

DOCKS AND HARBORS OPERATIONS MEETING AGENDA

March 22, 2023 at 5:00 PM

City Hall Conf. Room 224/Zoom Webinar

<https://juneau.zoom.us/j/86395282314> or 1-253-215-8782 Webinar ID: 863 9528 2314 Passcode: 273942

- A. **CALL TO ORDER: 5:00pm in CBJ Room 224 and via zoom meeting.**
- B. **ROLL CALL: James Becker, Don Etheridge, Paul Grant, Debbie Hart, David Larkin, Matthew Leither, Annette Smith, and Mark Ridgway.**
- C. **PORT DIRECTOR REQUESTS FOR AGENDA CHANGES**
MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED.
- D. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS** (not to exceed five minutes per person, or twenty minutes total time)
- E. **APPROVAL OF MINUTES**
 - 1. Approval of February 13th, 2023 Minutes
- F. **UNFINISHED BUSINESS**
 - 2. Hansen-Gress Property Appraisal & Non-Code Ordinance
 - Presentation by the Port Director
 - Committee Questions
 - Public Comment
 - Committee Discussion/Action
 - MOTION: TO RECOMMEND THE BOARD ACCEPT THE HANSEN-GRESS PROPERTY APPRAISAL AS PRESENTED.**
 - 3. Goldbelt/Seadrome Property Exchange
 - Presentation by the Port Director/Goldbelt VP of Alaska Group
 - Committee Questions
 - Public Comment
 - Committee Discussion/Action
 - MOTION: TO RECOMMEND THE BOARD ACCEPT THE GOLDBELT/SEADROME PROPERTY EXCHANGE AS PRESENTED.**
- G. **NEW BUSINESS**
 - 4. Docks & Harbors Use Area - ABLF
 - Presentation by the Harbormaster
 - Committee Questions
 - Public Comment
 - Committee Discussion/Action
 - MOTION: TBD**

5. CY2022 Urban Alaska Consumer Price Index (CPI) Adjustment

Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO RECOMMEND THE BOARD ACCEPT THE CY2022 (FROM ZERO TO 8.1%) CONSUMER PRICE INCREASE FOR APPLICABLE FEES.

H. ITEMS FOR INFORMATION/DISCUSSION

6. Harbor Rate Increase - Community Outreach

Presentation by the Port Director

Committee Discussion/Public Comment

7. Aurora Harbor Update (Ph3, Ph4 & PIDP)

Presentation by the Port Engineer

Committee Discussion/Public Comment

8. Letters of Support - Army Corps of Engineers - Statter Breakwater Replacement

Presentation by the Port Director

Committee Discussion/Public Comment

9. Board Letter - North Douglas Crossing

Presentation by the Port Director

Committee Discussion/Public Comment

10. [CBJ Comp Plan - Use of Security Gates](#)

Presentation by the Port Director

Committee Discussion/Public Comment

I. STAFF AND MEMBER REPORTS

J. HARBORMASTER'S REPORT

K. COMMITTEE ADMINISTRATIVE MATTERS

Next Operations/Planning Committee Meeting - Wednesday April 19th, 2023

L. 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.org.

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Monday, February 13th, 2023
CBJ Room 224 and via Zoom

A. Call to Order – Mr. Etheridge called the meeting to order at 5:00 p.m. at CBJ Room 224 and via Zoom.

B. Roll Call – The following members attended in person or via Zoom: James Becker, Don Etheridge, Paul Grant, Debbie Hart, Matthew Leither and Annett Smith.

Absent – David Larkin and Mark Ridgway.

Also Present – Carl Uchytel – Port Director, Matthew Creswell – Harbormaster, Teena Larson – Administrative Officer and Leah Narum – Administrative Assistant.

C. Port Director Requests for Agenda Changes

Mr. Uchytel said he attended the Assembly Public Works and Facilities Committee meeting earlier today. On page eighty-five in the packet is a memo from the Tourism Manager to the Committee. He would like to speak about this new addition under Committee Member Reports.

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

Motion passed with no objection.

D. Public Participation on Non-Agenda Items – None

E. Approval of Minutes

1. January 18th, 2023 Meeting Minutes – Hearing no objections, the January 18th, 2023 minutes were approved as presented.

F. Unfinished Business

2. UAS Property & Potential Lease Extension

Mr. Uchytel discussed the memo on page thirteen in the packet. UAS accepted the educational benefits listed and agreed to enter into a new lease with Docks & Harbors (D&H). They will only entertain a four or five-year lease. UAS and the City and Borough of Juneau (CBJ) Law Department will work on the lease together. Mr. Uchytel would like to know if the Board would accept the \$100K lease terms.

Committee Questions

Mr. Becker asked if UAS knew the plans we had for the property.

Mr. Uchytel said yes, they know what our intentions are and that D&H applied for a \$25M PIDP and RAISE Grant. He feels it will be very difficult to qualify for the grants with such a short-term lease.

Mr. Grant asked how UAS came up with the original \$240K lease amount.

Mr. Uchytel said when the original lease was expiring UAS got an appraisal done by Horan and Company. The property's fair market value was \$240K.

Mr. Grant said \$100K per year is still a huge increase. He would like to know how that affects our budget.

Mr. Uchytel said last year's budget included the fair market value expense of \$240K. He does not want to pay such a high amount, but we knew this increase was coming.

Ms. Smith wanted to know what D&H was currently paying for the property.

Mr. Uchytel said we pay a portion of what D&H collects in revenue. It has been averaging about \$13K per year. D&H has been collecting more rent from the sub-lessees than we pay UAS. There are significant maintenance challenges with the cranes at the location. Last year we spent \$30K to repair one crane and are expecting to spend \$50K this year.

Ms. Smith would like to know what we would need to pass on to break even?

Mr. Uchytel said we would need to come up with \$90K per year to break even. The Law Department is considering options to raise the amount we charge the boatyard. It would be up to the Board to decide if the extra money will come from the sub-lessees, or other user groups. The travel lift and pier are from the 1980's and are rather old.

Mr. Grant asked if our sub-lessees know about what is coming and if we know their long-term plans.

Mr. Uchytel said two of the sub-lessees, Juneau Hydraulic and Alaska Memory are not water dependent businesses. They could continue to operate in another location. The boatyard is very dependent on that location and being on the water. The boatyard owner has applied for a grant to recapitalize the boatlift. The UA Lands Manager is the one asking for the short-term lease.

Ms. Hart asked if there was alternative locations we could use for a repair facility with large boat access.

Mr. Uchytel said D&H has done studies on expanding marine services at Norway Point and the Little Rock Dump. Those projects will cost between \$30M – \$50M. Private companies find using waterfront land for boat storage undesirable and unprofitable.

Public Comment – None

Committee Discussion/Action

Mr. Leither thinks it is important to have a functioning boatyard. He supports entering into the lease for \$100K.

Mr. Grant said he is going to vote against approving the lease. He does not think making the commitment gets us anything.

Mr. Uchytel said he thinks UAS will be selling this parcel and the adjoining parcel with the Vo Tech Building within the next five years. He thinks the Assembly will fight any

private entity from purchasing the land between the two CBJ owned harbors. CBJ should have the right of first refusal.

Mr. Becker feels this boatyard is needed and it is important to maintain what we have now.

Mr. Etheridge said if we enter into the lease, we give the new UAS Chancellor time to decide what to do with the equipment at the Vo Tech Building. The cranes at the Fisherman’s Terminal is incredibly important to our commercial crab community. He believes it is well worth it to enter into the \$100K lease for four or five more years.

Ms. Smith is also going to vote against entering into the lease. She does not feel it makes financial sense. She understands the service provided is needed but she cannot get passed the numbers. If CBJ will use its full might to acquire both parcels five years from now, we do not need this lease. CBJ also gave UAS \$1M to stay in Juneau. She does not want all harbor patrons to pay for a service they do not use. Ms. Smith did not like the way UAS has treated D&H and does not trust them.

MOTION By MR. BECKER: TO TABLE THE DISCUSSION UNTIL IT CAN GO BEFORE THE REGULAR BOARD.

Mr. Grant objected to the motion.

Roll Call Vote

- Matthew Leither – No
- Paul Grant – No
- Annette Smith – No
- Debbie Hard – No
- James Backer – Yes
- Don Etheridge – Yes

Motion Failed.

MOTION By MS. HART: TO ACCEPT THE UNIVERSITY OF ALASKA OFFER TO ENTER INTO A NEW LEASE AGREEMENT FOR \$100,000 PER YEAR FOR THE EXISTING 2.77 ACRE LEASED PROPERTY AND ASK UNANIMOUS CONSENT.

Ms. Smith and Mr. Grant objected to the motion.

Roll Call Vote

- Matthew Leither – Yes
- Paul Grant – No
- Annette Smith – No
- Debbie Hard – Yes
- Don Etheridge – Yes

Motion Failed.

G. New Business

3. Docks & Harbors Use Area – Auke Bay Loading Facility (ABLF)

Mr. Creswell shared a PowerPoint presentation. D&H was allowing companies to do routine maintenance, pressure washing and oil changes at the ABLF. D&H was told by the State of Alaska Department of Environmental Conservation (DEC) to cease those activities. We later received a Certificate of No Exposure from the DEC to allow oil changes, routine maintenance and empty container storage. The Certificate of No Exposure will not allow pressure washing on the D&H side of the ABLF. Some of the tour companies contacted the DEC and found out they can apply for the permit to conduct the pressure washing on the D&H side. He asked the Board's opinion if it should be allowed or not.

Committee Questions

Ms. Hart asked if D&H would be responsible for anything, or if the companies would be responsible. She is worried about liability and wants the Law Department to give advice.

Mr. Creswell said if an operator obtains the proper permitting, they would be responsible for all activities. He cannot speak to liability.

Public Comment

Karl Leis – Juneau, Alaska

Mr. Leis is the owner of Karl's Auto and Marine. He is concerned that he pays D&H to have a boatyard with all of the required permitting. He said if you allow people to use the D&H side of the ABLF, free without oversight, why he doesn't get to on his property with good faith as well. He finds it frustrating to pay for the boatyard every month while other people can use the space for the same purpose at no cost. It is a lot of work to power wash a boat properly; it is more than just containment.

Robie Janes – Juneau, Alaska

Mr. Janes spoke on behalf of Gastineau Guiding and said they are currently working with an environmental consultant. He feels with what they saw last season, it will be hard to make Karl's Auto and Marine work for their needs. Mr. Janes is also concerned with the quote given by Mr. Leis. The environmental consultant is coming to Juneau on February 24th to inspect the area and give advice.

Dawn Wolfe – Juneau, Alaska

Ms. Wolfe spoke on behalf of Gastineau Guiding. She responded to Ms. Hart's concern about liability. She wanted everyone to know Gastineau Guiding does indemnify CBJ on all of their policies. She said they do power wash their boats but do not have bottom paint on the vessels. She feels the lack of bottom paint is more environmentally safe for the ocean.

Committee Discussion/Action

Ms. Smith recused herself from the discussion/vote because she is a customer of Mr. Leis and is an employee of Gastineau Guiding.

Mr. Grant finds it ironic we are discussing this after being so supportive of the boatyard at the Fisherman's Terminal property. The last time Mr. Janes spoke he made it seem like price was not the problem, scheduling was. He is not convinced the parties have made a good faith effort to resolve the issues. He would like to find a way to have a vital

boatyard in Statter Harbor. He feels to allow this type of use works against that principal. He is not in favor of this proposal.

Mr. Becker thinks this is like having a company that can perform a service, or an owner can chose to do it themselves on the grid. He is concerned about environmental contamination.

Mr. Leither asked what fees are charged for the use of the D&H side of the ABLF. He would like to know what is stopping the companies from taking their vessels to an offsite location.

Mr. Creswell said they are currently paying a \$262 commercial launch ramp permit and if in the yard more than twenty-four hours they must pay a freight staging fee or storage fee.

Ms. Narum said there is also a \$26 work zone fee for two hours of use.

Mr. Uchytel said nothing is stopping them from using an offsite location but they would need to get a permit to move their large vessels on the road to an offsite location. It is already February and we need to make a decision before the 2023 season starts.

Ms. Hart asked for the staff's opinion on what they would like to see. Ms. Hart said she is not prepared to make a motion this evening. She would like to hear from the Law Department about liability before discussing further.

Mr. Grant does not think we should make a motion tonight. His priority is ensuring the boatyards we do have are vital, productive and successful. He would like to see operators either paying us a fee for ABLF use, or using Karl's Auto and Marine. He feels D&H competing with the boatyard is a bad idea. He would be open to expanding Karl's Auto and Marine into the D&H side.

Mr. Leither said this is a complicated issue. He wonders if we should take a percentage of the funds collected from the D&H side and give Mr. Leis a break in his rent.

MOTION By MR. GRANT: THE DOCKS & HARBORS BOARD DOES NOT SUPPORT, AND IN FACT, WILL OPPOSE THE ISSUANCE OF A MULTI SECTOR GENERAL PERMIT FOR USES ON THE NON-BOATYARD SIDE OF THE AUKE BAY LOADING FACILITY.

Roll Call Vote

- Matthew Leither – No
- Paul Grant – Yes
- Debbie Hart – No
- James Becker – Yes
- Don Etheridge – Yes

Motion failed.

4. Aurora Harbor Phase III Funds Transfer Request

Mr. Uchytel shared a memo to the Assembly on page sixteen of the packet. He explained how the Assembly manages the 1% sales tax. He is working with the Finance Department to find ways around the cash flow problem.

Committee Questions – None

Public Comment – None

Committee Discussion/Action

MOTION By MS. HART: TO RECOMMEND THE BOARD APPROVE THE FUND TRANSFER REQUEST FOR AURORA HARBOR PHASE III IN MEMO DATED FEBRUARY 10TH, 2023 AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

5. ADOT Harbor Facility Grant Acceptance – Aurora Harbor Phase III
Mr. Uchytel shared a memo on page eighteen in the packet. The Assembly needs to accept and appropriate the harbor grant.

Committee Questions – None

Public Comment – None

Committee Discussion/Action

MOTION By MS. HART: TO RECOMMEND THE BOARD ACCEPT A \$2M ADOT HARBOR FACILITY GRANT FOR AURORA HARBOR AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

H. Items for Information/Discussion

6. Vessel Insurance

Mr. Uchytel introduced Rick Shattuck from HUB International. Mr. Shattuck shared documents starting on page twenty in the packet. Recreational vessel liability coverage is usually \$300K, while commercial vessel liability is normally \$1M. Many policies have pollution coverage for oil response. He suggests harbors make sure there is wreck removal coverage for larger commercial vessels. There are also policy warranties that if violated can invalidate coverage. Some policies require the vessel to be laid up during certain times of the year and if the clause is not met, it invalidates coverage. Homeowner's policies rarely offer boat coverage. Mr. Shattuck was looking at his homeowner policy and it only offered \$1.5K in damage coverage for a small skiff. Homeowner's policies do not provide much liability coverage either. His policy would only offer liability coverage if the boat was under fifty horsepower, or a sailboat twenty-six feet or less. The marine insurance market has been getting tough recently. Many insurance companies require a current survey. Boat shelters are insurable but not for wreck removal if they sink.

Committee Discussion

Mr. Grant asked if all boat policies include pollution coverage. The Board is not concerned about liability coverage only pollution and wreckage removal.

Ms. Smith wanted to know if we can charge and pay for insurance on uninsured vessels in the harbors. She also wanted to know if we could change policy and not allow vessels in the harbor unless they are properly insured. She asked if the CBJ insurance premiums we pay covers uninsured vessels. How do we confirm coverage has not been cancelled after we receive proof of insurance? An uninsured vessel recently sank in Statter Harbor. The patron did not have funds to raise the vessel. Where does the money come from?

Mr. Leither asked if there were policies that would only cover pollution and wreck removal.

Mr. Shattuck said you cannot purchase insurance without an insurable interest, or ownership. There is nothing to prevent a person from purchasing insurance then canceling it. Whittier and Valdez have insurance requirements for their moorage agreements. Usually pollution coverage and wreck removal coverage are add-ons to the original boat policy. You might be able to obtain a separate vessel pollution policy.

Mr. Uchytel said the State of Alaska does not have requirements for boat insurance like the State of Washington does. Most communities in the panhandle do not require insurance with their moorage agreement. Mr. Uchytel said D&H has never submitted an insurance claim to help with disposing of vessels. He is also not aware of any fines levied from the U.S. Coast Guard for pollution discharge due to small crafts sinking.

Mr. Creswell said D&H paid to raise and dispose of the vessel that sank in Statter Harbor. We used money from the fund balance. D&H pursues the owner for the costs and send them to collections if they cannot pay.

Public Comment – None

7. Urban Alaska Consumer Price Index (CPI) – 2022

Mr. Uchytel said on page twenty-seven in the packet is the 2022 CPI of 8.1% inflation. On page twenty-eight you can see what the rates will be if the Board decides to include the CPI adjustment for 2023.

Committee Discussion – None

Public Comment – None

8. Harbor Rate Study – Next Steps

Mr. Uchytel said on page thirty of the packet is a white paper proposal for rate increases. He would like this to be the talking points for the public outreach.

Committee Discussion

Mr. Leither liked this white paper proposal. If he could make one change, it would be to include information on the reserve analysis and infrastructure replacement.

Mr. Grant said this is very informative and helpful. He would like to put together some talking points for public outreach. Mr. Grant was under the impression the Board already approved the 9% increase. He thought the last step was when to implement the increase.

Ms. Hart said this white paper proposal is a great way to condense the rate study. She would like an internal timeline created for moving this forward.

Mr. Etheridge agrees with a timeline and it needs to move quickly. He also thinks off-campus meetings with the public are a good idea. He suggested holding them at the public libraries. It would be nice to have a PowerPoint presentation for talking points. He was very impressed with this white paper. Mr. Etheridge said he was completely underwhelmed with the final HDR study. He also said we could not vote on a regulation rate increase without first doing the public outreach. He is aware the Board agrees to raise rates 9%.

Mr. Uchytel said he intentionally played down the HDR Rate Study. He was not very pleased with the report's content. He would be more than happy to share earlier versions with anyone that would like to see it, but he was underwhelmed with the report.

Public Comment

Kirby Day – Juneau, Alaska

Mr. Day said he appreciates the discussion tonight. The cruise industry's fiscal year ends November 30th. By August, he is finishing his budget for the following year. He is currently anticipating a 9% increase for calendar year 2024, as well as the CPI adjustment.

9. Community Development Department (CDD) Request for Comments – Huna Totem Corp. Mr. Uchytel said Huna Totem has gone to CDD to request a Commercial Use Permit. The CDD will send this request for comment out to any department affected. The entire Commercial Use Permit is included and starts on page sixty in the packet. This Commercial Use Permit is only for the uplands, not the dock.

Committee Discussion

Mr. Leither said he is under the impression the Assembly declined to fund the RFP for the Harbor Master Plan. He is curious if it matters what the Board thinks.

Mr. Uchytel said there was a lot of pushback saying the RFP was a waste of money and Huna Totem's contractor was better at planning. In the end, there was not enough support to move the RFP forward.

Mr. Grant is concerned they are going to build a facility with the assumption another cruise ship dock will be allowed down the road. He thinks denying the Harbor Master Plan RFP is shortsighted. His comment to the Assembly would be he is against the permit until a full plan is received.

Public Comment – None

I. Committee and Member Reports

Mr. Uchytel reported -

- Page eighty-five of the packet is a memo from the Tourism Manager regarding Marine Passenger Fees. This will go out for public comment and to the Assembly. The safety railings were not included and we might need to use our fund balance to procure them.
- On Wednesday, February 15th we will have a bid opening for the Aurora Harbor Phase III electrical component procurement.

Mr. Creswell reported -

- Harris Harbor restrooms have been running smoothly for two weeks. Modifications were made to the door, a camera was installed, and the showers were switched to a token system.
- Scott Hinton is returning as the Port Operations Supervisor.

J. Committee Administrative Matters

Next Operations/Planning Committee Meeting – Wednesday, March 22nd, 2023.

K. Adjournment – The meeting adjourned at 7:31 p.m.

MR for Hansen-Gress

Members of the company, 1000 Harbor Way LLC, applied to acquire City property and tidelands under and around their existing building in order to make major structural and architectural improvements. This building houses Hansen-Gress and is adjacent to the Juneau-Douglas Bridge. The Docks and Harbors Board reviewed this application at the August 25, 2022 meeting and provided a motion to advance this application. The Assembly reviewed this application at the November 21, 2022 meeting and provided a motion to authorize the City Manager to negotiate the disposal of City property. The Planning Commission reviewed this proposed disposal of the CBJ property at the meeting on January 24, 2023, and passed a recommendation that the Assembly approve the disposal. Fair Market Value has been determined by appraisal to be \$24.62 per square foot.

The City Manager recommends the Assembly introduce this ordinance and set it for public hearing at the next regular Assembly meeting.

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Presented by: The Manager
Presented: XX/XX/2023
Drafted by:

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2023-XX

An Ordinance Authorizing the Manager to Convey Approximately 4,814 Square Feet of Tidelands Located on a Fraction of Lot 3, Block 51, Tidelands Addition Adjacent to 1000 Harbor Way to 1000 Harbor Way, LLC for Fair Market Value.

WHEREAS, 1000 Harbor Way, LLC (“applicants”) are owners of certain real property located at 1000 Harbor Way with the legal description of Lot 5, Block 51, Tidelands Addition; and

WHEREAS, the City and Borough of Juneau (CBJ) owns real property adjacent to 1000 Harbor Way, described as a fraction of Lot 3, Block 51, Tidelands Addition; and

WHEREAS, the applicants request additional land under and around their existing building in order to make major structural and architectural improvements to the aging building; and

WHEREAS, the Docks and Harbor’s board reviewed this application at the August 25, 2022 meeting and provided a motion to advance this application; and

WHEREAS, the Lands, Housing and Economic Development Committee reviewed this proposed CBJ land disposal at the meeting on September 26, 2022, and forwarded this application to the Assembly with a motion to work with the original proposer in accordance with city code 53.09.260.

WHEREAS, the Assembly reviewed this application at the November 21, 2022 meeting and provided a motion to authorize the City Manager to negotiate the disposal of City property to Hansen Gress

WHEREAS, the Planning Commission reviewed this proposed disposal of the CBJ Property at their meeting on January 24, 2023, and passed a recommendation that the Assembly approve the disposal

WHEREAS, Fair market value of the CBJ Property to be \$24.62 per square foot or \$118,510 more or less.

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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 a non-code ordinance.

Section 2. Authorization to Convey. The Manager is authorized to negotiate and execute the sale of Approximately 4,814 square feet of tidelands located on a fraction of Lot 3, Block 51, Tidelands Addition, as shown on the attached Exhibit A.

Section 3. Purchase Price. The purchase price of the property shall be the fair market value, which has been determined by appraisal to be \$24.62 per square foot. Applicants will be responsible for all surveying, platting, closing costs, and recording fees.

Section 4. Other Terms and Conditions. The Manager may include such other terms and conditions as may be in the public interest and in accordance with CBJ Title 53.

Section 5. 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

1	1000 Harbor Way, LLC (Hansen Gress)	4,041 SF
2	Land leased from CBJ proposed to be purchased	4,178 SF
3	Additional CBJ land to be purchased	<u>636 SF</u>
	Total Area	8,855 SF



**MARKET VALUE APPRAISAL OF
CBJ LAND PORTION OF A HYPOTHETICAL NEW LOT
PART OF ATS₃ AT 1000 Harbor Way,
Juneau, ALASKA**



Subject as it fronts Harris Harbor

PREPARED FOR: Carl Uchtyl, PE, Port Director
City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

PREPARED BY: Charles Horan, MAI
Horan & Company, LLC
403 Lincoln Street, Suite 210
Sitka, Alaska 99835

EFFECTIVE DATE: February 21, 2023

REPORT DATE: February 24, 2023

OUR FILE NO.: 23-003

HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN MAI / JOSHUA C. HORAN / SLATER M. FERGUSON

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835
PHONE NUMBER: (907)747-6666 FAX NUMBER: (907)747-7417 commercial@horanappraisals.com

February 24, 2023

Carl Uchtyl, P.E., Port Director
City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

Via email: teena.larson@juneau.org

Re: Market Value Appraisal of CBJ Land Portion of a Hypothetical New Lot Part of
ATS 3 at 1000 Harbor Way, Juneau, Alaska 99801; Our File # 23-003

Dear Mr. Uchtyl,

We have estimated the market value of the contributory land owned by the City and Borough of Juneau which is under consideration for sale to the current lessee and owner of adjacent fee simple land, Hansen Gress doing business as 1000 Harbor Way LLC. The sale of this land would clean up non-conforming site issues with regard to the building setback and its overlapping the lot line as currently configured. The land value of the new hypothetically subdivided lot (8,855 SF) at 1000 Harbor Way reflects the maximum highest and best use market value of this site as reconfigured. The effective date of the value is February 21st, 2023.

The estimated market value in fee simple is \$237,972. This value is allocated among the three components of the site as summarized in the following table.

Ownership	SF Area	Value	SF Value
Hansen Gress Fee Owned	4,041	\$118,782	\$29.39
CBJ Leased Land	4,178	\$105,790	\$25.32
CBJ Additional Land	<u>636</u>	<u>\$12,720</u>	<u>\$20.00</u>
Totals	8,855	\$237,292	\$26.80
Total CBJ Lands	4,814	\$118,510	\$24.62

The land value reflects \$50/SF for the filled portion of the site and \$20/SF for the unfilled portion. Because of the disparity in percentage of filled area for the various components of each part of the site, the blended SF values differ. For instance, the Hansen Gress Fee Owned portion of the site has disproportionately greater fill than the CBJ parts. The CBJ leased lands have a lesser amount of fill and the CBJ additional lands have no fill and therefore have lower blended SF values, overall.

Your attention is invited to the attached report which explains this analysis in more detail and includes the most pertinent data considered in estimating the market value. This appraisal is intended to comply with the rules and regulations as set forth by the Uniform Standards of Professional Appraisal Practice (USPAP) and the City and Borough of Juneau's appraisal instructions.

If you have any questions or comments, please feel free to contact us at your convenience.

Sincerely,



Charles E. Horan, MAI
Horan & Company, LLC

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ADDENDA 26

Certification of Appraisal

Subject Photographs

Tideland Lease

Map and Email (DOT Right of Way)

Juneau Area Analysis

Tideland Rent Market

Tideland Value Ratio

Comparable Write ups

Qualifications

1 INTRODUCTION



Figure 1.1 – CBJ GIS ariel map overview of subject showing; (1) fee owned 4,041 SF, (2) leased land 4,178 SF and (3) additional tidelands 636 SF.

Background

The property at 1000 Harbor Way recently sold to Hansen Gress, business partners who acquired the property under the 1000 Harbor Way LLC. The property is improved with a building on piling straddling the lot line over two tidelands parcels. One lot is fee-owned land¹ and the other lot is on a long-term lease from the CBJ². The building improvement straddling the lot line is non-compliant with the current city code. The building also is concurrent with the seaward lot line along the Harris harbor tidelands, which does not meet current setbacks. The property owners are applying for a building permit to rehabilitate the building and put a deck

¹ 4,041 SF portion of ATS 3 Tidelands Addition to the Juneau Townsite, Block 51 part of Lot 5

² 4,178 SF part of Block 51 part of Lot 3, Tideland Addison, ATS 3

on the seaward side to maintain the exterior siding which would encroach into CBJ's additional tidelands not currently leased.

The property owners have requested to purchase the leased land (4,178 SF) and additional CBJ tidelands (636 SF) to remedy the nonconforming issues in furtherance of their building rehabilitation project. The harbor board is considering a recommendation to sell the leased land and the additional tidelands to the current building owners so the lot could be platted as a conforming site.

This appraisal values the entire hypothetical site at its highest and best use and allocates the land value among the three components of land; fee owned 4,041 SF, leased land 4,178 SF, and additional tidelands 636 SF.

The Leased Parcel

This parcel, 4,178 SF, had been leased from the CBJ for many years. The two-story retail building on the site was constructed in 1967 under a prior land lease. The existing lease commenced in 2010 authorized by CBJ Ordinance 2010-24 which was enacted by the CBJ assembly August 23, 2010, with an effective date of September 22, 2010. A copy is in the addenda. The current lease supersedes and replaces a prior lease agreement made March 3, 1967, on the property to its predecessor. The current lease has a 35-year term which would expire in 2045. If the 35-year option to renew were exercised the term would end in 2080. The rent is subject to five-year annual market rental adjustments, the last of which was \$5,848 made effective March 3, 2019. The next rental adjustment would be March 3, 2024.

For the purpose of the appraisal, it is assumed the land would be offered for sale at its fee simple value as though hypothetically unimproved (no building value). The lease terms appear to be near market and would not have an impact on the analysis for the purpose of sale. See the copy of lease in the addenda.

1.1 INTENDED USERS AND INTENDED USE

The **purpose** of this appraisal is to determine the market value of the City and Borough of Juneau's interest in the overall value of the hypothetical site in its pre-development condition without consideration to the building improvements.

Intended use is to set market price for sale if the sale goes forward to purchase the CBJ's interest in the site. **Intended users** are the City and Borough of Juneau decision makers in making a recommendation and negotiation for sale. The appraisal is not intended for any other users or any other use.

1.2 INSPECTION & EFFECTIVE DATE

Charles Horan, MAI inspected the property on February 21, 2023, with the property owners Misters Hansen and Gress. This is the effective date of the appraisal.

1.3 SCOPE OF WORK

This appraisal analysis is for land only as though the site is hypothetically vacant and available for highest and best use development.

The physical character of the site is as it is observed with its present contour which is estimated to be mostly submerged and sloping tidelands or filled lands at or near road grade. The extent of the filled land at road grade has been estimated by the appraiser at about 19 feet extended seaward from Harbor Way. This is based on a range of estimates from other sources indicating 18 feet³ to 20 feet⁴ which seems reasonable. No land survey or engineering work has been provided for a more definitive allocation of the uplands and sloping and tidal lands.

No complete legal description or current title status report of the land has been provided to the appraiser. It is assumed that it is as described in Section 3 of this report. It is understood that the land will be surveyed into one legal site prior to conveyance.

The land value of the entire hypothetically vacant site will be estimated and the contributory value of the CBJ's land and the private fee-owned land will be allocated according to the site characteristics and its contributory value as summarized in Section 4 of this report.

The most direct way to estimate market value of the land is the sales comparison approach. Sale prices or annual rents have been analyzed as the primary indicators of value in the subject's competitive market. The market unit of comparison for this property is price per square foot. In some instances, leases were capitalized to indicate the fee value. A land capitalization rate of 8%⁵ is used unless a contract rent is being converted and states otherwise. The income approach and depreciated cost approach were considered, but not applicable in the subject instance. The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

A thorough search of the market has been made for comparable transactions including interviews with realtors, consultations with the southeast and statewide Multiple Listing Services, a review of the assessor's files on sales transactions, lenders, government agencies, and others who regularly participate in the real estate market. To the extent possible, we have interviewed buyers, sellers, or other knowledgeable parties to the transactions as more fully described in our market data sheets contained in the addenda.

Our office maintains market data information on sales, transfers, and on a geographic location basis for those rural properties not connected to a road system and those connected. Within each of these areas, the data is further segmented into commercial and residential properties. Within these divisions of separation are divisions for zoning and whether the properties are

³ Estimate by the property owner

⁴ Estimate from previous Reliant appraisal.

⁵ See adenda for Alaska Tidelands Valuation And Rent Market

waterfront or upland parcels. Horan & Company, LLC maintains and continually updates this library of sale transactions throughout Alaska by region and has done so for over 30 years.

1.4 ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made based on the following **hypothetical conditions (HCs)** and **extraordinary assumptions (EAs)**.

HC1 It is a hypothetical condition of this appraisal that the land is appraised as a single legal vacant lot which maximizes the value of the individual portions.

EA1 It is an extraordinary assumption that the lot size and portions are as outlined in this report. It's understood that the final square footage may vary somewhat which could be adjusted by the client or by an amended appraisal.

This appraisal and valuation contained herein are also expressly subject to the scope of work and the following assumptions and/or conditions:

1. It is assumed the data, maps, and descriptive data furnished by the client or its representative are accurate and correct. Photos, sketches, maps, and drawings in this appraisal report are for visualizing the property only and are not to be relied upon for any other use. They may not be to scale.
2. The valuation is based on information and data from sources believed reliable, correct, and accurately reported. No responsibility is assumed for false data provided by others.
3. No responsibility is assumed for building permits, zone changes, engineering, or any other services or duty connected with legally utilizing the subject property. No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management. It is assumed that the title to the property is marketable. No investigation to this fact has been made by the appraiser.
4. The property described herein has been examined exclusively for the purpose of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject land or improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
5. This appraisal report may note any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.)

discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. The appraiser obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources believes it to be true and correct. It is assumed that no conditions existed that were undiscoverable through normal diligent investigation which would affect the use and value of the property. No engineering report was made by or provided to the appraiser.

6. The Client is the party or parties who engage an appraiser in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client does not become an intended user of this report unless the client specifically identified them at the time of the assignment.
7. The appraisal report may not be properly understood without access to the entire report. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.
8. Any distribution of the valuation in the report between land, improvements, and personal property applies only under the existing program of utilization. The separate valuations for land, building, and chattel must not be used in conjunction with any other appraisal and is invalid if so used.
9. One (or more) of the signatories of this appraisal report is a member or associate member of the Appraisal Institute. The bylaws and regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety to such third parties as selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations

media, news media, sales media, or other media for public communication without the prior written consent of signatories of this appraisal report.

10. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.

1.5 DEFINITIONS

Market Value

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 123

The estimated **market exposure time** is 18 to 24 months.

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

Dictionary of Real Estate Appraisal, Sixth Edition, Page 83-84.

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject

property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

The Dictionary of Real Estate Appraisal, 6th Edition, Appraisal Institute, Page 113

The use of an extraordinary assumption or a hypothetical condition if found to be otherwise could impact appraisers analysis and conclusions.

2 AREA ANALYSIS

2.1 JUNEAU AREA ANALYSIS

Please see the addenda for the expanded Juneau Area Analysis. The population and employment in Juneau have been declining over the last few years but it appears that the decline is diminishing. The population is aging. There is a housing shortage with prices rising due to supply and demand issues as well as inflationary pressure for materials. There have been no large-scale multifamily housing projects developed for the last several years. It appears that feasibility for new rental housing may be difficult. With the increase in values for condominiums and other forms of home ownership, there may be some more potential in the future for this type of feasible housing. It's beyond the scope of this report to make this determination at this time.

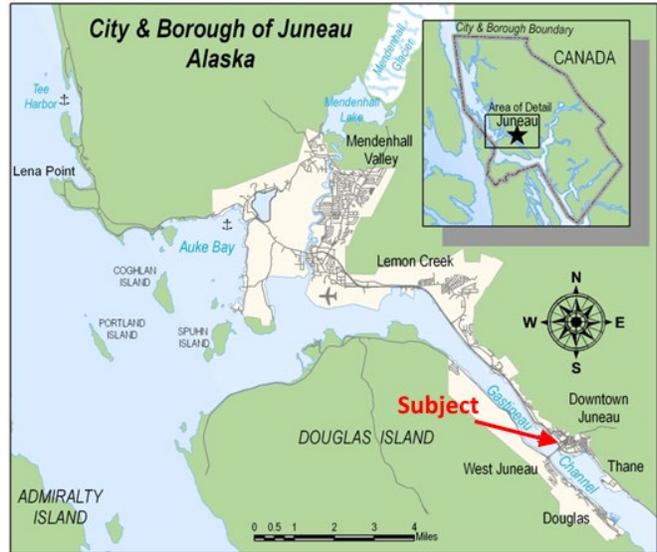
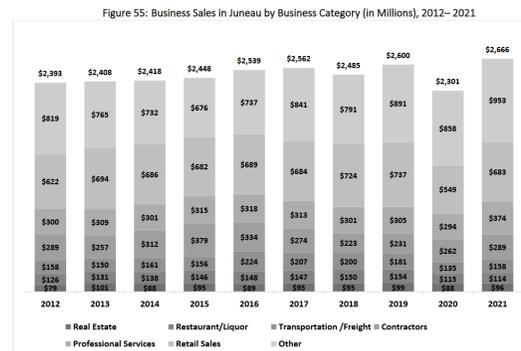


FIGURE 2.1 – Juneau subject map

Tourism has recovered significantly for the independent traveler and more recently, just this year for the cruise ship passenger. Actual passenger count for 2022 is 92% of the previous high in 2019. It appears it will improve next year. Tourism-related sales are also rebounding as seen in gross tax receipts but not near the levels previously seen in 2019. The independent travel market appears to be stronger based on bed tax receipts which in 2022 may have outpaced the 2019 season. Education, government, fishing, and other industries that have lagged in the last several years appear to be recovering if not to prior levels. State Government continues to shrink but may be leveling off.

Historically the subject land has been used to support retail and office occupancy. The overall business activity as reflected through business sales has increased as shown in figure 2.2. All the retail sales have not caught up with the 2019 benchmark year it is noted that construction professional services and other have increased.

Overall, the current market in 2022 is positive. It is expected that prices would be stable or moderately increasing in some parts of the commercial real estate sector.



Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, Statistical Section. Notes: Data for 2021 was unaudited at the time of publication; "Other" category includes mineral sales, wholesale equipment, food suppliers, and fuel companies.

Figure 2.2 - Business Sales in Juneau as shown in the Juneau Economic Development Council study for 2021 Figure 55 dated September 2022.

2.2 NEIGHBORHOOD ANALYSIS

The subject is located in the westerly corner of Harris Harbor at the intersection of Glacier Highway and the Juneau Douglas bridge. This area is an extension of the Juneau downtown commercial waterfront area. This broader neighborhood is defined along the northern edge of the Juneau Port as shown in Figure 2.3 below, predominantly zoned WC (waterfront commercial) with some mixed-use.

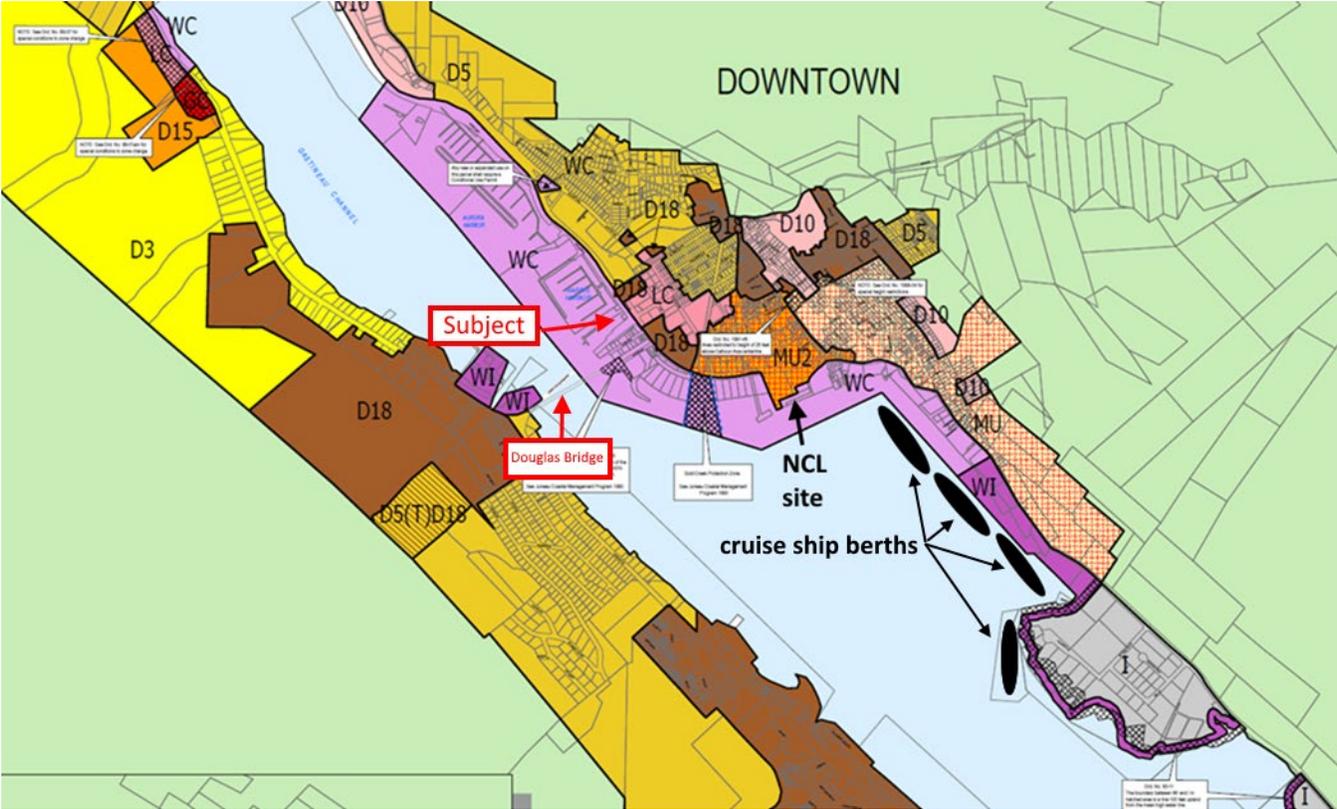


FIGURE 2.3 - Zoning Map. Source: CBJ Downtown Juneau & Douglas Zoning Map as of September 29, 2015 annotated by Horan & Company.

From the waterfront perspective, the neighborhood connectivity is obvious, however, over time dominant areas have developed including the cruise ship harbor area in the southeast part which corresponds to the downtown retail commercial influence along South Franklin Street continuing on toward Merchants Wharf along Egan Drive. The AJ Dock marks the southern extent of the industrial neighborhood. In September 2019, Norwegian Cruise Lines (NCL) put in a bid of \$20,000,000 to purchase nearly three acres of MU2 property to the east with the idea of developing a fifth cruise ship dock and extensive tourist-related waterfront facilities with a combined public, private and nonprofit participation. There is significant demand for cruise ship visitation to Alaska, due to the increasingly larger capacity of cruise ships, the profitability of the Alaska market, and the perceived relative safety. This neighborhood is further interrupted by the lack of development along the Gold Creek tide flats. The sea walk

does continue to connect these neighborhoods by pedestrian paths paralleling the road connection.

The Bridge to Norway Point

The subject’s immediate area defines itself around unique marine activities related to the Harris and Arora Harbors, fish landing, and boat repair between the Juneau Douglas Bridge and Norway Point. This area was subject to the Juneau Downtown Harbors Uplands Master Plan, Bridget Park to Norway Point (referred to below as “The Study”) dated March 30, 2017, commissioned by the CBJ Docks and Harbors Department.



Figure 2.4 - Land Use and Strategic Planning Downtown Harbors showing potential fill opportunities (orange dashed lines) from page 41 of 66 of the Study. -

Parking is in high demand and this study shows the tideland seaward of the subject fill opportunities to support the nearby marine uses. This study and the master plan confirmed there is a lack of adequate parking in this harbor area.

The preferred alternative shown in Figure 2.5 shows the expansion of commercial activity in the subject area and an extension to Harbor Drive connecting it to Whale Park under the bridge and other commercial activity to the east.

The subject has excellent traffic exposure with over 18,000 vehicles a day traveling into the Egan Drive and JD Bridge intersection from the northwest adjacent to the subject. It enjoys over 12,000 vehicles across the intersection (east) and nearly 15,500 vehicles a day across the Juneau Douglas Bridge. This high visibility is somewhat offset by the limited access to Harbor Way which requires exiting from Egan Drive from the south from a controlled traffic lane. Getting to the subject site heading north on Egan Drive or coming across the J.D. Bridge requires several left-hand turns onto Harbor Way. Notwithstanding these limitations, the location and demand for the subject are good relative to its retail potential and proximity to the harbors.



Figure 2.5 - From page 65 (of 66) of the study showing possible future uses and the subject location.

3 PROPERTY DESCRIPTION

3.1 SITE DESCRIPTION

The purpose of the appraisal is to estimate the land value as though hypothetically vacant and available for development to its highest and best use as one site. This highest and best use value will be allocated among the three components of the site as follows;

1- Fee owned by 1000 Harbor Way, LLC (Hansen Gress),	4,041 SF
2- Land leased from CBJ proposed to be purchased	4,178 SF
3- Additional CBJ land to be purchased	<u>636 SF</u>
Total Area	8,855 SF



Figure 3.1 - Various Components of This Site Shown on The CBJ GIS Mapping

A complete legal description has not been made at the subject site. The following figure shows the original lease exhibit with the various components of the site.

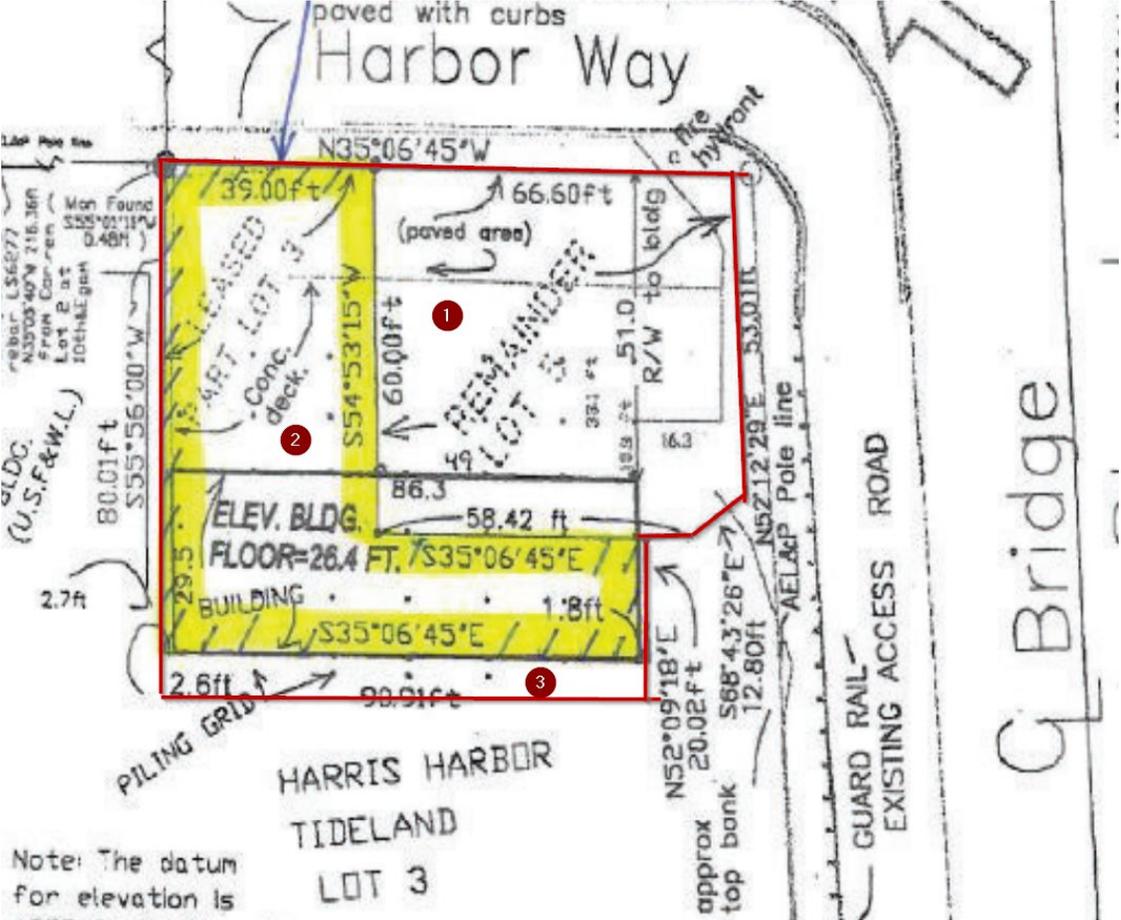


FIGURE 3.2 - Original lease exhibit annotated by the appraiser with the three components of the site.

Legal description and site size

The larger hypothetical parcel support's the commercial building at 1000 harbor drive, Juneau Alaska. The three component parts are described as follows:

Fee Owned land is a remainder part of Lot 5 Block 51 of the Tidelands Addition to the City of Juneau, Alaska, according to the official plat of survey said Addition which plat is a subdivision of Alaska Tidelands Survey No. 3 and is filed in the office of the recorder for the Juneau Recording District at Juneau, Alaska, as Plat No. 347. The CBJ Assessor shows the area as 4,041 SF

The Lease part is a portion of Lot 3, Block 51, of the same Tidelands Addition, Plat No. 347; more particularly described as follows: Beginning at Corner No. 1, identical with the most northerly corner of Lot 5, Block 51; thence S 54° 53' 15" W 60.00 feet to Corner No. 2; thence S 35° 06' 45" E 49.50 feet to Corner No. 3; thence S 52° 09' 18" W 20.02 feet to Corner No. 4; thence N 35° 06' 45" W 90.91 feet to Corner No. 5; thence N 55° 56' E 80.01 feet to Corner No.

6; thence S 35° 06' 45" E 39.00 feet to Corner No. 1, the place of beginning; containing 4,178 square feet, more or less.

The **additional CBJ land** is a part of the Tideland Addition adjacent to the leased land seaward of the building extending about 7' along the 90.91 boundary. The parcel is about 636 SF.

The hypothetical new site does not yet have a complete legal description. For the purpose of our analysis, we make the extraordinary assumption that the site allocation areas are as summarized previously with the total land area of 8,855 SF.

Based on the area components the appraiser estimates there are about 105.6 feet along the northeast boundary on Harbor Way, an irregular boundary along the southeast side adjacent to the Juneau Douglas Bridge right-of-way access road., about 115 feet along the southwest border facing the unoccupied CBJ tidelands and about 87 feet along the northwest border adjacent to US Fish and Wildlife property.

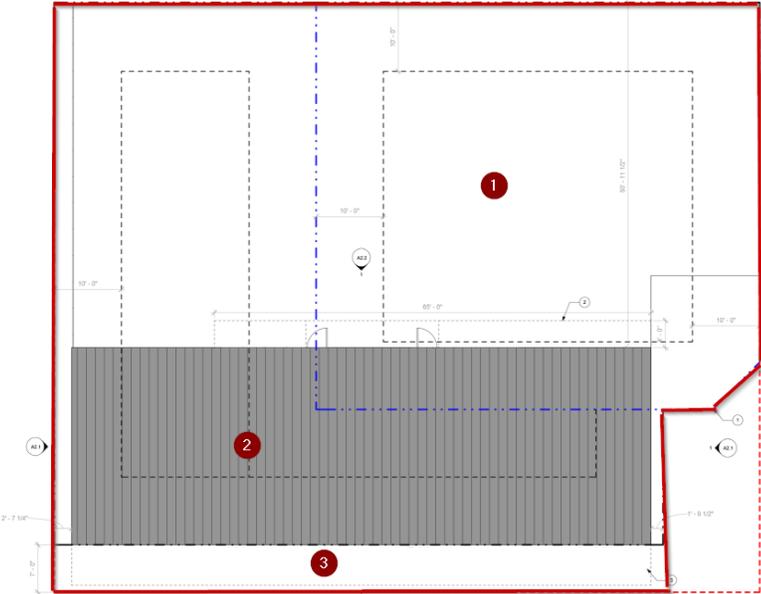


FIGURE 3.3 – Original Architectural Drawing of site modified and annotated by the appraiser showing three elements of the new hypothetical land parcel.

Land Characteristics



Figure 3.4 – Photo looking at contour transition of filled and sloping areas. Photo taken by Tyler Gress.

Actual surveyed topographical information has not been furnished to the appraiser. The site is predominantly sloping tidelands however there is a filled 18 to 20-foot-wide strip parallel to Harbor Way which is filled and paved over. For the purpose of the appraisal we estimate the filled strip along Harbor Way is 19 feet wide indicating 1,265 SF (19 feet x 66.6 feet) of fee land and 741 SF (19 feet x 39 feet) of leased lands along the roadway. The balance of the site slopes downward from road grade of Harbor Way to submerge lands of Harris Harbor. They are typical of the Harbor waterfront sloping tideland with evidence of crushed rock remnants of the AJ Mine tailings.

The land character distribution among the three components of the site between filled lands and sloping tidal lands are summarized in the table below.

Land Component		Land Area	Filled Land	Tideland or Sloping	% Tideland	% Filled
1 Fee Owned		4,041	1,265	2,776	69%	31%
2	Leased Land	4,178	741	3,437	82%	18%
3	Additional land	<u>636</u>		<u>636</u>	100%	0%
		8,855	2,006	6,848	77%	23%

Easements and Other Restrictions

There are no known easements or platted site restrictions.

Access

The site, as presently developed, has vehicular access via Harbor Way. This is a narrow secondary paved city street. It parallels Egan Drive a four-lane controlled access road with a turning lane and single intersection concurrent to the subject corner onto the J.D. Bridge going west and 10th Avenue going east. There is no direct access onto Harbor Way except a block to the north off Egan Drive and only from traffic heading south. Harbor Way turns at the subject paralleling the J.D. Bridge as an adjacent gravel access road but is not a legal through street.

Water access would be from the tidelands of Harris Harbor but is not utilized by the subject or in any way connected to it.

Utilities

City sewer, water, and private utilities including power, trash collection, phone, cable, and fuel are available to the parcel.

3.2 ZONING

The subject lot is zoned WC for Waterfront Commercial. The WC, Waterfront Commercial District, is intended to provide both land and water space for uses which are directly related to or dependent upon a marine environment. Such activities include private boating, commercial freight, and passenger traffic, commercial fishing, floatplane operations, and retail services directly linked to a maritime clientele. Other uses may be permitted if water-dependent or water-oriented. Typically, the area lots are developed with commercial, retail, storage, shops, apartments, office, or other administrative and support facilities. The subject is on the harbor making it convenient for marine-oriented businesses that require direct water access.

3.3 ASSESSED VALUATION AND TAXES

Assessor's Parcel #: 1C060K510041

	Assessor parcel number	Abbreviated legal disc.	Land area	Land value	Building value	Total value
1 Fee Owned	1C060K510040	Tidelands Addition Bl 51 Lt 5	4041.00 SF	\$473,487	\$322,950	\$796,437
2 Leased	1C060K510041	Lease Tidelands Addition Bl 51 Lt 3 Fr	4177.68 SF	Possessory Interest in above	In above	In above

The leased land assessment is carried on the adjacent fee-owned parcel, 1C060K510040. It appears that subject land possessory interests are carried under this land value. The mill rate for 2022 was 10.56 which indicated taxes of \$8,410.

Functional Utility of Site

The CBJ additional land (3) and leased tidelands (2) are used in conjunction with the contiguous fee-owned land (1) forming one compact site supporting a two-story commercial building which houses office and retail uses taking advantage of the site's central location but not particularly tied to direct water access. The businesses do have good proximity to harbors and other marine activities.

The combination of these three parcels maximizes their unit value and the **highest and best use**.

4 VALUATION

4.1 LAND VALUATION

The land will be valued by the direct comparison approach on a price per SF using commercial land sales and capitalized land rents in the competitive market. For valuation purposes, the two site components; level land at road grade (upland) and sloping/tidelands (tideland) are considered for their contributory value of the overall site. We have determined⁶ that the SF value of the tidelands is 40% of the SF value of the uplands. We have then adjusted the concluded value of the uplands by this ratio (40%) to determine the contributory value of the tidelands. As shown in the sales Table 4.1 below, this is supported by the allocated tideland values.

Comps 1, 2 and 3 are land rents. They have been capitalized to indicate what the value or price would be as expressed by these rents as indicated in the table below.

The following transactions were found to be most helpful in our analysis.

Table 4.1 - Summary of Sales Used to Estimate the Value of the Subject Uplands							
Comp #	Address	Date	Indicated Price	SF Size	Price /SF Overall	Price/SF Upland	Price/SF Tideland
1-11959	1000 Harbor Way	03/2019	*\$73,100	4,178	\$17.50		\$17.50
2-10025	345 Egan DR	10/2022	*\$489,276	14,070	\$34.77	\$34.77	\$13,91
3-5011	98 Egan DR	06/2018	*\$625,862	19,916	\$31.43		
Upland			\$360,047	6,998		\$51.45	
Tideland			\$265,815	12,918			\$20.58
4-8018	1050 Harbor Way	07/2014	\$170,000	4,617	\$36.82		
Upland			\$121,429	2,308.5		\$52.60	
Tideland			\$48,571	2,308.5			\$21.40
5-12188	224 2 nd St.	1/2021	\$286,000	4,913	\$58.21	\$58.21	
*These are land rents that have been capitalized and show as the Indicated Price in the table above.							

⁶ See addenda for the Tideland Value Ratio study. The subjects are rated as well functioning tide lands at 40%.

adjustments discerned from the market to make quantitative adjustments are not reliably available.

The upland sales are considered on a qualitative basis relative to their being superior, inferior, or similar to the subject due to these differences. The indicated price per SF is qualitatively ranked in the following discussion. If a comparable attribute is superior to the subject, a minus rating of -1, -2, or -3 is made, depending on its severity. Conversely, if a comparable attribute is inferior to the subject, a plus rating is made to weigh this with other attributes towards the subject with a +1, +2, or +3, depending on the severity. The gradation of weighting 1 to 3 is used since all qualitative attributes are not, in the appraiser's opinion, equally weighted within the market.

The **market conditions** have changed over the last five years. Prior to the pandemic in early 2020, the market had been relatively stable. The pandemic introduced considerable market uncertainty into 2021. As time went forward it appeared that travel and some of the other pandemic restrictions may be loosening up even though the COVID virus remained a persistent threat. 2022 began to see a recovery in the overall economic conditions with increases in sales, employment, and gross earnings in certain market segments which had suffered. There were inflationary pressures that began to be exhibited in 2022. The transactions prior to 2022 are considered inferior by +1 for Comps 1, 3, and 4.

Conditions of sale is rated similar between the subject and the various sales. They were typically motivated, advertised or supported by rational market criteria.

Property rights is an adjustment for limitations of use that the property has as compared to the subject which is appraised in fee simple open to all legal highest and best uses. Comp 2 was restricted to parking only and is inferior in property rights +1. Comp 5 had an easement through it that encumbers a significant part of the area and limits it to parking only also inferior by +1.

Location considers site prominence as exposure to pedestrian or vehicular traffic and ease of access. Comps 2 and 3 located in the Town Center Parking Area and Comp #5 is located in the No Parking Required Area. These are advantageous parking standards as compared to the subject. However, there are other locational considerations that may somewhat offset this advantage. The subject has good site prominence but is difficult to access from the freeway and has limited offsite parking opportunities. Comp 1 is a tidelands indicator of the subject and is similarly located. Comp 2 is located closer to town but is off the main road and on balance rated similar in location to the subject. Comp 3 has good highway frontage and site prominence and is located closer to town being superior by -2. Comp 4 in the same block of the subject but located slightly closer to public parking and is slightly superior by -1. Comp 5 is located in the center of town and is superior by -2.

Summary and Relative Ranking

The rankings discussed above relative to their SF values compared to the subject are summarized in the following Table 4.2 for the subject uplands.

TABLE 4.2 QUALITATIVE ADJUSTMENT GRID – UPLAND SF VALUE									
Characteristic	Subject	Comp 2 (#10025) 345 Egan Dr.		Comp 3 (#5011) 98 Egan Dr.		Comp 4 (#8018) 1050 Harbor Way		Comp 5 (#12188) 224 2 nd St.	
Size (SF)	8,855 SF	14,070 SF		19,916 SF		4,617 SF		4,913 SF	
Indicated SF Value of Upland	Solve	\$34.77		\$51.45		\$52.60		\$58.21	
Market Condition (Time)	2/2022	10/22	0	6/18	+1	7/14	+1	1/21	0
Condition of Sale	Typical	Similar	0	Similar	0	Similar	0	Similar	0
Property Rights	Fee	Inferior	+1	Similar	0	Similar	0	Inferior	+1
Location	Good Prominence	Similar	0	Superior	-2	Superior	-1	Superior	-2
Net Rating		Inferior	+1	Superior	-1	Similar	0	Superior	-1
The Subject Value Is:		More than \$34.77/SF		Less than \$51.45/SF		Similar to \$52.60/SF		Less than \$58.21/SF	

If a comparison is **Superior**, a Minus rating of -1, -2, or -3 is given depending on severity.
 If a comparison is **Inferior**, a Plus rating of +1, +2, or +3 is given depending on severity.

The data bracket the subject between \$34.77/SF and \$58.21/SF. The closest and most similar upland indicator is Comp #4, \$52.60/ SF. This is the subject's immediate area. This indicator is considered against the other two superior rated Comps \$51.40/SF and \$58.21/SF. The lower end of the range is set at \$34.77/SF which is inferior. The upper end of the range is given the most weight in this instance suggesting \$50/SF for that portion of the site which is filled up lands.

The data suggests that the tidelands element of the subject would contribute 40% of the filled upland SF value or \$20/SF (\$50 times 40%). This is validated by the allocated tideland sales which range from \$13.90/ SF to just over \$20/SF. A portion of the subject currently leased as tidelands (Comp 1) at \$17.50/ SF is rated slightly inferior for market conditions. These indicators support \$20/SF with the tideland elements of the subject parcel.

Based on the contour elements of the site the overall value is summarized as follows.

Upland	2,006 SF x \$50.00/SF = \$100,320
Tideland	6,849 SF x \$20.00/SF = \$136,972
Total	8,855 SF x \$26.80/SF = \$237,292

This value is allocated among the various ownership interests and site elements in the following tables.

Fee Owned Part of Site Hansen Gress			
Upland	1,265.4 SF	\$50.00/SF	\$63,270.00
Tideland	2,775.6 SF	\$20.00/SF	\$55,512.00
Total	4,041.0 SF	\$29.39/SF	\$118,782.00

CBJ Ownership Interest in the Site			
Leased Upland	741.0 SF	\$50.00/SF	\$37,050.00
Leased Tideland	3,437.0 SF	\$20.00/SF	\$68,740.00
Total leased land	4,178.0 SF	\$25.32/SF	\$105,790.00
Additional Tideland	636.0 SF	\$20.00/SF	\$12,720.00
Total CBJ Land Value	4,814.0 SF	\$24.62/SF	\$118,510.00

ADDENDA

CERTIFICATION OF APPRAISAL

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I estimated the market rent for the tideland lease in June of 2021. I have not performed any other services regarding the subject property, as an appraiser or in any other capacity, within the three-year period immediately preceding acceptance of this assignment.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.



Charles Horan, MAI
APRG 41

February 21, 2023
Effective Date of Appraisal

February 24, 2023
Date of Report

SUBJECT PHOTOGRAPHS



PHOTO 1 – Subject as it fronts Harbor Way. 20230221_120018.



PHOTO 2 – Close up of subject concrete deck over tidelands and sloping lands adjacent to US Fish and Wildlife property. 20230221_115928.

SUBJECT PHOTOGRAPHS



PHOTO 3 – Distant view of subject as it faces the water. 20230221_120502.



PHOTO 4 – Subject photo left of DOT access road which parallels the JD Bridge. 20230221_120527.

SUBJECT PHOTOGRAPHS



PHOTO 5 – Looking under the northwesterly part of building as topography transitions from filled lands to sloping lands. 20230221_120316.

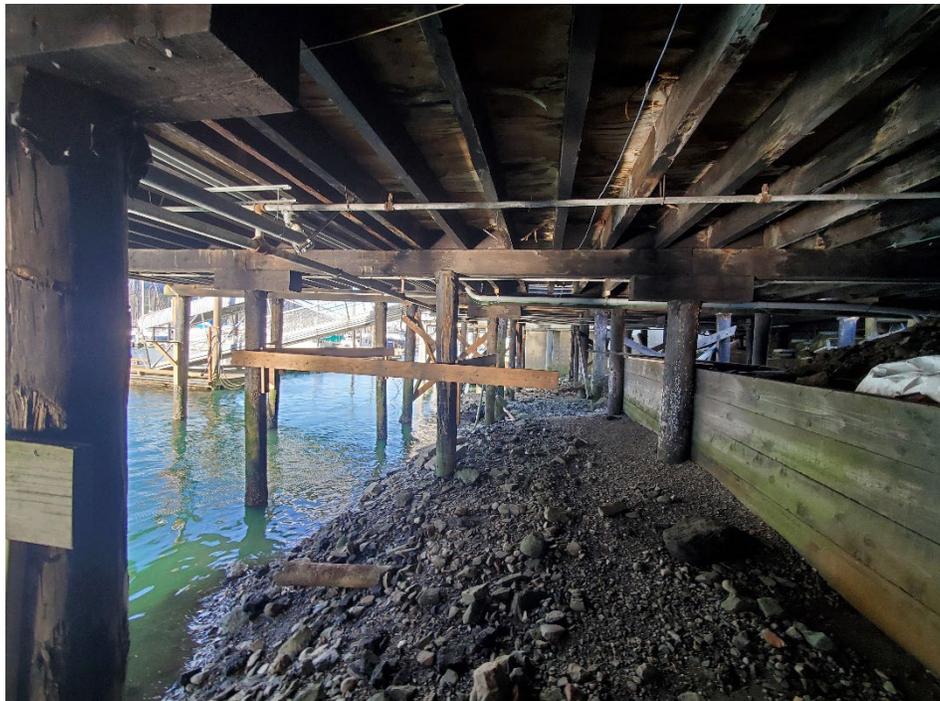


PHOTO 6 – View under buildings between piling looking towards US Fish and Wildlife property. 20230221_120202.

SUBJECT PHOTOGRAPHS

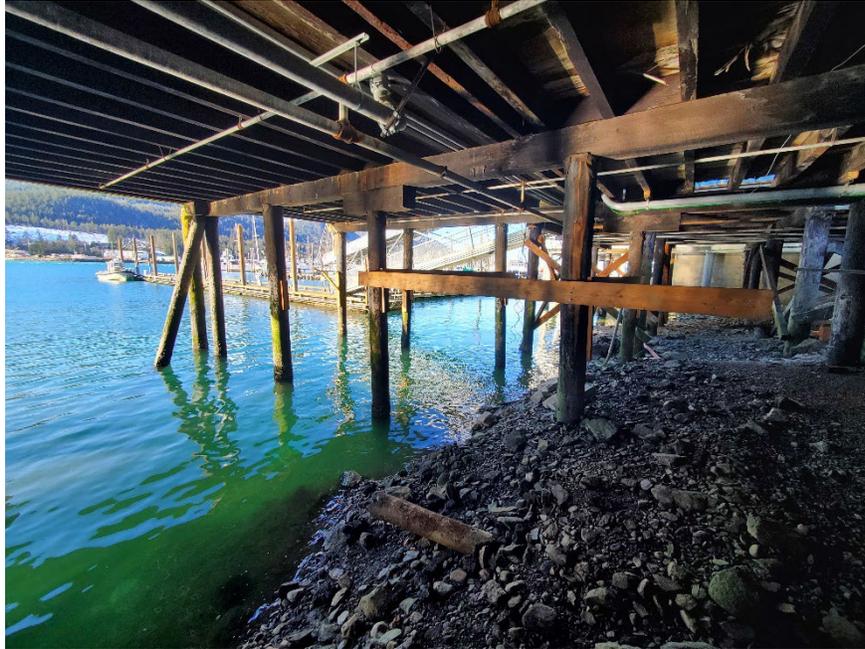


PHOTO 7 – View under building looking out towards water in a southwesterly direction. 20230221_120209.

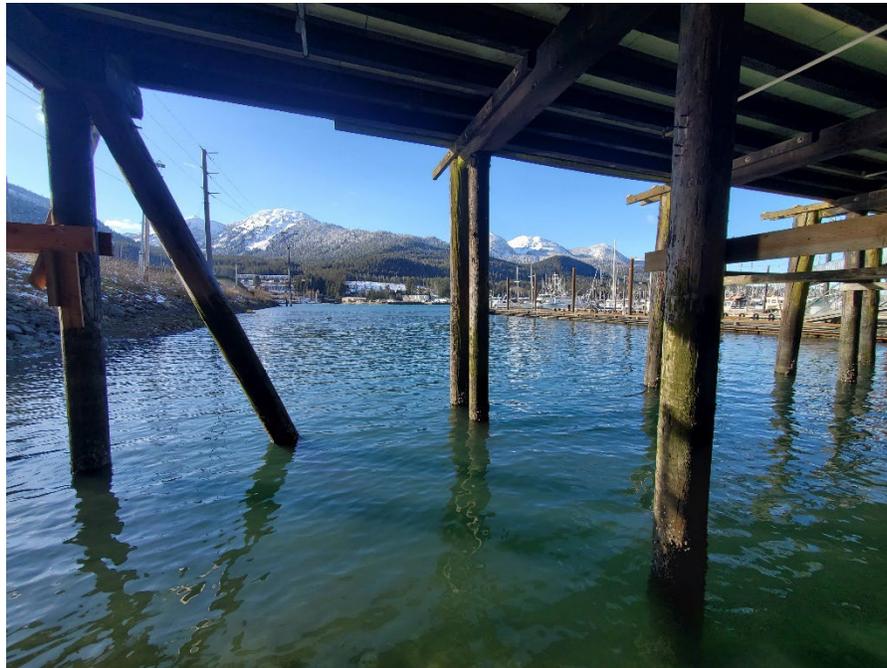


PHOTO 8 – Looking directly seaward across tidelands under building. 20230221_120133.

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2010-006502-0

Recording Dist: 101 - Juneau
11/12/2010 9:17 AM Pages: 1 of 11

Section F, Item 2.



**LEASE AGREEMENT FOR A PORTION OF
LOT 3, BLOCK 5, ALASKA TIDELANDS ADDITION**

PART 1. PARTIES. This lease is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, hereafter "City," and Harbor Lights Enterprises, LLC, hereafter "Lessee."

PART II. LEASE ADMINISTRATION. All communications about this lease shall be directed as follows, and any reliance on a communication with a person other than that listed below is at the party's own risk.

City:	Lessee:
Attn: John M. Stone, P.E. Port Director City and Borough of Juneau	Attn: Gary Patton Secretary Treasurer Harbor Lights Enterprises, LLC
155 S. Seward Street Juneau, AK 99801 Phone: (907) 586-0292 Fax: (907) 586-0295	1000 Harbor Way Juneau, AK 99801 Phone: (907) 789-1400

PART III. LEASE DESCRIPTION. This lease agreement is identified as: Lease Agreement for Portion of Lot 3, Block 5, Alaska Tidelands Addition. The following appendices are attached hereto and are considered to be part of this lease agreement as well as anything incorporated by reference or attached to those appendices.

- Appendix A: Property Description & Additional Lease Provisions
- Appendix B: Lease Provisions Required by CBJ Chapter 53.20
- Appendix C: Standard Provisions

If in conflict, the order of precedence shall be: this document, Appendix A, B, and then C.

PART IV. PRIOR LEASE SUPERSEDED. This lease agreement supersedes and replaces the lease agreement entered into on March 3, 1967 between the City of Juneau, Alaska, and predecessor lessees D.C. and Phyllis Langdon d/b/a L&M Enterprises, and any amendments to, or assignments of, that lease agreement including the assignment of the lease to Harbor Lights Enterprises, LLC, which was approved by the City and Borough of Juneau and recorded on May 9, 2008, at the Juneau Recording District (2008-003416-0).

PART V. LEASE EXECUTION. City and Lessee agree and sign below. This contract is not effective until at least the effective date of the ordinance (September 22, 2010) until signed by the City.

**APPENDIX A:
PROPERTY DESCRIPTION & ADDITIONAL LEASE PROVISIONS**

1. DESCRIPTION OF PROPERTY

The property subject to this lease is generally referred to as "the Leased Premises" or "the Property." The Leased Premises are described as follows:

A portion of Lot 3, Block 51, of the Tidelands Addition to the City of Juneau, Alaska, according to the official plat of survey of said Addition which plat is a subdivision of Alaska Tidelands Survey No. 3 and is filed in the office of the Recorder for the Juneau Recording District at Juneau, Alaska as Plat No. 347; which portion of Lot 3, Block 51, is more particularly described as follows:

Beginning at Corner No. 1, identical with the most northerly corner of Lot 5, Block 51; thence S 54° 53' 15" W 60.00 feet to Corner No. 2; thence S 35° 06' 45" E 49.50 feet to Corner No. 3; thence S 52° 09' 18" W 20.02 feet to Corner No. 4; thence N 35° 06' 45" W 90.91 feet to Corner No. 5; thence N 55° 56' E 80.01 feet to Corner No. 6; thence S 35° 06' 45" E 39.00 feet to Corner No. 1, the place of beginning; containing 4,177 square feet, more or less.

Excepting therefrom that portion conveyed to the State of Alaska by Deed recorded September 8, 1980 in Book 170 at Page 557.

The Leased Premises are depicted on Exhibit A to CBJ Ordinance No. 2010-24. A copy of Exhibit A is attached to and made a part of this lease by this reference.

2. AUTHORITY

This lease is entered into pursuant to the authority of CBJ Code Section 85.02.060(a)(5) and CBJ Chapter 53.20; and CBJ Ordinance No. 2010-24 enacted by the Assembly on August 23, 2010 and effective on September 22, 2010.

3. TERM AND RENEWAL OPTION

The effective date of this lease shall be no earlier than the effective date of CBJ Ordinance No. 2010-24 and the date this lease agreement is signed by City. The term of the lease is 35 years, commencing on the effective date of this lease agreement, unless sooner terminated. City grants Lessee an option to renew this lease for one, successive period of 35 years. Lessee shall exercise this option, if at all, by written notice given to City during the first six months of the last year of the underlying lease term.

4. LEASE PAYMENTS AND ADJUSTMENTS

(a) Lessee shall pay City an annual lease payment for the Lease Premises. The annual lease payments shall be due and paid by Lessee to City on or before March 3 of each year of the term. The first annual lease payment shall be due and paid on or before March 3, 2011.

*Lease Agreement for a Portion of Lot 3, Block 5, Alaska Tidelands Addition
2010*

Page 3 of 10



(b) The annual lease payment for the first three-year period of the lease term shall be \$1,253.28 per year (\$.30 per square foot per year), plus sales tax.

(c) Beginning with the first year after the initial three-year period of the term, the Port Director will re-evaluate and adjust the annual lease payment for the Leased Premises for the next five-year period of this lease, and then every five years thereafter, pursuant to Appendix B, Section 3(2) of this lease, CBJ 53.20.190(2), CBJ 85.02.060(a)(5), and the Docks and Harbors lease administration regulations, 05 CBJAC Chapter 50. The new annual lease payment amount shall be paid retroactively to the beginning of that lease payment adjustment period. The Port Director's re-evaluation of the annual lease payment amount may, at the Port Director's discretion, include obtaining an appraisal by a qualified appraiser.

(d) Should the Lessee disagree with the lease rent adjustment proposed by the Port Director, the Lessee shall pay for an appraisal in accordance with the requirements set out in 05 CBJAC 50.050, as provided for below. (See Appendix B, paragraph 3(2)(a)).

5. AUTHORIZED USE OF PREMISES

Lessee is authorized to use the Lease Premises for housing various retail businesses, and marine related businesses and uses. Lessee shall be responsible for obtaining all necessary permits and approvals for Lessee's development and improvement of the Leased Premises (or of the Lessee's existing building or facilities if otherwise required by law.) Lessee is required to obtain approval of its development and improvement plans from the City Docks and Harbors Board prior to any further development of the Leased Premises or improvements to any existing building or facilities owned by the City.

6. INSURANCE

Commercial General Liability Insurance

Lessee shall maintain at all times during this lease commercial general liability insurance in the amounts of \$1,000,000 per occurrence and \$2,000,000 general aggregate. The insurance policy shall name City as an "Additional Insured" and shall contain a clause that the insurer will not cancel or change the insurance without first giving City 31 days' prior written notice. Lessee will provide evidence of this insurance to City in a form acceptable to the City Office of Risk Management.

Property Insurance

Lessee acknowledges that City carries no fire or other casualty insurance on the Lease Premises or improvements located thereon belonging to Lessee, and that it is the Lessee's obligation to obtain adequate insurance for protection of Lessee's buildings, fixtures, or other improvements, or personal property located on the Leased Premises, and adequate insurance to cover debris removal.



**APPENDIX B:
LEASE PROVISIONS REQUIRED BY CBJ CHAPTER 53.20 and CBJ CHAPTER 50**

1. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES.

As required by CBJ 53.20.160, it shall be the responsibility of Lessee to properly locate Lessee's improvements on the Lease Premises and failure to so locate shall render Lessee's liable as provided by law.

2. APPROVAL OF OTHER AUTHORITIES.

As required by CBJ 53.20.180, the issuance by City of leases, including this lease, under the provisions of CBJ Title 53 does not relieve Lessees of responsibility for obtaining licenses, permits, or approvals as may be required by City or by duly authorized state or federal agencies.

3. TERMS AND CONDITIONS OF LEASES REQUIRED BY CBJ 53.20.190.

As required by CBJ 53.20.190, the following terms and conditions govern all leases and are incorporated into this lease unless modified by the Assembly by ordinance or resolution for this specific lease. Modifications of the provisions of this Appendix B applicable to this specific lease, if any, must specifically modify such provisions and be supported by the relevant ordinance or resolution to be effective.

(1) **Lease Utilization.** The Leased Premises shall be utilized only for purposes within the scope of the application and the terms of the lease, and in conformity with the provisions of City code, and applicable state and federal laws and regulations. Utilization or development of the Leased Premises for other than the allowed uses shall constitute a violation of the lease and subject the lease to cancellation at any time.

(2) **Adjustment of Rental.** Lessee agrees to a review and adjustment of the annual rental payment by the Port Director not less often than every fifth year of the lease term beginning with the rental due after completion of each review period, except for the first review and adjustment, which shall take place as provided for in Appendix A(4)(C), above. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the land, to which the City has right or title, excluding landfill placed upon the land by Lessee, except that the value of any improvements credited against rentals shall be included in the value.

(a) **Adjustment Dispute Resolution.** Should the Lessee disagree with the lease rent adjustment proposed by the Port Director, the Lessee shall pay for an appraisal and have the appraisal undertaken in accordance with the requirements set out in 05 CBJAC 50.050. In the event the Docks and Harbors Board disagrees with an appraisal, and the Board can not reach an agreement with the lessee on the lease rent adjustment, the Board shall pay for an additional appraisal and have the appraisal undertaken in accordance with the requirements set out in 05 CBJAC 50.050. The Board shall establish the lease rent adjustment based on this additional appraisal. In the event the Lessee disagrees with the lease rent adjustment, the lessee may appeal to the Assembly. The decision of the Assembly shall be final.

(3) **Subleasing.** Lessee may sublease Leased Premises or any part thereof leased to Lessee hereunder; provided, that the proposed sub-lessee shall first apply to City for a permit therefore; and further provided, that the improvements on the Leased Premises are the substantial reason for the sublease. Leases not having improvements thereon shall not be sublet. Subleases shall be in writing and *Lease Agreement for a Portion of Lot 3, Block 5, Alaska Tidelands Addition* Page 5 of 10
2010



be subject to the terms and conditions of the original lease; all terms, conditions, and covenants of the underlying lease that may be made to apply to the sublease are hereby incorporated into the sublease.

(4) **Assignment.** Lessee may assign its rights and obligations under this lease; provided, that the proposed assignment shall be approved by City prior to any assignment. The assignee shall be subject to all of the provisions of the lease. All terms, conditions, and covenants of the underlying lease that may be made applicable to the assignment are hereby incorporated into the assignment.

(5) **Modification.** The lease may be modified only by an agreement in writing signed by all parties in interest or their successor in interest.

(6) **Cancellation and Forfeiture.**

(a) The lease, if in good standing, may be cancelled in whole or in part, at any time, upon mutual written agreement by Lessee and City.

(b) City may cancel the lease if it is used for any unlawful purpose.

(c) If Lessee shall default in the performance or observance of any of the lease terms, covenants or stipulations thereto, or of the regulations now or hereafter in force, or service of written notice by City without remedy by Lessee of the conditions warranting default, City may subject Lessee to appropriate legal action including, but not limited to, forfeiture of the lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.

(d) Failure to make substantial use of the land, consistent with the proposed use, within one year shall in the discretion of City with approval of the Assembly constitute grounds for default.

(7) **Notice or Demand.** Any notice or demand, which under terms of a lease or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address of record. However, either party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.

(8) **Rights of Mortgage or Lienholder.** In the event of cancellation or forfeiture of a lease for cause, the holder of a properly recorded mortgage, conditional assignment or collateral assignment will have the option to acquire the lease for the unexpired term thereof, subject to the same terms and conditions as in the original lease.

(9) **Entry and Reentry.** In the event that the lease should be terminated as herein before provided, or by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by Lessee during the term, City or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of lands or such thereof, and remove all personals and property there either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages. No reentry by City shall be deemed an acceptance of a surrender of the lease.



(10) **Lease.** In the event that the lease should be terminated as herein provided, or by summary proceedings, or otherwise, City may offer the lands for lease or other appropriate disposal pursuant to the provisions of City code.

(11) **Forfeiture of Rental.** In the event that the lease should be terminated because of any breach by Lessee, as herein provided, the annual rental payment last made by Lessee shall be forfeited and retained by City as partial or total damages for the breach.

(12) **Written Waiver.** The receipt of rent by City with knowledge of any breach of the lease by Lessee or of any default on the part of Lessee in observance or performance of any of the conditions or covenants of the lease, shall not be deemed a waiver of any provision of the Lease. No failure on the part of the City to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by City unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same in the event of any subsequent breach or default. The receipt, by City, of any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by City of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term therein demised, or destroy, or in any manner impair the efficacy of any such notice or termination as may have been given thereunder by City to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by City.

(13) **Expiration of Lease.** Unless the lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender and yield up to the City all of the leased land on the last day of the term of the lease.

(14) **Renewal Preference.** Any renewal preference granted Lessee is a privilege, and is neither a right nor bargained for consideration. The lease renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the designated official.

(15) **Removal or Reversion of Improvement upon Termination of Lease.** Improvements owned by Lessee shall within sixty calendar days after the termination of the lease be removed by Lessee; provided, such removal will not cause injury or damage to the lands or improvements demised; and further provided, that City may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by Lessee may, with the consent of City, be sold to the succeeding Lessee. All periods of time granted Lessee to remove improvements are subject to Lessee's paying the City pro rata lease rentals for the period.

(a) If any improvements and/or chattels not owned by City and having an appraised value in excess of five thousand dollars as determined by the assessor are not removed within the time allowed, such improvements and/or chattels on the lands, after deducting for City rents due and owning and expenses incurred in making such sale. Such rights to proceeds of the sale shall expire one year from the date of such sale. If no bids acceptable to the Port Director are received, title to such improvements and/or chattels shall vest in City.

(b) If any improvements and/or chattels having an appraised value of five thousand dollars or less, as determined by the assessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, City.



(16) **Rental for Improvements or Chattels not Removed.** Any improvements and/or chattels belonging to Lessee or placed on the lease during Lessee's tenure with or without his permission and remaining upon the premises after the termination date of the lease shall entitle City to charge Lessee a reasonable rent therefor.

(17) **Compliance with Regulations Code.** Lessee shall comply with all regulations, rules, and the code of the City and Borough of Juneau, and with all state and federal regulations, rules and laws as the code or any such rules, regulations or laws may affect the activity upon or associated with the leased land.

(18) **Condition of Premises.** Lessee shall keep the premises of the lease in neat, clean, sanitary and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or uncontrolled grass, brush or other fire on the leased lands. Lessee shall not undertake any activity that causes or increases a sloughing off or loss of surface materials of the leased land.

(19) **Inspection.** Lessee shall allow an authorized representative of City to enter the lease land for inspection at any reasonable time.

(20) **Use of Material.** Lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other materials valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved by the City.

(21) **Rights-of-Way.** City expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the City to do so. If City grants an easement or right-of-way across the leased land, Lessee shall be entitled to damages for all Lessee-owned improvements or crops destroyed or damaged. Damages shall be limited to improvements and crops only, and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate Lessee for loss of use.

(22) **Warranty.** City does not warrant by its classification or leasing of land that the land is ideally suited for the use authorized under the classification or lease and no guaranty is given or implied that it shall be profitable to employ land to said use.

(23) **Lease Rental Credit.** When authorized in writing by City prior to the commencement of any work, Lessee may be granted credit against current or future rent; provided the work accomplished on or off the leased area results in increased valuation of the leased or other city and borough-owned lands. The authorization may stipulate type of work, standards of construction and the maximum allowable credit for the specific project. Title to improvements or chattels credited against rent under this section shall vest immediately and be in City and shall not be removed by Lessee upon termination of the lease.

**APPENDIX C:
STANDARD PROVISIONS**

(1) **Holding Over.** If Lessee holds over beyond the expiration of the term of this lease and the term has not been extended or renewed in writing, such holding over will be a tenancy from month-to-month only.

(2) **Interest on Late Payments.** Should any installment of rent or other charges provided for under the terms of this lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.

(3) **Taxes, Assessments, and Liens.** During the term of this lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills for the Leased Premises and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, against the Leased Premises or the improvements placed thereon.

(4) **Easements.** Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements.

(5) **Encumbrance of Parcel.** Lessee shall not encumber or cloud City's title to the Leased Premises or enter into any lease, easement, or other obligation of City's title without the prior written consent of the City; and any such act or omission, without the prior written consent of City, shall be void against City and may be considered a breach of this lease.

(6) **Valid Existing Rights.** This lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this lease.

(7) **State Discrimination Laws.** Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska law prohibiting discrimination, particularly Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited). In the event of Lessee's failure to comply any of the above non-discrimination covenants, City shall have the right to terminate the lease.

(8) **Unsafe Use.** Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

(9) **Hold Harmless.** Lessee agrees to defend, indemnify, and save City, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of the use and occupancy of the Leased Premises by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, and without limitation as to any damages resulting from settlement, judgment or verdict, and includes the award of any attorneys fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice to City of any action, claim, or lawsuit. City shall notify Lessee in a timely manner if the need for indemnification, but such

Lease Agreement for a Portion of Lot 3, Block 5, Alaska Tidelands Addition *Page 9 of 10*
2010



notice is not a condition precedent to Lessee's obligations and may be waived where Lessee has actual notice. This agreement applies, and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against the City.

(10) **Successors.** This lease shall be binding on the successors, administrators, executors, heirs, and assigns of Lessee and City.

(11) **Choice of Law; Venue.** This lease shall be governed by the law of the State of Alaska. Venue shall be in the State of Alaska, First Judicial District at Juneau.

Recorder return to: City and Borough of Juneau
Attn: John M. Stone, Port Director
155 S. Seward Street
Juneau, AK 99801



A survey of a part of Lot 3 and a part of Lot 5, Block 51 of the Tidelands Addition to the City of Juneau according to plat #347 Juneau Recording District. This survey includes all of Lot 3 except for state right of way taking described in DB 85 P 358, J.R.D. The survey also includes all of the tidelands lease in Lot 3 described in the lease from the City of Juneau to D.C.&Phyllis Langdon, which lease is dated 3 March 1967.

Scale
1in=30ft



Note: The datum for elevation is ADOT Centerline shown based on USC&GS BM 15 EL=24.70 FT. above M.L.L.W.

SURVEYOR'S CERTIFICATE:
I certify this drawing is an accurate representation of survey made by me and that all information is correct to the best of my knowledge, and there are no encroachments.
[Signature]
JULY 29, 1999



AS-BUILT SURVEY
OF PART OF LOTS 3 AND 5,
BLOCK 51
TIDELANDS ADDITION PLAT 347
JUNEAU ALASKA
FOR
PETER BERNSTEIN
1000 HARBOR WAY
JUNEAU ALASKA



charles@horanappraisals.com

From: Tyler Gress <tyler@hansengress.com>
Sent: Tuesday, February 21, 2023 2:16 PM
To: charles@horanappraisals.com
Subject: Fwd: CBJ Property Disposal Case

----- Forwarded message -----

From: Adrienne Scott <Adrienne.Scott@juneau.gov>
Date: Fri, Dec 23, 2022 at 11:29 AM
Subject: CBJ Property Disposal Case
To: tyler@hansengress.com <tyler@hansengress.com>

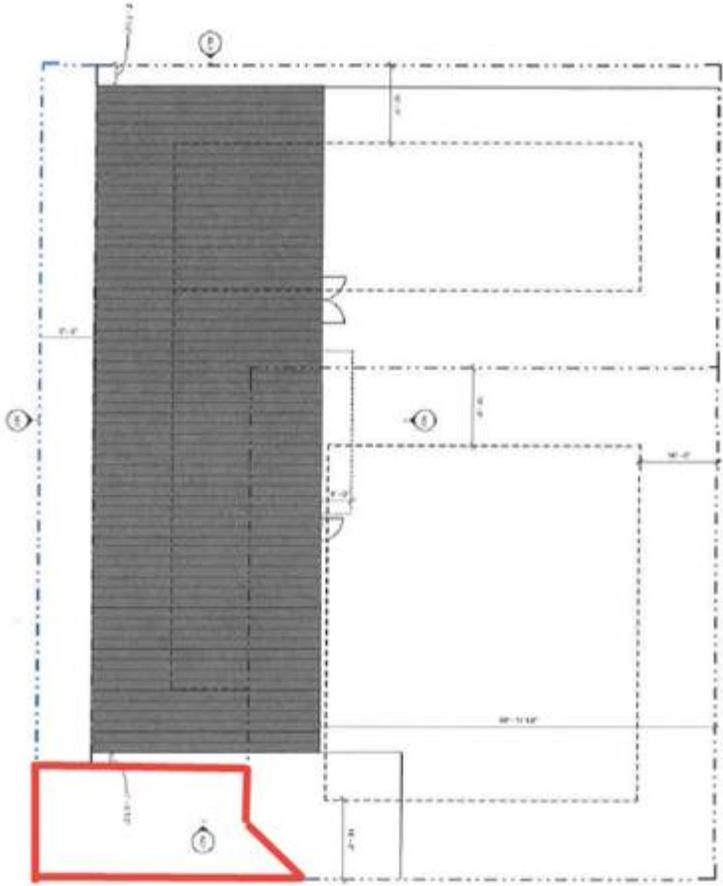
Hi Tyler,

I received some correspondence from AKDOT regarding your proposal and unfortunately it turns out that the little piece of property (outlined in red below) on the southeast side of your building is actually part of a DOT Right-of-way and is not part of the CBJ parcel. This was new information to me - hopefully we can set up a meeting sometime next week to discuss options, but I wanted to let you know right away. I'm not sure of the full extent of your plans for the property but I'm hoping you'll still be able to move forward without purchasing this section of land. I'll be back in the office on Tuesday and will touch base with you then.

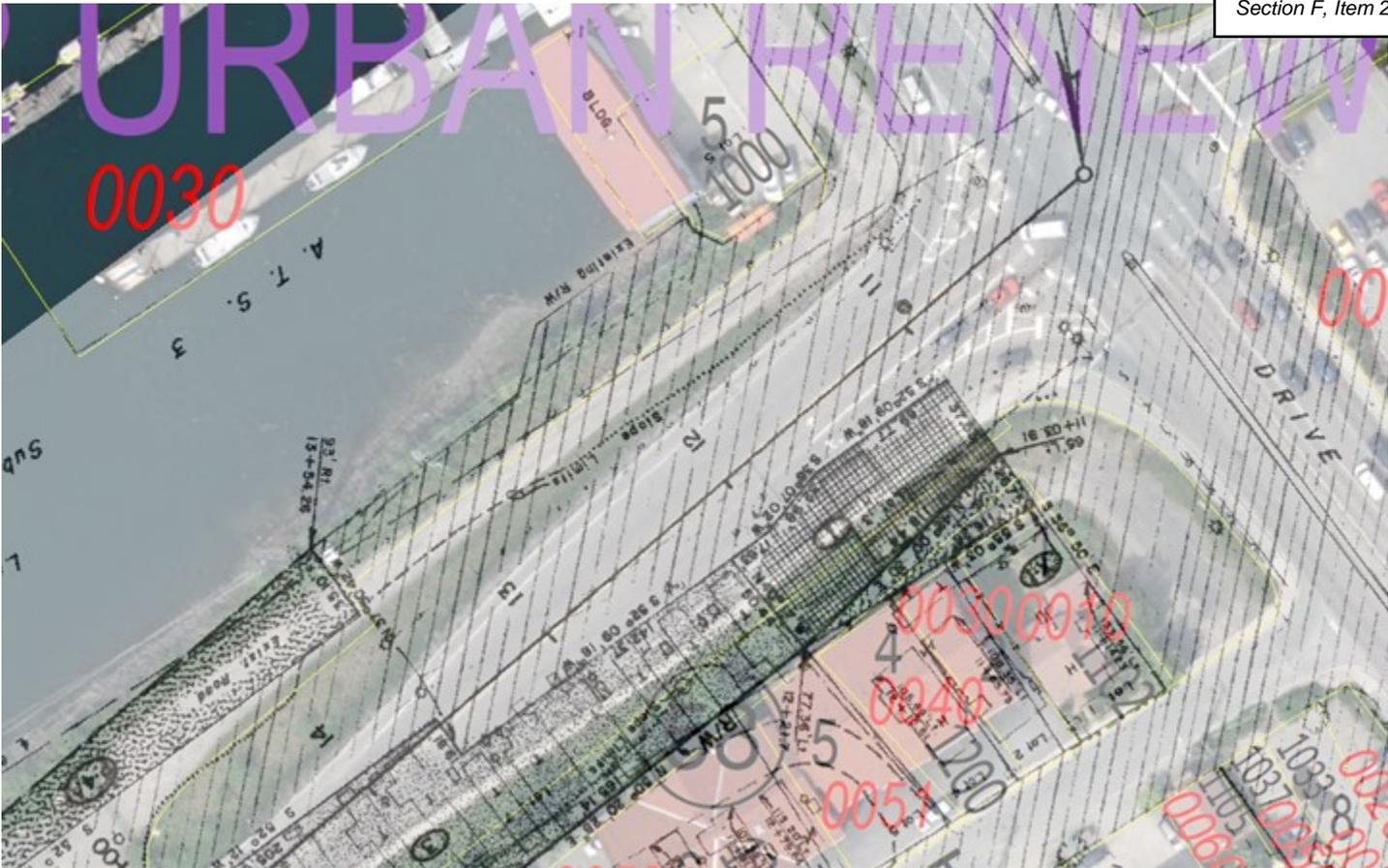
Happy Holidays!

DATE: 01/11/2017

SITE PLAN



- IMPROVEMENTS
- EXISTING
- PROPOSED
- SETBACKS
- EXISTENT

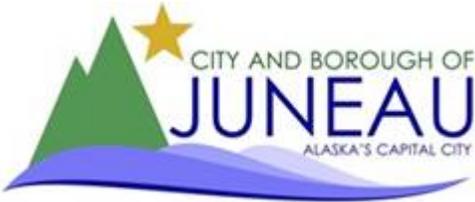


Adrienne Scott (she/her/hers) | **Planner I**

Community Development Department | City & Borough of Juneau, AK

Location: 230 S. Franklin Street, 4th Floor Marine View Building

Office: 907.586.0753 ext. 4208



Fostering excellence in development for this generation and the next.

JUNEAU AREA ANALYSIS

Demand for real estate is generally driven by population, and the population is sustained by employment. The Juneau economy is primarily driven by the government which accounts for 40.4% of all jobs and 46% of all wages in Juneau in 2021¹.

Juneau Economic Development Council's (JEDC's) September 2022 report on the 2021 data Juneau. On employment and earnings, it indicated- "Juneau's average monthly employment increased by

573 jobs (+3.6%) in 2021 based on preliminary job numbers. This follows a decrease of 2,079 jobs between 2019 and 2020. The private sector added 514 jobs (+5.5%) in 2021. The government added 59 jobs (+0.9%) from the previous year. Federal Government employment decreased by only one job (-0.1%) following the end of temporary positions for the Decennial Census. This is a good sign for Juneau's government sector since it means jobs have been created in other federal agencies."² Figure 2.2 copied below shows the population and employment trend.

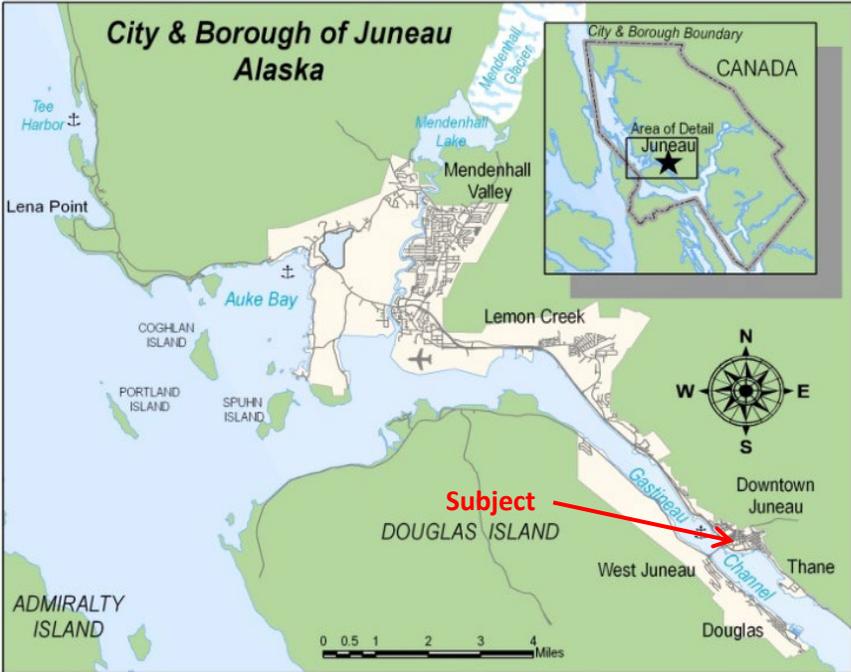
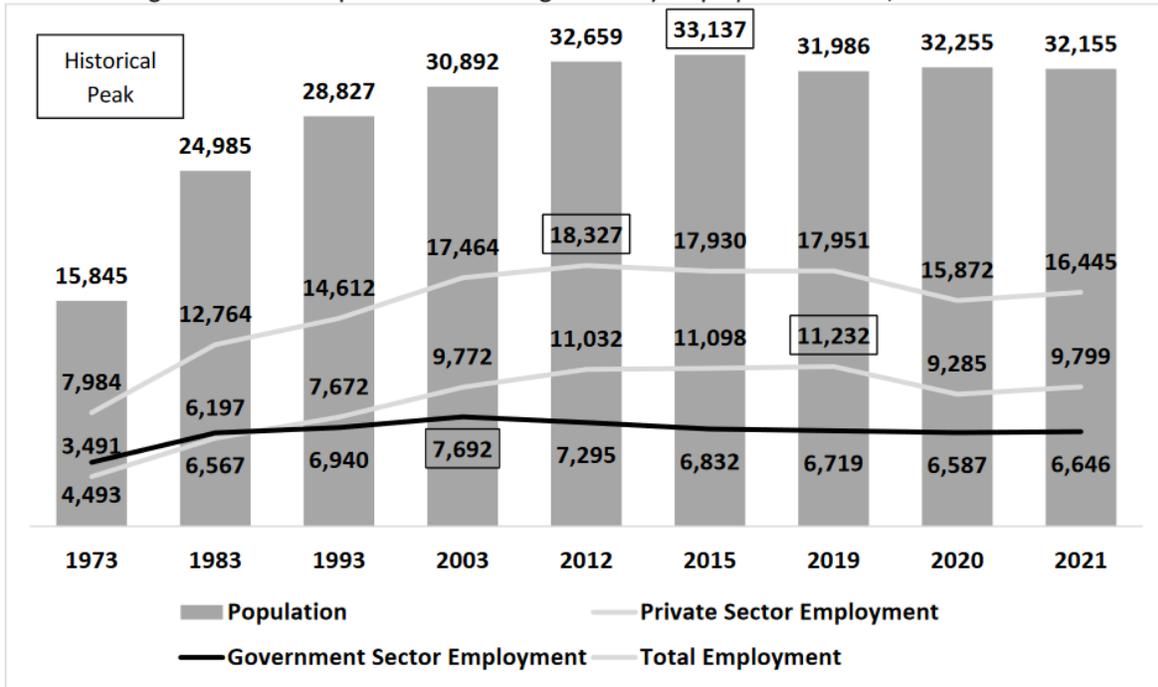


Figure 2.1 – Juneau Location Map

¹ Juneau Economic Development Council's (JEDC's) September 2022 report on the 2021, Average monthly employment Figure 1, page 4 and total earnings Figure 3 page 7.
² JEDC Dec 2022 Report page 6.

Figure 1: Juneau Population and Average Monthly Employment Growth, 1973 to 2021



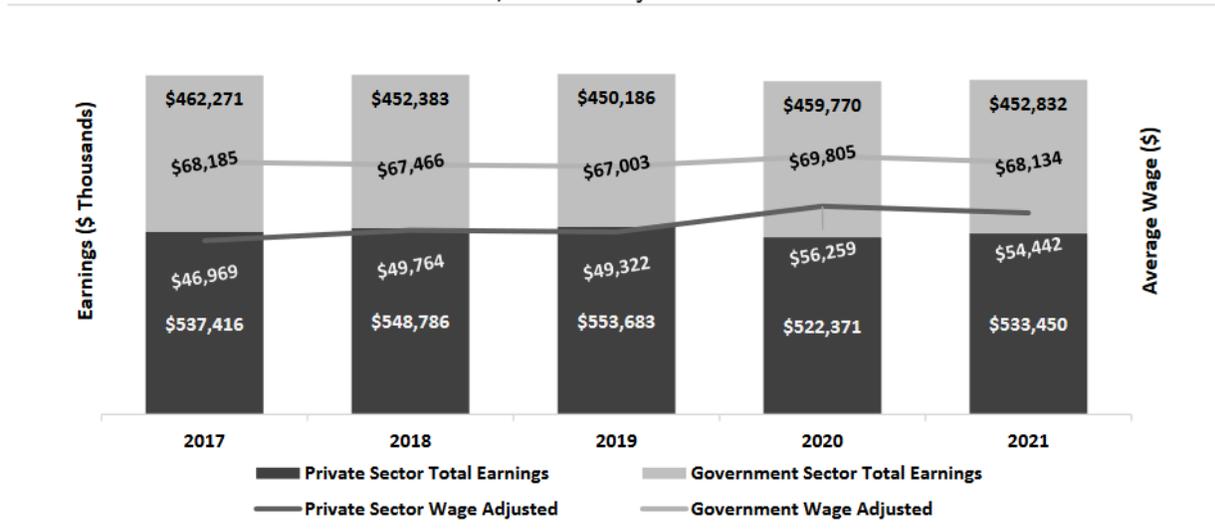
Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages

FIGURE 2.2 - Population And Employment Trends From JECD December 2022.

The report says, “Juneau's traded industries (mining, manufacturing, and tourism) bring revenue into the community from outside. Juneau's non-traded service sector generally grows and shrinks with the need for services and retail goods for its population.

Juneau's non-traded industries grew by 396 jobs (+1.9%) in 2021. Even with this increase, the number of jobs in Juneau's non-traded industries is 1,015 jobs below what it was in 2019. Juneau's traded industries saw an overall increase of 396 jobs (+12.9%) in 2021. Mining saw an increase of 52 jobs (+5.9%) after experiencing a loss of 75 jobs in 2020. Manufacturing (including seafood processing) saw an additional 49 jobs (+18.8%) in 2021, bringing the number of jobs back to the 2019 count. Tourism added 296 jobs (+15.8%) in 2021, bringing the job count to 77.3% of what it was in 2019.”

Figure 3: Juneau's Total Earnings (Thousands) and Average Annual Wages for Private and Government Sectors, Inflation Adjusted to 2021



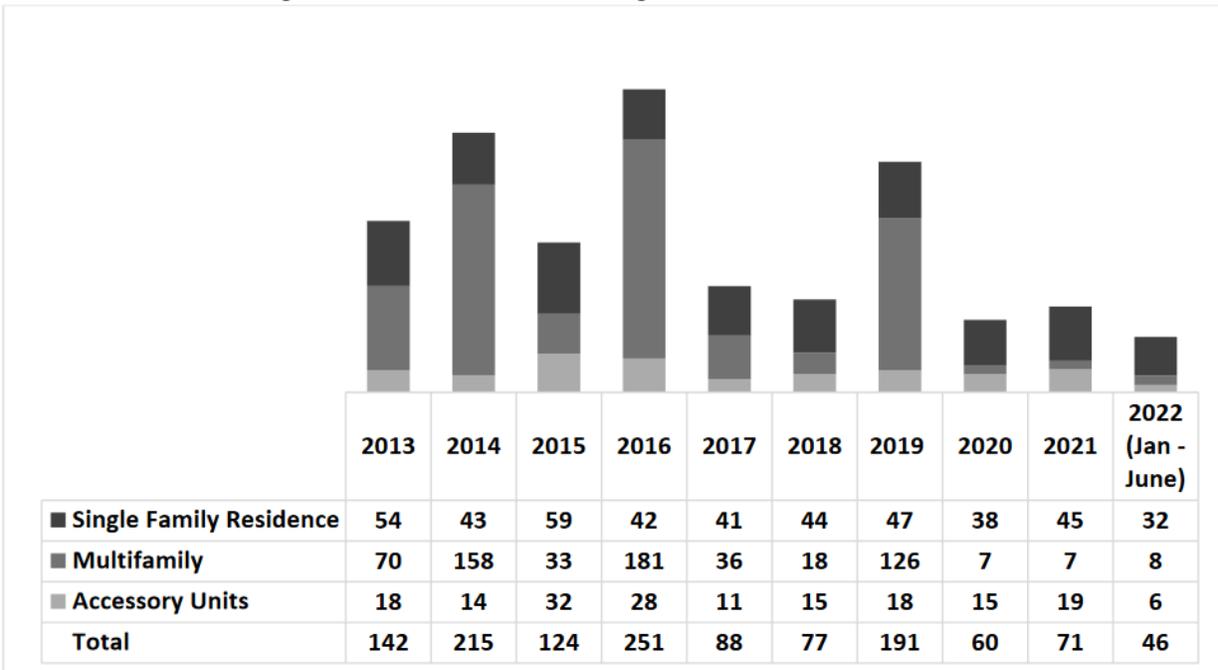
Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages. Note: Earnings are for wage and salary jobs, including full and part-time, temporary or permanent, for all employers. Government sector earnings is exclusive of active-duty Coast Guard employment.

FIGURE 2.3 - JEDC Figure 3 from page 7 of the September 2022 Report

The report continues on page 8, “In 2021, Juneau continued to experience a decline in the number of State Government jobs. Average monthly state government employment decreased by 48 jobs (compared to losses of 91, 46, 29, and 143 in preceding years). Local and Tribal Government employment increased by 108 jobs. Federal Government employment decreased by 1 job; since 26 temporary Decennial Census jobs were added in 2020, this decrease is lower than expected. While the Financial & Real Estate industry saw a decrease of 16 jobs, most other industries saw modest increases, which is a good sign after the pandemic-induced job losses of 2020. The Travel & Hospitality industry experienced a slight rebound in employment, increasing by 159 jobs in 2021 after losing 591 in 2020.”

Juneau has an apparent housing shortage as do many Alaska communities.

Figure 46: New Residential Housing Permits Issued 2013 to 2022

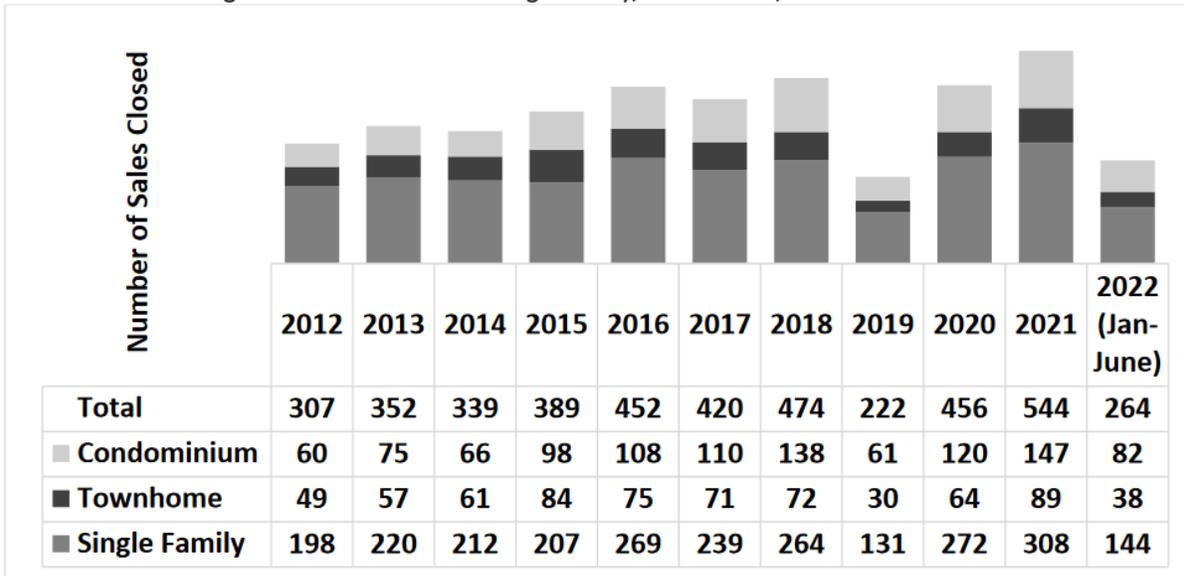


Source: City & Borough of Juneau Permit Center reports. Note: Multi-family includes properties with two or more dwellings.

Figure 2.4 - From the JEDC Study Figure 46 New Residential Housing Permits Issue 2013 to 2022.

The report continues on page 44, “181 units of housing were demolished between 2010 and 2021, an average of 15 units per year. This is comparable to 12% of the new units built over the same period. The number of short-term rentals (STRs) in Juneau has grown in the last decade, according to data collected by the STR monitoring firm, Harmari. Since 2010, 616 units of housing in Juneau have been used as a STR at some point. Of those 616, 484 rentals were entire homes, and 132 were shared home rentals. At least 301 of these units were actively being used as STRs in 2021.”

Figure 49: Sales Volume of Single Family, Townhomes, and Condominiums

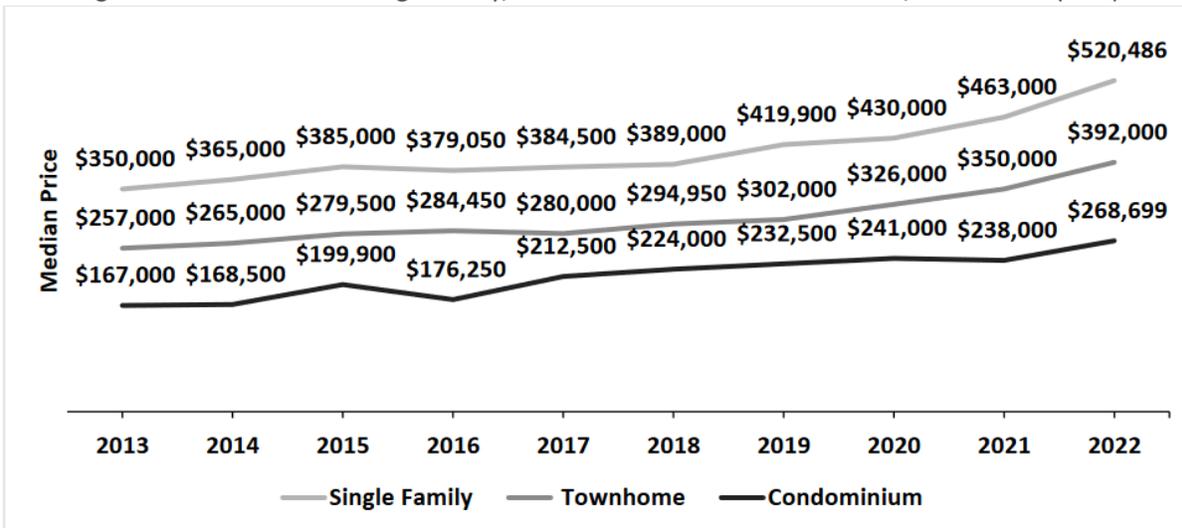


Source: Southeast Alaska Multiple Listing Service.

Figure 2.5 - JEDC Study Figure 49.

The average number of days on the market decreased dramatically over the last several years. It was between around 25 days for a single-family residence prior to 2020 but dropped to 8 days in 2020 and five days in 2021. This confirms the continued increase in demand and limited supply for housing. This trend is reflected in all housing types. The median price of housing has increased in response to this housing shortage trend.

Figure 50: Median Price of Single Family, Attached Homes and Condominiums, 2013 – 2022 (June)

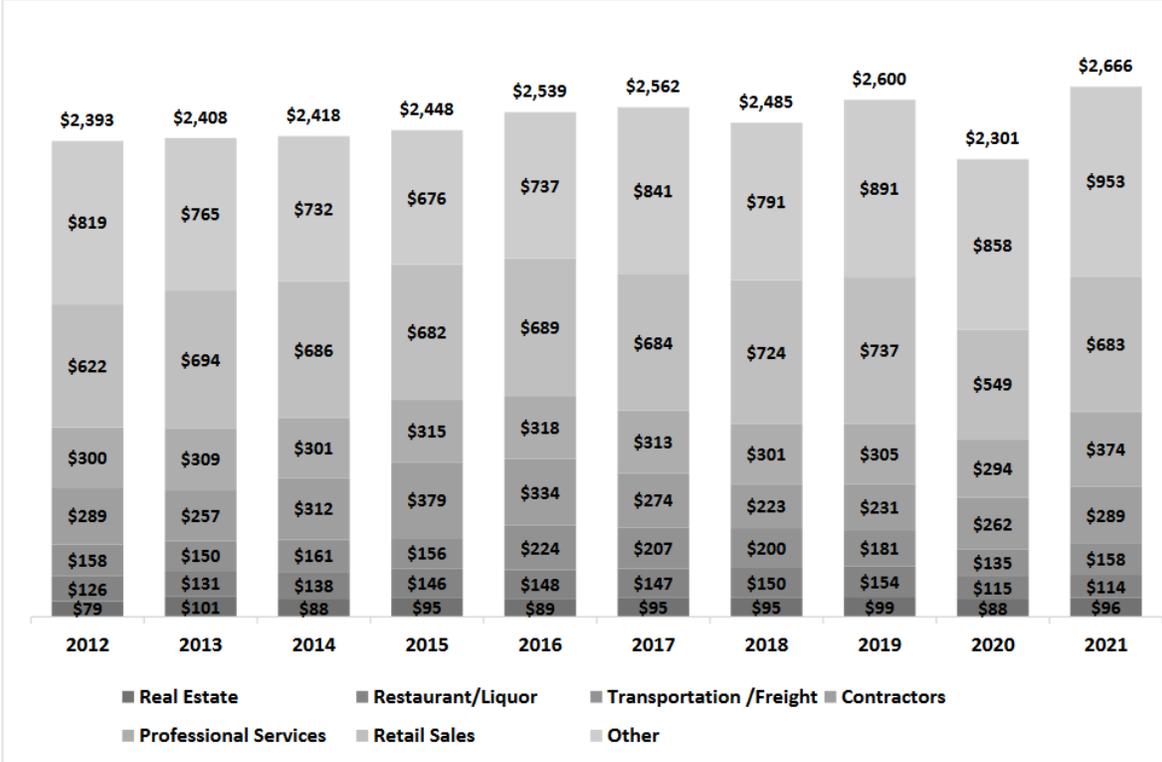


Sources: Southeast Alaska Multiple Listing Service.

Figure 2.6 - JEDC Study Figure 50

Gross business sales is a good sign of market activity and a latent demand for certain types of real estate.

Figure 55: Business Sales in Juneau by Business Category (in Millions), 2012– 2021



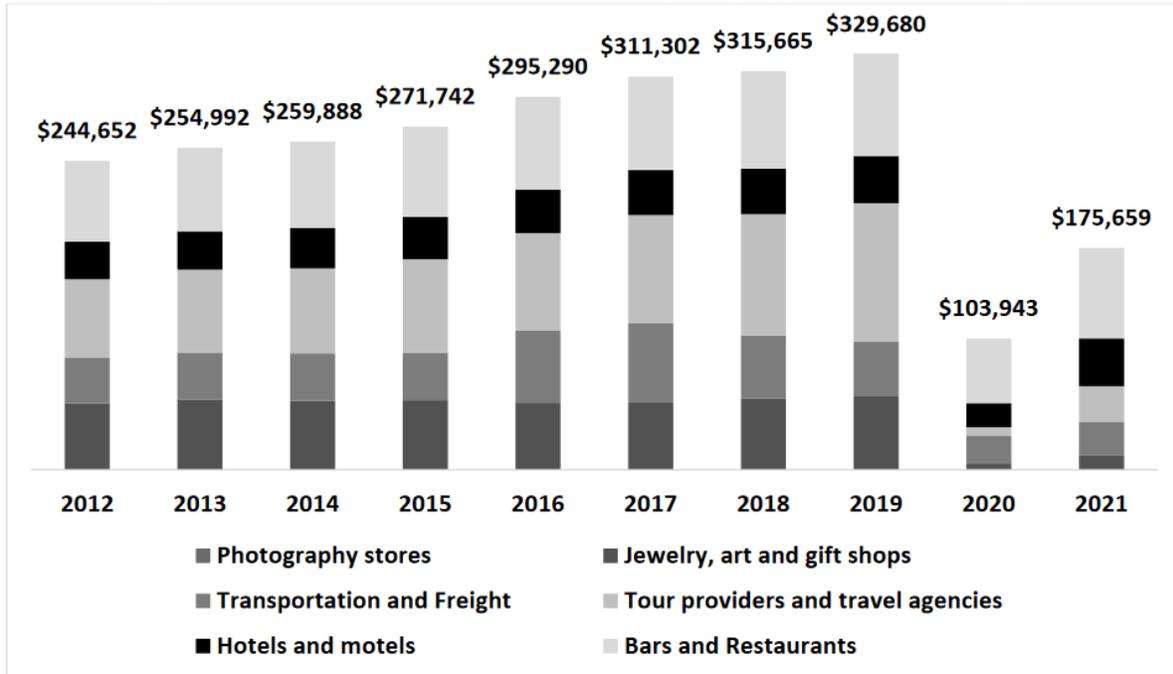
Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, Statistical Section. Notes: Data for 2021 was unaudited at the time of publication; “Other” category includes mineral sales, wholesale equipment, food suppliers, and fuel companies.

Figure 2.7 - JEDC Study Figure 55

The report continues on page 52, “Total gross business sales in the City and Borough of Juneau rose by 16% in 2021, following a 14% decrease in 2020. The business categories of Contractors, Professional Services, and ‘Other’ all had higher sales in 2021 compared to 2019. All business categories saw an increase in sales in 2021 versus 2020 except the Restaurant/Liquor subgroup, which observed a small ~ 1% decrease in business sales compared to 2020. 2021 Retail Sales, while still down 7% compared to 2019, saw a 24% increase from 2020. Professional Services had even higher growth, increasing 27% from 2020 to 2021.”

Tourism is a significant private sector economic driver as it brings in significant new dollars from outside the community. It has been hardest hit by the restrictions involved with the pandemic.

Figure 60: Gross Tourism Related Business Sales by Category (Thousands of Dollars), 2012-2021



Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, Statistical Section. **Notes:** Data for 2021 was unaudited at the time of publication; Gross business sales related to tourism are determined by the type of business, not individual sales, and count sales at all times throughout the year. This data includes sales to locals.

Figure 2.8 - JEDC Study Figure 60.

The report continues on page 52, “Gross business sales from Juneau businesses involved in tourism saw a minor recovery in 2021, increasing by 69.0% from 2020. Gross business sales related to tourism were still down \$154 million (-46.7%) compared to 2019. Car Rentals (part of transportation) and hotel and motel gross sales saw the greatest recovery in 2021 while Tour Providers and Travel Agencies and Jewelry, Art, and Gift Shops were still down 74% and 80% from 2019, respectively. The strong recovery posted by Car Rentals and Hotels and Motels indicates a strong return of independent tourism in 2021.”

Cruise Ship Passenger Counts have also improved significantly in 2022. The CBJ Docks And Harbor Department reports actual passenger count for the last seven years summarized in Figure 2.8 below. This shows the actual passenger count in 2022 was 92% of the previous highest count in 2019. It appears next year they will be even stronger.

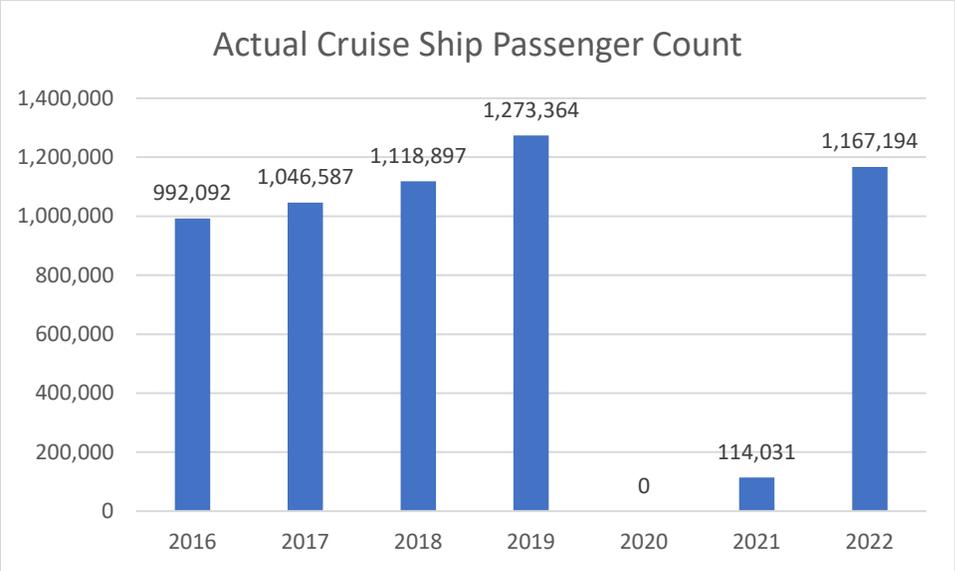
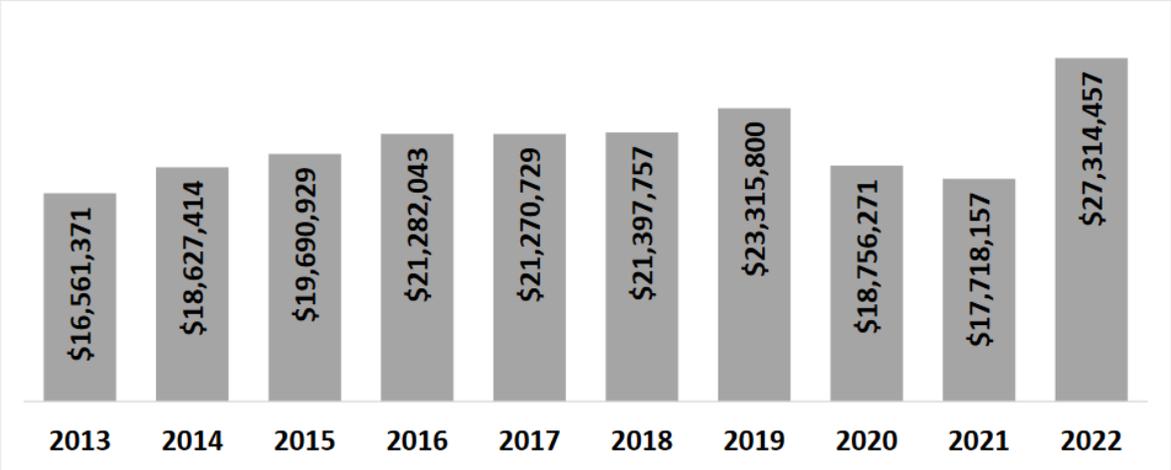


Figure 2.9 - Actual cruise ship passenger count provided by CBJ Docks And Harbor Department Harbor the Tide Line November 2022 newsletter.

The independent travel was stronger during the pandemic and following years. The JEDC 2022 study shows the bed tax revenue from the independent tourism sector of the economy. Effective January 1st 2020 the bed tax was increased from 7% to 9%. The figures from the JEDC study shows the drop in 2020 and 2021 was not as significant as reflected in other travel segments of the economy. The recovery of 2022 appears to be close to the prior levels signifying a significant recovery in this sector.

Figure 67: Juneau Revenue Taxed by Bed Tax by Fiscal Year, FY13 – FY22

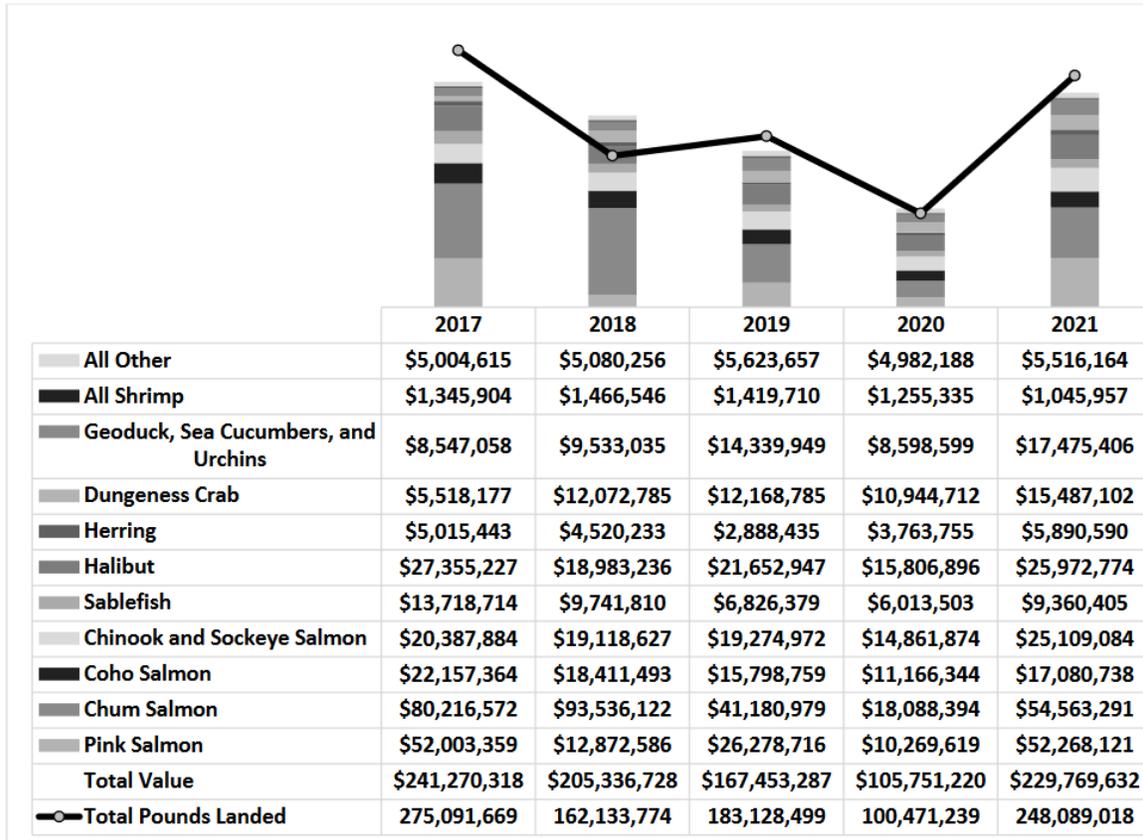


Source: City and Bureau of Juneau Comprehensive Annual Financial Report, July 1, 2019 - June 30, 2020, Statistical Section

Figure 2.10 - JEDC Study Figure 67.

The fishing industry was also depressed as a result of the pandemic due to the drop in restaurant demand which reflected a decline harvest value and volume in 2020. The value and the volume of fish landed at Juneau significantly dropped in 2020 but rose again in 2021. The value exceeded the 2019 value but the volume did not. The following figure from the JEDC study shows the southeast commercial seafood industry reflects this trend is region-wide.

Figure 75: Southeast Alaska Commercial Seafood Industry Ex-Vessel Value by Species and Pounds Landed, 2017 - 2021



Source: Alaska Department of Fish and Game personnel and "Commercial Operators Annual Report"

Figure 2.11 - JEDC Study Figure 75.

ALASKA TIDELANDS VALUATION AND RENT MARKET

Estimating market value or market rents for tidelands has always been a challenge in the State of Alaska. In terms of the overall real estate market, transactions for tidelands alone are very infrequent. When Alaska became a state in 1959, the state acquired ownership of most navigable water tidelands. Prior to that, there had been a few patented tidelands sites and municipalities had some patented tidelands which they could lease or sell. The Constitution of the State of Alaska prohibits the state sale of tidelands. The state and most municipal governments view tidelands as a critical component for public access to the waterways and economic development. As a result, they are generally leased to ensure continual productive use and public access.

When tidelands do sell, they are usually associated with waterfront uplands forming a functional property unit between the water and public roadways. This would be the case, for instance, where there is a dock or barge landing facility requiring tidelands for marine improvements and an upland staging area. Sometimes these combination sites sell where the uplands are owned in fee simple and the tidelands are leased. In these instances, the contributory value of the tidelands can be estimated as the residual of the allocated value of the uplands portion of the sales price. There are more market transactions to indicate the value of the uplands than tidelands. It has become a common practice over the years to value tidelands as a percentage of the unit value of their adjoining uplands.

Conclusion Tideland Land Percentage Rent

Over time we have studied the relationship between upland and tidelands unit values observing that there are typical ratios indicating tidelands unit values of 5% to 50% or more of the adjacent upland values depending on the effective utility of the tidelands. Also, we have studied a percentage rent range that tideland owners are achieving as a percentage of the estimated tideland values. Commercial property generally rents as a percentage of the market value. These percentage rents have ranged from 6% to 12% over the last 20 years. In the last 10 years or so these rates have narrowed to a range of 7% to 10% and are predominately 8%. For most private commercial leases these rates have not changed in the past several years and are best described as stable. A market rate of 8% is well supported.

TIDELAND VALUE RATIOS

Estimating market value or market rents for tidelands has always been a challenge in the State of Alaska. In terms of the overall real estate market, transactions for tidelands alone are very infrequent. Once Alaska became a state in 1959 it acquired ownership of most navigable water tidelands. There are a few patented tideland sites and municipalities had some patented tidelands which could be leased or sold. The Constitution of the State of Alaska prohibits the sale of its tidelands parcels. The state and most municipal governments view tidelands as a critical component for public access to the waterways and economic development. As a result, they are generally leased to ensure continual productive use and public access.

When tidelands do sell, they are usually associated with waterfront uplands forming a functional property unit between the water and public roadways. This would be the case; for instance, where there is a dock or barge landing facility requiring tidelands for marine improvements and an uplands staging area. Sometimes these facilities sell where the uplands are owned in fee simple interest and the tidelands are leased. In these instances, the contributory value of the tidelands can be estimated as the residual of the allocated value of the uplands portion of the sales price. There are frequently more market transactions to indicate the value of the uplands than tidelands. It has then become a common practice to value tidelands as a percentage of the unit value of their adjoining uplands.

Uplands to Tidelands Unit to Value Ratio

Over time we have isolated the value of tidelands that have sold, leased, or otherwise been valued based on transactions whereby an allocation is made between uplands and tidelands components. The following Table summarizes 11 observations of the ratio (%) of the tidelands' square foot values to the square foot value of the uplands. This allocation is based on the sales of similar uplands, allocations by the buyers, sellers, or appraisal analysis. In some instances, such as observations 9 and 11, there is a range of value based on differing views by the participating parties or a range of comparable sales in that area compared to the value of the known component.

The tidelands to uplands unit value ratios range from 12% to 40% in these observations. In other instances, the range can even be wider from 5% to more than 50%. The driving factors in this ratio are how effectively the tidelands are used as compared to the value of the uplands. For instance, if the tidelands serve as a good, compact dock site and the adjacent uplands are filled, have a contained shore line and efficiently complement the use of the tidelands, the ratio would be lower than if the uplands were unfilled, low-value raw land needing to be developed. This latter situation would impact the ratio due to the relatively lower value of the uplands as compared to the utility of the tidelands. Conversely, if the tidelands are oversized and extend an excessive distance from the

shore, diminishing their utility due to shallow runout or other site limitations, may mean a lower unit value and subsequently a lower tidelands to uplands ratio. This is due to the parcel being larger than would otherwise be necessary as compared to a more efficient, smaller site which would have a higher ratio of unit value.

TABLE 6.1 - RANGE OF TIDELAND UNIT VALUE RATIO (%) OF UPLAND UNIT VALUE					
No.	Location	Date	Size in SF	SF Value	Ratio
			Upland	Upland	Tideland as
			Tideland	Tideland	% of Upland
1	4100 Tongass Ave., Ketchikan	2003	26,915	\$16.03	
			14,275	\$1.94	12%
2	1000/1010 Stedman, Ketchikan	2005	76,597	\$16.00	
			102,133	\$4.99	31%
3	1007 Water St., Ketchikan	2001	61,000	\$17.25	
			40,594	\$4.19	24%
4	Mile 4 Mitkof Hwy, Petersburg	2010	170,772	\$2.50	
			346,720	\$0.57	23%
5	4513 HPR, Sitka	2005	179,507	\$10.72	
			42,035	\$2.74	26%
6	111 JT Brown St., Craig	2009	62,340	\$8.00	
			50,890	\$2.00	25%
7	76 Egan Drive, Juneau	2013	8,692	\$51.50	
			12,918	\$20.55	40%
8	108 Egan Drive, Juneau	1995	NA	\$55.00	
			NA	\$16.00	29%
9A	Alaska Glacier Seafood's, Juneau	2000	NA	\$22.00	
	Range of Comp Unit Values		NA	\$3.04	14%
9B	Alaska Glacier Seafood's, Juneau	2000	NA	\$8.00	
	Range of Comp Unit Values		NA	\$3.04	38%
10	Jacobson Dock, Juneau	2013	100,000	\$20.05	
			379,694	\$5.00	25%
11A	2691 Channel Dr., Juneau	2003	51,231	\$9.00	
	Range of Comp Unit Values		51,401	\$1.08	12%
11B	2691 Channel Dr., Juneau	2003	51,231	\$5.31	
	Range of Comp Unit Values		51,401	\$1.58	30%
12	Ward Cove, Ketchikan	2019	360,000	\$1.50	
	SF contract Rent Values		528,000	\$0.60	40%

If no comparable tideland sales are available, we estimate the value of the complementary uplands and apply a ratio to the upland unit value from 10% to 40% as found in the market to indicate the value of the tidelands under appraisal.

HORAN & COMPANY, LLC

LAND COMPARABLE

Section F, Item 2.

Community: 15 CBJ - Town - Gold Creek

Recording District: Juneau

Address: 1000 Harbor Way

City: Juneau

State: AK

Zip: 99801

Location: 1000 Harbor Way, Near bridge to Douglas at Harris Harbor

Legal: ATS 3,Lots 3 & 5, Tidelands Block 51, Plat 347; Parcel Number: 1C060K510041

Instrument: SWD - **Serial:** 2008-003415-0
Trans.Type: Land Rent
Rights: Leasehold
Terms: 35 year lease plus 1-35 year option, rent adjusted to market every 5 years

Annual Rent: \$5,848
Trans. Date: March 3, 2019
Grantor: Peter & Mary Bernstein
Grantee: Harbor Lights Enterprises LLC, Gary or - Dave Belzak

Size (SF): 4,177
Frontage:
Zone: WC

Utilities: All
Access: Road, paved
Improvements: Shop, Office, Retail
Land Class: Commercial, Tidelands, Waterfront

Topography: Level
Vegetation: None
Soil: Sloping, Tidelands

Present Use: Commercial building and parking
Intended Use: Same
Highest and Best Use:

Comments

Sloping Tidelands from road to submerged harbor.

Analysis:

4177 SF @\$1.40/SF = \$5,848/ year

Marketing Info: Market rent appraisal (#20-097)

Confirmed with: Teena Larson, CBJ
Confirmed date: 10-06-21
Confirmed by: C.Horan

Revision Date: 12/14/2021
Record Number: 11959



C 111720 (226)



Fig 3.2

HORAN & COMPANY, LLC

LAND COMPARABLE

Section F, Item 2.

Community: 15 CBJ - Town - Gold Creek

Recording District: Juneau

Address: 345 Egan Drive

City: Juneau

State: AK

Zip: 99801

Location: Egan Drive, Across from Whittier Street known as Subport Parking Lot

Legal: A portion of Tract C2 Plat 2009-37, Juneau Recording District, 1st Judicial District, State of Alaska;

Instrument: Land
Serial: 2018-003784-0
Trans.Type: Land Rent
Rights: Fee Simple less Minerals
Terms: Term from Oct 1, 2016 to 4/30/2036, with 2.7% annual adjustment.

Annual Rent: \$39,142.08
Trans. Date: October 1, 2022
Grantor: Alaska Mental Health Trust Authority, Trust Land
Grantee: US Coast Guard

Size (SF): 14,069.88
Frontage: Egan Drive and Whittier Street
Zone: MU2

Utilities: Water, Telephone, Sewer, Electric
Access: Road, paved
Improvements: Fence
Land Class: Non-WTFT, Commercial

Topography: Level
Vegetation: Cleared
Soil: Buildable

Present Use: Vacant
Intended Use: Commercial Development and Parking
Highest and Best Use:

Comments

The site appears to provide about 35 parking spaces. Assume to be a total net lease. Improvements owned by lessor maintained by lessee.

Analysis:

Oct 1, 2022 adjustment \$39,142.08/ 8%= \$489,276/ 14070 SF=\$34.77/SF

2015- \$32,482.44 /8% = Land Value \$406,030.50/ 14069.88 SF = \$28.86/SF
If 35 parking spaces = \$ 928.07/yr or \$77.34/mo. \$11,600.87/space

Marketing Info: 10-1/2022 Rent Schedule Adjustment from the original 2015 agreement.

2018 adjustment \$35,185.32. This was a supplemental lease agreement for a long-standing lease that had a lapsed rental adjustment clause. The parties re-negotiated a rent agreement in 7/19/15 that the effective rent 7/1/15 would be \$2,635.71 through 9/2015. The rental would then increase to \$32,482.44 per year paid on a monthly basis. Every year thereafter the rental would increase 2.7% per year until 2036. For the purpose of analysis the agreement date will be used for the rent with the effective 10/1/15. Both parties felt it was reasonable according to the lessor's agent, Brvan Yackel, TLO.

Confirmed with: Bryan Yackel, TLO
Confirmed date: 11-14-16
Confirmed by: C.Horan
Revision Date: 12/1/2022
Record Number: 10025



111416_161575



HORAN & COMPANY, LLC

LAND COMPARABLE

Section F, Item 2.

Community: 16 CBJ - Town - CBD - Commercial **Recording District:** Juneau
Address: 76 76 Egan Drive **City:** **State:** **Zip:**

Location: 98 Egan Drive, Seadrome Marina - Goldbelt Float

Legal: Parcel B, C, E, F, and F Exhibit C, Block 76 (see 12-053 & 15-127 & 18-054); Parcel Number: 1C070K760021

Instrument: Lease **Serial:** **Annual Rent:** \$56,327.58
Trans.Type: Land Rent **Trans. Date:** June 1, 2018
Rights: Lease **Grantor:** City and Borough of Juneau
Terms: Began in May of 1998 for 35 years **Grantee:** Goldbelt (or Cultural Preservation, Inc.)

Size (SF): 19,916 **Utilities:** All
Frontage: Water Front **Access:** Road, paved, Boat
Zone: WC **Improvements:** None as leased
Land Class: Tidelands, Commercial

Topography: Submerged, Level
Vegetation: None
Soil: Tidelands

Present Use: Vacant
Intended Use: Dock for vessels and other marine and tourist-related activities
Highest and Best Use: Marina

Comments

2015 Amendment- . Effective day of amendment June 1, 2013. The rented area was reduced to 19,916 (dropped Parcel A 694 SF from original lease) and dropped lease percentage rate from 10% to 9%.

Analysis:

\$56,328 Rent/ 9%= \$625,866.67/ 19,916 SF = \$31.43 /SF overall
Allocation- Upland \$ 360,047.10/ 6,998 SF= \$51.45/SF 100%
Allocation-Tideland \$265,852.44/ 12,918 SF=\$20.58/SF 40%

Marketing Info: Rent adjustment effective 6/1/2018, based on area change but no change in value since 6/1/13. (18 -054). 2015 adjustment based on 2012 appraised values for the effective lease adjustment date 6/1/13 amendment which also included a reduction in the rate from 10% to 9% of the estimated market value. The lessee and CBJ Docks and Harbor negotiated this adjustment. In 2013 the lessee objected to rent increase and reduced the area of land. The original lease of 5/1008 had rent calculated on SF values of

Confirmed with: File Notes/Jim Canary Port Director Docs
Confirmed date: 11/14/2006 8/1/16
Confirmed by: K.Williams C.Horan

Revision Date: 8/8/2022
Record Number: 5011



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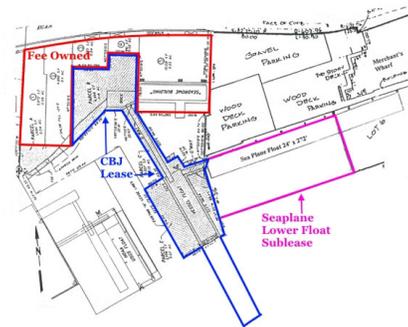


FIGURE 3-1 - SITE LAYOUT

HORAN & COMPANY, LLC

LAND COMPARABLE

Section F, Item 2.

Community: 15 CBJ - Town - Gold Creek

Recording District: Juneau

Address: 1050 Harbor Way

City: Juneau

State: AK

Zip: 99801

Location: 1050 Harbor Way

Legal: Lot 4, Block 51, Tidelands Addition to Juneau, Plat 340, Juneau Recording District, First Judicial District, Alaska; Parcel Number: 1C060K510020

Instrument: SWD **Serial:** 2014-003181-0

Sale: \$170,000

Trans.Type: Sale

Trans. Date: July 16, 2014

Rights: Fee Simple

Grantor: Gary & Marcia Rohweder

Terms: Cash to seller

Grantee: Marine Exchange of Alaska

Size (SF): 4,617

Utilities: All

Frontage: 60' on Harbor Way

Access: Road, paved

Zone: WC

Improvements: None

Land Class: Waterfront, Commercial

Topography: Level, Sloping

Vegetation: None

Soil: Gravel

Present Use: Vacant

Intended Use: Owner occupied Office building with parking on first floor, 7,500 SF including parking level. Required set back veriences. Buyers monitor ship traffic 24/7 as a non profit.

Highest and Best Use: Commercial marine

Comments

The site is half at road grade, 25' elevation and half sloping into tidelands on Harris Harbor. The buyers intend to build a 3 story office building with parking on first floor.

Analysis:

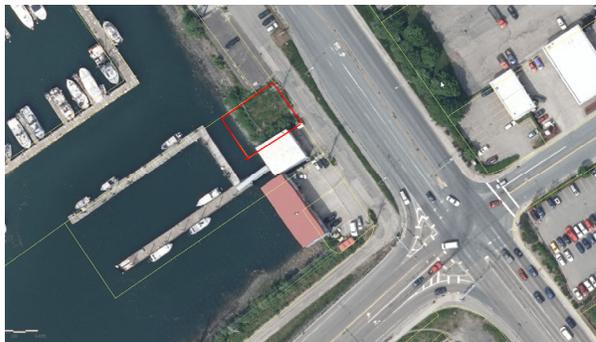
Marketing Info: FSBO, Sold by nearby property owner. DOM and original asking are unavailable. Negotiated sale-buyer felt it was market. The original price was reported by the buyer was \$130,000. There was some confusion but the final price was verified at \$170,000.

Confirmed with:	Ed Page? ED Marine	Bret Farrell Marine
Confirmed date:		11/23/16
Confirmed by:		C.Horan

Revision Date: 6/1/2021
Record Number: 8018



111416_161510



HORAN & COMPANY, LLC

LAND COMPARABLE

Section F, Item 2.

Community: 16 CBJ - Town - CBD - Commercial
Address: 224 Second St
Location: 224 Second St, Juneau, AK

Recording District: Juneau
City: Juneau

State: AK **Zip:** 99801

Legal: Lot 3, Block 4, Juneau Townsite; Parcel Number: 1C070A040020

Instrument: SWD - **Serial:** 2021-000060-0
Trans.Type: Sale
Rights: Fee Simple
Terms: Cash

Sale: \$286,000
Trans. Date: January 5, 2021
Grantor: Southeastern Newspapers
Grantee: Goldstein Improvement Company

Size (SF): 4,913
Frontage: 25' on Second, 100' on Main
Zone: MU

Utilities: All
Access: Road, paved
Improvements: None
Land Class: Commercial, Non-WTFT

Topography: Level
Vegetation: None
Soil: Soil

Present Use: Proximately 18 Parkingspaces
Intended Use: continued parking use and access.
Highest and Best Use: Parking Lot

Comments

This is a lot located mid block in downtown Juneau. The property is encumbered with an access easement in favor of an adjacent property. The only utility for the site is as a parking lot.

Analysis:

Price per land SF = \$58.21
\$286,000 divided by 18 spaces = \$15,889/ space

Marketing Info: This parking lot was originally part of the sale Amalga Distillery across the street (134 N Franklin St). They did not want to pay for the extra parking lot and invited the Goldstein Building property owners, a logical purchaser, to step in and buy this part of the deal. Originally it was offered for over \$300,000. The purchasers counted at \$286,000 which was accepted. The buyers felt this was close to market as it was encumbered with a parking lot of agreement through the center of the lot. This informal access

Confirmed with: Wold Appraisal (#12181) Dan Glidmann
Confirmed date: 12/7/2022 2/17/2023
Confirmed by: C.Horan C.Horan

Revision Date: 12/1/2022
Record Number: 12188



QUALIFICATIONS OF CHARLES E. HORAN, MAI

Professional Designation	MAI, Member Appraisal Institute, No. 6534
State Certification	State of Alaska General Appraiser Certification, No. APRG41
Bachelor of Science Degree	University of San Francisco, B.S., Business Administration, 1973

Employment History:

- 1/20 – now Partner, HORAN & COMPANY, LLC
- 8/04 – 12/19 Owner, HORAN & COMPANY, LLC
- 3/87 – 7/04 Partner, HORAN, CORAK AND COMPANY
- 1980 – 2/87 Partner, The PD Appraisal Group, managing partner since November 1984 (formerly POMTIER, DUVERNAY & HORAN)
- 1976 – 80 Partner/Appraiser, POMTIER, DUVERNAY & COMPANY, INC., Juneau and Sitka, Alaska
- 1975 – 76 Real Estate Appraiser, H. Pomtier & Associates, Ketchikan, AK
- 1973 – 75 Jr. Appraiser, Ketchikan Gateway Borough, Ketchikan, AK

Lectures and Educational Presentations:

- 2017 “Municipal Assessment Record System” MARS Presentation on automated data collection and analysis for mass appraisals. Presented to Alaska Association of Assessing Officers, Anchorage.
- 2017 “Keeping it Simple – Local Market Value New Modeling” Presented to AAAO, Anchorage
- 2011, “Real Estate Market in Southeast Alaska” Presentations to Ketchikan, Juneau and Sitka Chambers of Commerce and Municipality of Skagway
- 2011, “Demystifying the Appraisal Process” Presentation to USFWS Market Analysis and UASFLA, Anchorage
- 2007, AConservation Easements@ Presentation - Alaska Association of Assessing Officers, Fairbanks, AK
- 1998, AEasement Valuation Seminar,@ Alaska Chapter Appraisal Institute, Anchorage, AK
- 1998, AEasement Valuation Seminar,@ Seal Trust, Juneau, Alaska
- 1997, ASitka Housing Market,@ Sitka Chamber of Commerce
- 1997, developed and taught commercial real estate investment seminar for Shee Atika, Inc.
- 1994, developed and taught seminar "Introduction to Real Estate Appraising," UAS, Sitka Campus
- 1985, Speaker at Sitka Chamber of Commerce, "What is an Appraisal? How to Read the Appraisal"
- 1984, Southeast Alaska Realtor's Mini Convention, Juneau, Alaska
- Day 1: Introduction of Appraising, Cost and Market Data Approaches
- Day 2: Income Approach, Types of Appraisals, AIREA Accredited Course
- 1983, "The State of Southeast Alaska's Real Estate Market"
- 1982, "What is an Appraisal?"

Partial List of Types of Property Appraised:

Commercial - Retail shops, enclosed mall, shopping centers, medical buildings, restaurants, service stations, office buildings, auto body shops, schools, remote retail stores, liquor stores, supermarkets, funeral home, mobile home parks, camper courts. Appraised various businesses with real estate for value as a going concern with or without fixtures such as hotels, motels, bowling alleys, marinas, restaurants, lounges.

Industrial - Warehouse, mini-warehouse, hangars, cruise ship docks, marinas, barge loading facilities, industrial acreage, industrial sites, bulk fuel plants, fish processing facilities, a variety of waterfront port sites and industrial lands.

Special Land - Partial Interest and Leasehold Valuation - Remote acreage, tidelands with estimates of annual market rent. Large acreage land exchanges for federal, state, municipal governments and Alaska Native Corporations; retail lot valuations and absorption studies of large subdivisions; gravel and rock royalty value estimates; conservation easements; title limitations, permit fee evaluations. Appraised various properties under lease to determine leasehold and leased fee interests. Various easements and complex partial interests, subsurface interest, patented mining claims.

Special Projects - Special consultation for Federal land exchanges. Developed Land Evaluation Module (LEM) to describe and evaluate 290,000 acres of remote lands. Renovation feasibilities, residential lot absorption studies, commercial, and office building absorption studies. Contract review appraiser for private individuals, municipalities, and lenders. Restaurant feasibility studies, Housing demand studies and overall market projections. Estimated impact of

nuisances on property values. Historic appreciation / market change studies. Historic barren material royalty valuations, subsurface mineral and timberland valuation in conjunction with resource experts.

Mass appraisal valuations: Municipality of Skagway, City of Craig, Ketchikan Gateway Borough and other Alaska communities. Developed electronic/digital assessment record system for municipalities. Developed extensive state-wide market data record system which identified sales in all geographic areas. Administered over 100 assessment rules, developed possessory interest values. Experience with ANSCA-developed land classification for real property tax exemption. Reviewed depletion asset for assessment of mine valuations. Studies on cruise ship visitation impact on assessed values.

Expert Witness Experience and Testimony:

2016 Expert Witness – D’s Investment Group, LLC vs Erwin Enterprises, et al 1JU-15-971CI, settled
 2012 Expert Witness – Dukowitz vs Chamberlain and First American Title Insurance Co. 1JU-12-778CI, settled
 2011 Expert Witness – Wise and Wise vs City and Borough of Juneau. 1JU-10-584CI, settled
 2009 Expert at mediation - Talbot=s Inc vs State of Alaska, et al. IKE-07-168CI
 2008 Albright vs Albright, IKE-07-265CI, settled
 2006 State of Alaska vs Homestead Alaska, et al, 1JU-06-572, settled
 2006 State of Alaska vs Heaton, et al, 1JU-06-570CI, settled
 2006 State of Alaska vs Jean Gain Estate, 1JU-06-571, settled
 2004 Assessment Appeal, Board of Equalization, Franklin Dock vs City and Borough of Juneau
 2000 Alaska Pulp Corporation vs National Surety - Deposition
 U.S. Senate, Natural Resources Committee
 U.S. House of Representatives, Resource Committee
 Superior Court, State of Alaska, Trial Court and Bankruptcy Courts
 Board of Equalization Hearings testified on behalf of these municipalities: Ketchikan Gateway Borough, City of Skagway, City of Pelican, City and Borough of Haines, Alaska
 Witness at binding arbitration hearings, appointed Master for property partitionment by superior state court, selected expert as final appraiser in multiparty suits with settlements of real estate land value issues

Real Property Assessment Experience

Developed Municipal Assessment Records System (MARS), a computer assisted mass appraisal (CAMA) solution to automate assessment recordkeeping in compliance with state statutes including infield recording device option. Presently in use in Craig, Petersburg, Wrangell, Haines, Sitka, Yakutat, Bristol Bay, Dillingham and Nome.

Contract assessment experience; either with present partnership or former partnerships has experience being the contract assessor with Craig, Skagway, Petersburg, Wrangell, Haines, Pelican. Performed the 2012 annex assessment for the Ketchikan Gateway Borough.

Board of Equalization Experience; has been involved with over 100 boards of equalization throughout a 40-year career.

Special Projects and Knowledge; Familiar with Alaska Native Claims Settlement Act (ANCSA). Has assessed and appraised surface and subsurface ANCSA estates. Familiar with requirements regarding developed and undeveloped classification of ANCSA lands for taxable and exemption status with regard to mining development, logging infrastructure and other forms of development. Expert at possessory interest status and value calculation including complex property such as railroads, mines, utility systems, cruise ship docks, marinas, bulk fuel plants, contaminated properties, etc. Member of Alaska Association of Assessing Officers; has participated as a presenter at annual meetings and keeps informed with current assessment issues and is exposed to evolving complexities of the assessment field experience of other Alaska assessment departments.

Partial List of Clients:Federal Agencies

Bureau of Indian Affairs
 Bureau of Land Mngmnt.
 Coast Guard
 Dept. Of Agriculture
 Dept. Of Interior
 Dept. Of Transportation
 Federal Deposit Ins. Corp
 Federal Highway Admin.
 Fish & Wildlife Service
 Forest Service
 General Service Agency
 National Park Service
 USDA Rural Develop.
 Veterans Administration

Lending Institutions

Alaska Growth Capital
 Alaska Pacific Bank
 Alaska Ind. Dev. Auth.
 ALPS FCU
 First Bank
 First National Bank AK
 Key Bank
 Met Life Capital Corp.
 National Bank of AK
 Northrim, AK
 Rainier National Bank
 SeaFirst Bank
 True North Credit Union
 Wells Fargo
 Wells Fargo RETECHS

ANCSA Corporations

Cape Fox, Inc.
 Doyon Corporation
 Eyak Corporation
 Goldbelt
 Haida Corporation
 Huna Totem
 Kake Tribal Corporation
 Klawock-Heenya Corp.
 Klukwan, Inc.
 Kootznoowoo, Inc.
 Sealaska Corporation
 Shaan Seet, Inc.
 Shee Atika Corporation
 TDX Corporation
 The Tatitlek Corporation
 Yak-Tat Kwan

Companies

Allen Marine
 AK Electric Light & Power
 AK Lumber & Pulp Co.
 AK Power & Telephone
 Allen Marine
 Arrowhead Transfer
 AT&T Alascom
 Coeur Alaska, Kensington Mine
 Delta Western
 Gulf Oil of Canada
 Hames Corporation
 HDR Alaska, Inc.
 Holland America
 Home Depot
 Kennecott Greens Creek
 Kennedy & Associates
 Madsen Construction, Inc.
 Service Transfer
 Standard Oil of CA
 Tongass Trading Co.
 Union Oil
 Ward Cove Packing
 White Pass & Yukon RR
 Yutana Barge Lines

Municipalities

City & Borough of Haines
 City & Borough of Juneau
 City & Borough of Sitka
 City of Akutan
 City of Coffman Cove
 City of Craig
 City of Hoonah
 City of Ketchikan
 City of Klawock
 City of Pelican
 City of Petersburg
 City of Thorne Bay
 City of Wrangell
 Ketchikan Gateway Borg.
 Municipality of Skagway

Other Organizations

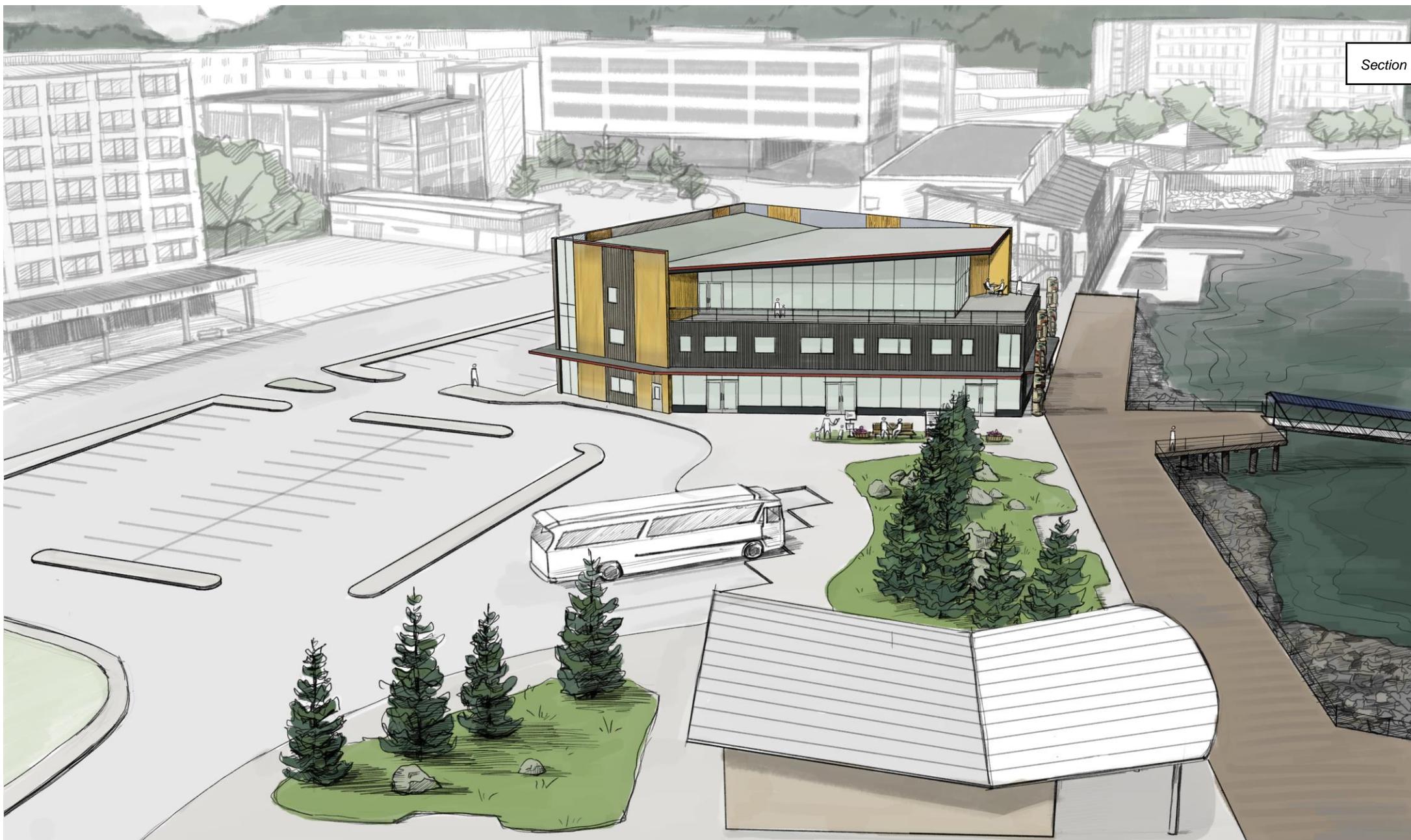
BIHA
 Central Council for Tlingit
 & Haida Indian Tribes
 of Alaska (CCTHITA)
 Diocese of Juneau
 Elks Lodge
 Hoonah Indian Assoc.
 LDS Church
 Moose Lodge
 SE AK Land Trust (SEAL)
 SEARHC
 Sitka Tribe of Alaska
 The Nature Conservancy
 The Conservation Fund
 Wilderness Land Trust
 Great Land Trust

State of Alaska Agencies

Alaska State Building
 Authority (formerly
 ASHA)
 Attorney General
 Dept. of Fish & Game
 Dept. of Nat. Resources,
 Div. of Lands
 Dept. of Public Safety
 DOT&PF
 Mental Health Land Trust
 Superior Court
 University of Alaska

Education

<p>Comparative Analysis, May 2021 The Cost Approach: Unnecessary or Vital to a Healthy Practice, April 2021 Eminent Domain and Condemnation, June 2021 Cool Tools: New Technology for Real Estate Appraisers, June 2021 Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets February 14-15, 2019, Boise, ID Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), Rockville, MD Sept 2017, Oct 2010, May 2002 Valuation of Conservation Easements, Fairfield, CA, Sept 2016 Business Practices and Ethics, Seattle, WA, April 2022, Jan 2016 7-Hour National USPAP Update Course, Bellingham, WA, Jan 2023, June 2021, Jan 2020, Jan 2019, Jan 2016, Jan 2015, Apr 2013, May 2009, Jun 2007, Feb 2005 Online Small Hotel/Motel Valuation, Chicago, IL June 2015 Advanced Spreadsheet Modeling for Valuation Applications, Rockville, MD April 2015 Appraising the Appraisal: Appraisal Review-General, Rockville, MD, May 2012 Information Security Awareness for Appraisal Professionals Webinar, December, 2012 Appraisal Curriculum Overview (2-day General) Milwaukee, WI, August 2011 Business Practices and Ethics, Seattle, WA, Apr 2010 Fall Real Estate Conference, Seattle, WA, Nov 2012, Oct 2011, Dec 2009, Nov 2008 Attacking and Defending an Appraisal in Litigation, Kent, WA, Sep 2008 Sustainable Mixed-Use N.I.M., Seattle, WA, Feb 2008 Appraising 2-4 Unit Properties, Bellevue, WA, Sep 2007 Business Practices and Ethics, Seattle, WA, Jun 2007 Residential Market Analysis and Highest and Best Use, Seattle, WA, Apr 2007 Basic Appraisal Procedures, Seattle, WA, Feb 2007 Rates & Ratios: Making Sense of GIMs, OARs, and DCF, Anchorage, AK, Feb 2005 Best Practices for Residential Appraisal Report Writing, Juneau, AK, Apr 2005 Scope of Work - Expanding Your Range of Services, Anchorage, AK May 2003 Litigation Appraising - Specialized Topics and Applications, Dublin, CA, Oct 2002 USPAP, Part A, Burr Ridge, IL, Jun 2001 Partial Interest Valuation - Undivided, Anchorage, AK, May 2001</p>	<p>Partial Interest Valuation - Divided, Anchorage, AK, May 2001 Easement Valuation, San Diego, CA, Dec 1997 USPAP, Seattle, WA, Apr 1997 The Appraiser as Expert Witness, Anchorage, AK, Oct 2022, May 1995 Appraisal Practices for Litigation, Anchorage, AK, May 1995 Forestry Appraisal Practices, Atterbury Consultants, Beaverton, OR, Apr 1995 Advanced Sales Comparison & Cost Approaches, Univ. of Colorado, Boulder, CO, Jun 1993 Computer Assisted Investment Analysis, University of Maryland, MD, Jul 1991 USPAP, Anchorage, AK, Apr 1991 General State Certification Review Seminar, Anchorage, AK, Apr 1991 State Certification Review Seminar, Dean Potter, Anchorage, AK, Apr 1991 Highest and Best Use and Market Analysis, Baltimore, MA, Mar 1991 Financial Institution Reform, Recovery & Enforcement Act of 1989, Doreen Fair Westfall, Appraisal Analyst, OTS, Juneau, AK, Jul 1990 Real Estate Appraisal Reform, Gregory Hoefler, MAI, OTS, Juneau, AK, Jul 1990 Standards of Professional Practice, Anchorage, AK, Oct 1987 Federal Home Loan Bank Board Memorandum R41C Seminar, Catherine Gearhearth, MAI, FHLBB District Appraiser, Juneau, AK, Mar 1987 Market Analysis, Boulder, CO, Jun 1986 Federal Home Loan Bank Board Regulation 41b, Inst. Bob Foreman, MAI, Seattle, WA, Sep 1985 Litigation Valuation, Chapel Hill, North CA, Aug 1984 Standards of Professional Practices, Bloomington, IN, Jan 1982 Course 2B, Valuation Analysis & Report Writing, Stanford, CA, Aug 1980 Course 6, Introduction to Real Estate Investment Analysis, Aug 1980 Course 1B, Capitalization Techniques, San Francisco, CA, Aug 1976 Course 2A, Case Studies in Real Estate Valuation, Aug 1976 Course 1A, Real Estate Principles and Valuation, San Francisco, CA, Aug 1974 Getting It Right From The Start: A Workout Plan for Your Scope of Work, Virtual Classroom, Alaska Chapter, March 2022 Appraiser as an Expert Witness: Preparation and Testimony, Rockville, MD Oct 2022</p>
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Seadrome Facility Concept Rendering

Introduction:

- CBJ Docks & Harbors (D&H) and Goldbelt have the opportunity to create better space for a new Seadrome facility.
- The first step is an even land exchange between Goldbelt and CBJ D&H to create more useful and unified properties for both parties.
- Improved property configurations will support small cruise ships with docking and a Seawalk that leads to the Egan Drive crosswalk.
- Goldbelt will rebuild the Seadrome building on the expanded site, establishing an iconic Alaskan Native facility on the waterfront to better support visitors.



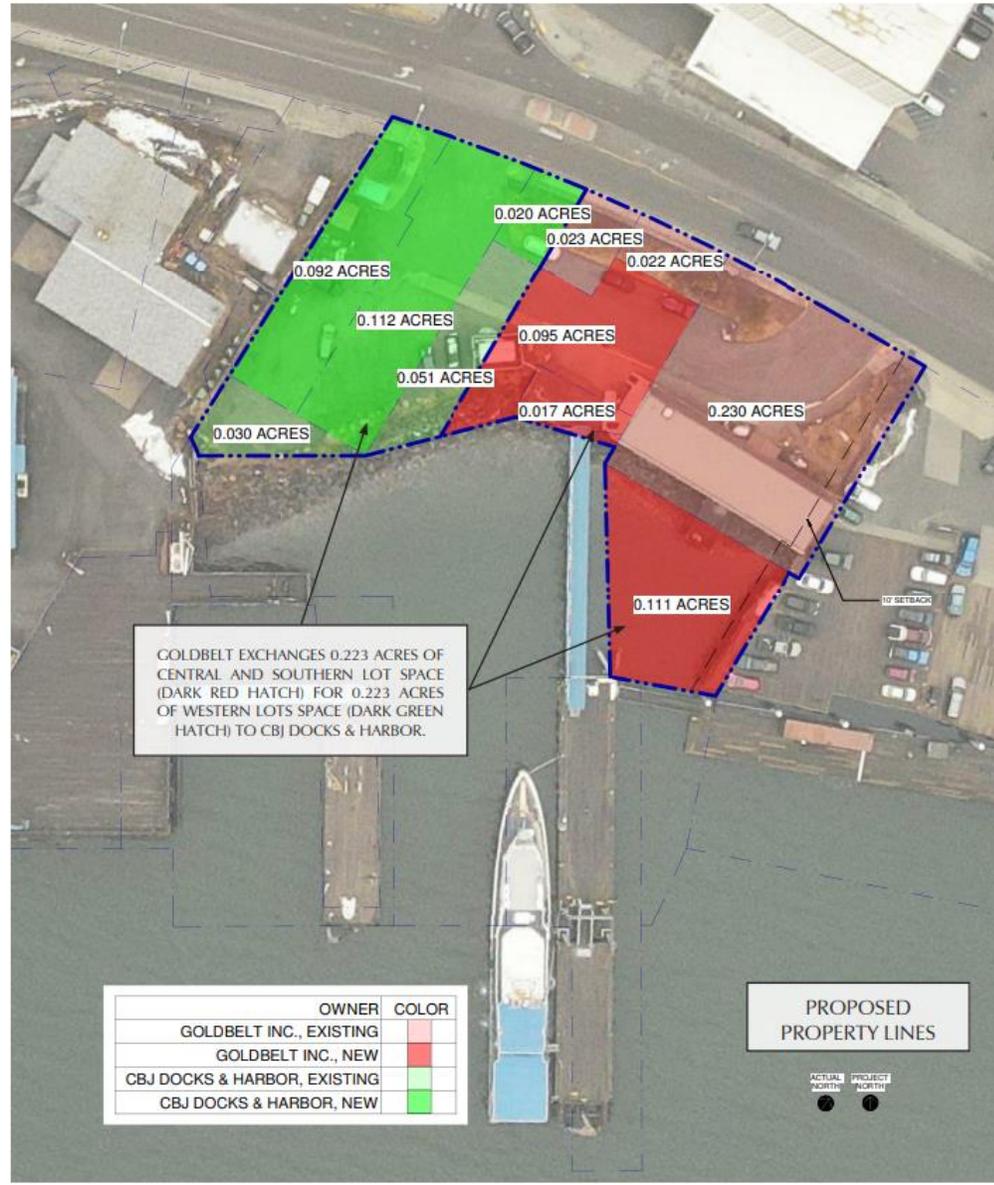
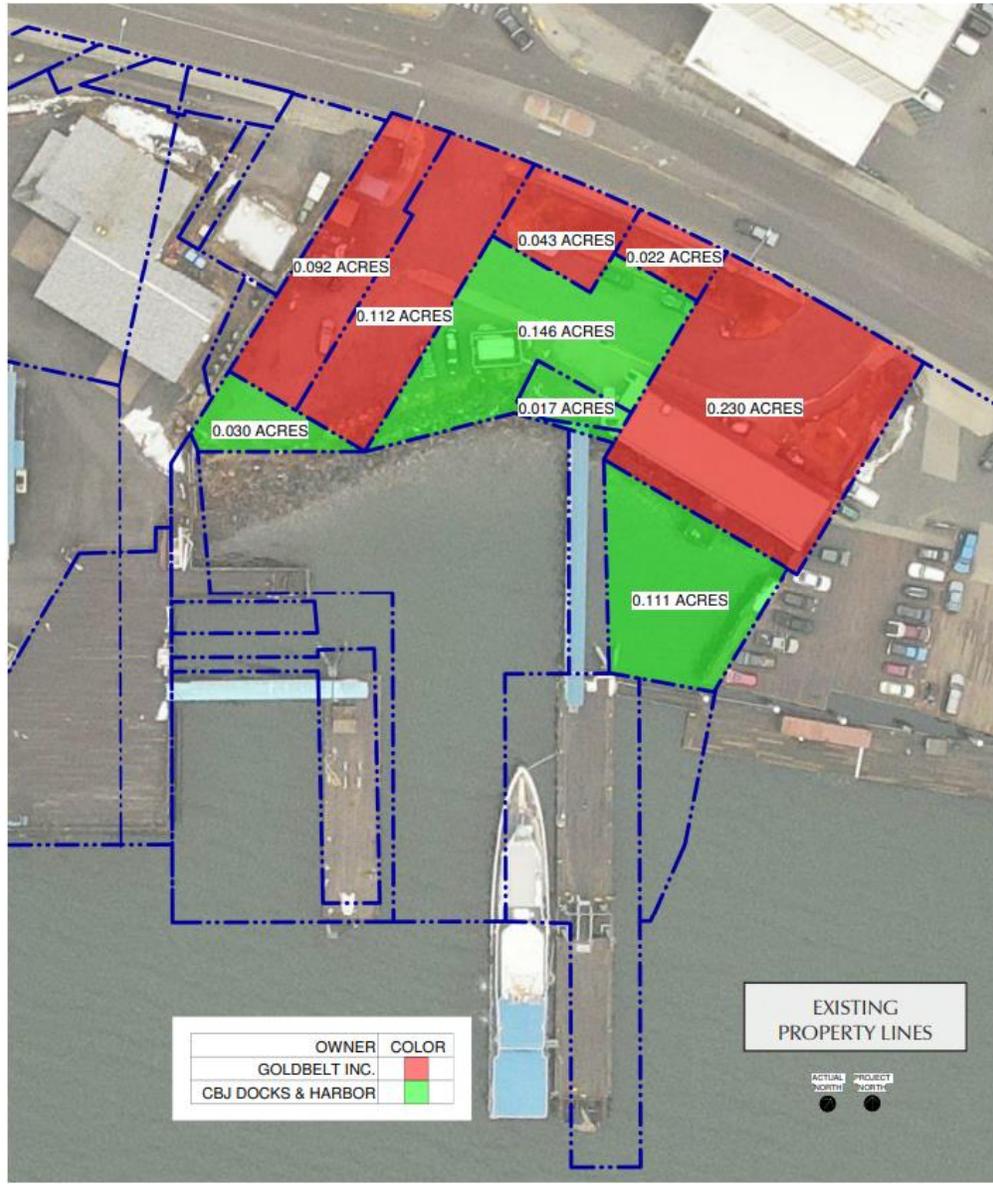
Actions:

1. An equal property exchange is made to optimize CBJ D&H and Goldbelt lots.
2. Goldbelt demolishes the existing Seadrome and builds an improved facility on the newly consolidated property.
3. The existing Goldbelt dock is potentially transferred to CBJ D&H ownership and reconstructed to align with the future Seawalk location.
 - Meets Waterfront Design guidelines, Lands Management Plan, Subport Revitalization Plan, and Small Cruise Ship Master Plan
 - The facility will host mixed-use spaces that are complimentary to the waterfront



Original Property Reallocation Proposal

Section F, Item 3.



Updated Property Reallocation Proposal

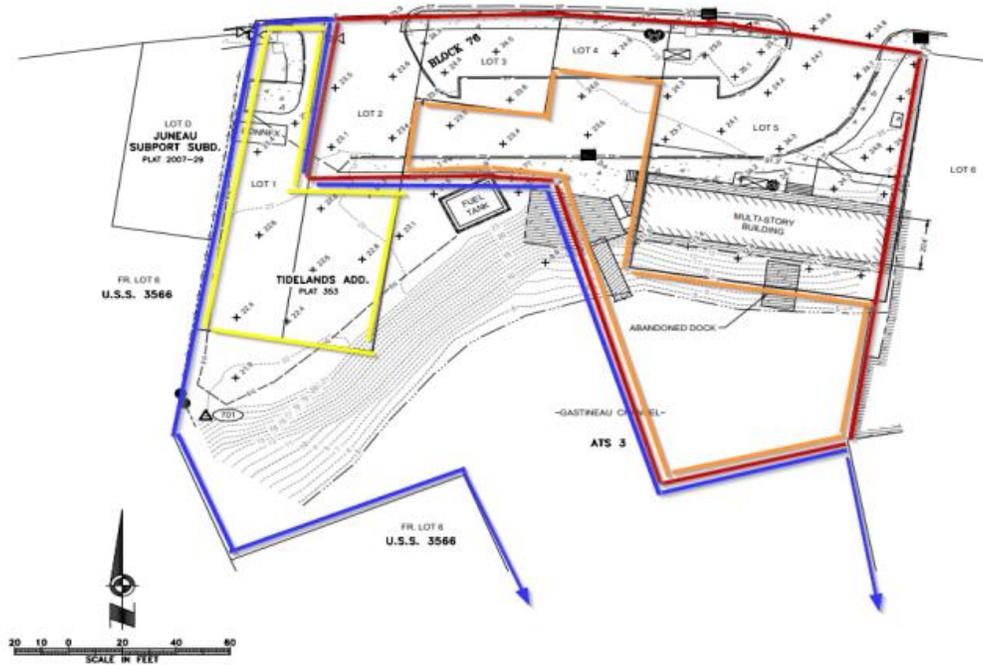


FIGURE 1.4 - Concluded exchange configuration showing CBJ receiving Goldbelt land outlined in yellow and Goldbelt receiving CBJ land outlined in orange. This makes the final ownership configuration reflected in CBJ outline in blue which extends into the harbor and covers the existing CBJ Goldbelt lease areas for which the city enjoys market rent. The final configured Goldbelt parcel is outlined in red.

Conclusion Traded Land Values

Goldbelt conveys to CBJ	SF Area	Unit Value	Land Value
Upland Parts of Lots 1 & 2	6,252	\$65	\$406,380
Tideland Part of Lot 2	70	\$26	\$1,820
Total Goldbelt Land	6,322		\$408,200
CBJ conveys to Goldbelt	SF Area	Unit Value	Land Value
Upland behind Lots 3 & 4	3,400	\$65	\$221,000
Tidelands west of Lot 5	550	\$26	\$14,300
Tidelands south of Lot 5	6,650	\$26	\$172,900
Total CBJ lands	10,600		\$408,200



Figure 3.4 showing newly configured land ownerships. Note CBJ lease to Goldbelt is not indicated.

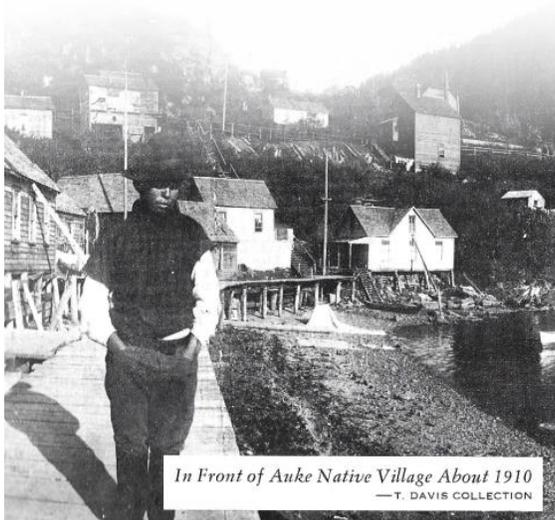
Improved Site Benefits:

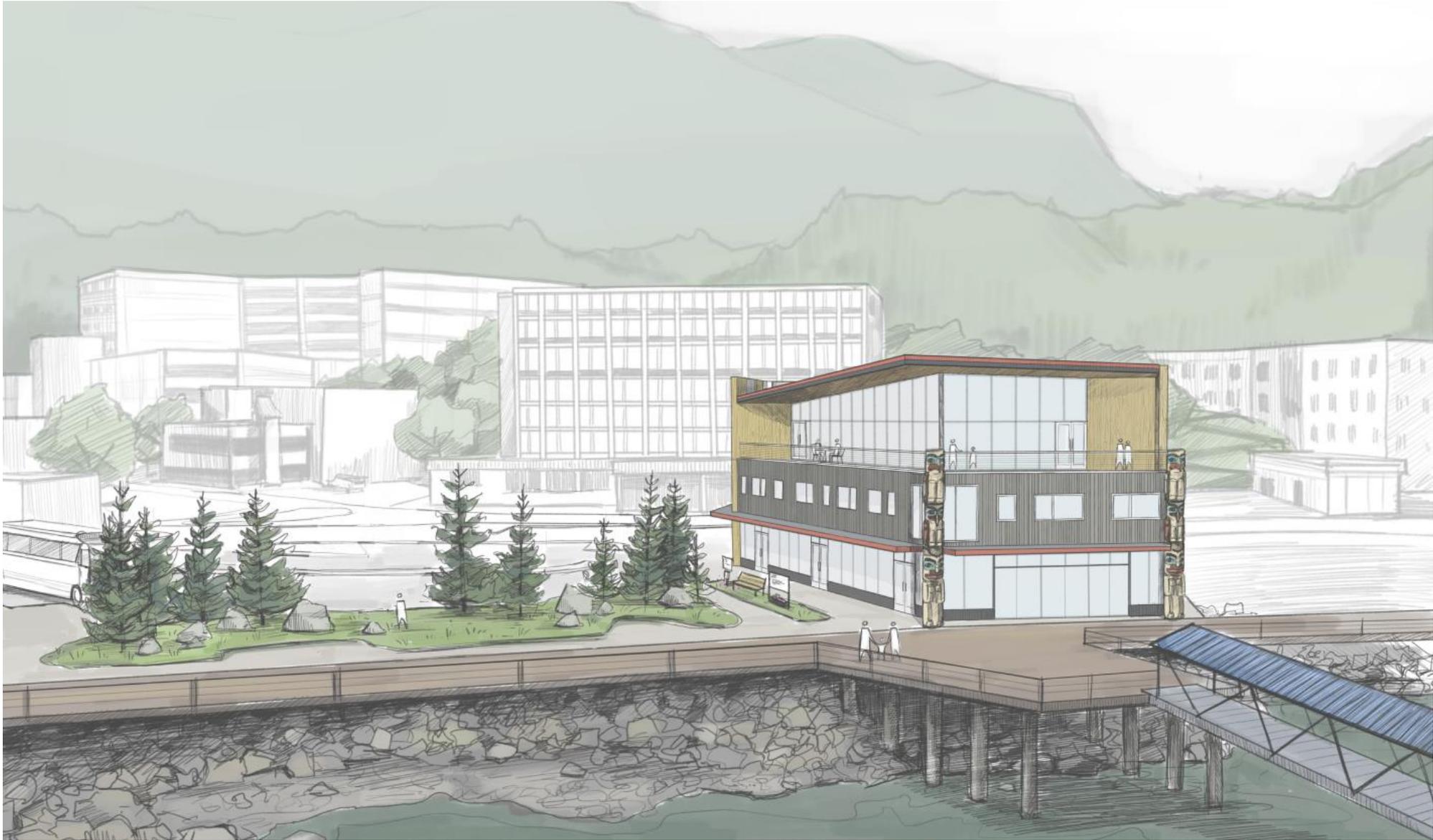
- Efficiency of space for CBJ D&H and Goldbelt properties
- Meets CBJ's various Plans and Guidelines
- Future improvements can be added efficiently – Seawalk construction and upland expansion will funnel visitors to the Egan Drive crosswalk



Cultural and City Planning Benefits:

- The new Seadrome building will be a cultural centerpiece, featuring prominent Alaska Native art.
 - This space will serve to educate visitors on aspects of local native history
 - Arriving ships will be able to view the building and accompanying local art in a way that will provide pride for the native community and Juneau residents
- The improved facility will provide an ideal arrival point to Juneau, with links to the Seawalk, the Áak'w Kwáan District, the SLAM, expanded Centennial Hall, hotels, and shopping centers.
- The new building will also feature an attractive mix of offices, a restaurant, and other amenities.





Seadrome Facility and Egan Drive Concept Rendering

**MARKET VALUE APPRAISAL OF
SEADROME BUILDING AND MARINA.
GOLDBELT AND CBJ LAND EXCHANGE
76 EGAN DRIVE, JUNEAU, ALASKA**



Subject tideland looking west from Merchants Wharf, November 17, 2022

PREPARED FOR: Carl Uchytel, PE, Port Director
City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

PREPARED BY: Charles Horan, MAI
Horan & Company, LLC
403 Lincoln Street, Suite 210
Sitka, Alaska 99835

EFFECTIVE DATE: February 21, 2023

REPORT DATE: February 27, 2023

OUR FILE No.: 22-044

HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN MAI / JOSHUA C. HORAN / SLATER M. FERGUSON

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835
PHONE NUMBER: (907)747-6666 FAX NUMBER: (907)747-7417 commercial@horanappraisals.com

February 27, 2023

Carl Uchytel, P.E., Port Director
City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

Via email: teena.larson@juneau.org

Re: Market Value Appraisal of Seadrome Building and Marina. Goldbelt and CBJ Land Exchange 76 Egan Drive, Juneau, Alaska. Our File # 22-044.

Dear Mr. Uchytel,

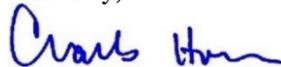
We have worked with your staff and Steven Sahlender, VP of the Alaska Group with Goldbelt and his staff to develop an equal value exchange of lands around Goldbelt’s Seadrome Marina. Assisted by site information provided by RESPEC surveyors, the Port Engineer and I have worked to develop an equal value exchange configuration which preserves the highest and best use functionality of the land to both parties with marine and street front access. After analyzing the market and making several iterations of exchange configurations I have determined the following value conclusions of the exchange as of the effective date, February 21st 2023.

Goldbelt conveys to CBJ	SF Area	Unit value	Land Value
Upland Parts of Lots 1 & 2	6,252	\$65	\$406,380
Tideland Part of Lot 2	70	\$26	\$1,820
Total Goldbelt Land	6,322		\$408,200
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Tidelands west of Lot 5	550	\$26	\$14,300
Tidelands south of Lot 5	6,650	\$26	\$172,900
Total CBJ lands	10,600		\$408,200

Your attention is invited to the attached report which explains this analysis in more detail and includes the most pertinent data considered in estimating the market value. This appraisal is intended to comply with the rules and regulations as set forth by the Uniform Standards of Professional Appraisal Practice (USPAP) and the City and Borough of Juneau’s appraisal instructions.

If you have any questions or comments, please feel free to contact us at your convenience.

Sincerely,



Charles E. Horan, MAI
Horan & Company, LLC

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ADDENDA 32

Certification of Appraiser

Photo Orientation Map

Subject Photos

Site Survey Seadrome

CBJ Land Lease

Petro – Goldbelt Agreement

Petro Amendment #1

Tideland Value Ratios

A;asla Tode;amds <arlet Remt

Juneau Area Analysis

Comparable Write ups

Qualifications

1 INTRODUCTION

1.1 BACKGROUND AND SUMMARY OF CONCLUSIONS

Goldbelt Corporation is the controlling entity of Cultural Preservation, Inc. which owns and leases property at 76 Egan Drive, Juneau, Alaska Seadrome Building and Marina. They have fee ownership of lots 1 through 5, Block 76 Tidelands Addition Subdivision to ATS 3 Plat 340, JRD. These are level at grade “uplands, 21,801 SF of commercial the land fronting Egan Drive used for parking and the small three-story wood frame office building on Lot 5. There is an additional 19,919 SF of filled and unfilled tidelands leased from the City and Borough of Juneau for a marina outlined in blue in the figure below. There are also approximately 14,400 SF of submerged lands leased from Merchants Wharf which extends the marina use. The entire tract controlled by the property owner Cultural Preservation Inc. is over 56,000 SF, as generally outlined in Figure 1.1

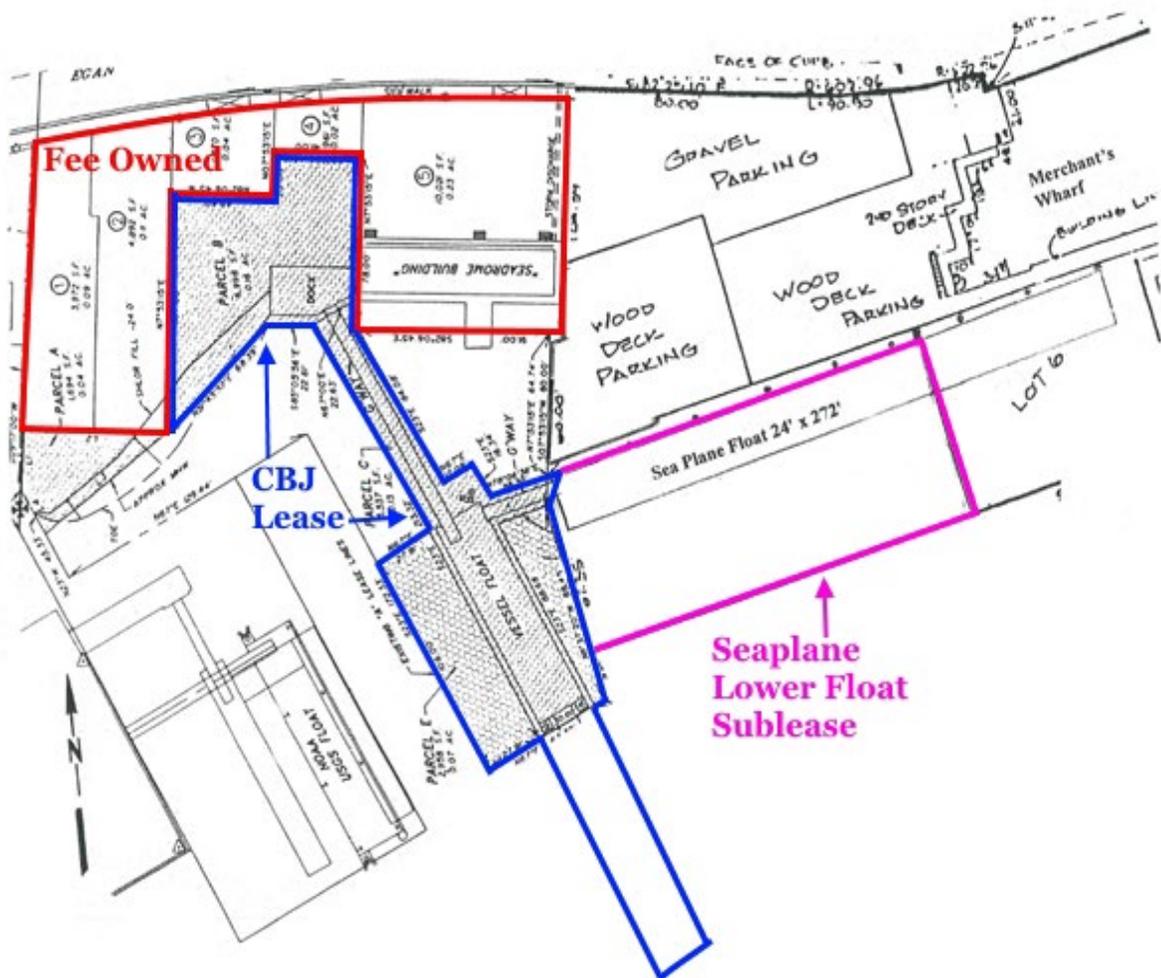


FIGURE 1.1 - Showing extent of lands under control of owner Goldbelt/Cultural Preservation, Inc.

Synopsis of Land Leases and Agreements

About 19,916 SF of land blue-lined “CBJ Lease” in Fig. 1.1 are leased from the City and Borough of Juneau based on a 35-year lease that began June 1, 1996 which has one additional 35-year option to renew. The annual rent is adjusted to market every five years based on 9% of the estimated market value. It was last reviewed in June 2018 confirming the current rent of \$56,327.58.

The tidelands seaward of Merchants Wharf are leased from the Merchants Wharf based on the 2018 agreement. They also have an agreement for the use of the float on those tidelands with another entity. These agreements have been ongoing for many years. This area is accessed by the CBJ lease.

The site is improved with a small three-story office building paved parking landscaping and other site amenities.

There is a use agreement between Goldbelt and Petro Marine Services for the installation of a diesel fuel system for the purpose of fueling marine vessels. The tanks are above ground inside temporary concrete barriers with fuel lines running down the ramp to the docks. This March of 2015 agreement was amended in June of 2016 allowing a 10 year term expiring in 2025 with automatic one year options to extend.

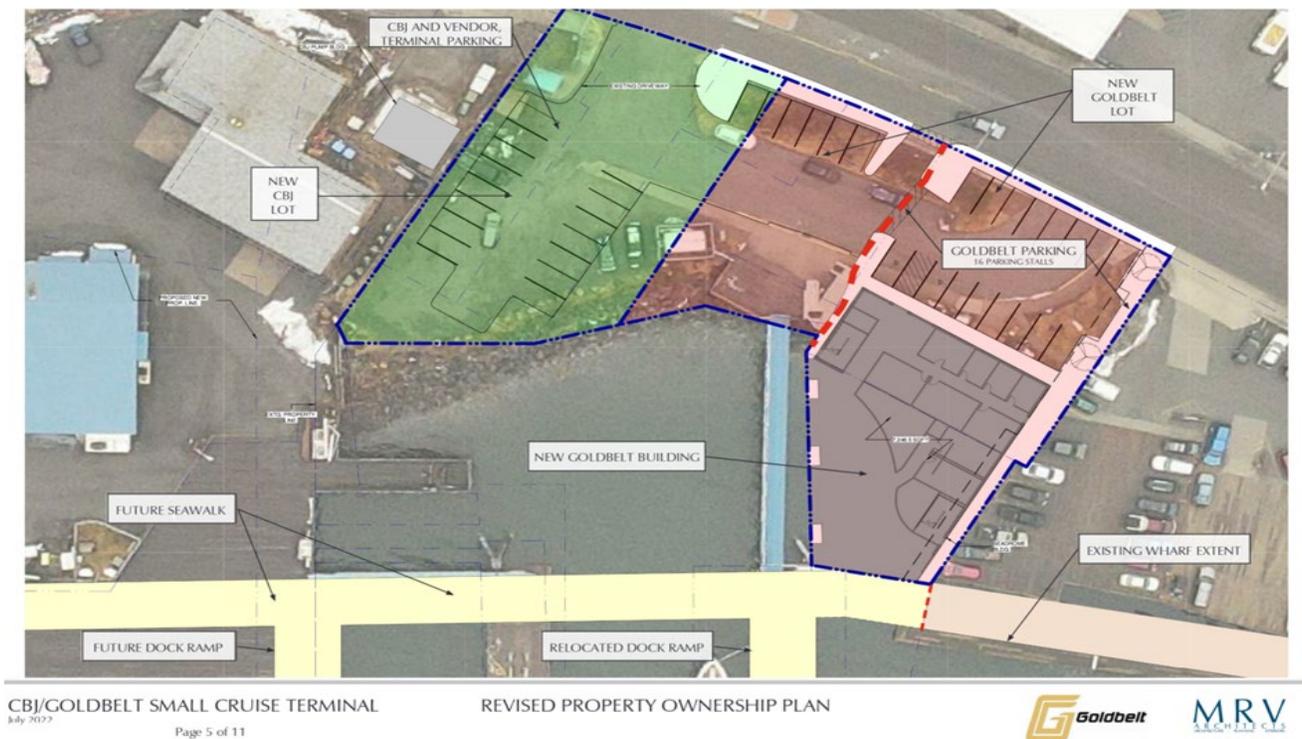
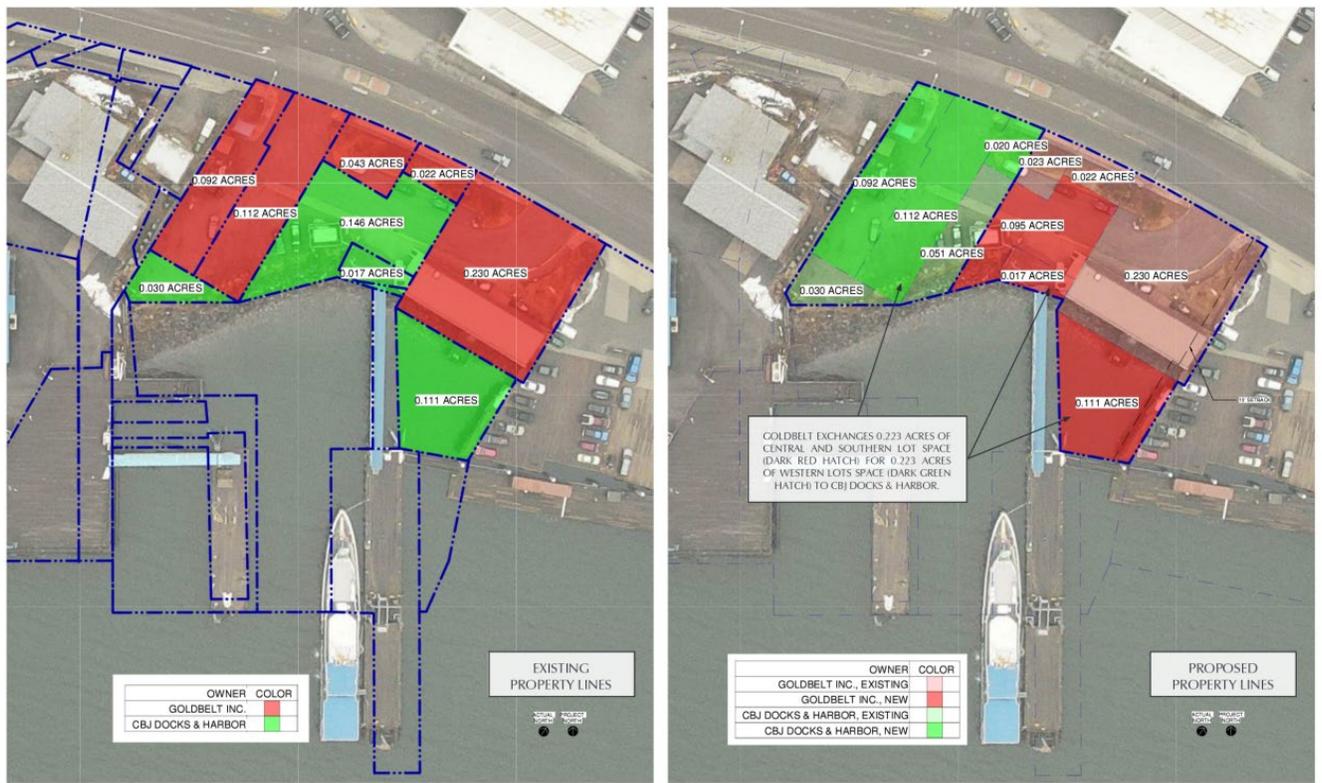


FIGURE 1.2 - Goldbelt’s initial envisioned expansion July 2022

The Proposed Exchange

Goldbelt wishes to expand its upland improvements with a small cruise ship terminal building developed over tidelands seaward of this existing building as noted in Figure 1.2 above. This concept is intended to allow a tie in to the future Seawalk concept. Goldbelt desires to acquire additional land for this purpose and proposes to trade it's uplands for the value of these tidelands.

To initiate the process Goldbelt suggested an exchange configuration that looked something like what is presented in Figure 1.3 below. The idea was to develop an exchange configuration that would be close to equal value. The suggested configuration below puts more valuable level uplands owned by Goldbelt on the CBJ side of the exchange balance requiring several iterations of modifications to develop an even value exchange.



CBJ/GOLDBELT SMALL CRUISE TERMINAL
July 2022

PROPOSED PROPERTY REALLOCATION



FIGURE 1.3 - initial exchange suggestion which put too much valuable land from Goldbelt to CBJ on the exchange balance.

As the process developed Goldbelt obtained detailed survey information about the land. The appraiser performed an analysis of the valuation contribution of land characteristics. It was concluded that the highest and best use of the land was similar for both of the property ownerships. It was determined that the sloping and tidal lands had a SF unit value of 40% of the upland unit value. This developed a ratio that for every 1 SF of upland traded, 2.5 SF of tidelands would be required or the reciprocal for every SF of tideland traded 0.40 SF of upland would be required. This ratio and analysis are supported in the valuation section of this report.

After several iterations of possible exchange configurations, the following was concluded to give equal utility to each parties pursuit of highest and best used development of the land.

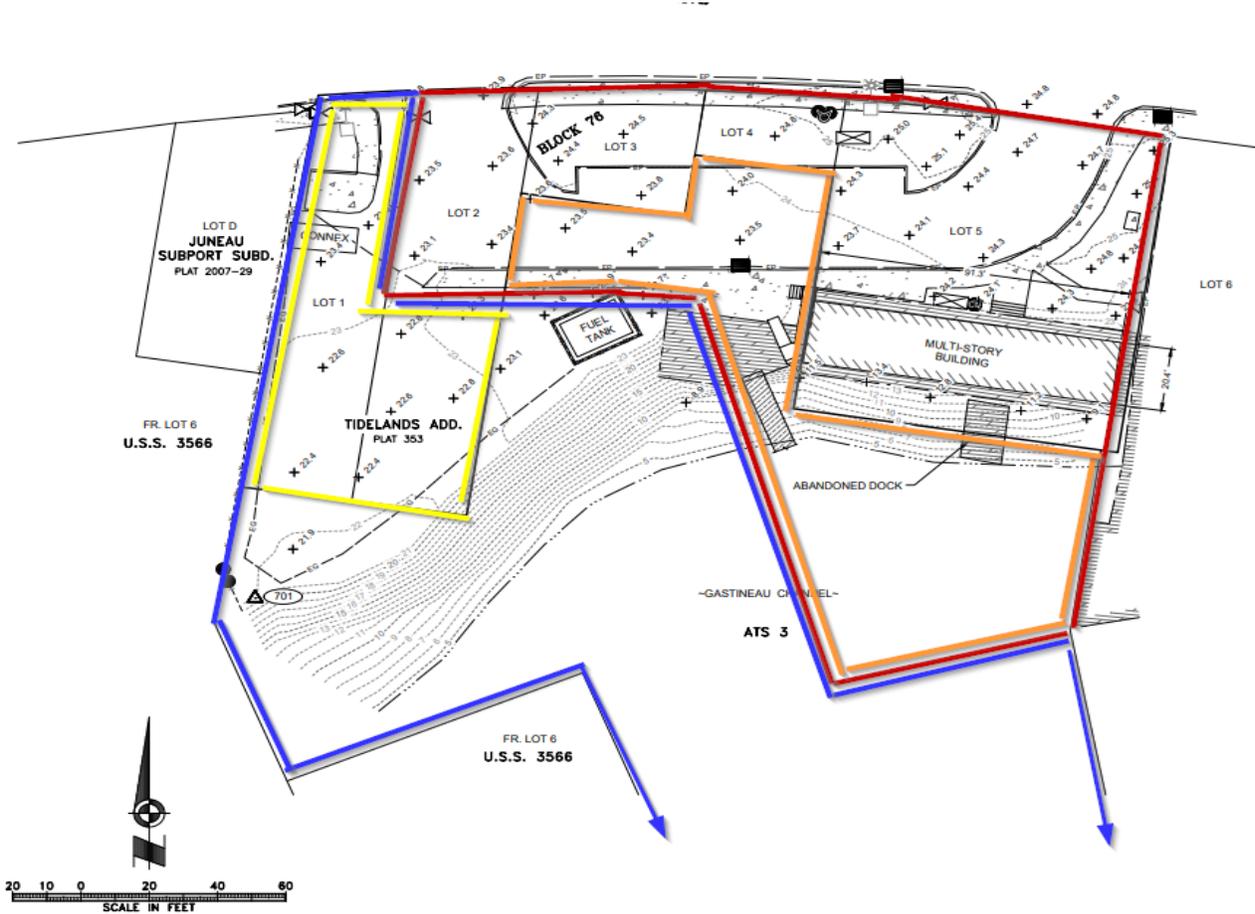


FIGURE 1.4 - Concluded exchange configuration showing CBJ receiving Goldbelt land outlined in yellow and Goldbelt receiving CBJ land outlined in orange. This makes the final ownership configuration reflected in CBJ outline in blue which extends into the harbor and covers the existing CBJ Goldbelt lease areas for which the city enjoys market rent. The final configured Goldbelt parcel is outlined in red.

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Total CBJ lands	10,600		\$408,200

1.2 INTENDED USERS AND INTENDED USE

The purpose of this appraisal is to estimate the square foot market value of those lands under consideration for exchange and to assist the exchanging parties in developing a near equal exchange of the identified lands based on their values as expressed by these market unit values. For these purposes certain reasonable hypothetical conditions are made part of this assignment such as that the lots are subdivided and marketable and unimproved ready for development to their highest and best use. Also, certain assumptions are made that there is no legal encumbrances by titled interest, lease or agreements would offset the values as calculated.

The Intended use of this appraisal as to assist the parties in an equal value exchange. The **Intended users** are the City and Borough of Juneau Harbor Board, Docks and Harbor management and subsequent decision makers involved in the exchange. The appraisal is not intended for any other users or any other use.

Please see the addenda for the summary of assumptions and conditions, certification of appraisal, definitions and other important information relative to the appraisal analysis.

1.3 INSPECTION & EFFECTIVE DATE

Charles Horan, MAI inspected and photographed the property on November 17th 2023. The property was also viewed on February 21, 2023. This latter date February 21st 2023 is the effective date of the appraisal.

1.4 SCOPE OF WORK

This appraisal analysis is for land only as though the site is hypothetically vacant and available for highest and best use development. The character of the land is based on a site survey performed by RESPEC. The character the land was differentiated as uplands, generally the land at the top of the slope of the filled areas at near road grade, and tidelands, which in this case include sloping lands and tidal flooded or submerged lands below.

The land is appraised as if vacant and available for development to its highest and best use. It is an extraordinary assumption that the easements, leases and agreements which are described

in this report do not inhibit the value attributed to the various exchange parcels. It is assumed the current land lease between the CBJ and Goldbelt will be revised to accommodate the new lot lines. No complete legal description or current title status report to the land has been provided to the appraiser. It is understood that the land will be surveyed into a legal site prior to conveyance.

The land value as hypothetically vacant will be estimated on the contributory square foot value of each of the exchange components of the land as uplands and tidelands.

The most direct way to estimate market value of the land is the sales comparison approach. Sales prices or annual rents have been analyzed as the primary indicators of value in the subject's competitive market. The market unit of comparison for this property is price per square foot. In some instances, leases were capitalized to indicate the fee value. A land capitalization rate of 8%¹ is used unless a contract rent is being converted and states otherwise. The income approach and depreciated cost approach were considered, but not applicable in the subject instance. The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

A thorough search of the market has been made for comparable transactions including interviews with realtors, consultations with the southeast and statewide Multiple Listing Services, a review of the assessor's files on sales transactions, lenders, government agencies and others who regularly participate in the real estate market. To the extent possible, we have interviewed buyers, sellers or other knowledgeable parties to the transactions as more fully described in our market data sheets contained in the addenda.

Our office maintains market data information on sales, transfers and on a geographic location basis for those rural properties not connected to a road system and those connected. Within each of these areas, the data is further segmented into commercial and residential properties. Within these divisions of separation are divisions for zoning and whether the properties are waterfront or upland parcels. Horan & Company, LLC maintains and continually updates this library of sale transactions throughout Alaska by region and has done so for over 30 years.

1.5 ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made based on the following **hypothetical conditions (HCs)** and **extraordinary assumptions (EAs)**.

HC1 It is a hypothetical condition of this appraisal that the land as appraised is a legal subdivided marketable sites in fee simple title allowing the highest and best use of each ownership.

¹ See adenda for Alaska Tidelands Valuation And Rent Market

HC 2 The value is for land only. The value disregards site improvements which are present.

EA1 It is an extraordinary assumption that the lot size and portions are as outlined in this report. It's understood that the final square footage may vary somewhat which could be adjusted by the client or by an amended appraisal.

EA2 It is an extraordinary assumption that easements, leases and agreements which are known and outlined in this report do not inhibit the value attributed to the various exchange parties. It is assumed current land lease between the CBJ and Goldbelt will be revised to accommodate the new lot lines.

This appraisal and valuation contained herein are also expressly subject to the scope of work and the following assumptions and/or conditions:

1. It is assumed the data, maps and descriptive data furnished by the client or its representative are accurate and correct. Photos, sketches, maps, and drawings in this appraisal report are for visualizing the property only and are not to be relied upon for any other use. They may not be to scale.
2. The valuation is based on information and data from sources believed reliable, correct and accurately reported. No responsibility is assumed for false data provided by others.
3. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property. No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management. It is assumed that the title to the property is marketable. No investigation to this fact has been made by the appraiser.
4. The property described herein has been examined exclusively for the purpose of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject land or improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
5. This appraisal report may note any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such

as but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. The appraiser obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources believes it to be true and correct. It is assumed that no conditions existed that were undiscoverable through normal diligent investigation which would affect the use and value of the property. No engineering report was made by or provided to the appraiser.

6. The Client is the party or parties who engage an appraiser in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client does not become an intended user of this report unless the client specifically identified them at the time of the assignment.
7. The appraisal report may not be properly understood without access to the entire report. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.
8. Any distribution of the valuation in the report between land, improvements, and personal property applies only under the existing program of utilization. The separate valuations for land, building, and chattel must not be used in conjunction with any other appraisal and is invalid if so used.
9. One (or more) of the signatories of this appraisal report is a member or associate member of the Appraisal Institute. The bylaws and regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety to such third parties as selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior written consent of signatories of this appraisal report.

10. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.

1.6 DEFINITIONS

Market Value

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 123

The estimated market exposure time is 18 to 24 months.

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

Dictionary of Real Estate Appraisal, Sixth Edition, Page 83-84.

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

The Dictionary of Real Estate Appraisal, 6th Edition, Appraisal Institute, Page 113

The use of an extraordinary assumption or a hypothetical condition if found to be otherwise could impact appraisers' analysis and conclusions.

2 AREA ANALYSIS

2.1 JUNEAU AREA ANALYSIS

Please see the addenda for the expanded Juneau Area Analysis. The population and employment in Juneau have been declining over the last few years but it appears that the decline is diminishing. The population is aging. There is a housing shortage with prices rising due to supply and demand issues as well as inflationary pressure for materials. There have been no large-scale multifamily housing projects developed for the last several years. It appears that feasibility for new rental housing may be difficult. With the increase in values for condominiums and other forms of home ownership, there may be some more potential in the future for this type of feasible housing. It's beyond the scope of this report to make this determination at this time.

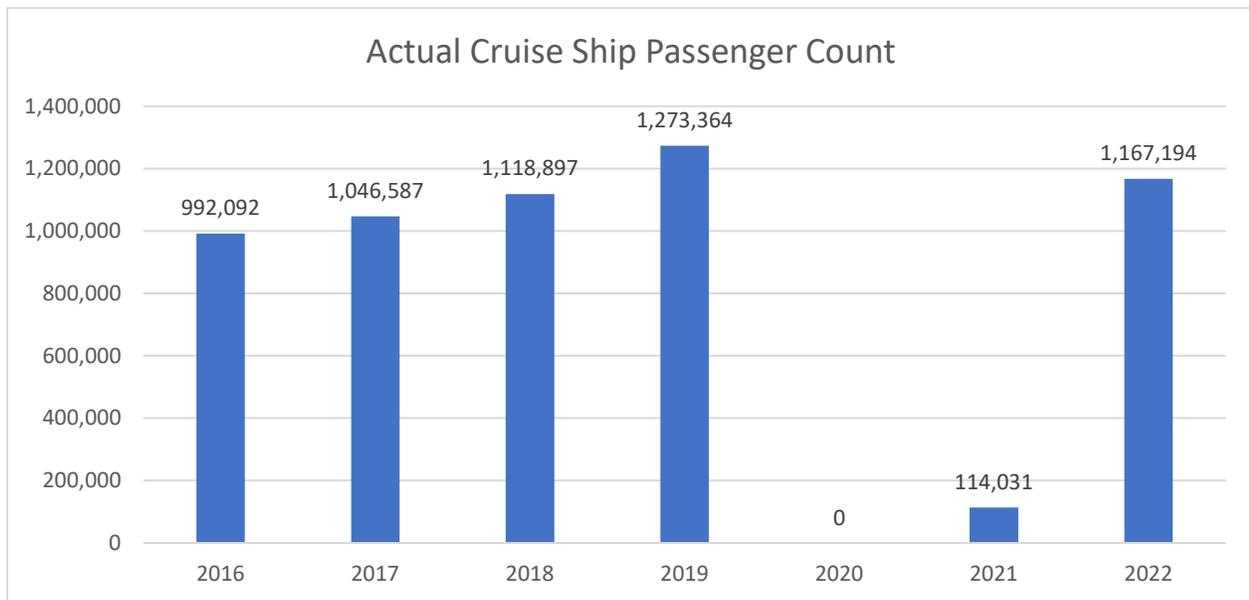


Figure 2.1 - Actual cruise ship passenger count provided by CBJ Docks and Harbor Department, the Tide Line November 2022 newsletter.

Tourism has recovered significantly for the independent traveler and more recently, just this year for the cruise ship passenger. Actual passenger count for 2022 is 92% of the previous high in 2019. It appears it will improve next year. Tourism-related sales are also rebounding as seen in gross tax receipts but not near the levels previously seen in 2019. The independent travel market appears to be stronger based on bed tax receipts which in 2022 may have outpaced the 2019 season. Education, government, fishing, and other industries that have lagged in the last several years appears to be recovering if not to prior levels. State Government continues to shrink but may be leveling off.

Overall, the current market in 2022 is positive. It is expected that prices would be stable or moderately increasing in some parts of the commercial real estate sector.

Parking Districts

The parking ordinance changed in March of 2022. The subject was in the former Parking District PD2, which allowed owners or property developers a reduction in the parking requirements up to 30%. The new No Parking Required Area establishes an area where properties can be developed with no requirement for parking which in many cases enhances their development potential. The subject is in the Town Center Parking Area which addresses many issues that had to be dealt with on an individual basis and caused some confusion and development constraints within the area. For instance, it establishes the distance that off-site parking can be provided for development on a certain site. There is still a fee in lieu of opportunity to satisfy parking requirements. There is a mechanism for joint use parking where the requirement can be satisfied with parking provided at different times of day for instance evening theater users can get credit for the same space with daytime office users. The parking space requirements were reduced ranging 50% to 100% of the standard requirement depending on the use. Still many uses require parking to make them feasible to achieve the best economic rent for offices, some residential and some retail for instance.

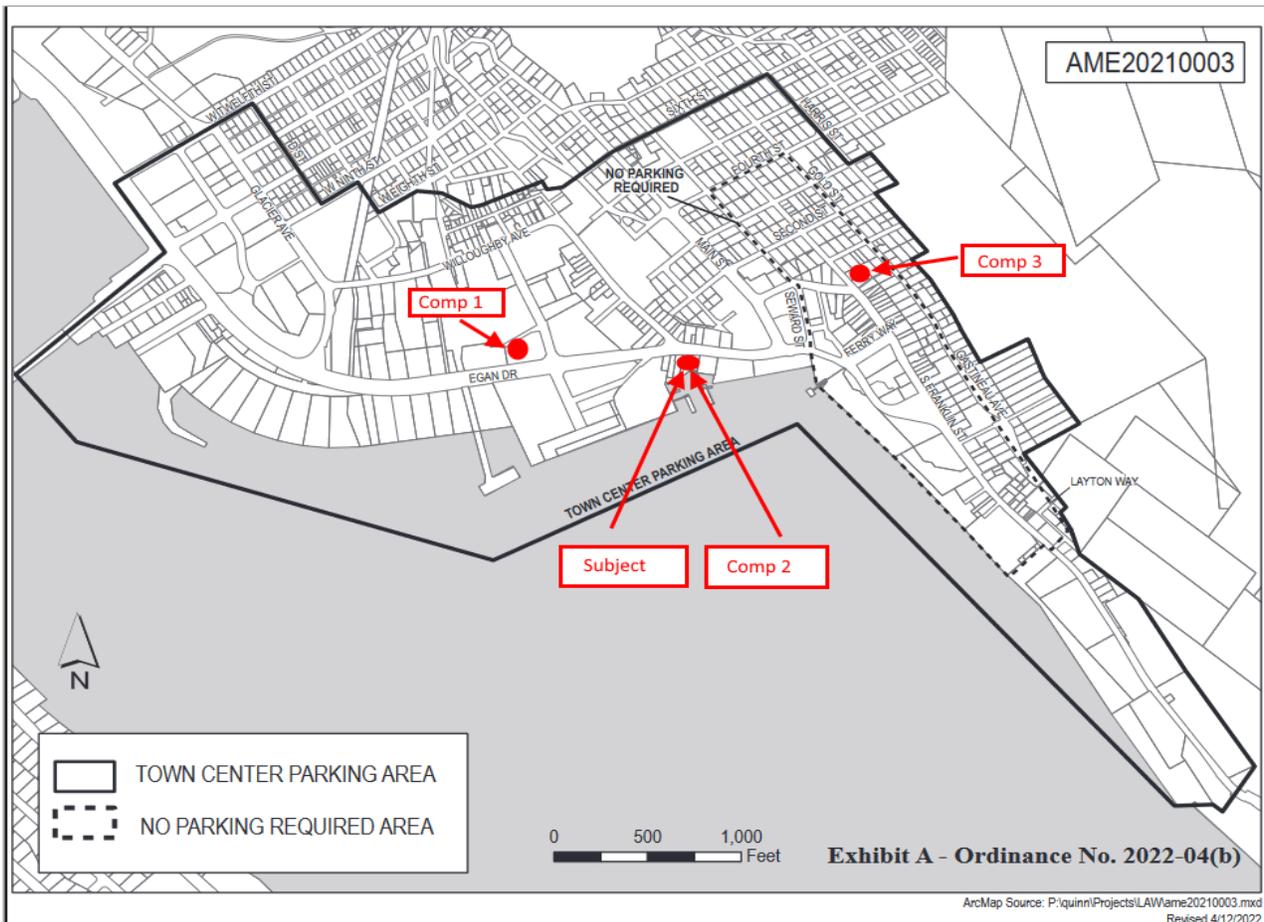


FIGURE 2.3 - Parking District Map showing the subject and Comps.

Juneau Harbor Waterfront

The Long Range Waterfront Master Plan established in 2004, which became part of the Juneau comprehensive plan, calls for a sea walk to pass through these parcels connecting the broader neighborhood by an elevated walkway from the cruise ship docks on South Franklin Street to the 8th Street office complex. This project has steadily progressed in phases. The most recent Seawalk phase was completed from the 8th Street office complex to Gold Creek, just west of the subject.

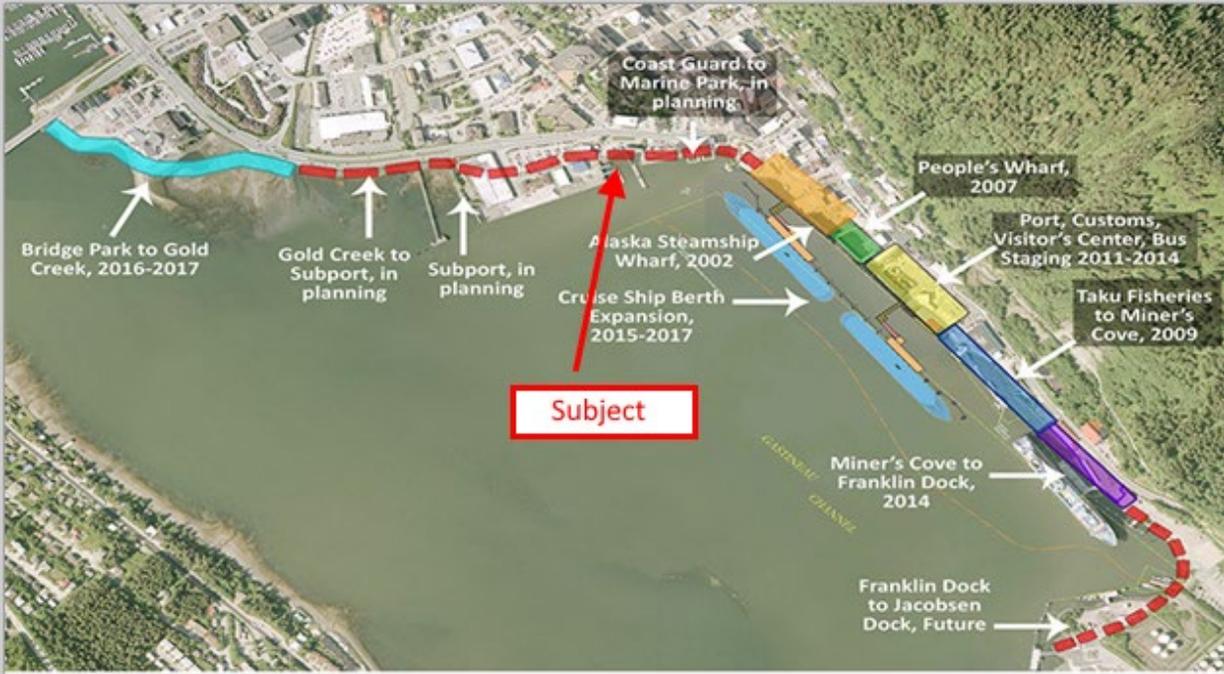


FIGURE 2.4 - Seawalk timeline concept from CBJ website.

The subject has historically been used for small cruise ships. It is well situated to comply with the waterfront development concept for small to midsize ship harbor and marina use. The CBJ cruise ship docks are just east of the subject beyond the Merchants Wharf which is used for floatplane tourism and the subject marina which employs part of the Merchants Wharf tidelands frontage. Just West of the subject is a small NOAA dock and the US Coast Guard dock beyond. Apparently Juneau has been notified they will possibly be home porting an ice breaker which may involve redevelopment of this government property to the west. Further west is the NCL purchase of 2.9 acres of land on which they envision the development of Juneau Harbors 5th large cruise ship dock. The Juneau Waterfront Plan and its overarching Comprehensive Plan have been modified to allow this to happen in the Subport area. All these waterfront dock properties are in high demand at this time due to the growing number of cruise ship visitation to the port of Juneau. This activity demonstrates that the demand for the subject property is very good.



Figure 2.5 - CBJ GIS overview map of downtown commercial area and inner harbor area

3 PROPERTY DESCRIPTION

3.1 SITE DESCRIPTION

The purpose of the appraisal is to estimate the typical SF land value for the for the properties owned by the proponents of the exchange which we will call CBJ lands and Goldbelt lands. The present configuration and context of these parcels are as indicated in

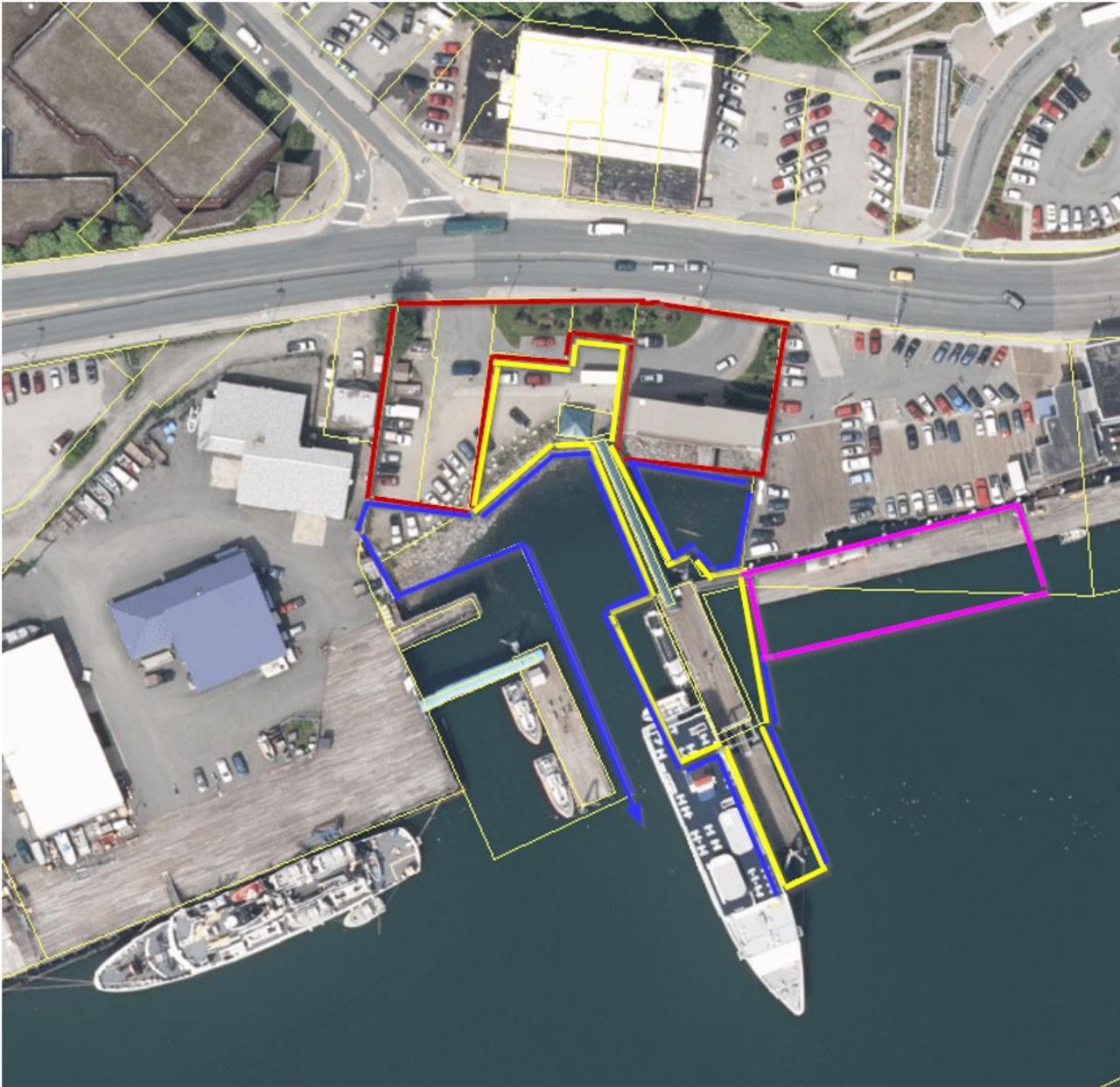


Figure 3.1 - The red lines embrace those lands currently owned by Goldbelt. The blue and yellow embrace those lands owned by the CBJ. The yellow is leased from CBJ to Goldbelt.

Character of larger land area

The lands are considered as equally situated economic units. In other words, the CBJ is not penalized for not having frontage on Egan Drive nor is Goldbelt penalized for not having access to the waterfront without a land lease from the CBJ. Overall the land has about 250 feet of frontage on Egan Drive. The upland area at grade extends 70 feet to 150 feet south toward the sloping tidelands. The tidelands influence extends another 300 feet or more into the deep water of Juneau Harbor.

The land influenced by the exchange areas is roughly outlined in Figure 3.1. This consists of about 48,000 SF of the CBJ lands of which 6000 SF more or less is classified as uplands (about 12%). Goldbelt has about 20,000² square feet of land of which is roughly 16,700 square feet classified as uplands (84%).

The fill soil is level at road grade and assumed to be competent for most economic highest and best uses based on the neighborhood and historic development on the site. The sloping tidelands appear to be adequate as well as they currently support a pile driven marine float and ramp structure capable of mooring small to midsize vessels.

Utilities

All utilities available in the City and Borough of Juneau are available to the site, including water, sewer, telephone, cable television, electric power, etc.

Access and Off-Site Improvements

Road access is along Egan Drive, a paved, undivided, four-lane highway with concrete curbs, gutters, and storm drainage. No on-street parking is available adjacent to or near the subject.

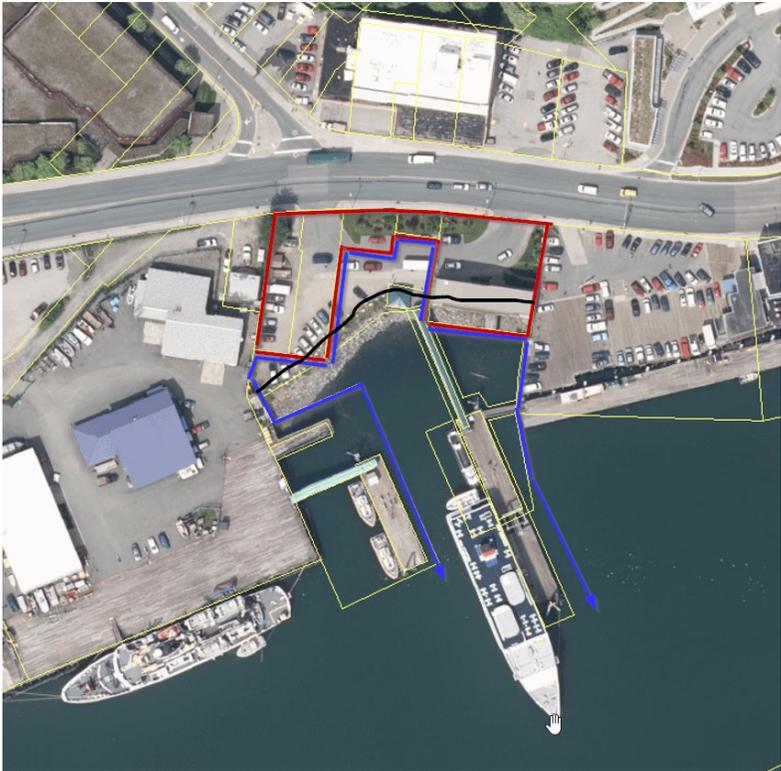


Figure 3.2 rough outline of land ownership, Goldbelt in red CBJ in blue. This also notes rough approximation of top of fill line.

² Goldbelt has title to about 21,801 SF in Lots 1 through 5 Block 76 of the Juneau Townsite Addition. In about 2017 1,823 SF were conveyed as a perpetual easement to the State of Alaska DOT leaving a net effective land area of just under 20,000 SF.

This is a heavily trafficked road. The site has water access through tidelands to the deep water of Gastineau Channel to the south.

Assessed Valuation and Taxes

The subject is carried as two parcels by the assessor with the following Parcel IDs;
1C070K760010, Legal Description Tidelands Addition Block 76 Lots 1, 2, & 3, and
1C070K760020, Legal Description Tidelands Addition Block 76 Lots 4 & 5.
The total value for both parcels owned in fee is \$2,138,565 for the 2022 assessment.

The leasehold interest in the tidelands, owned by CBJ Docks & Harbor, parcel number 1C070K760021, ATS 3 FR, is \$954,030 for 2022.

This includes the improvement value of the floats and other marine improvements. The total value for all three parcels is \$3,092,595. The taxes for all three would be \$32,658 based on a current mill rate of 10.56.

Easements and Other Restrictions

There are no known easements or platted site restrictions that would influence the typical square foot value for the purpose of our analysis. We have already addressed the existence of the land lease and other agreements which do not impact our square foot value analysis.

3.2 IDENTIFIED EXCHANGE LANDS

The exchange lands have been analyzed for their site characteristics as filled or tidelands as previously defined. The CBJ Port Engineer, in consultation with the appraiser, has defined an approximate equal value exchange. The character of these lands are also informed by the topographical survey performed by RESPEC surveyors. The following figure identifies those lands..

This analysis notes that Goldbelt would convey approximately 6,322 SF of land and that the CBJ would convey approximately 10,600 SF land. The breakout is summarized in the following table.



Figure 3.3 Drawing by Matthew D. Sill, P.E. Port Engineer, Port of Juneau which summarizes the size and shapes of lands that will create an approximate equal exchange.

Goldbelt Conveys to CBJ

Upland Parts of Lots 1 & 2	6252 SF
Tideland Part of Lot 2	<u>70 SF</u>
Total Goldbelt land	6322 SF

CBJ conveys to Goldbelt

Upland behind Lots 3 & 4	3400 SF
Tidelands west of Lot 5	550 SF
Tidelands south of Lot 5	<u>6650 SF</u>
Total CBJ lands	10600 SF

The newly configured sites would approximate the shapes shown in Figure 3.4 below.

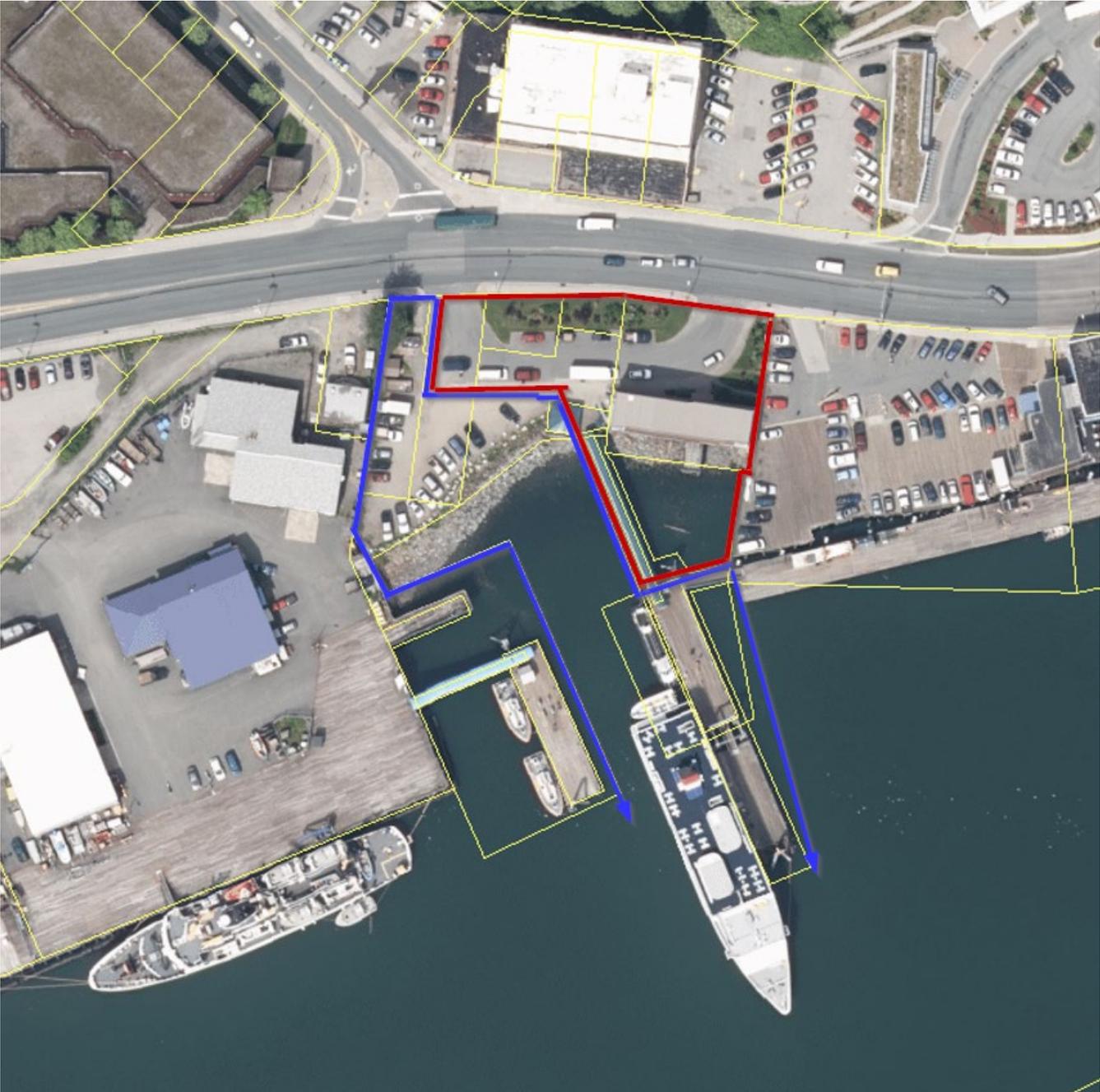


Figure 3.4 showing newly configured land ownerships. Note CBJ lease to Goldbelt is not indicated.

4 VALUATION

4.1 HIGHEST AND BEST USE

Highest and best use is defined as "the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, page 93

The highest and best use for the subject lands would be those allowable uses in the Waterfront Commercial (WC) zone, which include “uses which are directly related to or dependent upon a marine environment.” The commercial waterfront uses to the east include retail sales and other activities oriented towards cruise ship tourism.

Historically, this waterfront site had been developed for docking boats for the owner’s tourism operation. Since that time, the owner dropped that business and operates as a marina for other small tour operators, yacht moorage, etc. The subject upland area supports the logistics of loading and unloading passengers, and the office building on the rear part of Lot 5.

The subject location has proven attractive for its deep-water access close to the cruise ship docks which generate high traffic. The subject is in the Town Center Parking Area district which allows flexible parking requirements. Its demand would be superior to nearby commercial uses without these advantages.

The maximally profitable use is for a marine oriented waterfront development similar to the existing use. The highest and best use of the uplands is to support the marina, small ship terminal use, parking and loading areas.

4.2 LAND VALUATION

In this section, the typical SF market value will be estimated. The direct sales comparison approach is utilized in the subject instance. Commercial land sales and capitalized land rents in the immediate area were considered for estimating the square foot value of the subject. For valuation purposes the two site components; level land at road grade (upland) and sloping/tidelands (tideland) are considered for their contributory value of the overall site. The following transactions were found to be most helpful in our analysis. We will estimate the market value of the uplands. We have determined³ that the tidelands value is a 40% of the unit value of the uplands. We have then adjusted the concluded value of the uplands by this ratio (40%) to determine the contributory value of the tidelands.

³ See addenda for the Tideland Value Ratio study. The subjects are rated as well functioning tidelands at 40%.

Table 4.1 – Summary of Sales Used to Estimate the Value of the Subject Uplands						
Comp #	Address	Date	Indicated Price	SF Size	Price /SF	Comment
1-1494	360 Egan DR	07/2020	*\$1,173,520	29,338	\$40.00	Level land at grade
2-5011	98 Egan DR	06/2018	*\$625,862	19,916	\$31.43	Mixed Tide & upland
Upland			*\$360,047	6,998	\$51.45	Upland
Tideland			*\$265,815	12,918	\$20.58	Tideland
3A-11509	127 S Franklin St.	12/2021	\$1,350,000	16,204	\$83.31	5,000SF near Rd Grade
3B-12181	139 S Franklin St.	04/2022	\$171,000	3,217	\$53.16	At Rd Grade
3	S Franklin St.	04/2022	\$1,521,000	19,421	\$78.32	Mixed Topo

*Capitalized Land Rent



Comp1 is across the street a block away from the subject. It is a renewal of a long-term ground rent that was negotiated in mid-2020. The market has improved somewhat since then. This comp will be analyzed as a capitalized rent.



Comp 2 is also in capitalized land lease of the Goldbelt Tidelands lease from 2018. The market has improved since that time. This comp has the components of uplands and tidelands as does the subject reflecting a 40% ratio of tidelands unit value to uplands.



Comp 3 A&B represents two separate purchasers of adjacent properties that are interrelated by easement access and other issues. The first purchase in December of 2021 was for the bulk of the property that has excellent frontage on S Franklin St and benches behind to steep lands accessible off Gastineau Ave. The purchaser felt this transaction was related and should be considered part of the subsequent purchase of a small City Park/land remnant in April of 2022. The price for this latter purchase reflects the high-value frontage on S Franklin Street but also significant discounts for easement encumbrances for AEL&P utilities and access easements which favor the first purchased land. This is a good reflection of high-value core commercial real estate in downtown Juneau. It is superior to the subject in its location and current development potential for tourism retail.

Quantitative Adjustments

Quantitative Adjustments are made for the rental **Comps 1 and 2** whereby these annual rents are capitalized to indicate market value which is then expressed as a price per SF. The rents are capitalized at the contract rate if applicable or a market rate of 8%. This market rate estimate of 8% is supported by our study in the addenda, Land Lease Rent Percentage Rate Market.

Comp 2 has elements of filled uplands and tidelands as does the subject. This capitalized rent is further broken out based on an allocation that the tidelands at 40% of the unit value of uplands. This ratio is supported by market analysis contained in the Addenda, Tideland Value Ratios. This is also the case with the subject. Our analysis will develop a unit value of the uplands. The remaining portion of the subject lands will be added at a ratio of 40% of the upland unit value.

Comp 3 is the purchase of two adjoining sites in downtown Juneau on S Franklin St. They were considered one site by the buyer. The smaller site (Comp 3B), purchased four months later, was a City Park that the City preferred to sell to the adjacent property owner (Comp 3A) since the City site (Comp 3B) was encumbered by an access easement that favored the previously purchase site (Comp 3A). They are analyzed as one transaction for the purpose of estimating the contributory unit value of the upland.

Qualitative Analysis

The remaining elements of comparison, change in market conditions, conditions of sale, location, and development potential are made in a qualitative manner since discrete adjustments discerned from the market to make quantitative adjustments are not reliably available.

The upland sales are considered on a qualitative basis relative to their being superior, inferior or similar to the subject due to these differences. The indicated price per SF is qualitatively ranked in the following discussion. If a comparable attribute is superior to the subject, a minus rating of -1, -2, or -3 is made, depending on its severity. Conversely, if a comparable attribute is inferior to the subject, a plus rating is made to weigh this with other attributes towards the subject with a +1, +2, or +3, depending on the severity. The gradation of weighting 1 to 3 is used since all qualitative attributes are not, in the appraiser’s opinion, equally weighted within the market.

The **market conditions** have changed over the last five years. Prior to the pandemic in early 2020, the market had been relatively stable. The pandemic introduced considerable market uncertainty into 2021. As time went forward, it appeared that travel and some of the other pandemic restrictions may be loosening up even though the COVID virus remained a persistent threat. 2022 begin to see a recovery in the overall economic conditions with increases in sales, employment, and gross earnings in certain market segments which had suffered. There were inflationary pressures that began to be exhibited in 2022. The transactions prior to 2022 are considered inferior by +1 for Comps 1 and 2.

Conditions of sale is rated similar between the subject as appraised prior to adjustments for contract risk conditions which will be discussed after concluding the value as though unaffected by those conditions. Each of the comparables was based on rational market criteria of competitive sales or supported by appraisal or other economically driven market-related factors considered by the grantors, grantees or the lessors and lessees. Therefore, the transactions are all rated similar for property rights.

Location considers site prominence as exposure to pedestrian or vehicular traffic and ease of access. Comps 1 and 2 are on Egan Drive and rated similar for location. Comp 3 is located on South Franklin street by Front Street in a high-traffic pedestrian area. The purchase was motivated by this traffic and the retail sales it could subsequently generate. It is rated superior by – 1.

Development potential is somewhat related to location but reflects the heightened demand for the subject for the possibility of developing a very large cruise ship dock off-site. Although this possibility was not a certainty at the effective date of the appraisal, it was considered probable at some time and was seen in the market as a stimulating motivation for a higher price. In regard to perceived development potential Comps 1 is inferior +1 as it does not have any potential for waterfront development. Comp 2 is similarly on the water, it is part of the

subject. Comp 3 is inferior +1 in its development potential due to only 42% (~8,217 SF of 19,421 SF) of the site near street grade and immediately developable. This site does have more immediate near-term possibility for developing retail income as related to the size of the site.

Parking is a critical issue in downtown Juneau. The subject and Comps 1 and 2 are located in the Downtown Center Parking Area which has significantly reduced parking requirements from the other areas of town. These are all rated similar in this regard. Comp 3 on the other hand is in an area that has no parking requirements making the land more valuable, all things being equal, since it does not require part of its site to be dedicated to parking. It is rated superior -1.

Summary and Relative Ranking

The rankings discussed above relative to their SF values compared to the subject are summarized in the following Table 4.2 for the subject uplands.

Characteristic	Subject	Comp 1 - #1494 360 Egan Dr	Comp 2 #5011 98 Egan Dr	Comp 3 #11509 & 12181 S. Franklin St.			
Annual Rent	N/A	Confidential	\$56,325	NA			
Indicated Value	N/A	\$1,173,520	See Discussion	\$1,521,000			
Size (SF)	40,000 SF 20,000 SF	29,338 SF	6,998 SF (19,916 SF) tot	19,421 SF			
Indicated SF Value of Upland	Solve	\$40.05/SF	\$51.45/SF	78.32/SF			
Market Condition (Time)	8/2022	7/2020	+1	6/2018	+1	4/2022	0
Condition of Sale	Typical	Similar	0	Similar	0	Similar	0
Property Rights	Fee	Similar	0	Similar	0	Similar	0
Location	Good Prominence	Similar	0	Similar	0	Superior	-1
Development Potential	Good, Comm. Marine	Inferior	+1	Similar	0	Inferior	+1
Parking District	Town Center	Similar	0	Similar	0	Superior	-1
Net Rating		Inferior	+2	Inferior	+1	Superior	-1
The Subject Value Is:		More Than \$40.00/SF		More Than \$51.45/SF		Less Than \$78.32/SF	

If a comparison is **Superior**, a Minus rating of -1, -2, or -3 is given depending on severity.
 If a comparison is **Inferior**, a Plus rating of +1, +2, or +3 is given depending on severity.

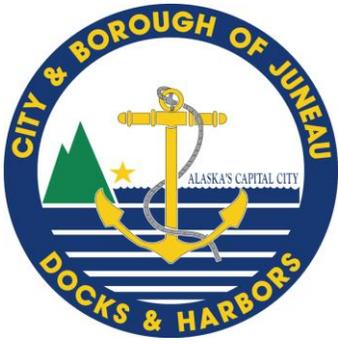
The data brackets the subject fairly well between \$40.00/SF and nearly \$78.32/SF; the midpoint of this range is \$59.16/SF. Less weight is given to the lower end of the range. Less comparable indicators, Comp 2 is the subject capitalized rental value that has not changed for many years. It is a low indicator of value. The market range is closer to \$51.45/SF and \$78.32/SF. The central point of this range is \$64.89/SF. This higher end of the range is a more recent reflection of the market and is given the most weight. The indicated value of the upland is \$65.00/SF. The contributory value of the sloping and tidelands are 40% of this amount or \$26.00/ SF.

Conclusion Exchange Values

Based on the foregoing the exchange lands are valued as follows.

Goldbelt conveys to CBJ	SF area	Unit value	Land Value
Upland Parts of Lots 1 & 2	6,252	\$65	\$406,380
Tideland Part of Lot 2	<u>70</u>	\$26	<u>\$1,820</u>
Total Goldbelt Land	6,322		\$408,200
CBJ conveys to Goldbelt	SF area	Unit value	Land Value
Upland behind Lots 3 & 4	3,400	\$65	\$221,000
Tidelands west of Lot 5	550	\$26	\$14,300
Tidelands south of Lot 5	<u>6,650</u>	\$26	<u>\$172,900</u>
Total CBJ lands	10,600		\$408,200

ADDENDA



Port of Juneau

155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

From: *Carl J. Uchytel*
Carl Uchytel, Port Director

To: Docks & Harbors Board

Date: February 22nd, 2023

Re: AUKE BAY LOADING FACILITY – USE AREA

1. At the February Operations-Planning Committee meeting, Harbormaster Creswell provided a PowerPoint regarding the management of the ABLF. In summary, we have a leased area operated by Karl's Auto & Marine (boatyard) and an ask by Gastineau Guiding (charter boat operator) for continued use of the ABLF for regular maintenance. Earlier this fall, Docks & Harbors staff was notified of regulations which would preclude conducting routine maintenance outside the Boatyard, which is regulated through an ADEC issued Multi-Sector Use Permit/Stormwater Planning Prevention Plan (SWPPP). Detailed research is suggesting that there are regulatory workarounds that the charter boat operator could meet regulatory standards. If the charter boat operator meets the ADEC requirements, this potentially enables the charter boat operator use of the ABLF as they have enjoyed approximately 2015.
2. The question before the Board is no longer: Can we allow the charter boat operator to continue regular maintenance of their fleet at the ABLF, but outside the lease area of the boatyard? The question is now "Should we allow the charter boat operator use of the ABLF for routine maintenance"
3. Based on the Committee questions of February 13th, we have compiled a list of FAQs:
 - a. Does the boatyard have a non-compete clause in the lease agreement preventing other commercial use at the ABLF? **No.**
 - b. What services does the boatyard provide? **Boat repair, pressure washing, self-service boat repair, boat storage, boat painting.**
 - c. How much does the boatyard pay in annual lease rent? **\$36,000**
 - d. How long has the charter boat operator been using ABLF? **7+ years**
 - e. What services does the charter boat operator use at ABLF? **Oil changes, pressure washing, zinc replacements**
 - f. Does Docks & Harbors charge for charter boat operators to use ABLF? **Docks & Harbors charges a "Miscellaneous – Work Zone Fee" of \$26.22 per haul out. A commercial launch permit is also required at a cost of \$262.25 per trailer.**

- g. How much revenue did Docks & Harbors collect from the charter boat operator in 2022?
Moorage = \$20,588.16
Passenger for Hire = \$72,847.56
Misc – Work Zone Fee = \$917.70
Commercial Launch Permit = \$262.25
Total = \$94,615.67
- h. What permit has Docks & Harbors acquired to allow oil changes to occur at the ABLF but outside of the boatyard? **ADEC Certificate of No Exposure.**
- i. What permit and what conditions will be required for charter boat operator to pressure wash? **Multi Sector General Permit (MSGP) and Storm Water Pollution Prevention Plan (SWPPP).**
- j. How many times did the charter boat operator use the ABLF for oil changes/pressure washing in 2022?
35
- k. How often does the charter boat operator expect to use the ABLF for maintenance in 2023?
Approximately 120 times.
- l. What if the charter boat operator is not allowed to pressure wash at the ABLF? **One option is to tow their vessels to their Industrial Blvd facility for maintenance. This would requires a permit to tow the oversize load on the highway. Another option is for the bottoms of their vessels to be protected by anti-fouling paint which would reduce the need for pressure washing.**
- m. What is the financial impact? **The charter boat operator estimates a cost of \$40K-\$50K to use the boatyard in 2023.**
- n. How does the EPA/ADEC define boatyard/shipyard work? **Establishments primarily engaged in building and repairing boats. SIC 3732**

#

05 CBJAC 40.010 General moorage management policy.

- (a) *Policy.* It is the policy of the City and Borough to favor the use of the small boat harbors by commercial fishermen, government vessels in trade and commerce, and pleasure craft, and by the general public at large. It is further the policy of the City and Borough to prevent and discourage the use of the small boat harbors by boats that have been abandoned by the owners to the point of becoming derelicts as defined in CBJ 85.05 or becoming a charge and nuisance to the City and Borough, the Port Director, and the general public, or boats that are unsafe, or not used, or not fit to be used, regularly for transportation on the water.
- (b) *Applicability and other regulations.* CBJ Administrative Code Title 05, Chapter 40 applies to the small boat harbors under the jurisdiction of the City and Borough of Juneau Docks and Harbors Board. These include the Douglas Small Boat Harbor, the National Guard Dock, Harris Boat Harbor, the Fisheries Terminal Float, Aurora Boat Basin, Statter Boat Harbor, and moorage facilities appurtenant thereto. Where the requirements of 05 CBJAC 40 differ from other small boat harbor regulations in CBJ Administrative Code Title 05, the regulation that is more specific or restrictive shall take precedence.
- (c) *Duty to comply with harbor ordinances and regulations.* As a condition of use, each harbor user shall comply with all applicable requirements of Title 85 of the City and Borough Code and CBJ Administrative Code Title 05.
- (d) *General moorage management.* CBJ Administrative Code Title 05, Chapter 40 does not restrict the Port Director's authority to require the owner or operator of any boat, vessel, or floating structure to change from one mooring space to another, in the interests of safety, order, convenience and health, or to move any boat, vessel, or floating structure that is unoccupied and in violation of City and Borough harbor ordinances and regulations. It is the policy of the Docks and Harbors Board to manage the small boat harbors by using all harbor space as effectively as possible.
- (e) *Duty to register.* Every owner, master, operating or managing agent of any vessel using the small boat harbors shall register on a form provided by the Harbormaster. The owner, master operating, or managing agent of a vessel that is not registered shall register as soon as practical after the vessel enters and moors in any of the small boat harbors.
- (f) *Vessel size restrictions.* The Harbormaster will determine the maximum and minimum length and breadth of a vessel that is allowed to moor in the small boat harbors based on the size of the slip or moorage space available to ensure the maximum use of space available taking into account safety, maneuvering, and other factors. Except when approved by the Harbormaster on a case-by-case basis, no vessel, or part thereof, may extend more than ten feet beyond a finger or have a silhouette length less than three feet shorter than a finger in any slip or mooring space with a finger from 20 to 80 feet in length. For a slip or mooring space with a finger less than 20 feet in length and for side-tie moorage, the Harbormaster will establish the maximum and minimum vessel length on a case-by-case basis.
- (g) *Vessel salvage and disposal.*
 - (1) Prior to obtaining a moorage assignment pursuant to 05 CBJAC 40.035, 050, 055, or 065, the owner of a vessel must
 - (i) provide the Harbormaster with proof of current marine insurance showing, at a minimum, the owner's name, information identifying the vessel, and the dates of insurance coverage; or
 - (ii) pay a non-refundable moorage surcharge \$0.25 per foot per month.
 - (2) The funds collected from the moorage surcharge under this regulation will be used to pay for the unrecoverable costs attributable to vessel salvage and disposal activities in the small boat harbors.

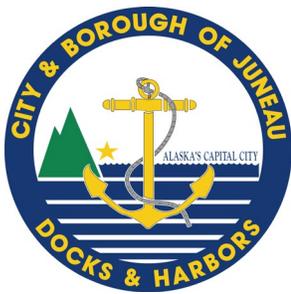
- (3) This regulation does not relieve an owner from the responsibility to pay fees as set out in CBJ Ordinance Title 85 or regulations adopted thereunder, and does not constitute marine insurance.
- (h) *Moorage payments.* Except as noted in 05 CBJAC 20.020, the owner of a vessel may pay the daily or monthly moorage fee for moorage that is assigned by the Harbormaster as set out in 05 CBJAC 25, 35, and 40. If the owner fails to pay by the due date shown on an invoice for the moorage assignment, the Harbormaster shall forfeit the moorage assignment, notify the owner, and require the owner to move the vessel from the assigned moorage space within 72 hours of notice. If the owner does not move the vessel from the assigned space, the Harbormaster is authorized to move the vessel from the assigned space in accordance with CBJ Ordinance Title 85.
- (i) *CPI adjustment.* The fee(s) assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index - Urban Alaska (CPI) as reported by the Alaska Department of Labor for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

(Amended 9-12-2005, eff. 9-20-2005; Amended 9-11-2006, eff. 9-19-2006; Amended 12-11-2006, eff. 7-1-2007; Amended 7-15-2013, eff. 7-23-2013 ; Amended 2-28-2022 , eff. 3-9-2022)

CPI for All Urban Consumers (CPI-U)
12-Month Percent Change

Series Id: CUURS49GSA0,CUUSS49GSA0
Not Seasonally Adjusted
Series Title: All items in Urban Alaska, all urban consumers, not
Area: Urban Alaska
Item: All items
Base Period: 1982-84=100
Years: 2012 to 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2012													2.2	2.5	2.0
2013													3.1	2.7	3.5
2014													1.6	1.9	1.4
2015													0.5	1.1	-0.1
2016													0.4	-0.1	0.9
2017													0.5	0.7	0.2
2018												2.8	3.0	2.1	4.0
2019		2.5		2.7		2.5		0.7		-0.3		0.0	1.4	2.6	0.2
2020		-0.3		-2.5		-3.8		-1.5		0.3		0.3	-1.1	-1.7	-0.5
2021		1.3		4.8		6.2		5.7		6.3		7.2	4.9	3.4	6.4
2022		7.4		7.5		12.4		7.6		7.6		5.4	8.1	8.4	7.8



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FY24 Moorage Rates

DOUGLAS, HARRIS AND AURORA HARBORS		
	Effective thru June 30, 2023	Effective July 1, 2023
Skiff	\$314.70 per calendar year	\$340.19 per calendar year
Daily	61¢ per foot	66¢ per foot
Calendar Month	\$4.60 per foot	\$4.97 per foot
Bi-Annual (July 1 - Dec 31) & (Jan 1 - June 30)	5% discount on 6-month advance payment	5% discount on 6-month advance payment
Annual (July 1 - June 30)	10% discount on 12-month advanced payment	10% discount on 12-month advance payment

STATTER HARBOR		
	Effective thru June 30, 2023	Effective July 1, 2023
Skiff	\$314.70 per calendar year	\$340.19 per calendar year
Daily	61¢ per foot	66¢ per foot
Calendar Month	\$7.66 per foot	\$8.28 per foot
Bi-Annual (July 1 - Dec 31) & (Jan 1 - June 30)	5% discount on 6-month advance payment	5% discount on 6-month advance payment
Annual (July 1 - June 30)	10% discount on 12-month advanced payment	10% discount on 12-month advance payment
Reservations (May 1 - Sept 30) Effective April 1, 2023	Fishing Vessels Other Vessels <65' Other Vessels ≥ 65' Other Vessels ≥200'	\$1.62 per foot \$3.24 per foot per day \$5.40 per foot per day \$3.24 per foot per day

INTERMEDIATE VESSEL FLOAT (IVF)		
Daily (Oct. 1 - Apr. 30)	61¢ per foot	66¢ per foot
Monthly (Oct. 1 - Apr. 30)	\$4.60 per foot	\$4.97 per foot
Reservations (May 1 - Sept 30) Effective April 1, 2023	Fishing Vessels Other Vessels <65' Other Vessels ≥ 65' Other Vessels ≥200'	\$1.62 per foot \$3.24 per foot per day \$5.40 per foot per day \$3.24 per foot per day

Residence Surcharge

Per Month	\$78.24 + \$26.08/person above four persons
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- A 5% City & Borough of Juneau sales tax may apply to all fees

Launch Ramp Rates

Recreational – Calendar Year (includes Kayaks) Matching registrations are required to obtain two additional permits. Please see 05 CBJAC 20.060 – Recreational Boat Launch Fees.	\$102.06 \$5 per additional permit
Recreational – Day	\$17.00
Commercial – Calendar Year	\$283.49 per trailer
Commercial – Day	\$34.02
Freight Use – Commercial	Up to 1 hour \$60 Over 1 hour \$30 for each additional hour

Parking Rates

Douglas, Harris, Aurora Harbors	Free w/ permit (permits available at Aurora Harbor office, current vehicle registration required)
Statter Harbor – Summer (May, June, July, August, September)	\$1 per hour/\$5 per calendar day
Statter Harbor – Winter (October through April)	Free w/permit (permits available at Statter Harbor office, current vehicle registration required)
Downtown Taku Lot - Summer	\$2 per hour/3 hour limit

Shorepower

Connection Type	Daily Fee
20 amp (120V, 1 phase)	\$6.29
30 amp (120V, 1 phase)	\$9.44
50 amp (208V, 1 phase)	\$26.23
100 amp (208V, 3 phase)	\$90.21
100 amp (480V, 3 phase)	\$207.70

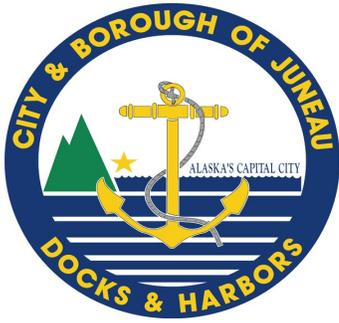
Connection Type	Summer Liveaboard Monthly	Summer Non-Liveaboard Monthly
20 and 30 amp	\$94.41	\$56.65
50 amp	\$188.82	\$113.29
100 amp/208 volt	\$440.58	\$264.35

Connection Type	Winter Liveaboard Monthly	Winter Non-Liveaboard Monthly
20 amp	\$125.88	\$75.53
30 amp	\$169.64	\$100.70
50 amp	\$314.70	\$188.82
100 amp/208 volt	\$755.28	\$440.58

Services Provided

Power

- Potable water (Year round downtown and Statter A&B Floats)
- Restrooms (Aurora Harbor, Harris Harbor & Statter Harbor)
- Showers (Harris Harbor & Statter Harbor)
- Free Sewage pump-out (Aurora, Douglas, Harris, and Statter)
- Sewage pump-out cart available at Aurora Harbor & Douglas Harbor
- Harris Harbor Grid (Fee: \$1.14 per foot per day)**
- Please make Grid reservation at Aurora Harbor Office*



Port of Juneau

Fees and Charges – Application of Consumer Price Index by Date

(This fee schedule was approved by the Board on March 31st, 2022)

Fee changes by date -

05 CBJAC 15.030 ¹	Dockage Charge	April 1 st , 2023
05 CBJAC 15.040	Port maintenance fee	April 1 st , 2023
05 CBJAC 15.060	Vessel Lightering fees	April 1 st , 2023
05 CBJAC 15.080	Loading permit fees	April 1 st , 2023
05 CBJAC 20.080	Passenger-for-hire fee	April 1 st , 2023
05 CBJAC 20.090	Statter lower parking lot permit fee	April 1 st , 2023
05 CBJAC 20.140	Staff labor fees	April 1 st , 2023
05 CBJAC 20.045	Fee for tenders	April 1 st , 2023
05 CBJAC 15.110	Boom truck services	July 1 st , 2023
05 CBJAC 20.020	Special annual moorage for skiffs	July 1 st , 2023
05 CBJAC 20.030	Daily moorage fees	July 1 st , 2023
05 CBJAC 20.035	Monthly moorage fee	July 1 st , 2023
05 CBJAC 20.050	Residence surcharge	July 1 st , 2023
05 CBJAC 20.060	Recreational boat launch fees	July 1 st , 2023
05 CBJAC 20.070	Fees for commercial use of boat launches	July 1 st , 2023
05 CBJAC 20.100	Grid usage fees	July 1 st , 2023
05 CBJAC 20.110	Crane use fees	July 1 st , 2023
05 CBJAC 20.130	Storage fees	July 1 st , 2023
05 CBJAC 20.150	Reserved moorage waitlist fee	July 1 st , 2023
05 CBJAC 20.210	Auke Bay Loading Facility—Float Moorage	July 1 st , 2023
05 CBJAC 20.220	Auke Bay Loading Facility Float—Mechanical Work Zone	July 1 st , 2023
05 CBJAC 30.010	Shorepower access fees	July 1 st , 2023
05 CBJAC 40.010	General moorage management policy	July 1 st , 2023
05 CBJAC 40.065	Vessel anchoring requirements	July 1 st , 2023

#

¹**Dockage Charges:** New fees were adopted by the Assembly on February 28th, 2022. The new linear foot fee was enacted on April 1st, 2022. The adjustment to CPI will next be made in April 2023. Staff will honor reservations fees taken prior to April 1st with the former rate. After April 1st, all fees will be with the new rate.

White Paper – Propose Docks & Harbors Rate Increase

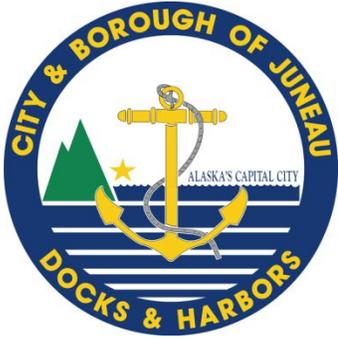
Background: Docks & Harbors Enterprise Funds are operated and financed in a manner similar to private business. The intent of the governing body is to provide goods and services to the general public on a continuing basis and be financed or recovered primarily through user charges. Docks & Harbors fees are set in regulation and broadly speaking have not increased in 17 years. Within the Docks Enterprise, 83% of all revenues collected are from cruise ships (> 200 feet) though dockage and port maintenance charges, which haven't been adjusted since 2005. In the Harbors budget, more than half of revenues are labeled "charges for services" which 67% comes from small boat moorage fees. Although, small boat moorage fees have been subject to an annual CPI adjustment since 2008, the regulation up until 2022 required a rounding up to the nearest nickel. In the ten years prior to 2022 (2012-21), the annual Urban Alaska CPI was only 1.65% which resulted in many years of no inflation adjustment because the \$0.05 threshold was not met. The regulation changes in 2022 not only made most all Docks & Harbors fees subject to annual CPI adjustments but also removed the threshold requirement. One challenge in an enterprise operated department that that approximately 50% of all expenditures are salaries. For organizations with low attrition, like Docks & Harbors, municipal employee costs will outpace inflation due to incentivizing regular step increases and collective bargaining agreements. Staff manages budgetary pressures to expenditures by innovation and expanding business opportunities. The Harbor Enterprise is less elastic than the Docks Enterprise to increased operating costs and during the pandemic, austerity measures were adopted. For Docks Enterprise some budgetary challenges can be mitigated with the Assembly appropriating additional Marine Passenger Fees to the operating budget, which was done in FY23 to offset unfunded new federal security requirements for cruise ships. Other new expenditures include contribution into the cooperative CBJ Insurance pool, which increased from \$138K in FY22 to \$426K in FY23; and potentially an order of magnitude increase to \$100K for leasing the UAS property to provide a downtown boatyard and access to cranes for commercial fishing vessels. Should the lease with UAS be continued, there will be a \$1M investment need to update and modernize the boatyard haul-out and existing cranes. Over the past dozen years, it is estimated that Docks & Harbors has managed, including partnerships with the Army Corps of Engineers, excess of \$200M in infrastructure projects, nearly divided between harbors and docks projects. There remains many significant projects which Docks & Harbors has envisioned to be necessary for the Juneau community to grow and provide a high quality of life. The approximate value of facilities managed by Docks & Harbors is \$250M. The diverse geographic location of our assets (Echo Cove to Taku Harbor) results in high annual operating costs, perhaps highest in the state. Our funds balance for each enterprise is only ~\$1.5M and although the recent deliberative action to link fees to CPI will be helpful, the unwillingness to raise rates over the past 15 years has hampered our ability to pursue future infrastructure improvements. In 2022, Docks & Harbors contracted with HDR-Alaska to conduct a harbor rate study. The study validated observations that our rates have not kept pace with the economic influences and that the harbor patrons served are not generally willing to accept less facilities or reduction in services. A Replacement Reserve Analysis recommended \$1.9M in annual savings to ensure facilities are maintained a state of good repair. The Board has considered the results and concurs to take the necessary actions to raise fees 9% in both the Docks Enterprise and Harbor Enterprise.

Harbor Rate Adjustment
Execution Planning Schedule

PROPOSED

- ✓ January 13th, 2022 – Docks & Harbors awarded contract to HDR-Alaska, Inc for Harbor & Port Rate Study
- ✓ September 1st, 2022 – Docks & Harbors received final HDR report “Port of Juneau – Docks & Harbors Rate Setting Project”
- ✓ November 17th, 2022 – Docks & Harbors received final briefing from HDR
- ✓ December 7th & 8th, 2022 – Board Retreat offered consensus to increase fees 9% across both the Docks Enterprise and Harbors Enterprise
- ✓ January 18th, 2023 – Operations & Planning Committee discussed next steps to raise rates 9% as an informational item
- ✓ January 26th, 2023 – Regular Board meeting discussed next steps to raise rates 9% as an informational item
- ✓ February 15th, 2023 – Operations & Planning Committee reviewed White Paper – Propose Docks & Harbors Rate Increase. Committee was notified that the 2022 Urban Alaska CPI was 8.1%
- ✓ February 23rd, 2023 – Regular Board asked to affirm by motion: “To accept the findings of the HDR Report and direct Staff to begin a process, with Board engagement to raise fees 9% across the Docks Enterprise and Harbor Enterprise”.

- March 22nd, 2023 – Staff provides proposed ppt and informational material to Ops Committee
- April 4th, 2023 – Hold open house at Mendenhall Library to engage public on proposed rate increase
- April 18th, 2023 – Hold open house at Yacht Club to engage public on proposed rate increase
- May 17th, 2023 - Operations & Planning Committee considers public input and makes recommendation to increase rates on time certain schedule
- May 25th, 2023 – Docks & Harbor Board finalizes execution plan
- August 31th, 2023 – Commence 21-day public notice process to make regulations fee changes
- September 28th, 2023 – Public hearing on regulations to fee changes
- October 23rd, 2023 – Assembly adopts Board recommendations on regulations to fee changes
- January 2024 – First (or only) fee changes goes into effect



Port of Juneau

City & Borough of
Juneau • Docks & Harbors
155 S. Seward Street • Juneau, AK 99801
(907) 586-5255 Phone • (907) 586-2507 Fax

March xth, 2023

U.S. Army Engineers District, Alaska
ATTN: Bruce Sexauer, CEPOA-PM-C
P.O. Box 6898
Elmendorf AFB, Alaska 99506-6898

Dear Bruce,

This letter is to seek assistance of the U.S. Army Corps of Engineers for a feasibility study under the Study Resolution on Rivers and Harbors in Alaska adopted on 2 December 1970 by the Committee on Public Works of the U.S. House of Representatives, published as House Document Numbered 414, 83rd Congress, 2nd Session. We are seeking a feasibility study for a navigation project in Auke Bay within the City and Borough of Juneau, Alaska.

The project would entail the installation of a floating wave attenuator to protect a number of public and private marine facilities from wind-driven waves and vessel wakes. These facilities serve a multitude of commercial and non-commercial users and include public and private moorage facilities, Juneau's most popular recreational launch ramp facility, and only one of two marine fuel facility between Juneau and Haines.

The facilities are subject to westerly gales during the fall and winter months and are not adequately protected from the damaging effects of these large waves. In addition, Auke Bay is one of the busiest waterways in Alaska. The extensive marine traffic produces wakes that damage the facilities.

We understand that the SMART Planning process involves execution of a feasibility cost sharing agreement (FCSA). We understand that as the non-Federal Sponsor we would be responsible for 50 percent of the cost for a feasibility study to be done under the Corps of Engineers SMART Planning process. From execution of the FCSA, the study process involves a period of three years to publish a Chiefs Report for consideration by Congress for a construction authorization. We are able to proceed to construction within one year, if a feasible project is found.

We are buoyed by the opportunity that language in the recently enacted WRDA of 2022 includes:

SEC. 8397. EXPEDITED COMPLETION OF PROJECTS AND STUDIES.

(a) AUTHORIZED PROJECTS AND STUDIES.—The Secretary shall, to the maximum extent

March 7th, 2023

practicable, expedite completion of the following projects and studies:

(1) PROJECTS.—

(A) Project for Juneau and Auke Bay, Floating Wave Attenuator, Alaska, authorized pursuant to section 204 of the Flood Control Act of 1948 (62 Stat. 1181).

This correspondence replaces my letter to you dated March 8th, 2022. The Port of Juneau has been actively pursuing strategic efforts to ensure this piece of critical infrastructure is constructed. Some activities, listed in reverse chronological order, include:

- Winter 2023 (various dates). Twenty-**six** letters of support for the Wave Attenuator sent to Mr. Michael Connor, Assistant Secretary of the Army for Civil Works;
- January 18th, 2023 virtual meeting with Stephen Kopecky (Deputy for Civil Works – USACE HQ)
- Meeting with Senator Murkowski, LCDR Abby Lyons & Kevin Swanson in Washington, DC November 29th, 2022;
- July 12th, 2022 – Hosted Richard Austring (Project Manager, USACE Alaska District) for site visit regarding wave attenuator needs & plans;
- March 30th, 2022 – On site briefing to Colonel Delarosa (Commander, USACE Alaska District) and Randall Bowker (Deputy District Engineer for Program Management, USACE Alaska District)
- Briefing to Senator Sullivan and Scott Leathard in Washington DC – March 1st, 2022;
- Briefing to Senator Murkowski and Anne McInerney in Washington DC – March 1st, 2022;
- Briefing to Congressman Young and Kevin Swanson in Washington DC – March 1st, 2022;
- March 1st, 2022 Briefing to the US Senate – Environment & Public Works (Republican) Professional Staff;
- March 1st, 2022 Briefing to the US Senate – Environment & Public Works (Democrat) Professional Staff;
- February 28th, 2022 Briefing to the US House of Representatives - Transportation & Infrastructure Committee (Democrat) Professional Staff;
- February 28th, 2022 Briefing to the US House of Representatives - Transportation & Infrastructure Committee (Republican) Professional Staff;
- February 2022 (various dates). Twenty-one letters of support for the Wave Attenuator sent to Mr. Michael Connor, Assistant Secretary of the Army for Civil Works;
- April 15th, 2021 locally produced video condition report of [Statter Harbor Breakwater](#) ;
- March 8th, 2021 Congressional Letter of Support by Senator Murkowski, Senator Sullivan and Representative Young to Lieutenant General Spellmon and OMB Acting Director Fairweather in support of the Wave Attenuator Project Feasibility Study;
- March 2021 (various dates). Letters of support for the Wave Attenuator sent to Office of Management & Budget (OMB) and US Army Corps of Engineers from local businesses and business interests including several charter vessel operators, University of Alaska Southeast, Juneau Chamber of Commerce, Tourism Best Management Practice (TBMP), Forbidden Peak Brewery, Juneau Economic Development Council, and PND Engineers;
- Submission of the Non-Motorized Coastal Transportation Link BUILD Grant Project to construct an elevated walkway from Don D. Statter Harbor to the Auke Bay Marine Station – May 14th, 2020;
- January 17th, 2020 Congressional Letter of Support by Senator Murkowski, Senator Sullivan and Representative Young to Lieutenant General Semonite in support of the Wave Attenuator Project Feasibility Study;

- January 2020 (various dates). Letters of support for the Wave Attenuator sent to Office of Management & Budget (OMB) and US Army Corps of Engineers from local businesses including Crowley Fuels, University of Alaska Southeast, Juneau Chamber of Commerce, Tourism Best Management Practice (TBMP), Alaska Legacy Partners, Forbidden Peak Brewery, Juneau Economic Development Council, PND Engineers, PetroMarine and Travel Juneau;
- Submission of the Non-Motorized Coastal Transportation Link BUILD Grant Project to construct an elevated walkway from Don D. Statter Harbor to the Auke Bay Marine Station – July 12th, 2019;
- Briefing to Representative Young’s staff (Cameron Humphrey) in Washington, DC on the criticality of replacing the existing Statter Breakwater with a new Auke Bay Wave Attenuator - June 26th, 2019;
- Updated meeting with Steve Kopecky, Deputy Chief, Northwestern and Pacific Ocean Division, Headquarters US Army Corps of Engineers in Washington, DC - June 26th, 2019;
- Briefing to Chief Kelly Colyar, Office of Management & Budget (Water and Power Branch) in Washington, DC on the vision for Auke Bay – June 25th, 2019;
- Briefing to Senator Sullivan and his staff in Washington DC on the criticality of replacing the existing Statter Breakwater with a new Auke Bay Wave Attenuator – June 25th, 2019;
- Briefing to Senator Murkowski’s staff (Ann Robertson) in Washington DC on the criticality of replacing the existing Statter Breakwater with a new Auke Bay Wave Attenuator June 25th, 2019;
- Submission of the Non-Motorized Coastal Transportation Link BUILD Grant Project to construct an elevated walkway from Don D. Statter Harbor to the Auke Bay Marine Station – July 17th , 2018;
- City & Borough of Juneau Assembly Resolution 2818 supporting homeporting of Coast Guard Fast Response Cutters envisioned for Auke Bay – January 22nd, 2018;
- Outreach to Army Corps of Engineers Civil Works Deputy for the Pacific Ocean Division, Regional Integration Team – January 18, 2018;
- Consummation of a quit claim deed with the Maritime Administration for approximately 2 acres of upland property at the Auke Bay Marine Station necessary for access to the desired wave attenuator - January 5th, 2018;
- Submission of a Non-Motorized Coastal Transportation Link TIGER Grant Project to construct an elevated walkway from Don D. Statter Harbor to the Auke Bay Marine Station – October 16th , 2017;
- Walk-through tour of the facility with Senator Sullivan – October 9th, 2017;
- Briefing to U.S. Department of Transportation Secretary Elaine Chao in Anchorage on the vision for Auke Bay – August 24th, 2017;
- WRRDA 7001 Submissions and Evaluation Package for Auke Bay Wave Attenuator – dated June 21, 2017;
- Briefing to Senator Sullivan and his staff in Washington DC on the criticality of replacing the existing Statter Breakwater with a new Auke Bay Wave Attenuator – March 16th, 2017;

March 7th, 2023

- Briefing to Senator Murkowski's staff in Washington DC on the criticality of replacing the existing Statter Breakwater with a new Auke Bay Wave Attenuator March 16th, 2017;
- Briefing to Representative Young in Washington, DC on the criticality of replacing the existing Statter Breakwater with a new Auke Bay Wave Attenuator March 16th, 2017; and
- Numerous on-going staff level meetings with Coast Guard, NOAA, Alaska State Troopers and the University of Alaska Southeast on the needs and opportunities presented with a fully recapitalized Auke Bay wave attenuator.

Thank you for your willingness to meet and provide guidance to me on the Army Corps of Engineers processes. Please contact me for further information or should you have any questions.

Sincerely,

Carl Uchytel, P.E.
Port Director
City & Borough of Juneau

Encl: 2023 Letters of Support (26)

Copy: USACE Headquarters (Steve Kopecky)
USACE Pacific Ocean Division

January/February/March 2023 letters of support for Auke Bay Wave Attenuator to:

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

1. **Alaska Congressional Delegation**
2. Juneau Legislative Delegation
3. Alaska AFL-CIO
4. Juneau Central Labor Council
5. Huna-Totem Corporation
6. Juneau Economic Development Council
7. Juneau Chamber of Commerce
8. SE Conference
9. University of Alaska Southeast (UAS)
10. Access Alaska Coalition
11. Travel Juneau
12. Tourism Best Management Practices (TBMP)
13. Juneau Yacht Club
14. Territorial Sportsmen Inc
15. Gastineau Guiding
16. Harv & Marv's Outback Alaska
17. Juneau Tours
18. MM Tours Limited
19. Moore Charters
20. Alaska Luxury Tours
21. Above & Beyond Alaska
22. Petro-Marine
23. PND Engineers
24. Northwind Architects
25. Tagish Marine, LLC
26. Forbidden Peak Brewery
27. Bayhouse Properties, LLC
28. Chris & Tom Donek
29. Grey Mitchell



ALASKA STATE LEGISLATURE

February 13, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Dear Assistant Secretary Connor,

We write to support federal funding for the Auke Bay Wave Attenuator Project. Juneau is accessible only by vessel or airplane, so we rely heavily on the U.S. Army Corps of Engineers to provide safe, navigable harbors and waterways. We appreciate the Corps’ important work. As ACOE develops its work plan for the Infrastructure Investment and Jobs Act, we ask specifically for new start funding for the Auke Bay Wave Attenuator Feasibility Study as the city prepares to replace the aging and inadequate breakwater.

This project will expand moorage capacity using an innovative design. With the Corps’ help, the city will be able to redevelop the recently acquired Auke Bay Marine Station to provide world-class facilities for its federal anchor tenants, as well as for local boaters and commercial vessels.

Maritime industries and small businesses fuel our local and state economy, and this project will help. It will also support the fleets of the U.S. Coast Guard, the National Oceanic and Atmospheric Administration, and the Alaska State Troopers. Juneau is making critical investments into its docks and harbors to respond to the needs of a robust maritime sector. In the past decade, Juneau has invested \$35 million in Auke Bay projects, with 90% of the funding provided from municipal or state sources.

Mariners and vessels must have safe harbors during ever-increasing foul weather events. As Alaska continues to see increased maritime traffic, expansion projects like this one only become more necessary.

This new start study has been authorized since 2018. The City and Borough of Juneau stands ready to match ACOE funds of \$1.5 million. The project is a priority for the Corps’ Alaska District. We respectfully ask you to continue the Corps’ tradition of providing safe, navigable harbors and waterways to the American public by funding this application.

Sincerely,


Senator Jesse Kiehl


Representative Sara Hannan


Representative Andi Story

ALASKA AFL-CIO

3333 Denali Street, Suite 125 · Anchorage, Alaska 99503 · 907-258-6284

Section H, Item 8.

JOELLE HALL
Executive President



BRANDON CALCATERRA
Secretary / Treasurer

The Honorable Lisa Murkowski
522 Hart Senate Office Bldg
Washington, DC 20510

The Honorable Dan Sullivan
302 Hart Senate Office Bldg
Washington, DC 20510

The Honorable Mary Peltola
153 Cannon House Office Bldg
Washington, DC 20515

March 3, 2023

Dear Senators Murkowski and Sullivan, and Congresswoman Peltola:

We thank you for your support of the timely allocation of funds for the Auke Bay Wave Attenuator project proposed by the City and Borough of Juneau, Alaska.

We agree that this critical navigation safety project will create a safer and more efficient work environment for the maritime industry in Southeast Alaska, including for its federal anchor tenants. Juneau has requested to partner with the Corps to provide expanded public and private moorage capacity through the recapitalization of an aging and structurally deficient breakwater. With the Corps' help in completing a feasibility study for the Auke Bay Wave Attenuator and its subsequent construction which will provide an important source of new jobs in the Alaska panhandle, the redevelopment of the ABMS will provide world-class facilities for its federal and State anchor tenants.

As Alaska continues to see increased maritime traffic, recreational boaters and commercial mariners alike deserve access to safe and secure harbors during foul weather events which, as you know, are common throughout the state.

The City and Borough of Juneau stand ready to provide the non-Federal match of the U.S. Army Corps of Engineers funds of \$1.5 million. The project remains a top priority for the Alaska District of the Corps, and will continue the Corps' tradition of providing reliably safe and accessible harbors, anchorages and waterways to support the commerce of the United States and further the interests of the American public.

The Alaska AFL-CIO is in support of this project and urges its inclusion in the next appropriate funding vehicle.

Sincerely,

Joelle Hall, President
Alaska AFL-CIO

CC: OMB, Army Corps, House and Senate Appropriations Committees, House and Senate Authorizing Committees



Mr. Michael Conner
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
U.S. Department of the Army
108 Army Pentagon
Washington, DC 20310

Subject Statter Harbor Wave Attenuator.

Dear Assistant Secretary Connor,

The Juneau Central Labor Council is asking for your support in the allocation of funds needed to make the Auke Bay Wave Attenuator project a reality.

We believe this is a critical project that will ensure safe and long-term use in Auke Bay for all possible maritime industry members including federal and State anchor tenants, recreational boaters, and commercial crafts. This project will undoubtedly provide new job opportunities in Southeast Alaska if given the means to move forward.

Alaska continues to see increased maritime traffic whom deserve access to a safe and secure harbor, a common occurrence in this area of the world. With the U.S. Army Corps of Engineers help, the redevelopment of the ABMS will provide world- class facilities to the benefit of both federal and State anchor tenants as well as commerce driven operations while furthering the interests of the hard- working American public.

The Juneau Central Labor Council is in support of this project and asks you to place the proposed Statter Harbor Wave Attenuator on your high priority list.

Respectfully,

Trenton English

Trenton English, President

Juneau Central Labor Council



February 13, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Dear Assistant Secretary Conner:

The City and Borough of Juneau (CBJ) has requested to partner with the U.S. Army Corps of Engineers (ACOE) to provide expanded public and private moorage capacity through recapitalization of an aging and structurally deficient breakwater at Statter Harbor in Auke Bay, Alaska. The feasibility study for the Auke Bay Wave Attenuator and its subsequent construction will provide jobs in the Alaska panhandle; and redevelopment will ensure the continued provision of high-quality facilities for its Federal and State anchor tenants.

The project entails installation of a floating wave attenuator to protect a number of public and private marine facilities from wind-driven waves and vessel wakes. These facilities serve a multitude of commercial and non-commercial users and include public and private moorage facilities. Huna Totem Corporation makes use of these facilities in support of tour and other year-round activities.

CBJ has committed to the non-Federal match of the ACOE funds in the amount of \$1.5 million. The project remains a top priority for the Alaska District of the ACOE and will continue the ACOE's tradition of providing reliably safe and accessible harbors, anchorages, and waterways to support commerce of the United States, and further the interests of the American public.

Huna Totem Corporation supports this project and urges its inclusion in the next appropriate funding vehicle.

Sincerely,

Russell Dick
President & CEO

cc: The Honorable Lisa Murkowski, U.S Senator
The Honorable Dan Sullivan, U.S. Senator
The Honorable Mary Peltola, Congressman
The Honorable Beth Weldon, Mayor, CBJ



612 West Willoughby Avenue
Juneau, AK 99801
Phone 907-523-2300
Fax 907-463-3929

February 13, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Dear Assistant Secretary Connor,

On behalf of the Juneau Economic Development Council (JEDC), I am writing today in support of the Auke Bay Wave Attenuator project proposed by the City and Borough of Juneau, Alaska. JEDC fosters a healthy and sustainable economic climate in Juneau and throughout Southeast Alaska. In collaboration with other organizations, the Council implements initiatives to maintain, expand, and create economic opportunities that help make Juneau a great (capital) city; that strengthen key regional industries, including coastal tourism, maritime activity, and fisheries; and that promote entrepreneurship and small businesses.

The Port of Juneau is requesting a feasibility study for a navigation project in Auke Bay and seeks assistance from the U.S. Army Corps of Engineers under the Study Resolution on Rivers and Harbors in Alaska adopted on December 2, 1970 by the Committee on Public Works of the U.S. House of Representatives, published as House Document Numbered 414, 83rd Congress. The USACE role is to provide the feasibility study, design and construction of the new floating wave attenuator and provide the federally mandated match funding.

This project would replace an aging 30-year-old breakwater with a floating wave attenuator to protect both private and public marina facilities from wind-driven and vessel wakes. The proposed project would increase the functionality by designing the wave attenuator sufficiently to allow moorage for Coast Guard/NOAA vessels, small cruise ships, large commercial fishing vessels and other user groups which are currently underserved. The wave attenuator would be linked to newly acquire upland property serving as a portal to proposed expanded marine services. Additionally, the project would enable expansion of an existing small boat harbor facility. These facilities serve a multitude of commercial and non-commercial users and include public and private moorage facilities, Juneau's most popular recreational launch ramp facility and the only marine fuel facility between Juneau and Haines, 94 miles to the north. The expanded facility could address the future homeporting needs, both moorage and upland, for two Coast Guard 154-foot, Fast Response Cutters. Local fisheries in the area attract a significant number of commercial fishing vessels competing for moorage space with the charter fleet, recreational boaters, visiting vessels, and others. Often the existing facility is critically over capacity with vessels rafting up four to six deep. The construction of a new floating wave attenuator would serve to develop needed upland marine support facilities.

We support this project and acknowledge there is an economic value to the private sector in expanding Statter Harbor and improving the uplands with enhanced marine services.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Holst".

Brian Holst
Executive Director



Greater Juneau Chamber of Commerce

9301 Glacier Hwy, Suite 110 • Juneau AK 99801 • (907)463-3488

January 31, 2023

Mr. Michael Connor
 Assistant Secretary of the Army for Civil Works
 Office of the Under Secretary of the Army
 United States Department of the Army
 108 Army Pentagon
 Washington, DC 20310

Re: Auke Bay Wave Attenuator Feasibility Study

Dear Assistant Secretary Connor:

The Greater Juneau Chamber of Commerce urges you to support the allocation of funds for the Auke Bay Wave Attenuator project.

With more miles of coastline than that of all other states combined, we rely heavily on the U.S. Army Corps of Engineers (Corps) to provide safe, navigable harbors and waterways; and appreciate the work undertaken by the Corps. As you develop the next Fiscal Year Annual Corps Work Plan, we request the Corps include the new start funding for the Auke Bay Wave Attenuator Feasibility Study, which is an important project to the State of Alaska.

Juneau has an ever-growing variety of marine activity, from cruise ships, private yachts, U.S. Coast Guard, NOAA, Alaska State Troopers, commercial fishing vessels, and the local pleasure-boating population. In turn the City & Borough of Juneau continues to make significant investments into its docks and harbors to respond to this increased demand.

Juneau is recapitalizing the recently acquired Auke Bay Marine Station (ABMS) and has requested to partner with the Corps to provide expanded moorage capacity through the recapitalization of an aging breakwater. With the Corps' help the Auke Bay Wave Attenuator, along with the redevelopment of the ABMS will provide world-class facilities for its governmental anchor tenants.

Thanks,

A handwritten signature in blue ink that reads "M. McMillan".

Maggie McMillan, Executive Director
 Greater Juneau Chamber of Commerce

907-463-3488

mmcmillan@juneauchamber.com



9360 Glacier Hwy
Juneau, AK 99801
Phone (907) 586-4360

Section H, Item 8.

www.seconference.org

Email info@seconference.org

SOUTHEAST ALASKA REGIONAL DEVELOPMENT ORGANIZATION

March 13, 2023

Mr. Michael Connor, Assistant Secretary of the Army for Civil Works
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Dear Assistant Secretary Connor,

Southeast Conference (SEC) is pleased to submit this letter of support for federal funding for the City and Borough of Juneau's Auke Bay Wave Attenuator Project. SEC is the region's designated Economic Development District (EDD) by the U.S. Economic Development Administration, and an Alaska Regional Development Organization (ARDOR).

Maritime industries and small businesses fuel our local and state economy. Juneau is making critical investments into its docks and harbors to respond to the needs of a robust maritime sector. The project supports the fleets of the U.S. Coast Guard, the National Oceanic and Atmospheric Administration, and the Alaska State Troopers. In the past decade, Juneau has invested \$35 million in Auke Bay projects, with 90% of the funding provided from municipal or state sources.

The wave attenuator project will expand moorage capacity using an innovative design. With the Corps' help, the City and Borough of Juneau will be able to redevelop the recently acquired Auke Bay Marine Station to provide world-class facilities for its federal anchor tenants, as well as for local boaters and commercial vessels. Mariners and vessels must have safe harbors during foul weather events. As Alaska continues to see increased maritime traffic, expansion projects like the one proposed here become more necessary.

This project is consistent with Transportation Priority No. 5 of the nationally recognized Southeast Alaska 2025 Economic Plan. Priority No. 5 calls for port and harbor infrastructure improvements. The project proposed here does exactly that by protecting significant existing harbor infrastructure, and enabling other development consistent with the longstanding goals of the community.

Sincerely,

Robert Venables
Executive Director



February 1, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Undersecretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, D.C. 20310

Subject: Support for Auke Bay Wave Attenuator Project--Juneau, Alaska

Dear Sir:

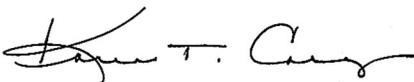
As Chancellor of the University of Alaska Southeast (UAS), I am writing to express our university's support for the Auke Bay Wave Attenuator project in the City and Borough of Juneau, AK, which is currently under review by the U.S. Army Corps of Engineers.

UAS's Juneau Auke Lake Campus sits in the heart of the Auke Bay neighborhood. Our biological and environmental science programs are taught in the Anderson Science Building which is located along the east shoreline of Auke Bay. UAS is currently constructing a new building adjacent to the Anderson Building that will create a new home for teaching and research associated with UAS' distinctive marine-oriented environmental and interdisciplinary science programs. In the process of securing the property for this new building, we've collaborated actively with the City and Borough of Juneau (CBJ) and its Docks and Harbors Board in planning for the future of Auke Bay community facilities.

Our university's interest in the Auke Bay Wave Attenuator project stems from that fact that UAS education and research programs use CBJ's Statter Harbor/Auke Bay infrastructure for boat moorage and launching that enables faculty and students to access the ocean for collecting marine samples, gathering oceanographic data, and developing a keen understanding of Alaska's rich maritime environment. Moreover, Statter Harbor is a launching platform for ocean-based recreational activities enjoyed by many of our students, including a significant number who go on to work professionally in marine-oriented guiding. The proposed Auke Bay Wave Attenuator project will benefit UAS programs by replacing the old and inadequate dock next to our two buildings and allow expansion of more educational marine programs. It will indirectly contribute to building a stronger and more skilled local workforce in marine-related industries here in Southeast Alaska.

As UAS Chancellor, I appreciate your consideration of this input and hope that the project is viewed favorably by the Corps of Engineers. Please feel free to contact me if you have any further questions.

Sincerely,



Dr. Karen Carey
UAS Chancellor

cc: Carl Uchtyl, CBJ Port Director
Michael Ciri, UAS Vice Chancellor for Administrative Services
Nathan Leigh, UAS Facilities Director



Fostering improved access to all Alaska...
for security, opportunity and prosperity for all
Alaskans today and for future generations.

Coalition Directors:

- Duff Mitchell, Juneau Hydropower
- Wayne Coogan, Coogan Construction
- Scott Spickler
- Roger Calloway, Reliable Transfer
- Bruce Denton, BCD Company
- Dave Hanna, AK Concrete
- Pat Kemp, AkDOTPF (ret)
- William Heumann, Chilkat Vistas
- Bruce Abel, Don Abel Valley Lumber
- James M Wilcox Sr
- Corey Baxter, IUOE Local 302

2023-Feb-15

Mr. Michael Connor
 Assistant Secretary of the Army-Civil Works
 Office of the Under Secretary of the Army
 United States Department of the Army
 108 Army Pentagon
 Washington, DC 20310

STATTER HARBOR WAVE ATTENUATOR PROJECT - JUNEAU ALASKA

As stated above, our coalition is a group of long-time Juneau residents keenly interested in fostering security, opportunity and prosperity for all Alaskans by advocating for improved access throughout our unique state.

The Statter Harbor public marine facility is a key point of access. It serves a diverse cross-section of users from Juneau, the state of Alaska, the USA, and across the globe. It is a vital component of transportation infrastructure in Alaska.

Given the importance of the facility, and its critical need for repairs, we hereby express to you our emphatic support of this important project. We ask you to kindly include it on your most critical shortlist.

Respectfully,

Duff Mitchell, Director
 cel-907-723-2481
duff.mitchell@juneauhydro.com

Wayne Coogan, Director
 cel-907-723-7634
wdc@cooganalaska.com

February 15, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Dear Mr. Connor,

Travel Juneau serves as the destination marketing organization and visitors bureau for Alaska's capital city. On behalf of our board of directors, I am lending support to the Auke Bay Wave Attenuator Project, currently under review by the Army Corps of Engineers. This project is important to Juneau in a number of ways.

Statter Harbor, located at the head of Auke Bay, serves not only the residents of Juneau but seasonal excursions and fishing charters for thousands of visitors, and commercial fishing operations. It is also a primary anchorage for governmental entities including the US Coast Guard, NOAA, and Alaska State Troopers. Further, Juneau is seeing increased demand from independent visitors boating/sailing the west coast and Inside Passage. Statter's moorage facilities, fueling and other services have accommodated a significant increase in traffic and requests for services over the past several years, and the City & Borough of Juneau has invested significantly in harbor improvements. However, continuing issues include shortage of transient moorage, and more importantly, wave and wake impact. The breakwater is aging, and the time has come to create a safer, larger space for the growing number of users.

The Auke Bay Wave Attenuator Project will address these concerns and provide a higher level of safety from the frequent westerlies that create chop and exacerbate wake, damaging the docks and the boats berthed there. Further, the project will provide additional navigation lanes and mitigate a choke point into the harbor. The economic impact of this project will be felt by the entire borough as it increases and greatly improves harbor safety and capacity.

Travel Juneau requests that your office consider and approve the Auke Bay Wave Attenuator Project as these improvements will make Auke Bay and Statter Harbor a world-class facility for Juneau's growing number and variety of users.

Regards,



Liz Perry - President & CEO, Travel Juneau

TBMP

Tourism Best Management Practices

Making Tourism Work for Juneau

February 2, 2023

Mr. Michael Connor
Assistant Secretary of the Army of Civil Works Office
of the Under Secretary of the Army United States
Department of the Army
108 Army Pentagon
Washington, DC 20310

Dear Assistant Secretary Connor:

Tourism Best Management Practices (TBMP) in Juneau, Alaska is a group of various tour operators, businesses, cruise lines and organizations whose goals are to address the impacts of tourism in our community. As many of our members are watercraft businesses who operate their boats in the Auke Bay Harbor, we support the Auke Bay Wave Attenuator Project which is currently being considered.

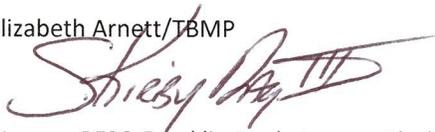
Many of these businesses, as well as local resident boaters utilize Statter Harbor in Auke Bay and over the years, the watercraft traffic has increased significantly with both user groups. Wake impacts in the harbor continue to be of concern to residents and our tour operators.

This project could address impacts of wake caused by watercraft and unsafe seas related to poor weather conditions - both of which can damage boats and docks.

For these reasons, we ask that your office review and strongly consider the project to assist our community, CBJ Docks and Harbors, and the TBMP organization.

Sincerely,
Elizabeth Arnett, Administrator
Tourism Best Management Practices
800 Glacier Ave, Ste 201 | Juneau, AK 99801
+1-907-321-7231 mobile | elizabeth.arnett@traveljuneau.com

On behalf of Elizabeth Arnett/TBMP



S. Kirby Day, III PFSO Franklin Dock, Juneau Alaska
Community and Government Relations – Alaska
Holland America Group - Princess Cruises, Holland America Line & Seabourn
704 South Franklin Street | Juneau, AK 99801
+1-907-364-7250 office | +1-907-723-2491 mobile kday@HAGroup.com

Cc: Carl Uchytel
CBJ Docks and Harbors/Port Director
155 S. Seward Street
Juneau, Alaska 99801



Juneau Yacht Club
P.O. Box 20146
Juneau, Alaska 99802-0146

February 23, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
U.S. Department of the Army
108 Army Pentagon
Washington, DC 20310

RE: Juneau - Auke Bay Wave Attenuator, Statter Harbor, Juneau, Alaska

Assistant Secretary Connor:

On behalf of the Juneau Yacht Club, we convey our support for wave attenuator for the Auke Bay Statter Harbor.

The Juneau Yacht Club has a membership of 224 supporting yachting in and around the vicinity of Juneau, Alaska. We support boating enthusiast and represent an active part of our recreational boating community as well as members connected to our local marine industries and government associates where interaction and discussions regarding boating activity and more importantly boating infrastructure are supported.

The continued maintenance and operations by the City and Borough of Juneau Docks and Harbors Department are tasked with care and upkeep of numerous harbors in our community. Auke Bay Statter Harbor represents a primary boat harbor in our community critical to our local boating enthusiast and seasonal recreation as well as tourism boating activity. This harbor serves as a vital commercial fishing berthing location as well. Summertime seasonal use by all groups see boats rafted 2-3 deep most of summer.

Critical to this harbor's function is protection from the large fetch found fronting the harbor. Support for the floating wave attenuator is understood to our Club to be a valuable asset to function of Statter Harbor and we request your full support for the City and Borough of Juneau and their application.

Sincerely,

James Bibb
Commodore

Juneau Yacht Club
P.O. Box 20146
Juneau, Alaska 99802-0146



Post Office Box 32712 • Juneau, Alaska 99803

Telephone: (907) 789-2399 • Fax: (907) 586-6020

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
U.S. Department of the Army
108 Army Pentagon
Washington, DC 20310

Subject: Auke Bay Wave Attenuator, Statter Harbor, Juneau, Alaska

Dear Assistant Secretary Connor:

This letter is to express the support of the Territorial Sportsmen for a new floating wave attenuator to protect Juneau's Statter Harbor in Auke Bay.

The Territorial Sportsmen (a 501(c)(4) organization) is a local sportsmen/conservation organization that has been in existence before statehood – approximately 76 years. Our core values are the conservation and wise use of our fish, wildlife and natural resources. We have a membership of approximately 1,600 members. Our organization sponsors the local Golden North Salmon Derby to raise funds for college and vocational scholarships. Scholarships awarded to-date total nearly \$2 million. We also build and maintain remote public use cabins for the Alaska State Park system, support hunter and firearm safety programs and participate in numerous other local outdoor events.

For our membership, boating is more than just a fun recreational activity; boating is a way of life and a vital means of transportation. We use our boats for fishing and for access to hunting areas on the many islands near Juneau. Fishing and hunting are not just recreational activities; they are an important means of putting food on the table. The participants in our salmon derby are only allowed to fish from boats and participants from other nearby communities typically travel to Juneau by boat. The public use cabins we build and maintain are only accessible by boat or float plane. It is fair to say that the majority of our members and the local boating community in general use Statter Harbor as their primary access to saltwater.

Nearly forty years ago when Statter Harbor was built, the then new facility served the boating public well. Typical of any aging infrastructure, the facility is no longer adequate to meet the demands being placed on it. On any summer day, recreational boaters, commercial fishermen and tour boat operators must all compete for a place to moor. It is not unusual to see two or three boats rafted up in a space that was originally intended for one boat. It is time to renew and expand Statter Harbor. An integral part of that much needed work is a new floating wave attenuator placed seaward of the existing facility. The mooring floats could then be expanded to better serve the needs of the boating public.

The Territorial Sportsmen request that you give the Auke Bay Wave Attenuator project as proposed by the City and Borough of Juneau the highest priority. With your assistance, all boaters, both recreational and commercial, will be afforded safe moorage in Statter Harbor.

Sincerely,

Ryan Beason

Ryan Beason
President
Territorial Sportsmen

Sportsmen Promoting Conservation of Alaska's Fish and Wildlife Since 1945



Mr. Michael Connor
 Assistant Secretary of the Army for Civil Works
 Office of the Under Secretary of the Army
 United States Department of the Army
 108 Army Pentagon
 Washington, DC 20310

Dear Assistant Secretary Connor:

I'm Writing on behalf of Gastineau Guiding Company in support of the Juneau Docks & Harbors Auke Bay Wave Attenuator project. Auke Bay's Statter Harbor is Crucial for Juneau's tourism industry and the entire Southeast Alaska community. Commercial whale watching vessels, private yachts, fishing vessels, recreational vessels, and the United States Coast Guard all rely on Statter Harbor year-round as a safe and reliable mooring dock.

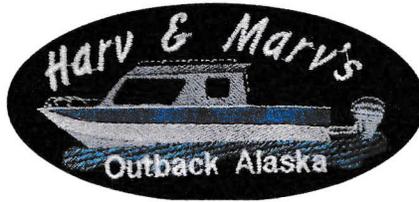
Juneau's tourism industry had a major bounce back in 2022. This came after a cancelled 2020 and very limited 2021 season due to the impact of Covid. During the busy tourism season, it was nearly impossible to find a mooring spot. Many vessels had to raft up 2-4 vessels deep. 2023 is expected to be even busier than 2022. Our industry will be highly impacted by the limited space in Statter harbor.

After watching the video made by our port director, Carl Uchtyl and his staff, it is clear that the 35-year-old wave attenuator is at the end of its life. Our Southeast Alaskan weather has worn our dock down through constant wear and tear. Without this wave attenuator, it would put many year-round residents who live on their vessels in danger from storms.

We at Gastineau Guiding Company ask you to prioritize the replacement of the existing wave attenuator in Statter Harbor to protect Juneau's harbor residents, commercial fishing vessels, and the future of our tourism industry.

Sincerely,

Robie Janes
 General Manager
 Gastineau Guiding Company
 February 7th, 2023



March 6, 2023

Mr. Michael Conner
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Dear Assistant Secretary Connor:

Harv and Marv's Outback Alaska is a small tour boat whale watching operator. We have been operating out of Auke Bay since 2003.

Auke Bay has become an extremely important harbor for SE Alaska. Our Coast Guard, commercial fishing fleet, fishing and whale watching charter operators, local boat traffic and visiting yachts put a tremendous amount of strain on Statter Harbor. This has created a significant shortage during peak months and it isn't uncommon to see boats rafted up 4+ deep. Currently, there is a significant shortage of moorage space available and facilities are showing more and more signs of wear.

The local residents also have continued concerns for wake/wave impacts inside of Auke Bay. The Auke Bay Wave Attenuator Project will help us with these concerns of safety, accessibility and wake/wave impact. Please help our community transform Auke Bay into a facility that can to meet the needs and current demand that SE Alaska requires.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis Juergens". The signature is stylized and fluid, with a large loop at the end.

Louis Juergens
Owner/Partner Harv and Marv's Outback Alaska
louis@alaskagalore.com
(907) 209-3233



Mr. Michael Connor
Assistant Secretary of the Army for Civil Works Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Mr. Connor,

We at Juneau Tours and Whale Watch would like to add our voices in support of the Juneau Docks & Harbors Auke Bay Wave Attenuator project. The Juneau Docks & Harbors Department serves our industry and community tirelessly with limited space and resources compared to the demands. Funding for the Attenuator project is vital as we are heading into a banner year of growth. The current 35- year-old breakwater has become expensive and difficult to maintain. The suggested build out of the new attenuator would improve both safety and space for the current and future needs of our community including small cruise ships, private yachts, commercial fishing vessels, governmental partners (NOAA & USCG) and local pleasure boats.

As the state with more coastline than all others combined, Alaska's marine industries rely on its infrastructure. The maritime industry in Alaska represents a substantial amount of GDP and would all benefit greatly from expanded moorage capacity and safety specifically in the capital city's busiest harbor. The Attenuator project would simultaneously provide protection to ALL user groups by ensuring wake and weather-related impacts are mitigated.

We are very hopeful of your attention and support.

Kindly,

A handwritten signature in black ink, appearing to read "SH", is written over a horizontal line.

Serene Hutchinson

General Manager
[Juneau Tours & Whale Watch](http://www.juneautours.com)
www.juneautours.com
907.723.9209 office | 907.723.3208 cell

M&M Tours Limited

“Making Memories of a Lifetime”

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army 108 Army Pentagon
Washington, DC 20310

Dear Mr. Michael Conner,

My name is Mariann Cummings and I am the owner and operator of M&M Tours and Alaska Tales Tours in Juneau Alaska. We need your help! Please!

I’m sure you are being flooded with letters from our community here in Juneau asking for you to approve the project that we so desperately need at the Auke Bay Harbor, **THE AUKE BAY WAVE ATTENUATOR PROJECT.**

It’s not just about tourism, even if that is over 50% of the economy here. It’s about time with your family on your dock or your boat without worry of a big wave sending someone into the water. It’s about hooking “The Big One” right before you and your buddy dock and you lose it because you must chose to hold on for stability due to a yet another big wave that, once again, our current wave attenuator can no longer handle due to 35 years of wave impact. It’s about SAFETY!

If I sound a bit dramatic...It’s because I am really trying to paint a picture for you. It’s so much more than a commercial fishing or whale watching boat. It’s our community, Our Families, Our Children. We are ALL out here and we need you to help us stay safe! Please approve this project!

Thank You Sincerely,

Mariann Cummings

M&M Tours Limited . 5880 Thane Road . Juneau Alaska 99801 907-209-1975



Juneau Charters, LLC
Juneau Boat Rentals, LLC
Juneau, Alaska 99801
907-723-8472
info@moorecharters.com
grant@morecharters.com
www.moorecharters.com
www.juneauboatrentals.com

To Whom It May Concern:

Lieutenant General Todd Semonite
Chief of Engineers
Headquarters, US Army Corps of Engineers
441 G Street, NW
Washington, D.C. 20314-1000

2-17-23

Dear Lieutenant General Todd Semonite,

I own Moore Charters, LLC a fishing and whale watching and boat rental business here in Juneau in the Auke Bay area and I write in support of the Juneau Docks & Harbors Auke Bay Wave Attenuator project. The expansion would help with the overloaded congested existing docking areas. The benefits would be for all users, commercial fishing, tourism and the private users as well.

I ask that you approve the project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Grantley Moore". The signature is fluid and cursive, extending across the width of the page.

Grantley Moore

Moore Charters / Juneau Charters / Juneau Boat Rentals



February 6, 2023

Re: Letter of support Statter Harbor Wave Attenuator

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Mr. Connor,

This letter is in support of the Juneau Docks & Harbors Auke Bay Wave Attenuator project. The Juneau Docks & Harbors Department has done an outstanding job meeting the community's needs but is constrained by funding for the Attenuator project. In recent years, the current 35-year-old breakwater has become expensive and difficult to maintain. The suggested build out of the new attenuator would improve both safety and space for the current and future needs of our community including small cruise ships, private yachts, commercial fishing vessels, governmental partners (NOAA & USCG) and local pleasure boats.

As the state with more coastline than all others combined, Alaska's marine industries rely on its infrastructure. The maritime industry in Alaska represents a substantial amount of GDP and would all benefit greatly from expanded moorage capacity and safety specifically in the capital city's busiest harbor. The Attenuator project would simultaneously provide protection to ALL user groups by ensuring wake and weather-related impacts are mitigated.

For these reasons, I ask that you approve the project.

Sincerely,

A handwritten signature in black ink that reads "BRENT BITTERMAN". The signature is written in a cursive, slightly slanted style.

Captain Brent Bitterman

USCG 200 Ton Master

Alaska Luxury Tours - Founder/President



February 15, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Dear Assistant Secretary Connor:

On behalf of Above & Beyond Alaska LLC (ABAK), a 21-year tourism business located in Juneau, Alaska and avid user of Statter Harbor, we write in support of the Juneau Docks & Harbors Auke Bay Wave Attenuator project. After a very successful 2022 tourism season, there is no question that the commercial whale watching and sportfishing fleet will have a full return in 2023 as a fast-growing and significant user group within the community makeup of Statter Harbor. We acknowledge the importance of continuing to plan to meet the rising demand for commercial and non-commercial space within Statter Harbor.

The recent construction of the Statter Harbor Phase III commercial dock and loading facility represents infrastructure that, using 2019 tourism fleet sizes, is already fully at capacity. Many companies will be expected to raft their boats 2-3 deep for overnight moorage at this brand-new facility. While we are grateful for this improvement, it does not meet the full peak season demand for our industry or leave room for future growth of the fleet. Many of our larger whale watching vessels will realistically still find themselves needing to temporarily moor to our current aging 35-year-old breakwater – a scenario that has caused real damage to both commercial vessels and the breakwater in the past. The suggested build out of the new attenuator would improve both safety and space for these current and future fleet needs.

Furthermore, we acknowledge that we are just one of many industries desiring of additional space within Statter Harbor. Small cruise ships, private yachts, commercial fishing vessels, governmental partners and local pleasure boaters would all benefit greatly from expanded moorage capacity. These industries represent a real economic opportunity not only for Statter Harbor but for our larger municipal community. The Attenuator project would simultaneously provide protection to ALL user groups by ensuring wake and weather-related impacts are mitigated.

There is no question that Juneau Docks & Harbors has a reputation for world-class facilities for its private, public and governmental users. The Auke Bay Attenuator project represents a natural evolution of their facilities and is a logical response to clear and consistent demand on Statter Harbor infrastructure. For these reasons, we ask that you approve the project.

Sincerely,



Becky & Sean Janes

General Manager/Founders
Above & Beyond Alaska, LLC
Alaska Boat & Kayak Center
Tel: (907) 364-2333 | Cell: (907) 209-2526
E-mail: becky@beyondak.com
Web: www.beyondak.com | www.juneaukayak.com



a division of **Petro 49, Inc.**

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Anchorage, AK 99501
907-562-5000
www.petromarineservices.com

January 31, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Re: Auke Bay Wave Attenuator Feasibility Study

Dear Assistant Secretary Connor:

I am writing to express Petro Marine's support for funding the Auke Bay Wave Attenuator project proposed by the City and Borough of Juneau, Alaska. We own and operate a floating fuel dock within the Auke Bay marina. Weather in Alaska is unpredictable at best, and during storm events our infrastructure within the harbor is abused and at risk of damage at the least. Safely mooring vessels in these conditions is not feasible, and our business relies on the ability to safely moor and provide fuel transfers to a vessel in any weather condition. Furthermore, if the existing wave attenuator that is inadequate and past its useful life were to fail during a storm event the damage caused could be catastrophic to vessels and infrastructure including ours.

With the U.S. Army Corps of Engineers (Corps) help with the Auke Bay Wave Attenuator vessels and marine facilities both public and private will benefit. The City of Juneau is making substantial investments into its docks and harbors in response to the needs of a robust maritime sector, to fuel the local and state economy, and support government vessels such as the U.S. Coast Guard, NOAA, and Alaska State Troopers. The City of Juneau is in the process of recapitalizing the recently acquired Auke Bay Marine Station partnering with the Corps to provide expanded moorage capacity through the recapitalization of an aging breakwater. Alaska relies heavily on Corps to provide safe, navigable harbors and waterways throughout the State, and we appreciate the important work undertaken by the Corps.

Sincerely,

Matthew R. Lindsey
Chief Operating Officer
mattl@petro49.com



ENGINEERS, INC.

February 21, 2023

PND 162055

Mr. Michael Connor
 Assistant Secretary of the Army for Civil Works
 Office of the Under Secretary of the Army
 United States Department of the Army
 108 Army Pentagon
 Washington, DC 20310

Subject: Auke Bay Floating Wave Attenuator – Juneau, Alaska

Dear Assistant Secretary Connor:

PND Engineers, Inc. has provided engineering support on waterfront and marine facility improvements in Auke Bay for over 40 years. We have performed condition inspections of existing marine infrastructure, facility need assessments based on community and economic demand as well as design and construction administration for numerous projects over these years. We can attest to the maritime growth and continued demand in Auke Bay as well as to the condition of Statter Harbor's aging infrastructure. The existing floating wave attenuator is nearing the end of its useful life after 36 years of hard service. Westerly and southwesterly wind driven waves and boat wakes have taken a toll on the existing anchored concrete wave attenuator. The City and Borough of Juneau (CBJ) has expended considerable maintenance funds replacing structural thru-rods to keep concrete float modules in place and heavy chain connections to anchor the entire attenuator to the seafloor. Other structural elements like bullrails, rubboards and energy absorbers are well worn and are being replaced regularly.

The demand for expanded facilities to support both public and private commercial and recreational vessel operations necessitates the construction of a new and improved Auke Bay floating wave attenuator further offshore to allow expansion of moorage facilities in Auke Bay for vessels of all sizes. Currently, commercial fishing vessels raft six deep on the seaward side of the existing attenuator during busy fish openings causing added stress to the facility especially during the windy weather conditions prevalent to Southeast Alaska. Choppy sea conditions on the outside of the attenuator lead to considerable mechanical wear by the numerous vessels moored to it. Further, commercial fishing moorage demand often conflicts with the moorage needs of the visitor industry from April to October each year. A relocated and expanded wave attenuator would provide the space necessary to service both of these important maritime sectors as well as the needs of the USCG, NOAA, visiting yachts, private passenger shuttle vessels and recreational boaters.

PND supports the Auke Bay Wave Attenuator project proposed by the City and Borough of Juneau and under consideration by the USACE. With assistance from the Corps, the CBJ will be able to realize its goal of providing safe harbor for all the local, state and federal vessels needing to call on Auke Bay.

Sincerely,

PND Engineers, Inc. | Juneau Office

Dick Somerville, P.E.
 Vice President | Principal Engineer



NorthWind
Architects, LLC

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

RE: Support for the Auke Bay Wave Attenuator project, City and Borough of
Juneau, Alaska

Dear Assistant Secretary Connor,

We are writing as a private business owned and staffed by residents of Juneau, Alaska to share our support for funding the Auke Bay Wave Attenuator project.

The development and protection of Alaska’s port infrastructure is key to continued successful stewardship of the north pacific, the safety of our navigable waterways, and the economic development of our state.

Juneau, as Alaska’s Capital City, and in particular Auke Bay in the CBJ, serves a robust maritime sector, including private charter/transportation industry, the commercial fishing industry, a developing mariculture industry, and government entities including the U.S. Coast Guard, the National Oceanic and Atmospheric Administration, the Universities of Alaska Fairbanks and Southeast, and nonprofit maritime organizations such as the Alaska Marine Exchange. The port also hosts and protects both recreational and industrial visitors from all over the world on private and chartered vessels.

To provide continued services we must support planning and development of the necessary infrastructure. The Auke Bay Wave Attenuator project is an important part of that infrastructure.

As local professionals and business owners with a deep commitment to Alaska and our communities here, we are pleased to share in our city’s support as a partner in this effort.

Sincerely,

NorthWind Architects, LLC
Sean M. Boily, AIA – Executive Officer.

Sean M Boily AIA
Principal Architect

James Bibb AIA
Principal Architect

David Hurley AIA
Principal Architect

126 Seward Street
Juneau, AK 99801

p.907.586.6150
f.907.586.6181

Tagish Marine LLC
Consulting & Surveying
8459 Kimberly St.
Juneau, Alaska 99801
(907) 723-7086
donre@ptialaska.net

Mr. Michael Conner
Assistant Secretary of the Army for Civil Works
Office of the under Secretary of the Army
U. S. Department of the Army
108 Army Pentagon
Washington, DC 20310

February 1, 2023

Subject Statter Harbor Wave Attenuator.

Dear Assistant Secretary Connor,

I am Captain Don Etheridge owner and operator of Tagish Marine LLC that operates out of Statter Harbor. I am also a long term member of the City and Borough of Juneau Docks and Harbors Board.

I have operated out of the Auke Bay area since early 60s in both commercial and pleasure craft and have seen and experienced loss and damage to vessels prior to the current breakwater system. As a board member I am very familiar with the damages that have occurred to the current system and fear a catastrophic failure and the millions of dollars of damage that will occur.

This harbor has continued to have a large volume of vessel traffic growth in recreational and commercial use for many years to the point it needs to be expanded. The proposed plan offered by the Juneau Docks and Harbors would not only increase the capacity of the facility it would also provide the much needed improved protection for the facility and vessels using the facility.

I respectfully request you to place the proposed Statter Harbor Wave Attenuator on your high priority list.

Sincerely,



Captain Don Etheridge Marine Surveyor
USSA Master Marine Surveyor
ACMS, Accredited Marine Surveyor
AMSEA On Board Safety Instructor
ABYC Certified Standards Technician



January 26, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Dear Assistant Secretary Connor:

Forbidden Peak Brewery is located across the street from Statter Harbor, in Auke Bay. Both as residents and as a business, we depend on a safe and functional harbor for commercial and recreational use. In recent years, we've seen a significant increase in harbor activity. The increase is in the number of boats using the harbor, the size of the vessels, and the frequency of daily trips. The increased traffic has resulted in congestion and wave/ wake impacts, that have created safety concerns and delays. The demand on the harbor is growing and the infrastructure is in need of replacement in order to ensure our valuable community asset is protected.

Forbidden Peak Brewery supports the Auke Bay Wave Attenuator Project, as it is a step toward addressing and alleviating many of the current issues in Auke Bay.

Sincerely,

Skye Stekoll, Owner
Forbidden Peak Brewery
PO Box 211370
Auke Bay, AK 99821

February 20, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
United States Department of the Army
108 Army Pentagon
Washington, DC 20310

Re: Auke Bay Wave Attenuator Feasibility Study

Dear Assistant Secretary Connor:

As a property owner inside the Auke Bay Harbor area this project is of great importance to me. Over the years the increased boat traffic has caused erosion and degradation to the shore of our property. A wave attenuator would greatly diminish the adverse effects caused by this increased traffic and would be another step forward in making Auke Bay "The Jewel of Juneau".

Respectfully:

Mitch Falk
Bayhouse Properties LLC
907-463-5252
Bullwinkles1@gci.net

Chris and Tom Donek
M/Vs Raindrop and Piperia
PO Box 020624
Juneau, Alaska 99802

February 13, 2023

Mr. Michael Connor
Assistant Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
U.S. Department of the Army
108 Army Pentagon
Washington, DC 20310

Subject: Statter Harbor Wave Attenuator, Auke Bay, Alaska

Dear Assistant Secretary Connor:

The purpose of this letter is to inform you of our support for a new floating wave attenuator to protect Juneau's Statter Harbor in Auke Bay.

Tom and I own and operate two recreational boats homeported in Juneau. Raindrop is a Boston Whaler 17 on a trailer and Piperia is a Nordic Yacht 480 moored downtown in Aurora Harbor. This summer will mark our forty-fifth year of enjoying the many recreational boating opportunities available in Southeast Alaska.

We used Auke Bay harbor before and after the existing wave attenuator and moorage improvements were built in the mid-1980's and before it was renamed in memory of Don Statter. That work was well planned and served the needs of Juneau boaters very well for many years. Unfortunately, time has taken its toll. The moorage is no longer adequate for the number of boats now using the harbor and it lacks adequate water and electrical service. The moorage floats and the wave break (attenuator) have reached the end of their design life and are simply on the verge of failure.

The recent construction of a new boat launch ramp and other upland improvements has made Statter Harbor much more convenient for trailered boats such as Raindrop. The same can not be said for the harbor moorings. Despite being only two miles from our home verse the twelve miles to Aurora Harbor, we no longer take Piperia into Statter Harbor. Finding a place to tie-up a forty-eight foot boat is a matter of pure luck. With a new wave attenuator, Statter Harbor mooring can be rebuilt and expanded. That will allow boaters like us an option for convenient transient moorage.

We frequently meet and visit with boaters cruising up from the lower 48, many of which are on their way to Glacier Bay. Their preferred stop for supplies, fuel, maintenance, etc. in Statter Harbor. My point in mentioning this is that recreational boating, for both locals and transients, is not just fun; it is also a significant factor in Juneau's economy.

The City and Borough of Juneau's Dock and Harbors Department has developed a proposal for a new wave attenuator that will greatly expand Statter Harbor and allow the construction of new moorage floats. We request that you give that proposed project your highest priority.

Sincerely,

/s/

Chris Donek
Captain
M/V Raindrop

/s/

Tom Donek
Captain
M/V Piperia

February 8, 2023

Mr. Michael Conner
Asst. Secretary of the Army for Civil Works
Office of the Under Secretary of the Army
U.S. Dept of the Army
108 Army Pentagon
Washington, DC 20310

RE: Auke Bay Wave Attenuator Funding Request – Port of Juneau

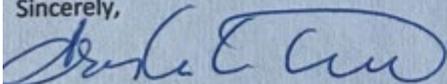
Dear Mr. Conner,

I am writing to express support for the City and Borough of Juneau's wave attenuator project at the Auke Bay harbor facility in Juneau, Alaska. This project will improve the safety and longevity of harbor facilities, while providing for necessary harbor expansion.

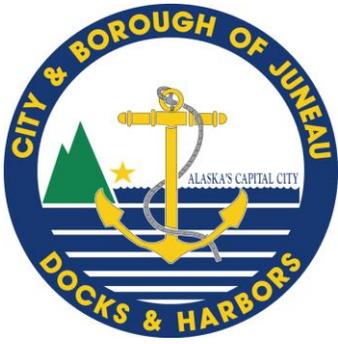
For various reasons, it is imperative that your offices approve the referenced funding request. The Auke Bay Statter Harbor provides facilities for the community in terms of vessel launching and moorage for government, personal and commercial vessels. As Juneau has no road access, this harbor facility is critical transportation infrastructure for residents and visitors alike. With marine transportation, commercial fishing, tourism and other commercial and government activity made possible by Statter Harbor, Juneau and the surrounding region derive significant economic benefits from these facilities. The current breakwater is aging at an alarming rate and the size of harbor is no longer adequate to safely meet the community needs. Funding for the wave attenuator will help protect Juneau's marine transportation infrastructure and allow for much needed expansion at Statter Harbor.

Thank you for your time and quick approval of the funding request.

Sincerely,



Grey Mitchell
Juneau Resident



Port of Juneau

155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

From: *Carl J. Uchytel*
Carl Uchytel, Port Director

To: City & Borough of Juneau Assembly

Via: Docks & Harbors Board

Date: February 28th, 2023

Re: Docks & Harbors Board Comments – Juneau North Douglas Crossing Project

1. The Docks & Harbor Board is supportive of the Juneau North Douglas Crossing Project as it provides greater public access to Docks & Harbors facilities. The Board is agnostic to a preferred location and defers to the US Coast Guard regarding navigation impedances resulting from a particular bridge design.

#