

DOCKS AND HARBORS OPERATIONS MEETING MINUTES



February 19, 2025 at 5:00 PM

Port Director's Conference Room/Zoom Webinar

- A. **CALL TO ORDER:** Mr. Sooter called the meeting to order at 5:00pm in the Port Director's Conference Room
- B. **ROLL CALL:** James Becker, Don Etheridge, Tyler Emerson, Debbie Hart, Matthew Leither, Annette Smith & Shem Sooter

Absent – Clayton Hamilton and Nick Orr

Also in attendance – Carl Uchtyl – Port Director, Matthew Sill – Port Engineer, Melody Musick – Administrative Officer. Stephen Moll, Owner of Dangerous Waters Tours, Matthew Creswell – Harbor Master

- C. **PORT DIRECTOR REQUESTS FOR AGENDA CHANGES** – No changes.

MOTION by Mr. Etheridge: TO APPROVE THE AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

- D. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS** - None

- E. **APPROVAL OF MINUTES**

1. January 22nd, 2025 Minutes. Hearing no objection, the minutes were approved as presented.

- F. **NEW BUSINESS**

2. Potential Commercial Tour out of Aurora Harbor
Presentation by Port Director – Summarized request by a tour company to operate daily jet ski tours out of Aurora Harbor. Time is of the essence, as they are already advertising tours online. There are no regulations currently in place for this sort of activity and this may not be in the best interest of downtown harbors to attempt to accommodate this endeavor. Noted that there is very little tourism activity in Aurora. Statter Harbor is more accustomed to tours. Recommendation to deny use of Aurora Harbor.

Committee Questions

Ms. Smith asked who is the company? Where are they based (given Juneau is turnaround port only)? Since Docks and Harbors allow tours, is this level of discrimination appropriate?

Mr. Uchtyl said that the owner of the company is in attendance today; the company is Dangerous Waters, and they have been permitted in Juneau since 2018 as a turnaround port. Mr. Uchtyl notes our obligation to maintain our facilities to best and highest use and is incumbent upon us to discriminate to protect the facility and patrons who use the facility. Law has not been consulted with regards to whether Docks & Harbors has the authority.

Mr. Etheridge asked for details about the proposed tours and current operations.

Mr. Uchtyl confirmed that turnaround is weekly, while tours would be daily. 4 tours, 3 hours each, up to 10 jet skis per tour.

Public Comment

Steven Moll (owner of Dangerous Waters)

Mr. Moll said he has lived in the Juneau Valley for about 5 years now. Dangerous Waters is in business for 9 years now and would like to expand. Mr. Moll said he thinks downtown is a better bet – because Statter has people who are not courteous and do not understand marine navigational laws and right of ways. He would very strongly would like to operate downtown.

Board Questions

Mr. Etheridge: What does operation at the dock look like?

Mr. Moll said he is the only person on the planet who has circumnavigated the globe on a jet ski. He says that jet skis are lined to be very efficiently moored, not end to end - which would be 110 ft, and not be messy in the harbor.

Mr. Etheridge asked about ground transportation to dock.

Mr. Moll said they have purchased a 40-passenger bus that they will not be driving. They have removed all the seats where they can do orientation/safety briefing and have people gear up inside.

Mr. Etheridge asked about getting people to the site.

Mr. Moll replied that guests would have to get themselves to and from the marina as their 12-passenger van is for primary business only. He would like the opportunity to prove they can run tours.

Ms. Hart commented about Title 85. Changes that have occurred impact Docks & Harbors. Is this an expansion of the tourism realm and what is our role in making those decisions? Is the Tourism Director and community onboard? We've already have had concerns about noise and traffic and impacts to community. Can we know where Tourism Director stands?

My Uchytel said Tourism Director is informed. Our scope is the harbors and public facilities, and we have the authority to decline tours out of downtown facilities. Private facilities would be a different matter and outside jurisdiction of Ports & Harbors. We are interested in highest and best use and what we are discussing is Aurora Harbor. Guidance, comments and direction from the board are welcome.

Ms. Smith mentioned the potential new cruise ship dock on the backside of North Douglas and asked whether they are looking at operating out of North Douglas as well.

Mr. Moll says yes, they would want to do that, however, it's just a plan and it could be 10 years before we see that. He wants to work Docks & Harbors for downtown or even Statter. It's a traffic jam there, it's the 405. Downtown is safer for everybody. We won't circle the whales, we'll go out and around Douglas and other side of Admiralty.

Ms. Smith said she heard IVF mentioned. Requested thoughts and comments on Aurora vs. IVF.

Mr. Leither – His initial thought was to consider Port Field office float where jet skis could be kept up underneath the seawall. After talking with staff at port and noting that there will be 49 vessels lightering this summer along with fishing vessel traffic, small cruise ships and yacht traffic said that it is already quite the choke point. As such, would be unsafe and has taken this idea off the table.

Mr. Emerson asked about 10 jet skis – single riders?

Mr. Moll said yes.

Mr. Emerson asked about weather. Would they change the route?

Mr. Moll said that there will be days where they cannot operate due to wind and resultant standing waves.

Mr. Emerson asked about the impact on traffic of all passengers arriving individually.

Mr. Moll said they have partnered with Juneau Taxi so there is no impact on traffic. Downtown is a little bit of a nightmare sometimes and would not want to add another vehicle to that mess.

Mr. Creswell asked about 40' bus for staging.

Mr. Moll says they would want to find a place to park the bus near the harbor. No back and forth.

Mr. Creswell asked for details.

Mr. Moll said they'd want to find a place near the harbor. Perhaps some of the nearby businesses would accommodate.

Mr. Etheridge mentioned Norway point float.

Mr. Moll asked whether Norway point was North Douglas and was advised it is at the Yacht Club.

Public Comment

Karla Hart, Back Loop, Juneau AK

Ms. Hart said Juneau is already too crowded with boats and flights and we don't need jet ski noise, especially if based out of city facilities. Bad idea. She also mentioned toilets and refutes the idea that taxis do not contribute to downtown traffic.

Sue Schrader, West Juneau AK

Ms. Schrader has had boats in both Harris and Aurora. Adds that tourist season is already too noisy with busses and floatplanes. The idea of adding the noise of jet skis is too much. Also points out she feels Dangerous Waters has not thought through or represented plans clearly. She added the while Mr. Moll may be skilled is there a process for screening jet ski passengers, and have they talked to Wings?

Committee Discussion/Action

Ms. Smith said that there is a very short time before cruise ship season starts. Mr. Becker asked to see a picture of a jet ski. Ms. Musick played video from Dangerous Waters' website. Mr. Uchytel compared the ask to a floating coffee shop in Statter and we'll need to make recommendations for the best use of Juneau's facilities. His staff are pro-development and look for opportunities to find a "yes." He points out that this is a matter of evaluating this endeavor with downtown Harbors. Ms. Smith noted that it did not seem that anyone has considered Norway point. Mr. Creswell said that multiple locations were considered and felt the issue needed to be brought to the board.

Mr. Emerson asked about permits and fee arrangements. Mr. Creswell pointed out that two permits would be involved: The current use permit for bare boat charters and incidental use of facilities. However, this tour would be more than incidental also require an uninspected passenger vessel for hire permit. Mr. Emerson asked about additional mooring charge for overnight storage of vessels? Mr. Creswell said that each jet ski is wrapped into one another and would be charged linear moorage fees.

Ms. Smith notes that the company is already using Aurora for port turns. However, she feels this is too large an endeavor for that location. She suggests looking at Norway point. Mr. Becker asks about other communities – Mr. Moll said they are transient in other communities and staying only overnight.

Mr. Becker also references Norway point as a possibility and that he would like to see it work.

Mr. Moll notes that they have 4-cylinder machines – not the 2 stroke loud ones.

Ms. Hart referenced Ms. Smith's point about level of activity in harbor and notes that Norway point is also location of Youth Sailing and questions whether the two activities be compatible. Also notes that their lack of planning is not Juneau's problem. Suggests that the company take more time to think about this and what works for community. Does not see Norway as being a good location.

Mr. Etheridge said he would support the project somewhere, but not Harris or Aurora. Agrees that these two locations should come off table.

Ms. Smith asked whether Dangerous Waters have had any conversation with Yacht Club about this.

Mr. Moll says he has not reached out to them as he did not think that his request would be a Board level thing. In a perfect world, we would have 40 craft but would probably be a lot lower for now. If the Board would support us, we can see how things go.

Chair Sooter said with no other comments or no motion, we will move on to the Goldbelt Tram Lease.

3. New Goldbelt Tram Lease

Presentation by Port Director. Goldbelt owns the Goldbelt Tram. They lease 10,000 square feet from Docks & Harbors, who receives about \$200,000 per year in payment for that. The original lease was drafted in 1995 for 35 years – the existing lease is good through 2030. In the existing lease, there is a right for Goldbelt for one-time renewal for 35 years. What Goldbelt would like to do, because they have settlement issues at the Goldbelt Tram right now, is to finance repairs for the lower building. They would need a long-term lease to do that. Goldbelt is asking us to initiate a new lease starting now -- foregoing 5 years of what is essentially a 70-year lease -- in order to demonstrate to their lending bank that they have a long-term lease and therefore are credit-worthy for making repairs to the lower building.

Action item is to start a new lease. The process would be getting contract appraiser (Horan & Co.) to appraise and then Law would initiate the new lease language. Goldbelt would like to proceed as soon as possible. As such, the process has been initiated and we are seeking Board concurrence to issue a new lease.

Committee Questions

Ms. Smith asked whether a new lease would be concurrent or consecutive.

Mr. Uchytel referenced Trucano – where both leases were initially kept separately but because leases are reviewed every 5 years, they dropped several years from the first lease to be synced up and avoid having to pay appraisal fees for both leases on different years. Law is looking into the Goldbelt matter. Mr. Uchytel anticipates that the first lease would be cancelled and a new 35-year (the most that we have in ordinance for leasing) lease would be put in place.

Mr. Etheridge said that a 35-year lease with renewal would be essentially a 70-year lease.

Mr. Uchytel referenced the current document and confirms that yes, that would be anticipated, given absence of extraordinary circumstances.

Mr. Etheridge requested confirmation that Goldbelt wants to renew 5 years early to secure financing to re-capitalize repairs

Mr. Uchytel confirmed that was his understanding and said that Mr. Hastings (from Goldbelt) may be able to answer more if he wants to come up during the public comment period.

Public Comment

Mr. Hastings confirmed Mr. Uchytíl's summary.

Mr. Emerson asked whether the lease fee includes any royalty from usage.

Mr. Uchytíl said that the royalty situation has been traditionally problematic due to Goldbelt's reluctance to share their financial data. As such, the lease has been amended to delete the royalty provision.

Mr. Emerson said that this would be a renegotiation of current lease with similar terms as now.

My Uchytíl said that law has a boiler plate for leases. We would look at it, review and put in the amount that our appraiser (Horan & Company) recommends. If it's fair and reasonable, and with concurrence of Goldbelt, that would be the number. They would have the right to bring in another appraiser if they wanted to negotiate.

Ms. Karla Hart, Juneau

Ms. Hart said that she has heard that Goldbelt is planning a big expansion of facilities at the tram and is concerned that the city is not getting the maximum revenue from the lease. She feels that the city should have benefit and get the maximum – especially without knowing the Goldbelt expansion plans that may not be shared prior to lease is renegotiations.

Committee Discussion/Action

MOTION BY MR. ETHERIDGE TO COMMENCE A PROCESS TO INITIATE A NEW 35 YEAR LEASE FOR THE GOLDBELT TRAM LEASE.

Ms. Hart objects pending clarification about step-by-step process.

Mr. Uchytíl said appraisal would be initiated while law prepares new lease language in a boiler plate document to which fair market value is added that is appropriate for the footprint on a CBJ-owned property.

Ms. Hart asked whether there is opportunity to expand lease agreement for additional revenue based on possible expansion.

My Uchytíl said he has no knowledge of expansion of Goldbelt lower tram. Nobody has mentioned adding wings or additional tourism-related activities to this building. We are talking about essentially the same footprint as 1995 with a new lease that would be vetted through our approval process

Ms. Hart removed her objection.

Hearing and seeing no additional objection, the motion passes.

4. Administrative Financial Transfers

Presentation by Port Director. Mr. Uchytíl references Page 48 of the packet – to inform the board of the various transfers that the finance department is doing on our behalf. Some of them must go in front of the Assembly, to transfer monies from one account to another.

Reviewing items 1-5 per Memo of February 17th, 2025

1. Statter Harbor. Improvement Phase III. March 3 public hearing scheduled to accept \$3M transfer from Docks Enterprise. Board has already acted on this (approved this in January), Mr. Uchytel indicated that this is in progress. It allows us to proceed and advertise for 3D.
2. Transfer of \$200,000 from the Downtown Waterfront Museum to the Aurora Harbor Improvement CIP. This sounds as though we are getting more money from a single 1% tax initiative. The way the 1% sales tax process works is that voters approve (in this case in October 2022) \$6.5 million for Docks and Harbors. \$5M of this goes to Aurora Harbor, \$750K to Wayside Float for the dredging and \$750K for Taku Harbor.

We're getting that money over a 5-year period. However, Engineering Department must figure out when those monies can be available. They provided everything in the first 3 fiscal years except for \$600K that they put in FY 2028. At my request, City Manager has agreed to move it earlier. We want the entire \$5M available now and not have to wait until 2028. This is just an adjustment to how the money is apportioned over a 5-year period.

3. Transfer of approximately \$1.8 M. We are creating a new CIP for the Statter Harbor breakwater. We are using Statter Harbor improvements funds for the Breakwater and now we are just separating the Breakwater CIP, the Statter Phase 3 project.
4. Opened bids for dredging. We moved money from Taku Harbor Project so we would have money to award for dredging. Now that dredging is complete, we can move remaining money back into the Taku Harbor Project, that will have \$500,000 plus the \$63,864. With the Sportfish Grant and the Eagle Johnson funding, we can afford a \$2.1 M project; right now we have estimate of \$1.5M for that project, so 25% contingency. We feel happy with that.
5. Does not require assembly action, this is noting that the dredging project is finished. This is very administrative in nature. When Finance takes it to the Assembly, they can say that the Board has reviewed and approved.

Committee Discussion

Public Comment – no questions or comment

Committee Discussion/Action - none

MOTION: TO APPORVE TRANSFERING FUNDS TO APPROPRIATE CAPITAL IMPROVEMENT PROJECTS (CIP): AURORA HARBOR IMPROVEMENT, STATTER HARBOR WAVE ATTENUATOR AND TAKU HARBOR IMPROVEMENT AS PRESENTED.

The motion is approved.

Ms. Smith asked if there is any issue relative to Federal Funds. (There does not appear to be an issue in that regard)

G. ITEMS FOR INFORMATION/DISCUSSION

5. Review of Aurora Harbor Office - Renderings
Presentation by Port Director – Page 51 shows Harris Harbor with Juneau/Douglas Bridge in background. This is a draft of the Marine Exchange building. Subsequent pages show other plan elements. Page 56 shows a plan from MRV. Marine Exchange would provide the building, and Docks & Harbors would provide the land, and we would have access to half the building. Everyone was all for it and even discussed with the Board and Law and then Marine Exchange pulled out – they ended up buying the Angoon Trading building and now are our tenant at that location. We are keeping the renderings for

any future possibility/opportunity to do something there and mentions to remind everyone and introduce to new board members.

Committee Discussion/Public Comment

Mr. Etheridge said that he would like to see an idea as to what facility is being sought and what the price would be, so we know that we are saving towards.

Mr. Uchytel pointed out that the current rendering may be more building than needed

Mr. Etheridge said that it would be good to work out a needs list for any future building.

Ms. Smith said it would be interesting to have space that could be leased, thereby contributing to mortgage

Mr. Etheridge suggests a partnership – perhaps public/private combination. Questions about tenants and compatibility.

Need to determine square footage and usage needs – even a bare bones wish list.

H. STAFF, COMMITTEE AND MEMBER REPORTS

Tony Sieminski, Harbormaster from Seward is visiting for strategic planning and meeting with elected officials to push the DOT Harbor Facility Grant. Two of the four projects are ours. We are asking \$7.1M from the State which would fully fund the local match and \$30M of investments. Also presenting at Alaska Municipal League and American Society of Civil Engineers are rolling out a report card regarding infrastructure.

Aurora Harbor rebuild Phase 4 Rebuild is on the street for feedback from interested contractors. Delayed bidding by one month to afford contractors more time to bid.

State Senate has \$7.1M space hold in the proposed budget for municipal harbor grants.

The Board in January removed \$100 non-refundable application fee for offers relating to constructing an Aurora Harbor Boat Shelter.

I. BOARD ADMINISTRATIVE MATTERS

- a. Next regular Board meeting February 27th, 2025
- b. Next Operations-Planning meeting March 19th, 2025

J. ADJOURNMENT at 6:43 pm

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.