parking at all four facilities is cumbersome for both the public and staff. CBJ intends to put out a request for proposals for a major parking vendor to improve the process. This would come back to the Assembly again before anything is finalized. Mr. Barr also asked the Assembly their thoughts about charging for on-street parking, as any solutions CBJ pursues for off-street parking would need to take that into account.

Mr. Bryson said that it would make more sense to have a parking analysis done before any major changes were made. Mr. Barr answered that CBJ needed to change the way they manage off-street parking regardless of what came out of a study.

Mr. Smith asked if this would impact CBJ staffing levels. Mr. Barr said he does not anticipate any city employees losing their jobs. Mr. Smith asked if any duties currently being performed by CBJ staff would shift to a contractor. Mr. Barr answered that some duties would, such as manual printing and laminating of parking permits would shift to an electronic system managed by a contractor.

Ms. Gladziszewski asked the Assembly to share their brief thoughts on charging for on-street parking. The consensus was to incentivize people to park in the lots by charging for on-street parking in some way.

V. STAFF REPORTS

Mr. Barr provided an update about the landslide on Gastineau Avenue, saying that no one was injured but there was damage to two houses. He said they will not be able to clear away debris until daylight and power cannot be restored until after the debris is cleared.

VI. SUPPLEMENTAL MATERIALS

VII. ADJOURNMENT

There being no further business, the meeting adjourned at 8:21p.m.

MEMORANDUM

CITY/BOROUGH OF JUNEAU
 City & Borough Manager's Office
 155 S. Seward St., Juneau, Alaska 99801
robert.barr@juneau.gov



Voice (907) 586-5240
 Fax (907) 586-5385

DATE: June 26, 2023

TO: Deputy Mayor Gladziszewski & Assembly Committee of the Whole

FROM: Robert Barr, Deputy City Manager

SUBJECT: Short-term rental registration program

Background

The Assembly took public testimony on the proposed ordinance 2023-23 which would create a short term rental (STR) registration program in the CBJ sales tax office. Much of that testimony was opposed, which resulted in the ordinance being referred to the COW.

The CBJ is not the first jurisdiction to put such a registration program in place, in fact it is becoming more and more common throughout the Lower 48, and this ordinance is based off similar programs in other jurisdictions who were facing the some of the same problems Juneau faces now.

While staff believe that the underlying concerns about a sales tax registration program were largely opposition to regulation of STRs that are likely to follow, rather than the registration program itself, I did want to respond to some of the concerns raised.

Amenities

It was clear that there were misunderstandings around what staff would be asking for under amenities. While there was never an intent to require STR operators to inventory their units, we heard the testifiers loud and clear and have removed that in the current version of the ordinance. The sole purpose of having this requirement was to be able to distinguish properties (owners advertise the same property differently on different platforms), in hindsight it is unnecessary.

Registration will be onerous

Attached to this memo you will find a draft of the registration form the sales tax office intends to use. This form is one page, single-sided, and should be able to be filled out by most STR operators in less than five minutes. The form will be available on the CBJ website as a fillable PDF or paper copies will be available at City Hall, and merchants will be able to submit the form via email, mail, or in person.

Registrations will need to be renewed on an annual basis. This is because gig-economy business ventures such as STRs can come and go quickly. The Sales Tax Office has experienced that operators often overlook reporting to the sales tax office when they close. To maintain the best quality data on the STR inventory going forward, an annual registration will be key.

Renewal of the registration will be set around the calendar year. Since the initial registration period will be starting more than halfway through the current calendar year, registrations will be good through CY2024. The sales tax office will use the contact information provided to send out reminders to registered STRs ahead of the deadline every year.

Displaying a registration number in listings

The ordinance does require STR operators to display their registration number in their listings. This will allow the city's contractor to quickly and easily match registrations to listings and identify listings that are out of compliance for quick follow-up by sales tax office staff.

Concern was expressed that not all STR platforms have the ability to display a registration number. CBJ is not the first jurisdiction to put an STR registration program in place and require display of a number like this and all of the platforms have had to adapt to the regulations. Some platforms may not offer that field if it is not required for operators in a specific jurisdiction, but they will turn it on when the ordinance is passed.

One testifier asked why sales tax account numbers could not be used instead of a separate registration; sales tax numbers are considered confidential information and can potentially be used to gain access to a merchant's sales tax account. Additionally, for sales tax purposes, the business is registered with a single address and business name. A single business can operate multiple STRs at various locations.

STR advertising and rentals come in many shapes and sizes, even for the same location. There are several variations and relationships that can be mitigated with the display of a registration number in an STR listing.

- STR platforms often obscure details including street address and the full legal name of the operator.
- STRs may be listed multiple times on the same platform under different listing names.
- A STR operator may not be the property owner and may manage multiple listings.
- There may be multiple short term rental units available on a property (at one address or one parcel number) and a home may be listed as a complete house, as well as individual rooms within a house.

Penalties for noncompliance

As drafted, the ordinance would impose a fine of \$25 per day that an operator lists an STR for rent without registering. With an effective date now amended to 90 days from adoption of the ordinance, that should give sufficient time for current operators to get registered.

The sales tax office will send out a mailing to merchants with existing sales tax accounts where we are aware that they are operating an STR. In addition, staff will put out a press release and social media blasts to get the word out to operators. Staff will also notify the STR platforms of this requirement, and anticipate that they will communicate it to their users. STR operators wanting to operate legally should have no concerns about his penalty.

Hotels are exempt, Bed & Breakfasts are not

Hotels are exempt in the revised draft Ordinance largely because hotel rooms for rent are not taking up valuable housing stock like other short term rental operations. Because the purpose of this registration is truly to understand the impact of STRs on the housing stock in Juneau, hotels are out of scope. Hotels are already generally easy to identify in the STR data.

Bed & Breakfasts are not exempt under this ordinance for similar reasons – they do generally take up buildings that could be long term housing. In addition, there is not a clear distinction between a Bed & Breakfast and other listings on STR platforms as many offer similar setups.

Why 30 days

The definition of a transient residential rentals as fewer than 30 days already exists several places in CBJ code. Importantly, that is the threshold for collecting hotel-room taxes, as well as the point at which a landlord is not required to collect sales taxes on residential rentals.

Recommendation

The STR registration program will require effort on the part of the STR owner/operator; however, the intent Ordinance 2023-23 is to maximize the quality of housing data for the Assembly and minimize the inconvenience for the STR owners. STR registration will allow the Assembly to collect and analyze quality data leading to an understanding of the STR industry's impact on housing affordability in Juneau.

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Presented by: The Manager
Presented: 05/08/2023
Drafted by: S. Layne

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2023-26(b)

An Ordinance Creating a Short-Term Residential Rental Registration Program and Providing for a Penalty.

WHEREAS, the City & Borough of Juneau is facing a severe housing shortage; and

WHEREAS, an increase in short term rental properties is believed to be one of the factors having an impact on available long term housing, but there is a lack of quality data to understand the extent of that impact; and

WHEREAS, short term rental listings are very fluid and utilize multiple platforms; and

WHEREAS, sales tax account numbers are considered confidential information; and

WHEREAS, “gig economy” entrepreneurs operating businesses through third-party platforms like Airbnb frequently and typically do not understand that it is their responsibility to register with the sales tax office and collect and remit sales tax and hotel bed taxes; and

WHEREAS, CBJ places great importance on the need to treat similarly situated businesses the same, and that sales tax compliance is a necessary feature of an equitable marketplace; and

WHEREAS, the purpose of this Ordinance is to ensure that CBJ has adequate information so that it can have proper policy consideration of other regulatory ideas and debate whether they are necessary or not.

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

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Title. Title 69 Revenue and Taxation, is amended by adding a new Chapter 40, to read:

Chapter 69.40 – SHORT-TERM RESIDENTIAL RENTAL REGISTRATION PROGRAM

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69.40.005 Short-Term Residential Rental Registration Program Intent.

The purpose and intent of this chapter is to require registration of short-term residential rentals within the City and Borough of Juneau. An operator offering or using a property as a short-term residential rental shall annually register such property in the short-term residential rental registry maintained by the CBJ Sale Tax Office.

69.40.010 Definitions.

The following words, terms, and phrases, when used in this chapter shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

Guest means an individual, corporation, partnership or association paying monetary or other consideration for the use of a short-term rental.

Operator means a person, firm, corporation or other legal entity who furnishes, offers for rent or otherwise makes available in the City and Borough rooms for monetary or other consideration, whether acting directly or through an agent or employee.

Person means an individual natural person.

Property and properties means a real estate offered by an operator as a short-term residential rental.

Rent and rents mean the amount paid or promised, in terms of money, as consideration for the use by a transient of a room in a hotel, motel or other place of public accommodation.

Short-Term Residential Rental means a dwelling unit that is rented, leased, or otherwise advertised for occupancy for a period of less than 30 days.

Transient means a person who occupies or rents a unit, room or rooms for fewer than 30 consecutive days for the purpose of habitation.

69.40.020 Registration required.

- (a) The operator of a short-term residential rental must register with the CBJ sales tax office on a form or platform specified by the CBJ prior to offering a unit for rent.
- (b) Registration must be renewed annually.
- (c) The CBJ will provide a rental registration number for each registered short-term residential rental. The registration number must be displayed on each advertisement or public listing for a short-term residential rental that the operator or operator’s designee maintains.
- (d) There is no fee for registration.
- (e) The operator shall provide the CBJ with the following at the time of registration:
 - (1) A copy of their State business license.
 - (2) Name, address, phone number, and email address for the operator or operator’s designee.

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(3) Contact information for an emergency point of contact for the operator or operator’s designee who is responsible for responding to complaints or emergencies in a timely manner, in person, if required by public safety personnel, or over the phone or by email at any time of day.

(4) A general description of the short-term residential rental unit, to include: address, property type, number of bedrooms, capacity, and amenities provided.

(f) If there is a change in the information submitted pursuant to subsection (e) of this section, a new registration must be completed within ten business days.

69.40.030 Penalty.

(a) Renting, or offering for rent, a short-term residential rental without complying with the registration requirement in 69.40.020 is prohibited.

(b) An operator required to register a property pursuant to this chapter who offers or uses such property without being registered is subject to a penalty in the amount of \$25 per violation. A separate violation shall be deemed committed each day during or on which a property is offered or used as a short-term residential rental without registration. Such operator may not offer or use, or continue to offer or use such property for a short-term residential rental, unless and until the penalty is paid and the property is properly registered.

69.40.040 Exemptions.

(a) The registration required under this chapter shall not be required of:
Hotels required to keep a register under Title 20.10 and taxed pursuant to Title 69.07.

Section 3. Amendment of Section. CBJC 03.30.070 Violations; civil fines, is amended to read:

03.30.070 Violations; civil fines.

(a) Notwithstanding any provision of the CBJ Code to the contrary, the offenses listed in the table below shall be considered violations subject to a civil fine not to exceed that set forth in the table below; payment of the listed civil fine shall be accepted in satisfaction of the violation; and the violation shall be subject to the procedure set forth in CBJ 03.30.075—03.30.085:

CBJ	Type of Violation	Civil Fine
...
69.40	SHORT-TERM RESIDENTIAL RENTAL REGISTRATION PROGRAM	
69.40.020	Registration required	\$25.00
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Section 4. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2023.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk



Finance Department - Sales Tax
155 S Seward St, Juneau AK 99801
Ph (907) 586-5265 Fax (907) 586-0365
Sales.Tax.Office@juneau.gov

2023 SHORT TERM RENTAL REGISTRATION FORM

CBJ USE ONLY		
STR Registration #:	Date:	Initials:

SECTION 1. SHORT TERM RENTAL UNIT INFORMATION

Business Name:		
DBA/Additional Name Used:		
AK Business License No.	CBJ Sales Tax Acct. No.	
Physical Address (Street Address):		
# of Bedrooms:	Overnight Capacity:	
Property Type: <i>(select <u>one</u> that best describes property being rented)</i>	Listing Type: <i>(select <u>one</u> that best describes short term rental listing)</i>	
<input type="checkbox"/> House	<input type="checkbox"/> Suite (private bath)	<input type="checkbox"/> Entire Home/Apt
<input type="checkbox"/> Condo	<input type="checkbox"/> Bedroom (shared bath)	<input type="checkbox"/> Private Room
<input type="checkbox"/> Townhome	<input type="checkbox"/> Camper/RV	<input type="checkbox"/> Shared Room
<input type="checkbox"/> Apartment	<input type="checkbox"/> Boat	<input type="checkbox"/> Bed & Breakfast (multiple bedrooms/suites)

SECTION 2. PROPERTY OWNER CONTACT INFORMATION

Owner Name(s):		
Phone:	Email:	
Mailing Address:		
City:	State:	Zip:

SECTION 3. PROPERTY MANAGEMENT CONTACT (IF NOT OWNER MANAGED)

Contact Name:	Company:	
Phone:	Email:	
Mailing Address:		
City:	State:	Zip:

I understand that this registration is valid until December, 31, 2024, and I will need to renew annually while I continue to list my short term rental unit.

Signature: _____ Date: _____

Printed Name: _____



City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801

Telephone: 586-5240 | Facsimile: 586-5385

To: Deputy Mayor Gladziszewski and Assembly Committee of the Whole

From: Rorie Watt, City Manager

Re: Proposed Purchase of BBGH Development LLC property by BRH

An Ordinance appropriating \$8.1M from the Hospital Fund balance for the purchase of property owned by the BBGH Development LLC group is set for public hearing on July 10th. BRH commissioned and recently received an appraisal from a commercial appraiser that values the property at \$8,227,000.

Attached is a memorandum from BRH on this topic, tonight is an opportunity for the Assembly to ask questions on this matter, no action is necessary.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartletthospital.org

DATE: June 22, 2023
 TO: City and Borough of Juneau Assembly
 FROM: Nate Rumsey
 RE: BBGH Development, LLC Property Acquisition – Bartlett Value Proposition

EXECUTIVE SUMMARY:

In alignment with Bartlett strategic growth initiatives and in the face of a highly competitive and dynamic business environment, the acquisition of the BBGH property located at 3200 & 3230 Hospital Drive, Juneau, AK remains a top priority. The property includes over 21k sqft. of medical and commercial space in two buildings on a 53k sqft. parcel (see Figure 1). Suitable clinical and healthcare administration space is challenging to come by in the current real estate market, and this acquisition would not only dramatically increase Bartlett’s (BRH) space for growth near our existing campus but prevent market competitor growth at this location (see Figure 2). Additionally, the existing BBGH property offers steady commercial rental income, providing immediate access to positive cash flow.

VALUE PROPOSITION HIGHLIGHTS:

Strategic and Financial Value:

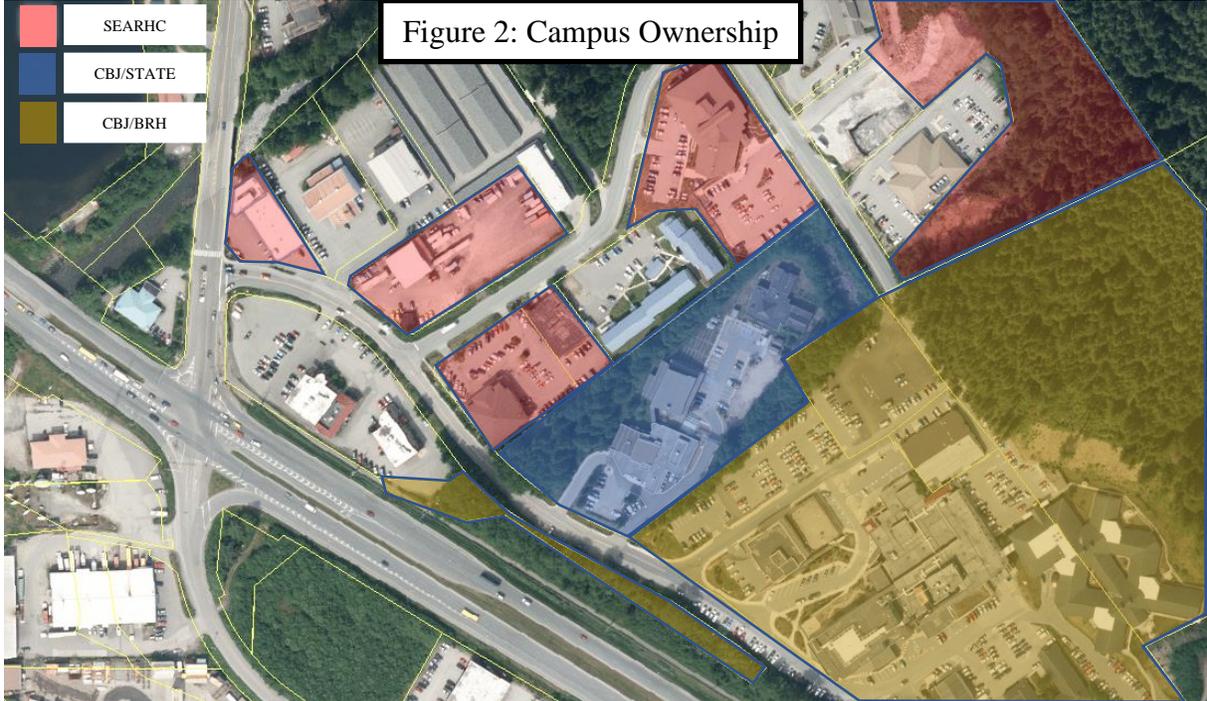
- The JBJC parcel and facility footprint offers potential for lease growth, space for incorporation of existing BRH services, and future expansion through building additions and construction.
- The property is located immediately adjacent to an existing CBJ owned, identically zoned parcel (to the southeast) that offers additional expansion opportunities (see attachment).
- Space available at the JBJC property would directly facilitate the comprehensive renovation and expansion of the Main Hospital building envisioned in the 2021 Facility Master Plan.
- Increasing BRH’s footprint is necessary to address existing clinical space shortfalls identified in the 2021 Facility Master Plan, including Surgical Services, PT/OT/ST, and Obstetrics.
- Owning this facility would strengthen BRH’s affiliation with the orthopedic specialty and grow this service line:
 - In a 2020 assessment by ECG Management Consultants, Bartlett was subject to over \$12M in inpatient leakage (Medicare only), much of this within the Orthopedic specialty.
 - Growth in the 65 and older cohort will drive increased utilization for orthopedic services, with approximately 17% of all inpatient Medicare payments already attributed to orthopedic surgery.
- Bartlett could anticipate a monthly commercial lease income stream of \$55-\$60k (\$660k-\$720k annually).



Figure 1: BBGH Site Plan



Figure 2: Campus Ownership



Presented by: The Manager
Introduced: May 17, 2023
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-06(b)(AX)

An Ordinance Appropriating \$8,100,000 to the Manager for the Purchase of the Juneau Bone and Joint Center Building at 3220 Hospital Drive; Funding Provided by Hospital Funds.

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

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$8,100,000 for the purchase of the Juneau Bone and Joint Center Building at 3220 Hospital Drive.

Section 3. Source of Funds

Hospital Funds \$8,100,000

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

Adopted this _____ day of _____, 2023.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk



City and Borough of Juneau
 City & Borough Manager's Office
 155 South Seward Street
 Juneau, Alaska 99801
 Telephone: 586-5240 | Facsimile: 586-5385

To: Deputy Mayor Gladziszewski and Assembly Committee of the Whole Date: 6/23/2023
 From: Rorie Watt, City Manager
 Re: AIOC – Request for Assembly Hearing on TEFRA Bonds

A new Alaska non-profit – the Aurora Integrated Oncology Center (AIOC) proposes to acquire several for profit oncology clinics in Alaska and proposes to use Federal tax exempt financing known as TEFRA bonds. Their stated purpose is to form a state-wide non-profit organization that would provide oncology services (initially) in at least Juneau, Kenai, Anchorage and the Mat-Su. AIOC would purchase the Juneau based Southeast Radiation Oncology Center and its physical properties with funding from these bonds.

According to AIOC, the IRS requires the local governing body to hold a public “TEFRA Hearing” and adopt a Resolution “approving the issuance” of these bonds. The Kenai Peninsula Borough has already passed such a Resolution (attached) and AIOC advises that they are working with the Municipality of Anchorage and the Mat-Su Borough to do the same.

We do not have expertise in TEFRA bonds and we are advised that it is largely left to the Assembly to decide on the merits that it chooses as to whether or not to approve such a Resolution. We have communicated with our contract bond counsel and not received additional guidance. Obvious positive factors for approving the issuance of bonds include the likelihood that a statewide organization will enjoy better buying power for expensive medical equipment and supplies, more options for staffing recruitment and training, access to valuable financing, coordination on medical care amongst the oncology centers, and stability of service (each individual privately held company would no longer have the challenge of business continuity as operating partners mature in their careers). All of the information provided in your packet is from AIOC.

BRH CEO David Ketih has indicated that the hospital is not at all likely to compete in this health care service line and that he expects to be able to coordinate health care services with AIOC. He also believes that under this model that there is a better likelihood of provision of a more robust oncology services in Juneau than the current situation allows. Mr. Keith also advises that the organizer of the non-profit and individual clinics that would be acquired all have very good reputations in the Alaska health care community.

AIOC advises that their non-profit board will consist of the following members:

Bill Popp, Chairman – President & CEO Anchorage Economic Development Corporation (Independent Community Director)

Michele Brown, Vice Chair – Senior Fellow Rasmuson Foundation (Independent Community Director)

Donna Galbreath, MD, Secretary – Medical Director South Central Foundation (Independent Community Director)

William Magnuson, MD – Medical Director Anchorage Radiation Oncology Center (Foundation practice physician Director)

Greg Merrill – President Radiation Business Solutions (Foundation management company Director)

If the Assembly supports a Resolution approving the issuance of TEFRA bonds, I would recommend inclusion of the following Whereas clause:

Whereas, the Assembly has been asked by Aurora Integrated Oncology Foundation, a Delaware not for profit corporation (the "Borrower") for assistance related to the issuance of certain TEFRA revenue bonds. The statements of fact made in this Resolution are based upon representations made by the Borrower, upon which the Assembly has relied.

If the COW wishes to approve the issuance of the TEFRA bonds, by motion the COW should forward a request for a Resolution to be publicly noticed in accordance with IRS requirements and set for public hearing at the next regularly scheduled Assembly meeting. I would then work with the Attorney to place such a Resolution on the agenda.

To: [Name, Title], City and Borough of Juneau

From: Greg Merrill, President, Radiation Business Solutions

Date: June [__], 2023

Re: Resolution Approving the Financing of the Aurora Integrated Oncology Foundation Treatment Facilities Located within Juneau

The Public Finance Authority, a commission organized under Wisconsin Statutes (the “Issuer”) has received a request from Aurora Integrated Oncology Foundation, a Delaware not-for-profit corporation (the “Borrower”) and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) to issue one or more series of the Issuer’s qualified 501(c)(3) conduit revenue bonds, as defined in Section 145 of the Code, in a maximum aggregate par amount not to exceed \$250,000,000 (the “Bonds”) to (a) either via the acquisition of the membership interests in the entities that own such assets or through the acquisition of such assets directly, finance the acquisition of (i) various existing radiation oncology centers located in the State of Alaska including, without limitation, the real estate and equipment related to such centers, including a radiation oncology facility located within the boundaries of the City and Borough of Juneau (the “Juneau Treatment Facility”) and a medical office building and a patient house located in City and Borough of Juneau (the “Juneau MOB and Patient House”), and (ii) a professional physician practice providing physicians to provide services in such existing radiation oncology centers, (b) fund one or more debt service reserve funds; and (c) pay costs incurred in connection with the issuance of the Bonds. On the date of issuance of the Bonds, the Juneau Treatment Facility will be owned by the Borrower, and will be located at 1701 Salmon Creek Lane, Juneau, Alaska and expected to be acquired for a par amount of not more than \$45,000,000, and the Juneau MOB and Patient House will be owned by RBS Evolution of Juneau, LLC, the sole member of which is the Borrower, and will be located at 1701 Salmon Creek Lane and 10736 Mendenhall Loop Road, Juneau, Alaska , respectively, and expected to be acquired for a par amount of not more than \$6,500,000. The remaining portion of the proceeds of the Bonds will be used to finance the acquisition of existing radiation oncology centers, real estate, equipment and a professional physician practice as described above in the City of Palmer, Alaska, the City of Soldotna, Alaska and the Municipality of Anchorage, Alaska, as well as for the other uses described above.

Under no circumstances will the City and Borough of Juneau, Alaska (“Juneau”) (or any of the other approving jurisdictions within the State of Alaska) be in any way obligated to repay any portion of the Bonds or in any other way incur any liability related thereto and the Bonds will be special limited obligations of the Issuer payable only from revenues and resources provided or arranged by the Borrower to be pledged to the payment of the Bonds and any credit enhancement arranged for by the Borrower.

The Internal Revenue Code of 1986 (the “Code”) authorizes the issuance of revenue bonds for a “qualified 501(c)(3) entity,” such as the Borrower and Section 147(f) of the Code requires that qualified 501(c)(3) bonds be approved by the applicable elected representatives of the governmental units having jurisdiction over the areas in which the assets being financed by the Bonds are located (the “TEFRA Approval”). The members of the Assembly of Juneau (the “Assembly”) are the applicable elected representatives of the governmental unit having jurisdiction over the area in which

the portion of the Project consisting of the Juneau Treatment Facility and the Juneau Patient House being financed with a portion of the proceeds of the Bonds is located.

The Borrower respectfully requests that the Assembly approve the financing of the Juneau Treatment Facility and the Juneau Patient House and the issuance of the Bonds in order to satisfy the requirements of the Code.

In connection with the TEFRA Approval, the Assembly is required by the Code to conduct a public hearing (the “TEFRA Hearing”) to provide a reasonable opportunity for members of the public to express their views regarding the issuance of the Bonds and the uses and purposes of the proceeds of the Bonds. Juneau is required by Section 147(f) of the Code to provide adequate notice (the “TEFRA Notice”) of the TEFRA Hearing. To meet that requirement, the TEFRA Notice is required to be published in a newspaper of general circulation, or posted to the portion of Juneau’s website where it regularly posts notices to the public, in each case, at least seven days before the TEFRA Hearing. Usually, the TEFRA Hearing is held on the same day as the Assembly meeting considering the TEFRA Approval, but the TEFRA Hearing can be held separately as long as the TEFRA Hearing is held prior to the Assembly meeting considering the TEFRA Approval. We can provide a script for the TEFRA Hearing if desired and would also be pleased to arrange for the newspaper publication of the TEFRA Notice, if required.

The Borrower also respectfully requests that Juneau (a) provide any comments or questions regarding the TEFRA Notice or the form of resolution attached hereto constituting the TEFRA Approval by [____], 2023, (b) confirm whether any Juneau public notice rules require the TEFRA notice to be posted in a newspaper of general circulation or on a website where Juneau regularly posts notices to the public and (c) inform the Borrower of the date of the TEFRA Hearing and the date that the TEFRA Approval will be considered by the Assembly.

In connection with such requests, it is our pleasure to enclose the following:

- a. Form of TEFRA Notice;
- b. Form of Resolution of the Assembly of Juneau, approving of the financing of the Juneau Treatment Facility and the Juneau Patient House within the boundaries of Juneau; and
- c. Form of Certificate of Resolution.

Following adoption of the resolution, please have the attached Certification of Resolution completed by the Municipal Clerk and a certified copy of the resolution, as well as a certified copy of the published notice and an affidavit of publication from the publishing newspaper (if published in a newspaper), sent to Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer, c/o Les Krusen at 401 Union Street, Suite 3300, Seattle, Washington 98101.

We appreciate Juneau’s assistance in connection with the issuance of the Bonds by the Issuer to facilitate the purchase of the Juneau Treatment Facility and the Juneau Patient House by the Borrower. In the event you have any questions about the enclosures or the process, please don’t hesitate to contact me.

encl: Form of TEFRA Notice
Form of Resolution
Form of Certificate of Resolution

NOTICE OF PUBLIC HEARING

[____], 2023
[__:__] [a.m./p.m] Alaska time
City Hall, Conference Room [224]
155 South Seward Street
Juneau, Alaska 99801

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Assembly (the “Assembly”) of the City and Borough of Juneau, Alaska (“Juneau”), on [____], 2023, at [____ a.m./p.m.] (or as soon thereafter as practicable) in Conference Room [224] at City Hall, located at 155 South Seward Street, Juneau, Alaska 99801, regarding the proposed issuance by the Public Finance Authority (the “Issuer”) of the Issuer’s qualified 501(c)(3) bonds, as defined in Section 145 of the Internal Revenue Code of 1986 (the “Code”), for one or more health care facilities, in one or more series, in a par amount not to exceed \$250,000,000 (the “Bonds”).

The proceeds from the sale of the Bonds, together with the proceeds of certain taxable bonds to be issued by the Issuer, will be used by the Issuer to make a loan to Aurora Integrated Oncology Foundation, a Delaware not-for-profit corporation and an organization described in Section 501(c)(3) of the Code (the “Borrower”), to (a) either via the acquisition of the membership interests in the entities that own such assets or through the acquisition of such assets directly, finance the acquisition of (i) various existing radiation oncology centers located in the State of Alaska including, without limitation, the real estate and equipment related to such centers, including a radiation oncology facility located in Juneau (the “Juneau Treatment Facility”) and a medical office building and a patient house located in Juneau (the “Juneau MOB and Patient House”), and (ii) a professional physician practice providing physicians to provide services in such existing radiation oncology centers, (b) fund one or more debt service reserve funds; and (c) pay costs incurred in connection with the issuance of the Bonds. On the date of issuance of the Bonds, the Juneau Treatment Facility will be owned by RBS Evolution of Juneau, LLC, the sole member of which is the Borrower, and will be located at 1701 Salmon Creek Lane, Juneau, Alaska and expected to be acquired for a par amount not more than \$45,000,000, and the Juneau MOB and Patient House will be owned by the Borrower, and will be located at 1701 Salmon Creek Lane and 10736 Mendenhall Loop Road, Juneau, Alaska, respectively, and expected to be acquired for a par amount not more than \$6,500,000. The other facilities located outside of Juneau will each be subject to a separate public hearing in the jurisdiction in which the respective facility is located.

Under no circumstances will Juneau be in any way obligated to repay any portion of the Bonds. The Bonds will be special limited obligations of the Issuer, payable solely from sources provided for by the Borrower in connection with the issuance of the Bonds.

Section 147(f) of the Code requires that qualified 501(c)(3) bonds, such as the Bonds, must be approved by the applicable elected representatives of the governmental unit having jurisdiction over the area in which the assets being financed by the Bonds are located. The Assembly, as the applicable elected representatives of Juneau, will consider a Resolution approving of the issuance of the Bonds by the Issuer to finance the Project.

The purpose of the public hearing is to provide a reasonable opportunity for members of the public to express their views, orally or in writing, regarding the issuance of the Bonds and the uses and purposes of the proceeds of the Bonds. The hearing will be conducted in a manner that provides a reasonable opportunity for persons with differing views to be heard on the question of the issuance of the Bonds. Written comments may be delivered at the public hearing or mailed to Juneau at the address indicated above.

This notice is published pursuant to the public approval requirements of Section 147(f) of the Code.

Published: [_____] , 2023

CITY AND BOROUGH OF JUNEAU, ALASKA

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

Serial No. [____]

A Resolution Approving the Issuance of the Public Finance Authority Revenue Bonds, Series 2023 (Aurora Integrated Oncology Foundation) in a Maximum Aggregate Par Amount not to Exceed \$250,000,000.

WHEREAS, the Public Finance Authority (the “Issuer”), a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended, has received a request from Aurora Integrated Oncology Foundation, a Delaware not-for-profit corporation (the “Borrower”) and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) to issue one or more series of the Issuer’s qualified 501(c)(3) conduit revenue bonds, as defined in Section 145 of the Code, in a maximum aggregate par amount not to exceed \$250,000,000 (the “Bonds”) to (a) either via the acquisition of the membership interests in the entities that own such assets or through the acquisition of such assets directly, finance the acquisition of (i) various existing radiation oncology centers located in the State of Alaska including, without limitation, the real estate and equipment related to such centers, including a radiation oncology facility located within the boundaries of the City and Borough of Juneau (the “Juneau Treatment Facility”) and a medical office building and a patient house located in City and Borough of Juneau (the “Juneau MOB and Patient House”), and (ii) a professional physician practice providing physicians to provide services in such existing radiation oncology centers, (b) fund one or more debt service reserve funds; and (c) pay costs incurred in connection with the issuance of the Bonds; and

WHEREAS, on the date of issuance of the Bonds, the Juneau Treatment Facility will be owned by RBS Evolution of Juneau, LLC, the sole member of which is the Borrower, and will be located at 1701 Salmon Creek Lane, Juneau, Alaska and expected to be acquired for a par amount of not more than \$45,000,000, and the Juneau MOB and Patient House will be owned by the Borrower, and will be located at 1701 Salmon Creek Lane and 10736 Mendenhall Loop Road, Juneau, Alaska, respectively and expected to be acquired for a par amount of not more than \$6,500,000; and

WHEREAS, the remaining portion of the proceeds of the Bonds will be used to finance the acquisition of existing radiation oncology centers, real estate, equipment and a professional physician practice as described above in the City of Palmer, the City of Soldotna, Alaska, and the Municipality of Anchorage, Alaska, as well as for the other uses described above; and

WHEREAS, the Internal Revenue Code of 1986 (the “Code”) authorizes the issuance of revenue bonds for a “qualified 501(c)(3) entity,” such as the Borrower; and

WHEREAS, Section 147(f) of the Code requires that qualified 501(c)(3) bonds be approved by the applicable elected representatives of the governmental units having jurisdiction over the areas in which the assets being financed by the Bonds are located, and the Assembly (the “Assembly”) of

the City and Borough of Juneau, Alaska (“Juneau”) is the “applicable elected representative” of the governmental unit having jurisdiction over the area in which the portion of the Project consisting of the Juneau Treatment Facility and Juneau Patient House being financed with a portion of the proceeds of the Bonds is located; and

WHEREAS, on the date of this Resolution, the Assembly conducted a public hearing, adequate notice of this hearing having been published pursuant to Section 147(f) of the Code, to provide a reasonable opportunity for members of the public to express their views regarding the issuance of the Bonds and the uses and purposes of the proceeds of the Bonds; and

WHEREAS, under no circumstances will Juneau be in any way obligated to repay any portion of the Bonds or in any other way incur any liability related thereto and the Bonds will be special limited obligations of the Issuer payable only from revenues and resources provided or arranged by the Borrower to be pledged to the payment of the Bonds and any credit enhancement arranged for by the Borrower; and

WHEREAS, the Borrower has requested that the Assembly approve the financing of the Juneau Treatment Facility and the Juneau Patient House and the issuance of the Bonds in order to satisfy the requirements of Section 147(f) of the Code; and

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

Section 1. Approval of the City and Borough. The Assembly hereby approves of the issuance of the Bonds by the Issuer for the purpose of financing the Project, in a maximum aggregate par amount not to exceed \$250,000,000 for purposes of Section 147(f) of the Code.

Section 2. No Liability. Under no circumstances will Juneau be in any way obligated to repay any portion of the Bonds or in any other way incur any liability related thereto. The Bonds will be special limited obligations of the Issuer payable only from revenues and resources provided or arranged by the Borrower to be pledged to the payment of the Bonds and any credit enhancement arranged for by the Borrower. Nothing in this Resolution obligates Juneau to grant further approvals for the Project or any other project or constitutes a representation that any other Juneau or other approvals needed for the Project or any other project will be granted.

Section 3. Municipal Clerk to Execute Certification. The Municipal Clerk is hereby authorized and directed to transmit a certified copy of this resolution to Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer, c/o Les Krusen at 401 Union Street, Suite 3300, Seattle, Washington 98101.

Section 4. Effective Date. This resolution shall be effective immediately after its adoption.

Adopted this [__]th day of [_____], 2023.

Beth Weldon, Mayor

Attest:

Beth McEwen, Municipal Clerk

FORM OF
CERTIFICATION OF RESOLUTION

I, the undersigned, the duly appointed and qualified Municipal Clerk of the Assembly of the City and Borough of Juneau, Alaska, do hereby certify that the attached Resolution of the City and Borough of Juneau, Alaska Serial No. [_____] (the “Resolution”) is a true and correct copy thereof, and was duly adopted at a regular meeting of the Assembly of the City and Borough of Juneau, Alaska, duly convened and held in accordance with law at the regular meeting place thereof on the _____ day of _____, 2023, of which meeting proper notice of such meeting was given and at which meeting a quorum was present and a legally sufficient number of the members of said Assembly voted in the proper manner for the adoption of the Resolution. All requirements and proceedings required for the proper passage of the Resolution have been duly fulfilled, carried out and otherwise observed.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2023

Beth McEwen, Municipal Clerk

Introduced by: Mayor
Date: 06/06/23
Action: Adopted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2023-043**

**A RESOLUTION OF THE KENAI PENINSULA BOROUGH ASSEMBLY APPROVING
A PORTION OF THE ISSUANCE OF THE PUBLIC FINANCE AUTHORITY
REVENUE BONDS, SERIES 2023 (AURORA INTEGRATED ONCOLOGY
FOUNDATION) IN A MAXIMUM AGGREGATE PAR AMOUNT NOT TO EXCEED
\$250,000,000**

WHEREAS, the Public Finance Authority (the “Issuer”), a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended, has received a request from Aurora Integrated Oncology Foundation, a Delaware not-for-profit corporation (the “Borrower”) and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) to issue one or more series of the Issuer’s qualified 501(c)(3) conduit revenue bonds, as defined in Section 145 of the Code, in a maximum aggregate par amount not to exceed \$250,000,000 (the “Bonds”) to (a) either via the acquisition of the membership interests in the entities that own such assets or through the acquisition of such assets directly, finance the acquisition of (i) various existing radiation oncology centers located in the State of Alaska including, without limitation, the real estate and equipment related to such centers, including a radiation oncology facility located within the boundaries of the Kenai Peninsula Borough (the “Kenai Peninsula Facility”), and (ii) a professional physician practice providing physicians to provide services in such existing radiation oncology centers, (b) fund one or more debt service reserve funds; and (c) pay costs incurred in connection with the issuance of the Bonds; and

WHEREAS, on the date of issuance of the Bonds, the Kenai Peninsula Facility will be owned by RBS Evolution of Alaska, LLC, the sole member of which will be the Borrower, and will be located at 240 Hospital Place, Soldotna, Alaska and expected to be acquired for a par amount of not more than \$45,000,000 (the “KPB Portion); and

WHEREAS, the remaining portion of the proceeds of the Bonds will be used to finance the acquisition of existing radiation oncology centers, real estate, equipment and a professional physician practice as described above in the Matanuska-Susitna Borough, Alaska, the Municipality of Anchorage, Alaska and the City and Borough of Juneau, Alaska, as well as for the other uses described above; and

WHEREAS, the Internal Revenue Code of 1986 (the “Code”) authorizes the issuance of revenue bonds for a “qualified 501(c)(3) entity,” such as the Borrower; and

WHEREAS, Section 147(f) of the Code requires that qualified 501(c)(3) bonds be approved by the applicable elected representatives of the governmental units having jurisdiction over the areas in which the assets being financed by the Bonds are located, and the Kenai Peninsula Borough Assembly (the “Assembly”) is the “applicable elected representative” of the governmental unit having jurisdiction over the area in which the portion of the Project consisting of the Kenai Peninsula Facility being financed with the KPB Portion of the proceeds of the Bonds is located; and

WHEREAS, on the date of this Resolution, the Assembly conducted a public hearing, adequate notice of this hearing having been published pursuant to Section 147(f) of the Code, to provide a reasonable opportunity for members of the public to express their views regarding the issuance of the Bonds and the uses and purposes of the proceeds of the Bonds; and

WHEREAS, under no circumstances will the Kenai Peninsula Borough be in any way, legally or morally, obligated to repay any portion of the Bonds or in any other way incur any liability related thereto; the Bonds will be special limited obligations of the Issuer payable solely from revenues and resources provided or arranged by the Borrower to be pledged to the payment of the Bonds and any credit enhancement arranged for by the Borrower; and the Bonds and interest thereon will not constitute an indebtedness or a pledge of the faith and credit of the Kenai Peninsula Borough, the State of Alaska or any political subdivision thereof; and

WHEREAS, the Borrower has requested that the Assembly approve the financing of the Kenai Peninsula Facility and the issuance of the KPB Portion of the Bonds in order to satisfy the requirements of Section 147(f) of the Code;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. The Assembly hereby approves of the issuance of the KPB Portion of the Bonds by the Authority for the purpose of financing the Project, in a maximum aggregate par amount not to exceed \$45,000,000 for purposes of Section 147(f) of the Code.

SECTION 2. Under no circumstances will the Kenai Peninsula Borough be in any way obligated to repay any portion of the Bonds or in any other way incur any liability related thereto. The Bonds will be special limited obligations of the Issuer payable only from revenues and resources provided or arranged by the Borrower to be pledged to the payment of the Bonds and any credit enhancement arranged for by the Borrower. Nothing in this Resolution obligates the Kenai Peninsula Borough to grant further approvals for the Project, the Bonds, or any other project or constitutes a representation that any other approvals needed for the Project, the Bonds, or any other project will be granted by the Kenai Peninsula Borough.

SECTION 3. The Clerk is hereby authorized and directed to transmit a certified copy of this resolution to Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Issuer, c/o Les Krusen at 401 Union Street, Suite 3300, Seattle, Washington 98101.

SECTION 4. This resolution shall be effective immediately upon adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 6TH DAY OF JUNE, 2023.

Brent Johnson
Brent Johnson, Assembly President

ATTEST:
Michele Turner
Michele Turner, CMC, Acting Borough Clerk



Yes: Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Ribbens, Tupper, Johnson
No: None
Absent: None

FORM OF
CERTIFICATION OF RESOLUTION

I, the undersigned, the duly appointed and qualified Clerk of the Kenai Peninsula Borough Assembly (the “Assembly”), do hereby certify that the attached Resolution 2023-043 of the Kenai Peninsula Borough, Alaska (the “Resolution”) is a true and correct copy thereof, and was duly adopted at a regular meeting of the Kenai Peninsula Borough Assembly, duly convened and held in accordance with law at the regular meeting place thereof on the 6th day of June, 2023, of which meeting proper notice of such meeting was given and at which meeting a quorum was present and a legally sufficient number of the members of said Assembly voted in the proper manner for the adoption of the Resolution. All requirements and proceedings required for the proper passage of the Resolution have been duly fulfilled, carried out and otherwise observed.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: June 6, 2023



Michele Turner, CMC, Acting Borough Clerk

To Whom It May Concern:

Aurora Integrated Oncology Foundation, a non-profit 501(c)(3) corporation ("Foundation"), was formed to improve the quality of and access to oncology care to residents of Alaska. Due to Alaska's geography, accessing necessary oncology services can be difficult. In order to achieve its purposes, the Foundation plans to acquire the assets of existing oncology centers, including Southeast Radiation Oncology Center ("SROC") in Juneau, and to operate these centers as a not-for-profit, tax-exempt venture. The Foundation will adopt a written policy to provide services to individuals, regardless of their ability to pay for such services.

As you may be aware, the introduction of SROC ten years ago has tremendously elevated the local oncology ecosystem in Southeast Alaska because patients are no longer required to travel out of town for cancer care. This has benefited Juneau patients and their families enormously by reducing not only the logistical and monetary costs, but also the incalculable emotional burdens of otherwise traveling hundreds of miles for care. In addition, SROC has driven the growth of many services at Bartlett Hospital (Juneau Borough owned) including outpatient surgery, imaging, infusion/chemotherapy, laboratory, and pathology. The Foundation will also acquire the SROC Patient House – a house which is available to patients and their families at no cost who travel to Juneau from other parts of Southeast Alaska for cancer treatment. This house is very often the difference between people seeking life-saving cancer care, or not. The house has maintained nearly 100% capacity, and patients routinely say it is a gift to be able to stay with their loved ones during therapy.

The cost of providing radiation oncology services is quite substantial. The Foundation will maintain access and state of the art technology by continuing to make future capital investments. In addition, radiation oncology requires specialized clinical staff members, and recruiting this specialized talent to Juneau can be challenging. The Foundation will provide targeted financial scholarships allowing SROC to attract outstanding clinical talent to our community.

We are not asking the City and Borough of Juneau to issue conduit bonds on behalf of the Foundation. The Bonds will be issued by the Public Finance Authority on behalf of the Foundation, and the Bonds will be payable solely by the Foundation. Under no circumstances will the Borough be in any way obligated to repay any portion of the Bonds.

The only request of the Foundation to the Assembly is that Juneau host a public hearing (known as a "TEFRA Hearing") and adopt an approving resolution (known as a "TEFRA Approval"). We are requesting these actions of the Assembly because federal statutes related to the issuance of tax-exempt bonds require the local jurisdiction to host a hearing providing the public with an opportunity to comment, and such statutes also require the approval of the elected representatives of the local jurisdiction. There is no expectation nor requirement by any state or federal agency that Juneau conduct any analysis or diligence related to the Foundation or the tax-exempt financing. Juneau's support of the Foundation by hosting the TEFRA Hearing and adopting the TEFRA Approval will in no way subject Juneau to any liability from any state or federal agency. Additionally, the adoption by the Assembly of the proposed resolution will not

affect the Borough's taxing authority with respect to the real or personal property comprising the SROC Facility or the patient house.

We also note the following:

1. The Foundation is also asking the comparable governmental authorities in Anchorage, the Kenai Peninsula and the Matanuska-Susitna Borough to adopt the same TEFRA resolution and host a TEFRA public hearing.
2. The Foundation's presence in Juneau, as the operator of the SROC facility, will tremendously benefit Juneau and its residents. Cancer patients will be treated at home near their family and friends, rather than being required to travel long distances to receive this care.

We implore you to recommend that the Borough Assembly adopt the Resolution of Support and host a TEFRA hearing in support of this important initiative.

SUPPLEMENTAL INFORMATION ON WHY APPROVAL IS REQUIRED

In order for a non-profit entity to issue a tax-exempt bond, the Internal Revenue Code section 147(f) requires the approval from the local governmental unit with jurisdiction over the area in which the project is located. Why does the IRS require this approval?

Most industrial development authority statutes have a similar requirement. The purpose is to provide the local government and the public where a project is sited an opportunity to comment and/or reject a project. This is important and makes sense when bonds are issued for large-scale industrial development projects that require construction and zoning such as a prison, toxic waste dump, bridge, or a stadium. It is arguably less relevant when considering a project such as a healthcare facility that has already been operating for ten years, such as in this case.

TEFRA comes from the "Tax Equity and Fiscal Responsibility Act of 1982" which among other things was focused on closing various "loopholes" in the IRS Code. A federal income tax exemption on the interest income of bonds issued for a private entity (including non-profit entities) is a public subsidy to a private entity. The point of the TEFRA hearing and approval process is to give the public in the relevant local jurisdiction an opportunity to provide input on whether that public benefit should be extended to e.g. a stadium developer, a housing developer, a solid waste facility, or a non-profit entity. There is zero expectation nor requirement of the approving local jurisdiction to conduct an investigation or diligence, and there is no ongoing liability whatsoever to the IRS or any other state or federal agency. The only requirement is to hold a hearing and approve the resolution of support, in each case if they see fit.

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Presented by: The Manager
Presented: 05/08/2023
Drafted by: S. Layne

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2023-26(b)

An Ordinance Creating a Short-Term Residential Rental Registration Program and Providing for a Penalty.

WHEREAS, the City and Borough of Juneau is facing a severe housing shortage; and

WHEREAS, an increase in short-term rental properties is believed to be one of the factors having an impact on available long-term housing, but there is a lack of quality data to understand the extent of that impact; and

WHEREAS, short-term rental listings are very fluid and utilize multiple platforms; and

WHEREAS, sales tax account numbers are considered confidential information; and

WHEREAS, “gig economy” entrepreneurs operating businesses through third-party platforms like Airbnb frequently and typically do may not understand that it is their responsibility to register with the sales tax office and collect and remit sales tax and hotel bed taxes; and

WHEREAS, the CBJ places great importance on the need to treat similarly situated businesses the same, and that sales tax compliance is a necessary feature of an equitable marketplace; and

WHEREAS, the purpose of this Ordinance is to ensure that CBJ has adequate information so that it can have proper policy consideration of other regulatory ideas and debate whether they are necessary or not.

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

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Title. Title 69 Revenue and Taxation is amended by adding a new Chapter 40, to read:

Chapter 69.40 – SHORT-TERM RESIDENTIAL RENTAL REGISTRATION PROGRAM

69.40.005 Short-Term Residential Rental Registration Program Intent.

The purpose and intent of this chapter is to require registration of short-term residential rentals within the City and Borough of Juneau. An operator offering or using a property as a short-term residential rental shall annually register such property in the short-term residential rental registry maintained by the CBJ Sale Tax Office.

69.40.010 Definitions.

The following words, terms, and phrases, when used in this chapter shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

Guest means an individual, corporation, partnership or association paying monetary or other consideration for the use of a short-term rental.

Operator means a person, firm, corporation or other legal entity who furnishes, offers for rent or otherwise makes available in the City and Borough rooms for monetary or other consideration, whether acting directly or through an agent or employee.

Person means an individual natural person.

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Property and properties means a real estate offered by an operator as a short-term residential rental.

Rent and rents mean the amount paid or promised, in terms of money, as consideration for the use by a transient of a room in a hotel, motel or other place of public accommodation.

Short-Term Residential Rental means a dwelling unit that is rented, leased, or otherwise advertised for occupancy for a period of less than 30 days.

Transient means a person who occupies or rents a unit, room or rooms for fewer than 30 consecutive days for the purpose of habitation.

69.40.020 Registration required.

- (a) The operator of a short-term residential rental must register with the CBJ sales tax office on a form or platform specified by the CBJ prior to offering a unit for rent.
- (b) Registration must be renewed annually.
- (c) The CBJ will provide a rental registration number for each registered short-term residential rental. The registration number must be displayed on each advertisement or public listing for a short-term residential rental that the operator or operator’s designee maintains.
- (d) There is no fee for registration.
- (e) The operator shall provide the CBJ with the following at the time of registration:
 - (1) ~~A copy of t~~ Their State business license number.
 - (2) Name, address, phone number, and email address for the operator or operator’s designee.
 - (3) Contact information for an emergency point of contact for the operator or operator’s designee who is responsible for responding to complaints or emergencies in a timely

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manner, in person, if required by public safety personnel, or over the phone or by email at any time of day.

(4) A general description of the short-term residential rental unit, to include: address, property type, number of bedrooms, and capacity, ~~and amenities provided.~~

(f) If there is a change in the information submitted pursuant to subsection (e) of this section, a new registration must be completed within ten business days.

69.40.030 Penalty.

(a) Renting, or offering for rent, a short-term residential rental without complying with the registration requirement in 69.40.020 is prohibited.

(b) An operator required to register a property pursuant to this chapter who offers or uses such property without being registered is subject to a penalty in the amount of \$25 per violation. A separate violation shall be deemed committed each day during or on which a property is offered or used as a short-term residential rental without registration. Such operator may not offer or use, or continue to offer or use such property for a short-term residential rental, unless and until the penalty is paid and the property is properly registered.

69.40.040 Exemptions.

(a) The registration required under this chapter shall not be required of:

Hotels required to keep a register under Title Chapter 20.10 and taxed pursuant to Title Chapter 69.07.

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Section 3. Amendment of Section. CBJC 03.30.070 Violations; civil fines, is amended to read:

03.30.070 Violations; civil fines.

(a) Notwithstanding any provision of the CBJ Code to the contrary, the offenses listed in the table below shall be considered violations subject to a civil fine not to exceed that set forth in the table below; payment of the listed civil fine shall be accepted in satisfaction of the violation; and the violation shall be subject to the procedure set forth in CBJ 03.30.075—03.30.085:

CBJ	Type of Violation	Civil Fine
...
69.40	<u>SHORT-TERM RESIDENTIAL RENTAL REGISTRATION PROGRAM</u>	
<u>69.40.020</u>	<u>Registration required</u>	<u>\$25.00</u>
...

Section 4. Effective Date. This ordinance shall be effective ~~30~~ 90 days after its adoption.

Adopted this _____ day of _____, 2023.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk