

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, January 26th, 2023
CBJ Room 224 and via Zoom Meeting

A. Call to Order – Mr. Etheridge called the meeting to order at 6:00 p.m. in room 224 and via Zoom.

B. Roll Call – The following members attended in CBJ room 224 or via Zoom; James Becker, Paul Grant, Debbie Hart, Matthew Leither, Annette Smith and Don Etheridge.

Absent – Mark Ridgway and David Larkin

Also in Attendance – Carl Uchtyl – Port Director; Matthew Creswell – Harbormaster; Matthew Sill – Port Engineer; Teena Larson – Administrative Officer; Benjamin Brown – City Attorney; Nichole Benedict – Administrative Assistant; and Charles Horan – Horan & Company.

C. Port Directors Request for Agenda Changes

Bid Award for Aurora Harbor Phase III – Electrical Government Furnished Equipment (GFE) Procurement (DH23-014) was removed from the agenda.

MOTION By MS. SMITH: TO APPROVE THE AGENDA AS AMENDED AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

D. Public Participation on Non-Agenda Items

Karl Leis – Juneau, Alaska

Mr. Leis spoke on behalf of his business Karl's Auto and Marine. He is concerned about vessels using the Docks & Harbors (D&H) side of the property at the Auke Bay Loading Facility (ABLF). He wanted the Board to know he has the permitting, infrastructure, disposal capabilities and insurance to conduct boat maintenance. He would like to know what would happen if vessels had an oil spill on the unpermitted D&H side, and who would be responsible. When he initially leased the property to conduct boatyard business, he was under the impression all boat maintenance would be done at his facility because he complied with regulatory rules. He would like the Board to take into consideration what is being allowed on the D&H side of the property and the potential for environmental problems. Mr. Leis has invested a lot of money to give the city a boatyard capable of being in compliance with regulatory rules.

Ms. Smith asked if his plan was expandable to the other side of the property if needed.

Mr. Leis said yes, his permit could be expanded to the other side of the ABLF property. He feels on a busy day there is only three boats that would need to be serviced and the

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space he has now would be adequate. He currently has over twenty boats being stored on his property and there is plenty of room for more.

Ben DiMarzio – Juneau, Alaska

Mr. DiMarzio spoke on behalf of his company Juneau Tours. His company is one of the main users of the D&H side of the property to do boat maintenance. He wanted the Board to know Juneau Tours has other options other than using the D&H side of the property. He feels his company is large enough to manage getting the required permit and having safe maintenance practices elsewhere. They currently only service one boat at a time and he said they are not afraid to pay Karl's Auto and Marine for the service but are afraid of available access and his capabilities to service boats in the evenings. Juneau Tours currently enjoy twenty-four hour access to the D&H side of the property and he believes Karl's could not accommodate that. Mr. DiMarzio said he would be fine obtaining insurance to perform these tasks on the D&H side if that was required.

E. Approval of Minutes

1. December 29th, 2022 Regular Board Minutes – Hearing no objection the minutes were approved as presented.

F. Consent Agenda

- A. Public Request for Consent Agenda Changes – None
- B. Board Members Request for Consent Agenda Changes – None
- C. Items for Action

2. FY 23/24 Budget

MOTION By MS. HART: TO APPROVE THE CONSENT AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

G. Unfinished Business

3. Appraisal Instructions – Hansen Gress Property

Mr. Uchytel spoke about the memo on page twelve in the packet. Hansen Gress petitioned the Lands Manager to purchase the property. Attending tonight is Charles Horan from Horan & Company, the term contracted appraisal company.

Board Questions

Ms. Smith would like to know why Mr. Horan requested the easement requirement be removed before completing the appraisal of the property.

Mr. Horan said a normal easement would be on the side of the property or along the street. He believes the easement requirement the Board has requested would interrupt the function of the property and diminish the value. He does not believe this easement request would benefit D&H or the City and Borough of Juneau. There are already two

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easements on this property, one from the Alaska Department of Transportation (DOT) and the other from CBJ on the street side.

Ms. Hart asked how a seawalk would go across this property in future plans.

Mr. Uchytel said D&H has not put a lot of thought into a seawalk across this property. He wanted Mr. Horan to explain how one appraises lots and determine their value.

Mr. Horan said the appraisal done on this property in 2019 showed a potential for fill and a possible Seawalk going along the shore up to the Hansen-Gress property. He said he does not see a benefit to putting an easement on this property. He valued this waterfront property on a price per square foot basis. The market is paying less per square foot for unfilled land. He said you have these weird shape parcels as tidelands to keep property owners from building out over the water. The leased value of a small tideland parcels is figured by highest and best use.

Mr. Grant wants to make sure future use by D&H or CBJ would not be precluded by this sale. He also wants to make sure this property is being valued correctly. It is a small piece of land, but once sold the landowner would have premium waterfront property.

Mr. Horan did not feel it would limit access to the CBJ tidelands. The appraised value does address the increase in value now that the two parcels are one.

Mr. Leither said Mr. Horan is not working for either side; he is only coming up with the value of the property.

Public Comment – None

Board Discussion/Action

MOTION By MS. SMITH: TO REMOVE THE REQUIREMENT FOR THE EASEMENT ENCUMBERING THE HANSEN GRESS PROPERTY CONVEYANCE AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

4. ByLaw Changes

Mr. Grant shared the proposed changes starting on page thirty-six of the packet. He added a line under paragraph eleven stating Board member's conduct shall be governed by CBJ ordinance 01.45.

Mr. Uchytel said it should read Chapter 01.45 instead of ordinance. Electronic participation is allowed but in-person attendance is encouraged.

Board Questions – None

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Public Comment – None
Board Discussion/Action

MOTION By MS. SMITH: TO FORWARD THESE BYLAW CHANGES AS AMENDED TO THE ASSEMBLY AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

H. Items for Information/Discussion

5. Harbor Rate Study – Next Steps

Mr. Etheridge has been discussing having informational public meetings downtown and in the Mendenhall Valley. Mr. Uchytel has been meeting with staff to brainstorm public outreach ideas as well. One of the ideas was to put it on the D&H Facebook page. He needs to know when the rate adjustments will be put in place. He has concerns doing it at the fiscal year when we are already adjusting rates by the Urban Alaska Consumer Price Index (CPI). He suggested doing it effective January 1, 2024.

Board Discussion/Action

Ms. Smith asked what was in the best interest for the cruise ship companies and their budget.

Mr. Grant said this is an information item so no decisions need to be made yet. He does not want the rates increased at the same time as the CPI adjustment.

Mr. Etheridge said the Board could choose not to implement the CPI adjustment this year.

Public Comment

Kirby Day – Juneau, Alaska

Mr. Day said the cruise industry would like to know about the increase as soon as possible. He would like the increase to be by calendar year so D&H is not changing fees in the middle of the summer. The CPI adjustment on April 1st is fine for the cruise industry's budget.

6. Request for Proposal (RFP) – Juneau Port Master Planning

Mr. Uchytel was asked by the City Manager to put together this RFP for design work on a port master plan. The Assembly finds it desirable to have a local port plan that is led by D&H. This plan would harmonize the efforts of Huna-Totem Corp, U.S. Coast Guard, D&H Small Cruise Ship Infrastructure and Goldbelt's new Seadrome Building. This would also coordinate dock electrification throughout all of the cruise ship docks. The next step is the Assembly approving \$300K for this RFP.

Board Discussion/Action

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Mr. Grant asked about the deliverable date. He also asked if there was an element of stakeholder consultation or mediation process. What if two design ideas by different companies are unable to come together.

Mr. Uchytel said the deliverables would be detailed in the final contract. The RFP is an invitation for contactors and engineering consultants to organize a master plan. It is for a conceptual product of certain aspects of the waterfront. On page fifty-one in the packet it lists the different entities we want to bring together for a well-rounded finished design product. Mr. Uchytel is unsure if these entities will be happy we are taking on some of the design aspects, or if they will decline to meet.

Mr. Leither said he is looking at this list, some are government agencies, and some are private companies. He thinks this RFP is a good idea but is concerned how much we anticipate spending.

Mr. Uchytel said it depends how far we take it. If geotechnical work is done it could easily end up being quite expensive. This RFP is to alleviate local and Assembly concerns. Huna-Totem does not own the tidelands needed to build the cruise ship dock. They will need to go through the Assembly for approval.

Ms. Smith did not see anything about the uplands development tying everything together. She would like the public more involved.

Mr. Etheridge said if a Board member would like to comment on this RFP, or would like to share an idea, please send that to the Assembly in writing.

Public Comment

Fred Parady – Huna Totem Corporation

Mr. Parady is the Chief Operating Officer at Huna-Totem Corporation. Huna-Totem now owns the Subport property. Huna-Totem is excited to develop the property and is contributing \$150M to the project. Huna-Totem is not asking for any tax breaks, bond revenue or help with the property's development. He is hoping the property will be operational by May 2025. Mr. Parady believes the RFP is too broad, open-ended and redundant of other work they will already be doing. He has deep concerns this RFP will delay the project and his timeline. He is also concerned the RFP has not been critically examined or had any public process completed. The suggestion that CBJ is the only party that can facilitate this port design is false in his view. He is concerned we are stacking negative what-ifs when he has not heard anything negative from the community about this exciting plan.

Mickey Richardson – Juneau, Alaska

Mickey Richardson said he is speaking to the Board as the designer of this project and a Juneau citizen. He is currently developing a similar project in Whittier, AK, as well as other locations. His full intent is to work with CBJ throughout this process. He feels this RFP is premature. He believes this RFP will cost upwards of \$750K for what they want.

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He thinks the RFP is wasting taxpayer money and CBJ should wait and see what Huna-Totem does. He also knows the U.S. Coast Guard has said no three times when asked to be involved with the study. Huna-Totem has already collaborated with Goldbelt Inc., as they are the native leader in the community. They have also met with AEL&P about dock electrification and plan to put in a seawalk. Huna Totem believes their plan eases traffic congestion and they have plans to make the parking garage electrified for electric vehicles and buses. The new dock is not meant to increase the number of ships; they are supportive of a five-ship cap in Juneau. They are also supportive of the public process and are doing that now for their conditional use permit.

Jason Davis – Anchorage, Alaska

Mr. Davis is the marine design build contractor for Huna-Totem. His firm has been rated as the most highly technical contractor around Alaska. He is working with a professional Naval architect for a mooring analysis regarding wind and wave suitability. He is also working directly with the cruise lines to get needed information about the ships. His company has a payment and performance bond to ensure the results are correct. They are responsible for all of the permitting to include the environment study requirements. He feels his company is in the best position to complete Scope items A through E on the RFP. Mr. Davis feels it is inappropriate to spend tax money to try to do port planning and technical evaluation on private property.

Roger Calloway – Juneau, Alaska

Mr. Calloway owns Reliable Transfer and is a board member of the Chamber of Commerce and the Alaska Coalition. Both of these organizations are writing to the Assembly against this RFP. He feels it is redundant and wasteful spending. He is also unsure if the entities involved in the RFP will even participate. There is great public support for this project and against an ordinance and this RFP.

Kirby Day – Juneau, Alaska

Mr. Day is speaking on behalf of himself. He wanted the Board to know he has met with Huna-Totem through the CBJ Visitor Industry Task Force. They are following the Visitor Industry Task Force recommendations. He feels their plan does help with congestion in the downtown area. Mr. Day feels this is a good project and they are listening to recommendations.

I. Committee and Member Reports

1. Operations Committee Meeting Report – None
2. Assembly Lands Committee Liaison Report – None
3. Auke Bay Neighborhood Association Liaison Report – None
4. South Douglas/West Juneau Liaison Report – None
5. Member Reports – None

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J. Port Engineer's Report

- Last week Trucano Construction completed driving all of the pilings for the Marine Park Deckover Project. They will be installing the large beams in the next couple of weeks.
- The new restrooms at Statter Harbor broke ground this week and they are starting foundation work.
- The Aurora Harbor Phase III project will bid in the middle of March 2023. The electrical components of this project are currently out for bid.

K. Harbormaster's Report

- Mr. Creswell is working with the Alaska Department of Environmental Conservation (DEC) to find out what can be done at the Auke Bay Loading Facility. They refused to provide a list but instead asked for a memo of what the facility is being used for. We were able to apply for a certificate of No Exposure. He did not include power washing but did include simple maintenance and closed loop oil changes. The DEC approved the certificate.
- A twenty-two foot vessel sank in Statter Harbor today. The vessel still had a single line attached but was completely submerged. The U.S. Coast Guard and DEC came out to inspect the vessel. The vessel was not insured and the owner has no means to raise it.
- He is preparing for the 2023 tourist season. D&H is soliciting for a Port Operations Supervisor. He met with three candidates today about this position.
- Crane #2 is down for repairs at the Fisherman's Terminal. Maritime Hydraulics is working hard to source a new gearbox to complete repairs.
- Mr. Creswell said they were able to figure out how vandals were breaking into the Harris Harbor restrooms. He is replacing the door handle plate to stop illegal entry. He is switching the showers to a token system to prevent thieves from breaking in and stealing quarters. He is also in the process of ordering a 360-degree camera to monitor the restrooms.

Mr. Grant asked if we are competing with private industry at the ABLF. He would like the Board to discuss this further. He is wondering why we are not charging for this service.

Ms. Smith wanted to know if we should be requiring insurance or increase the Vessel Disposal Surcharge.

Mr. Creswell would like to see the Vessel Disposal Surcharge increased substantially. The current fee is \$0.25 per foot and it does not apply to transient harbor vessels.

Mr. Leither would like to see the Vessel Disposal Surcharge applied to transient vessels as well as permanent stallholders. Many transient vessels are at our harbors year-round waiting to be a permanent stallholder.

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Mr. Uchytel said Skagway, Haines, Sitka, Wrangell, Petersburg and Ketchikan do not have insurance requirements.

L. Port Director's Report

- Ms. Lacey Derr resigned from the Board leaving a vacancy.
- We have previously applied for a RAISE Grant for dock electrification, Fisherman's Terminal improvements and small cruise ship infrastructure. He does not want to submit RAISE Grant applications for these projects this year.
- Mr. Uchytel said D&H applied for a PIDP grant for dock electrification and the Fisherman's Terminal improvements. They really liked the Fisherman's Terminal submission and encouraged us to apply for it again this year. The fact that we do not own the property hurts our application.
- Mr. Uchytel met with representatives from UAS and shared the ideas of educational benefits CBJ could offer to decrease the lease amount at the Fisherman's Terminal property. They seemed pleased, although, he does not know how much of a decrease they are considering.
- Mr. Uchytel said the RFP for the Juneau Port Master Planning will not use taxpayer money. Marine Passenger Fees would fund the RFP. The challenge is the Assembly is not completely onboard with a fifth cruise ship dock.

M. Assembly Liaison Report – None

N. Board Administrative Matters

- a. Ops/Planning Committee Meeting – Wednesday, February 15th, 2023
- b. Board Meeting – Thursday, February 23rd, 2023
- c. Mr. Etheridge appointed Ms. Hart the Vice Chair position on the Board without objection.
- d. Mr. Grant would like the Board to write a letter to Ms. Derr commending her excellent service on the Board.
- e. Ms. Hart would like to see the ordinance taking away waterfront planning from D&H on the next Operations/Planning Committee agenda.
- f. Ms. Smith would like to put the Vessel Disposal Surcharge on the next Operations/Planning Committee agenda.

O. Adjournment – The meeting adjourned at 8:47 p.m.