



ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT AGENDA

July 15, 2024 at 5:00 PM

Assembly Chambers/Zoom Webinar

<https://juneau.zoom.us/j/94215342992> or 1-253-215-8782 Webinar ID: 942 1534 2992

A. CALL TO ORDER

B. LAND ACKNOWLEDGEMENT

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

C. ROLL CALL

D. APPROVAL OF AGENDA

E. APPROVAL OF MINUTES - June 3, 2024 Draft Minutes

1. June 3, 2024 Draft Minutes

F. AGENDA TOPICS

2. Telephone Hill Housing Data

3. Introduction to the Draft Telephone Hill Place Guide

4. Dock & Harbors Tidelands Lease to Trucano Ordinance 2024-11 & 2024-12

G. SUPPLEMENTAL MATERIALS

5. RED FOLDER: Trucano Construction Company Letter to the Assembly

H. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

I. NEXT MEETING DATE - August 5, 2024

J. ADJOURNMENT

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

ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT MINUTES

June 03, 2024 at 5:00 PM

Assembly Chambers/Zoom Webinar



<https://juneau.zoom.us/j/94215342992> or 1-253-215-8782 Webinar ID: 942 1534 2992

A. CALL TO ORDER – 5:05pm

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C. ROLL CALL

Members Present: Chair Alicia Hughes-Skandijs, Paul Kelly, Greg Smith

Members Absent: 'Wáahlaal Gídaag,

Additional Assemblymembers: Michelle Hale

Liaisons Present: Chris Mertl, PRAC

Liaisons Absent: Jim Becker, Docks & Harbors Committee, Matthew Bell, Planning Commission

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Katie Koester, City Manager; Scott Ciambor, Planning Manager; Joseph Meyers, Housing & Land Use Specialist

Members of the Public: none

D. APPROVAL OF AGENDA – Red folder item in Supplemental Materials for Agenda Topic #2, approved

E. APPROVAL OF MINUTES - April 15, 2024 – approved as presented

F. AGENDA TOPICS

2. Resolution 3057 Re-authorizing the Manufactured Home Down Payment Assistance Program

Ms. Koester presented this topic. Chair Hughes-Skandijs asked the committee if they understand the concept of how much we've allocated to each of the lines in the resolution for the Affordable Housing Fund. She asked the manager if we have had 3 for the ADU for this year, Ms. Koester replied it was for fiscal year 2024.

Mr. Kelly asked how much the loans usually range. Ms. Koester replied that the affordable ADU program is \$13,000 and that the housing coordinator can get better information on the nature of the manufactured loan program.

Chair Hughes-Skandijs asked if we did adjust the ADU program and then moved on to adjust this one, am I correct that we upped the rate because it was originally \$13,000, and looked out to the committee to get a visual that she wrong, then we'll stick with your top of the head numbers. No, I'm getting head shakes from housing people. So I think I made that number up. Mr. Bleidorn replied that he believes it was \$5,000, and then we changed it up to \$13,000, this round. Chair Hughes-Skandijs replied that we've adjusted that one, and we've adjusted this one. And now we understand this would up the underutilized one in case this one is aggressively utilized. Madam Manager, you like to give the line number for a proposed amendment? Ms. Koester replied that in order to give the manager's office clear direction on this she would request that you amend the \$30,000 on line 45 to \$100,000, and the reason for this is the back and forth between law and myself, we didn't catch that.

Mr. Smith amended the motion in the packet to increase line 45 in the resolution from \$30,000 to \$100,000. Amendment approved unanimously.

Mr. Kelly noted that lines 107 and 110 in the resolution had grammatic errors and needed correction.

Mr. Kelly moved that Resolution 3057 be forwarded to the full Assembly for consideration. Motion passed, no objections.

3. **Blueprint Downtown**

Mr. Ciambor presented this topic.

Mr. Smith asked about the recommendations, he didn't see the one from SHI, Chamber, or HRAC and was curious about that difference. Mr. Ciambor replied that those should have been in the packet and were put in a red folder item as commentary. Mr. Smith clarified that he was wondering if there was a reason that those weren't put into the recommendation grid on the on the proceeding pages. Mr. Ciambor replied that the items that are in the proposed revision and changes table came in through the Planning Commission and were received by the time the Planning Commission moved it on. These are additional comments that have come out as staff continually reaches out to partners, saying, "Hey, you didn't comment the last time around. It's time to get them in."

Mr. Mertl thanked staff for finally getting this out and recognizing that some issues are a little dated now and a lot has happened in the last 2 to 3 years. He followed up on that and saw that one of the recommendations was to go back and reevaluate everything in 2 years as part of a departmental review. Did I read that correctly, did I see that in this package somewhere. Mr. Ciambor replied that he thinks Mr. Mertl is referring to the memo where it talks about the CBJ assembly and Planning Commission roles and in the code, one of the conditions in section 49.10.170 is the Commission shall undertake a general review of the comprehensive plan 2 years after the adoption of the most recent update, and shall recommend appropriate amendments to the plan. Mr. Mertl followed up to ask if the intent, as this becomes adopted potentially as part of the Comp Plan, would be to review this document every 2 years. Mr. Ciambor replied that was correct.

Mr. Mertl wondered about the agency comments from Parks and Recreation deputy director Verrelli, those weren't in the package, but it looks like there are Parks and Recreation recommendations in the table. He received a copy from Mr. Schaaf and the comments were missing. Mr. Ciambor replied that Parks and Recreation's comments made it to the Planning Commission, and they were summarized and put in the table, and not the entire memo was put in the packet.

Chair Hughes-Skandijs appreciates the difference in focus with the Planning Commission role versus them sending the recommendation on to us, but maybe it's not a recommendation, but to encourage stronger focus on housing. She was wondering if Mr. Ciambor could characterize that a bit, as it's not super specific. Each thing has its own recommendations, like you said at each section, that is a general sense of housing from the Planning Commission which we share here on the assembly, but if you could speak to that piece a little bit. Mr. Ciambor replied that he didn't want to speak for the Planning Commission but has observed the dialogue on that topic. They were excited to continue to move the plan on and didn't want to dive that much deeper into that component in that discussion, also knowing that it was the assembly's priority as well. But they did want to send a message to the assembly, saying that housing language in the plan could be stronger because it is a high priority for them as well.

Chair Hughes-Skandijs followed up to ask, since it has been a little while since we did do the Comp Plan, and this one obviously took a long time for good reasons, to what extent when will we ask other questions, and maybe we'll need more information, that this is a good summation of the information we have and then it will further be delved into by the assembly. But to what extent is useful to staff, to the plan, knowing that we do all want to see this come to its ending, and be put in its place for the assembly in our role to get into things like the metrics. On the icons page, there's full icons that have no metrics, and some that have multiple metrics, and some of them are just hard to measure, a downtown for everyone is a hard thing to immediately come up with a metric for. But speaking from staff's perspective both in this committee and then when it goes to COW, what is useful feedback versus opening the plan

up, which has been in process for a very long time. Mr. Ciambor replied that one of the items to look at in the revisions table is the 1st one which says, basically staff is going to take another look through it for grammatical minor changes. So any minor work, I would not spend a lot of assembly time on. I think it's probably figuring out if the components of Downtown Blueprint match the assembly goals and how well they match them to encourage staff to either leave it as is, or make some subtle changes that you think are important, that would be more in line with what the assembly's role is, that's the sort of level you would have to be looking at. There's some examples of other plans that have been adopted as addendums to the comprehensive plan, and some of them have been adopted wholly. I think the Willoughby Land Use District Plan with only Chapter 5 was adopted wholly. I believe you have a lot of leeway at the assembly level to make sure the division matches your vision as well.

Mr. Smith asked if the assembly can propose an amendment to this at the full assembly level or at the COW, such as striking a sentence or additional changes? Mr. Ciambor replied that high level changes are important, and staff wants to see this plan move and be implemented and in terms of planning strategies for the future for the department. We also have the South Douglas West Juneau plan to wrap up and we want to move on to the comprehensive plan, knowing that this Blueprint Downtown area plan and the steering committee have put significant labor into providing good background and information for this future dialogue. The kind of the nitty, gritty commentary we can do that as well, but I think we're probably looking for big picture items.

Mr. Mertl asked about the recommendation to keep city hall downtown, is that issue handcuffed since it's a hot topic right now, is this a good recommendation or is that a restrictive recommendation. Mr. Ciambor replied that it's a process, the steering committee has developed this plan, and the Planning Commission has also reviewed and recommended it As-Is on the website. It is a recommendation of the plan, and as this committee or the assembly, what you want to do with that recommendation is up to you, but it is in the plan. Mr. Mertl made a comment of the recommendations. You talked about data collection for downtown Juneau, when this plan was written we had 1.2 million visitors, we are up to 1.7 plus million now. One of the recommendations in the action items that I saw was to do a carrying capacity study to find balance, is that what's coming out the of the recommendation 187, or something different that needs to be brought forward, given the change in the cruise ship visitation we've received. Mr. Ciambor replied that he would have to defer and look into that to provide more background. Again, it is in the plan and up to the assembly to determine how they want to handle that suggestion or modify it, and then direct staff to change our approach in terms of collecting data or doing a study.

Mr. Smith noted that the creation and development of the plan was a massive public process. Has the public seen it through the Planning Commission process, and will they see it as we move it through our process? When will the public see it in its entirety and can they write in to provide commentary? Mr. Ciambor replied that he put a bullet point list of all the community engagement and public input. The public has had a lot of input at the very beginning, but the steering committee, before it finalized the plan, actually did a big public outreach. All of those public comments and appendices were garnered by staff and the steering committee prior to them finalizing and adopting the draft. The public has seen it then, and as we ramped up this winter, a concerted effort and outreach was made to make sure those comments came through the public hearing process at the Planning Commission. Not a whole lot of comments tonight, but when it is up for public hearing we'll do another round of outreach to make sure the public knows what's there.

Mr. Kelly moved that the Lands, Housing, and Economic Development Committee refer the draft Blueprint Downtown Area Plan to the Assembly Committee of the Whole for further discussion. Motion passed, no objections.

G. STAFF REPORTS

4. 2024 Tax Foreclosed Property Sale

Mr. Bleidorn presented this topic. Chair Hughes-Skandijs asked if the public has until July 9th to submit a bid. Mr. Bleidorn confirmed and noted that there is a foreclosure website on the Lands website with the brochure and more information posted.

5. Second and Franklin Street Verbal Update

Mr. Bleidorn presented this topic. Chair Hughes-Skandijs noted that this verbal update is just refreshing this topic for the LHED Committee as we have talked about this before and perhaps the timeline would affect what we decide to do with this property.

H. SUPPLEMENTAL MATERIALS

6. RED FOLDER: AME 18-07_Blueprint Downtown Agency Comments Form Sealaska Heritage Institute Additional Comments

Discussed in Section F, Topic 3, Blueprint Downtown.

I. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Assemblymember Hale acknowledged Mr. Bleidorn for the staff report topic presented at the last LHED meeting about the A. J. Mine, managed by CBJ, with no violations. She noted that was remarkable during the inspection, and quoted from the report that “there were no violations identified during the inspection, either on site from what was visible, or in a deep, deep, dive into your monitoring, reporting, or records, both on site and provided electronically. That is unusual, says Jon Wendel, Compliance Manager for the Division of Water at the State of Alaska. You are one of only a handful of people I have inspected in my many years, who has come away with a clean bill of health.” Ms. Hale used to do this work and noted that this is actually really remarkable. She presented Mr. Bleidorn with a gift, a copy of this email framed for perpetuity. Mr. Bleidorn thanked Ms. Hale.

Mr. Smith wanted to bring up Section 106 to save that for a later discussion.

J. NEXT MEETING DATE – July 15, 2024

K. ADJOURNMENT – 5:48pm

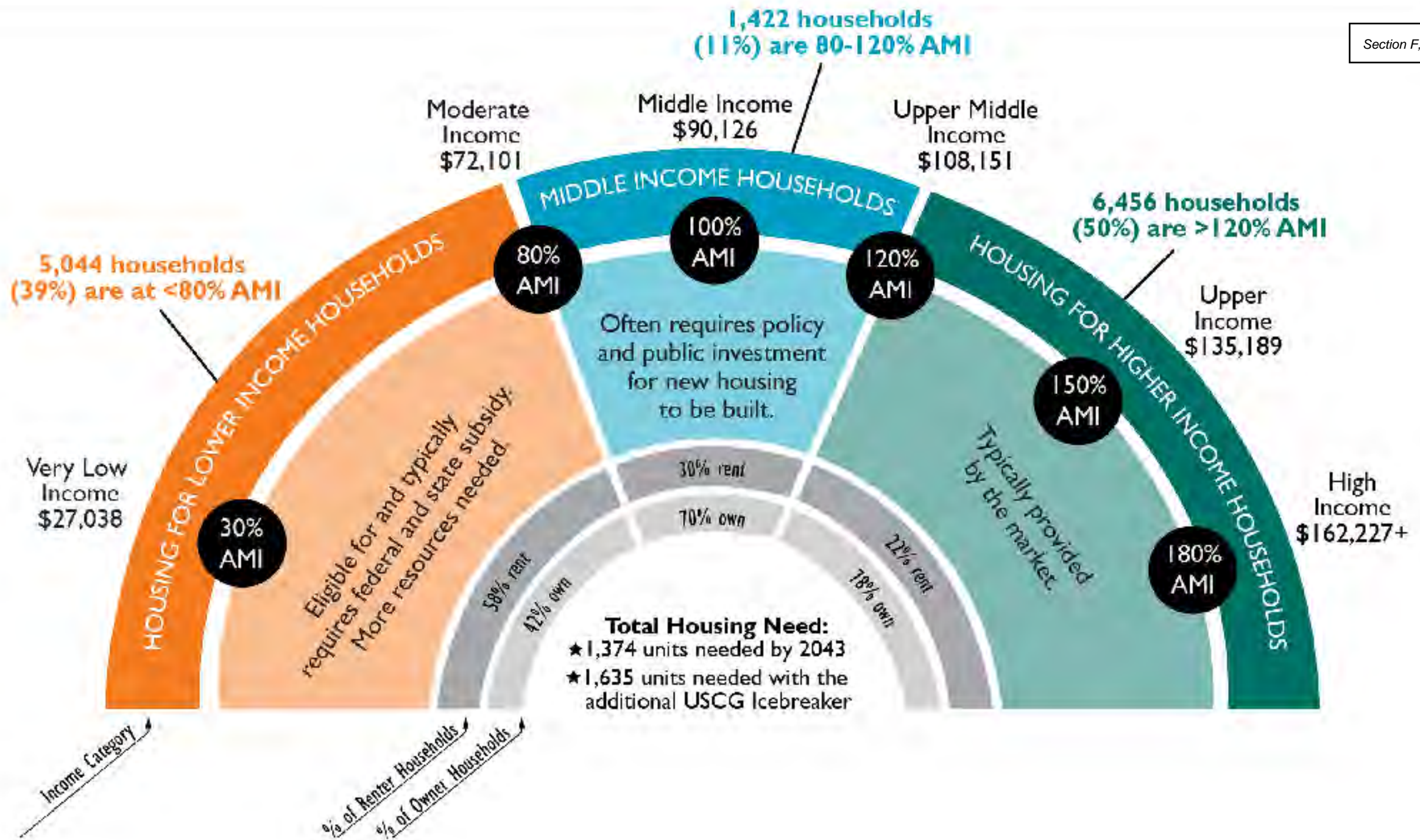
Housing

- How much affordable housing does Juneau need?
- What should that housing look like?
- Where should that housing be?





How much affordable housing does Juneau need?



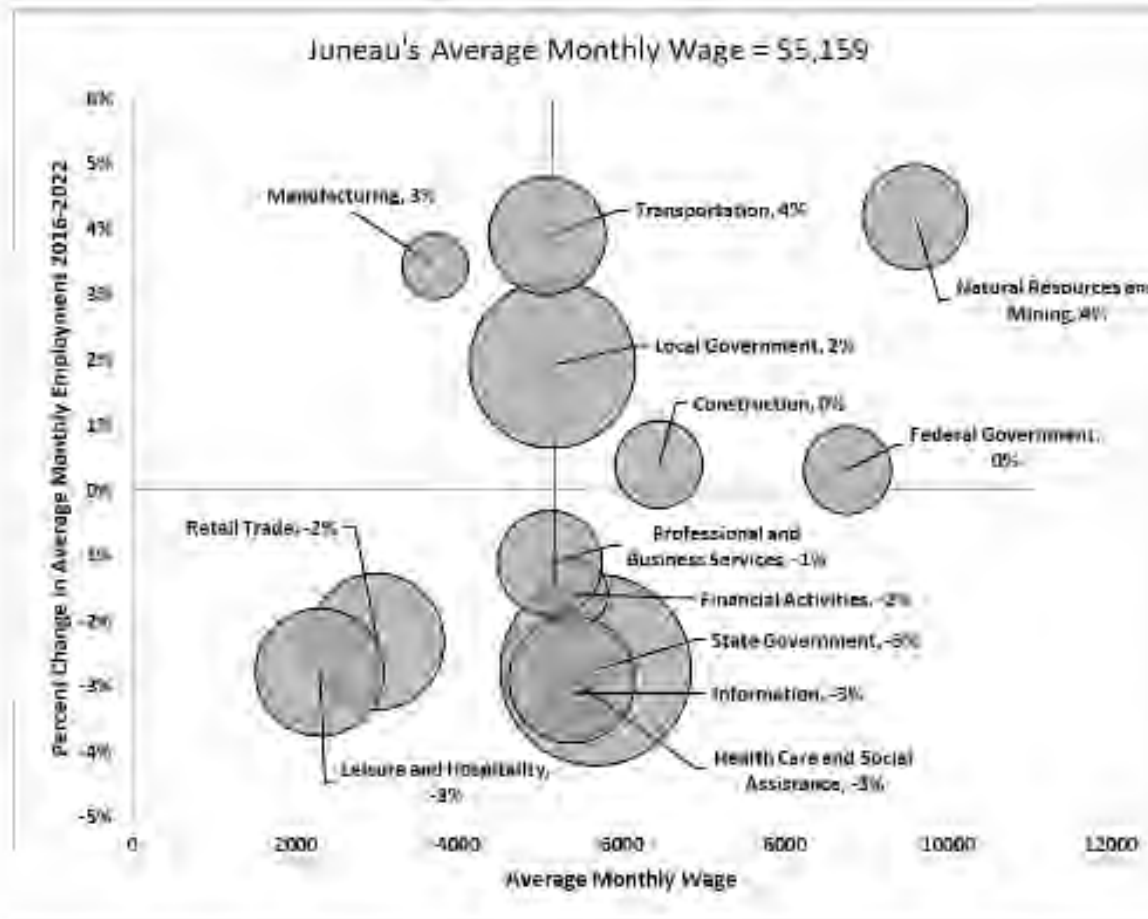
Item	Low Income	Middle Income	High Income
Annual Household Income	Less than \$72K	Between \$72K and \$108K	Greater than \$108K
Housing Need: New Units [1]	312	88	[2]
Affordable Monthly Housing Costs [2]	\$1,800 or less	\$1,800-\$2,700	More than \$2,700
Ownership/Rental	131/181 units or 55%/45%	62/27 units or 70%/30%	Note 1 or 78%/22%

[1] Excludes icebreaker

[2] With no published growth in population, no new housing is quantitatively forecasted for the higher income household group. However, given available and open positions in Juneau, especially in the medical field, it is likely that unmet need for housing at higher income levels is needed in order to fill key vacancies at employers in Juneau.

[2] Assuming housing is 30% of gross income

How much do Juneau residents make?



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages. (**Note:** Local Government includes the Juneau School District employment and enterprises such as the Juneau Airport, Docks and Harbors, and Bartlett Regional Hospital and tribal employment. The Federal Civilian Government does not include the Coast Guard personnel stationed in Juneau.)

How to read Figure 5:

- The size of each circle represents the number of jobs in each industry in 2022. The largest circle is State government, which is the largest employer in Juneau. The next largest employer, local government, is the second largest circle and retail trade is the third.
- The circle's position on the horizontal axis indicates that sector's average monthly wages in 2022. Those sectors paying above Juneau's average monthly wage are located on the right side of the vertical axis and sectors paying below the average monthly wage are on the left. Mining jobs pay the highest average monthly wages in Juneau. The federal government pays the second highest. Leisure and hospitality has the lowest average wage in part due to the high frequency of part-time jobs and lower wages. Each job, whether part-time or full-time, is counted as one job, bringing down the average wage.

Source: JEDC Juneau and Southeast Alaska Indicators and Outlook Report - 2023

Job	Hourly Range	Monthly Wage Range	Area Median Income (AMI) Range
Admin Assistant (CBJ)	\$25.15 - \$26.87	\$3,772 - \$4,030	40% - 60% AMI
Network Specialist (SOA)	\$34.52 - \$37.00	\$5,523 - \$5,920	80% - 100% AMI
Physical Therapist (BRH)	\$49.61 - \$58.37	\$7,937 - \$9,339	100% - 140% AMI
Certified Nurse Assistant	\$21.22 - \$29.29	\$3,395 - \$4,686	40% - 60% AMI
Courtesy Clerk (IGA)	\$16.00 - \$18.00	\$2,560 - \$2,880	30% - 40% AMI
Shuttle Driver (AK Brew)	\$19.00 - \$20.00	\$3,040 - \$3,200	40% AMI
Tour Guide (Goldbelt)	\$16.00	\$2,560.00	35% AMI
School Teacher (JSD)	\$23.00 - \$34.38	\$3,667 - \$5,500	50% - 80% AMI

Source: salary ranges on current job postings; JSD teacher salary Glassdoor.com

Sample Wages in Juneau



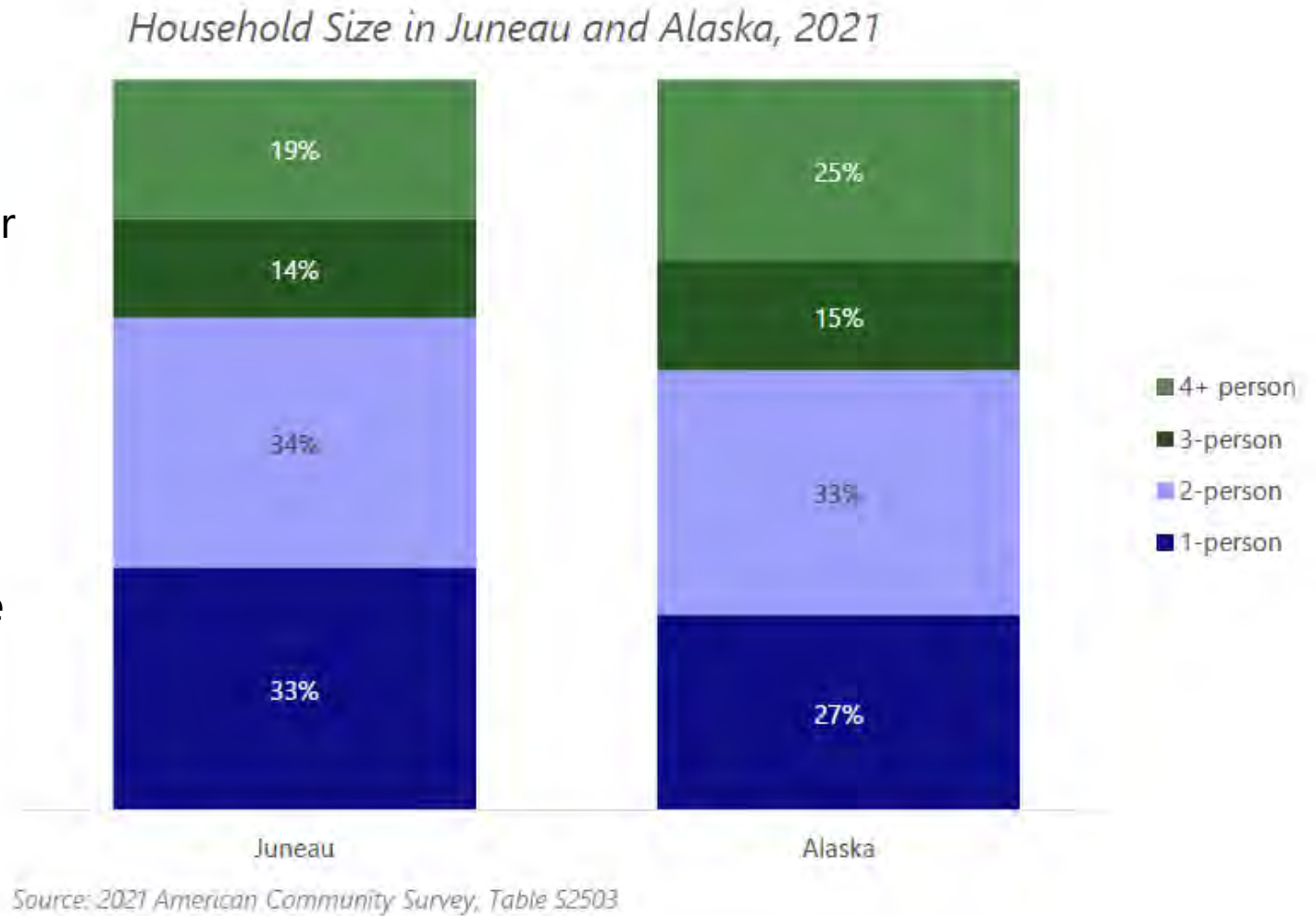
What should that housing look like?

Single/double occupancy

Multi family

Mixed income

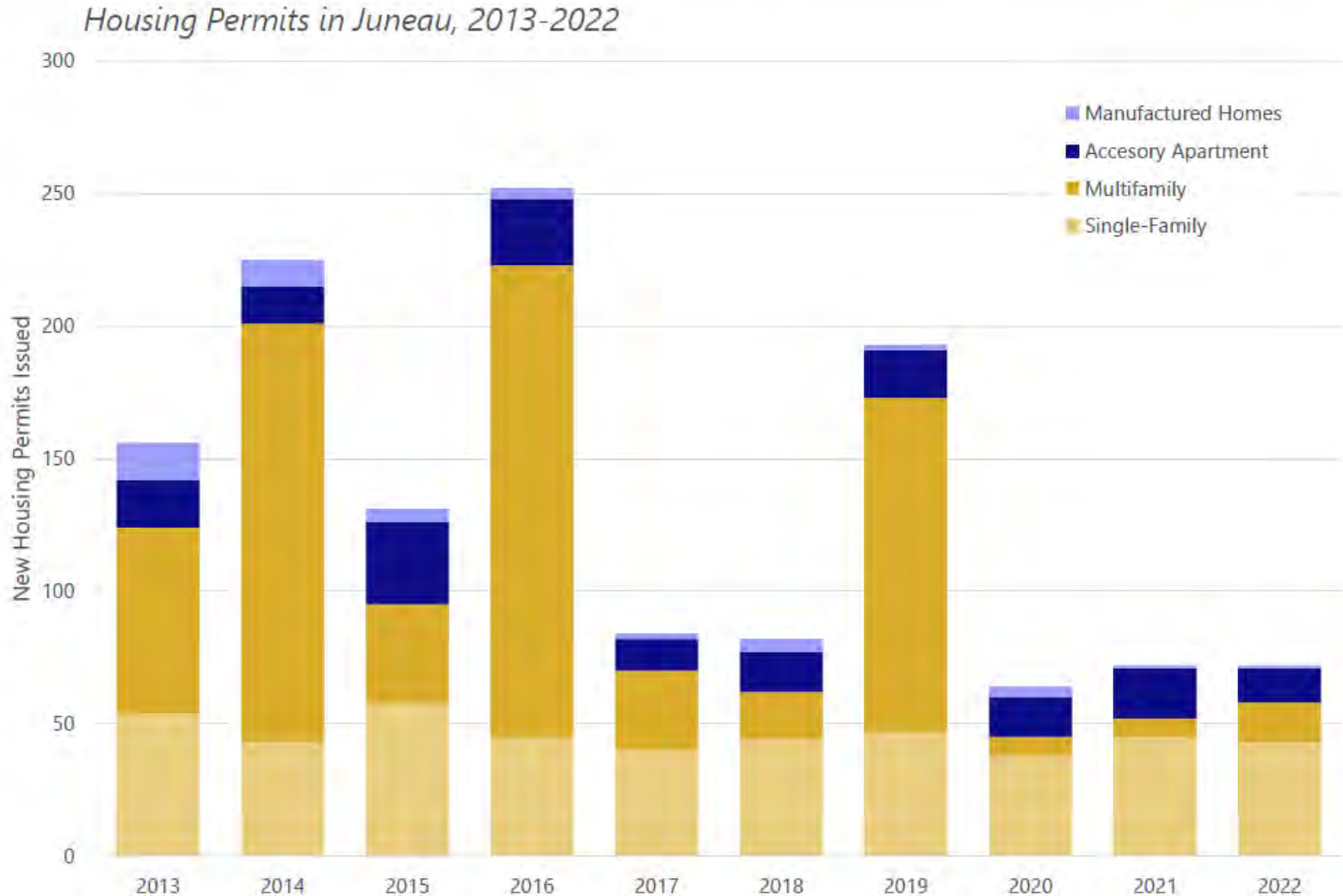
“Juneau’s households are also smaller than statewide averages, with a third of households made up of one person. Of these, 35%, or 1,512 households, are individuals over 65 living alone. This tracks with the older age of Juneau residents overall as well as suggesting a continued need for smaller housing units in the city.”



Single-family construction has been consistent but multifamily has slowed in the past decade

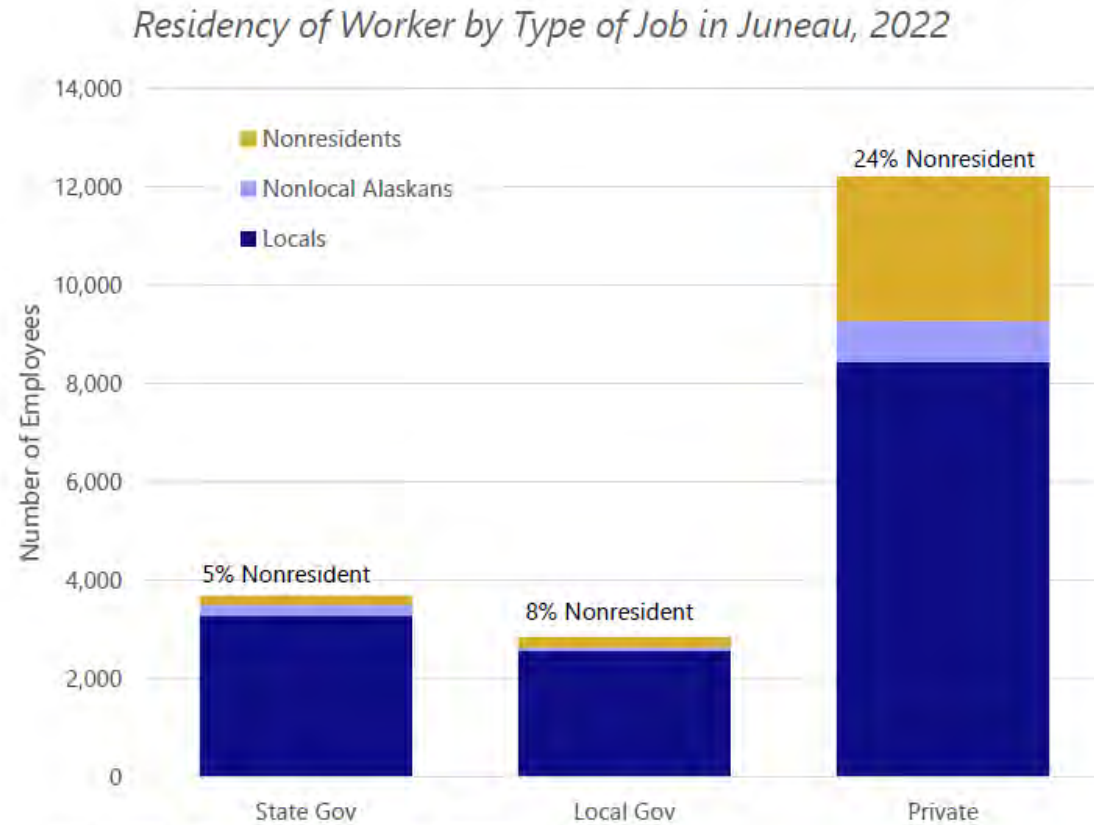
There has been a consistent rate of single-family units permitted in Juneau of about **50 units per year** for the past decade. Multifamily construction has slowed down in recent years, with larger projects built prior to 2020. There has also been a consistent permitting of accessory dwelling units (ADUs) of around 15-20 per year for the past decade.

Alaska Economic Trends reports that 2020 and 2021 saw the **lowest amount of new housing development statewide since 2003**. Though multifamily construction has increased in 2023 across Alaska, the numbers are still far below early 2000s development rates.



Source: Alaska Department of Labor and Workforce Development, Juneau Economic Development Council, CBJ

"This seasonal influx of tourists stimulates demand for seasonal tourism employees, and current trends suggest this demand will continue to increase. When combined with the additional seasonality of legislative activity, this creates an unusually high demand for temporary housing, in the form of short-term rentals (STRs), hotels, or flexible rental scenarios. In addition, this segment of the workforce is potentially more likely to seek housing downtown given the proximity to cruise ship docks and the State offices. This suggests that new development on Telephone Hill would be well-positioned to cater to this seasonal demand or housing units at a variety of price points serving both state legislators as well as employees in the tourism industry."



Source: Alaska Department of Labor and Workforce Development

Source: Juneau Telephone Hill Land Redevelopment Study Market Analysis (p.12)

Housing Need in Juneau

Housing Need Now	400 units
Affordable Housing Need Now	313 units
Affordable units planned in next 5 years	121^
Remaining need	192*

^Highlights represent known affordable housing developments. Does not count Gastineau Lodge Apartments, counts Chilkat Vistas at 10 units.

*If Telephone Hill is a 155-unit development with 20% affordable housing, this adds 39 affordable units.

Planned New Housing Units in Juneau			
Developer	Project Name/status	New Projected Units	Next 5 years
Glory Hall	Downtown Former Glory Hall Location (in progress, <50% AMI)	7	7
Gastineau Human Services	Low-income housing (supportive housing)	51	51
Housing First	Forget-Me-Not Manor Phase 3 (supportive housing)	21	21
Gastineau Lodge Apartments LLC	Gastineau Lodge Apartments (in pre-development phase). <i>Note: project may or may not move forward based on the conditions of their conditional use permit</i>	0-72	0-72
Northern Lights Development	Attached townhouses in Douglas	4	4
Chilkat Vistas, LLC	Chilkat Vistas Apartments (approved, not yet began)	48	48
Coogan Alaska, LLC	Island Hills, Building LMN (approved, not yet began)	18	18
JG Construction	Jackie Street Renninger Subdivision	28	28
THRHA	3 projects: Kowee Phase 1; Pederson Hill; 5 units in Douglas on Crow Hill.	32	10
Chilkat Vistas, LLC	Chilkat Vistas Subdivision capacity (60-100 planned in next 5 years)	327	60
Glacier Heights Juneau LLC	Ridgeview Ridgeview Subdivision Phase I Completion	444	48
Moline Investment Management	Pederson Hill Phase 2	On hold	0
TDLH LLC (Travis Arnd)	North Douglas Highway 15 acres (capacity is 134)	On hold	Unknown
	Total	1,000 Plus	367

Source: CBJ, THRHA, Juneau Planning Commission minutes, personal communications. Note that Telephone Hill could potentially add units, but it is too early to track or include estimates.

Definition of Mixed income



At the core of the “mixed-income housing” definition is the intentionality of accommodating residents with a range of income levels in the housing. The general definition is “a mix of subsidized and market-rate housing” in a defined geographic area.



Assumptions of Telephone Hill Development
= Moderate Income Diversity

20% of units at 80% AMI

Some very high market-based units (150% AMI)

With an average cost to develop of \$350,000, this price point targets middle income households (80-120% AMI) which make up 11% of Juneau's market

Source: [What is Mixed Income? Case.edu](https://www.case.edu/what-is-mixed-income/)

Diversity of Housing

“Respondents [to Telephone Hill [public outreach] identified a wide variety of housing types which would address Juneau's housing needs. These include temporary housing (for visiting government staff), senior accessible housing (assisted, independent, and memory care), workforce housing, and multi-family rental. The goal is ultimately to create a mix of housing, focused on ameliorating the housing pressures in Juneau.”

“Fortunately, mixed-income and mixed-tenure communities promote social cohesion and interaction among residents and are less likely to experience gentrification.”

Source: Telephone Hill Place Guide July 2, 2024 DRAFT



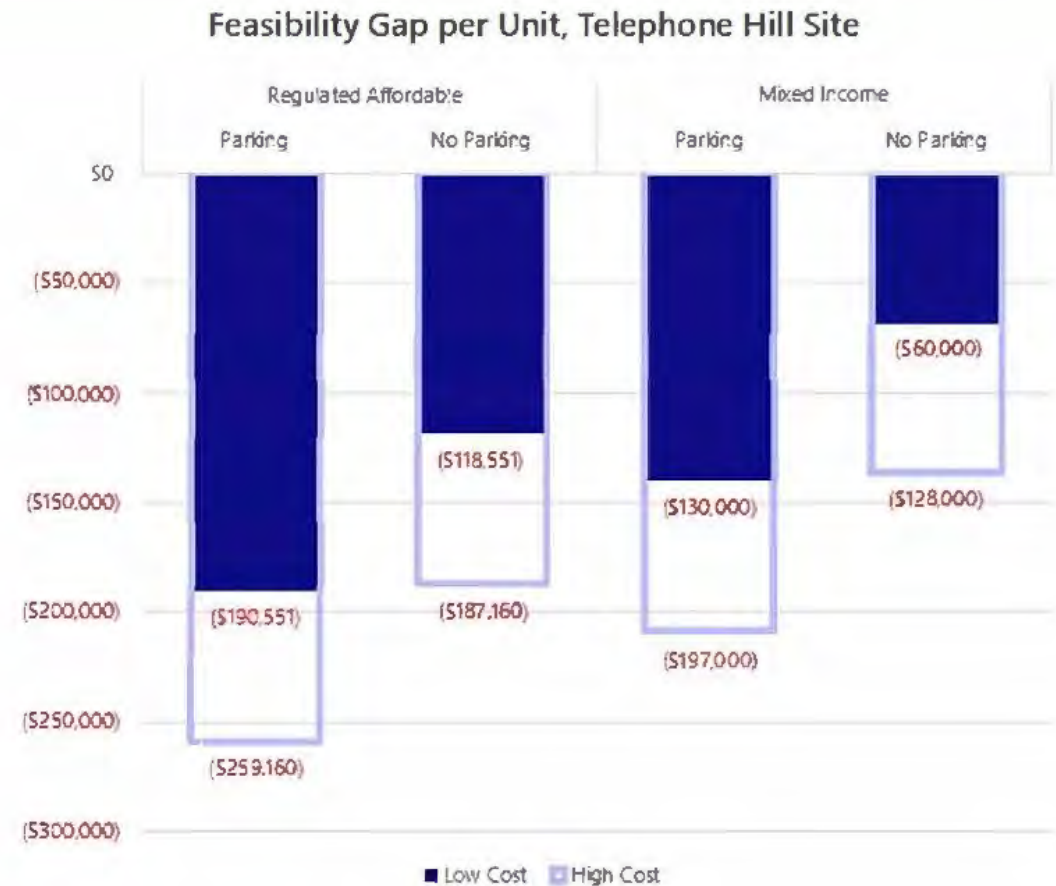
Parking

- At the April 15, 2024 COW, the Assembly directed staff to expand the downtown zero parking zone to include Telephone Hill.
- Underground parking for 155 units would add \$8.4M to the project cost (93 stalls)
- \$6.65M to add 1 floor of parking to DTC in 2025 dollars which adds 60 stalls
- 165 year-round CBJ parking permits issued for Marine View
- The state currently has around 30 surface parking spots reserved for high-level state employees. We have no parking agreement, but would want to care for those spots in any development.
- We have \$10M total for NSOB

FEASIBILITY ANALYSIS

Development Scenarios that Include Affordable Housing Would Require Subsidies

- Building dedicated parking on site significantly increases the cost per unit
- A mixed income development (80% market rate; 20% at 80% AMI) with no parking has the smallest per unit gap
 - Assumes high market-rate rents
- Subsidy required beyond 12-year tax abatement
- Juneau Affordable Housing Fund has historically subsidized housing at around \$50,000 per unit





Recommendation:

- Approve target of 20% of units at 80% AMI.
- Direct staff to introduce an ordinance extending the zero parking zone.

In the end we have NO IDEA what a developer needs to incentivize development.

Next steps are to issue an RFI with the following guidance:

- 20% of units at 80% AMI (affordable component)
- No parking requirements (extend zero-parking zone)
- CBJ would consider the following development incentives as part of the RFI
 - Tax abatement
 - CBJ site development
 - Land transfer
 - Per unit subsidy (loan/grant)

Recognize this will mean some financial commitment by CBJ (\$5M is a ballpark...we have \$1M set aside outside project development)

May 31st, 2024

Juneau Housing Assessment 2024

Key Takeaway – Juneau continues to experience a housing crisis, but the core cause has shifted. While a significant number of housing units have been built in Juneau in recent years, the rise of “living alone” households has erased inventory gains.

- **More housing units are housing fewer overall people:** Juneau has 900 more housing units, housing 400 fewer people than it did eight years ago.
- **Single-occupancy households are driving Juneau’s current housing crisis:** The number of single-person households rose from a **quarter** of all Juneau households in 2015 to a **third** in 2022 — an increase of 1,200 housing single-occupancy households — primarily due to the rise of seniors living alone. This trend is expected to continue.
- **Hundreds of units in Juneau’s housing pipeline:** More than 1,000 new housing units are currently in various stages of development in Juneau, with 360+ slated to be completed within the next five years.
- **Airbnb impacts less pronounced:** The impact of short-term rentals, like Airbnbs, on Juneau’s housing shortage is comparatively minor, disrupting an estimated 1.4% of Juneau’s year-round rental market.

More housing specifically developed for the community’s aging singles should be considered and encouraged; as should single room occupancy units (SROs), also known as micro-apartments, to house seasonal workers, and expand affordable options.

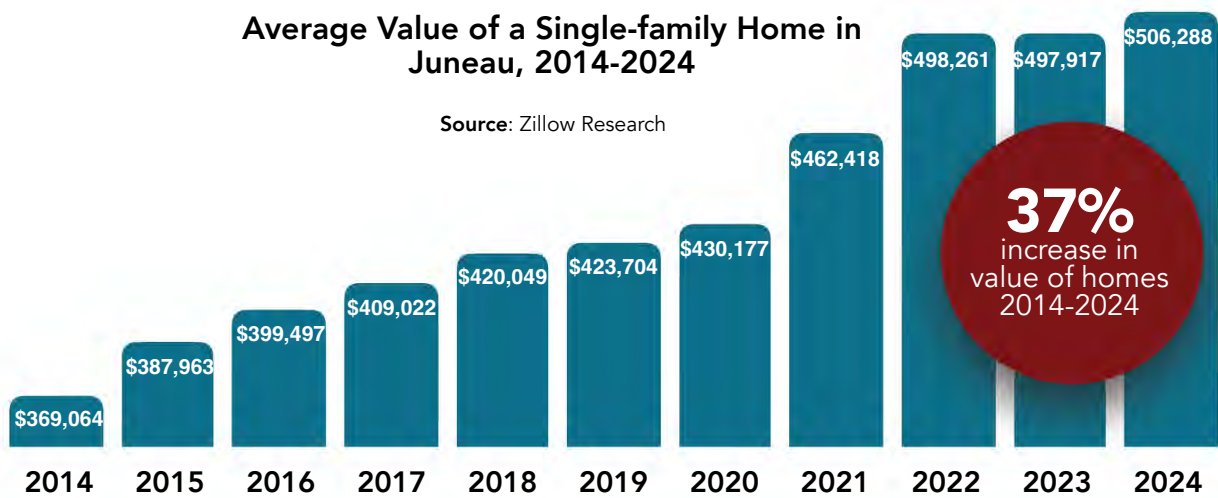


Housing Affordability

Housing in Juneau is increasingly becoming less affordable, following national trends. The average cost of a single-family home in Juneau has increased by 37% in the last decade to just over a half million in 2024. The average household wage increased by 21% over the same period in Juneau. However, Juneau is faring better than the national average. Since 2019, US home prices have surged by 54%.



Source: Washington Post



Source: Zillow Research

Just over a quarter of Juneau households (27%) cannot afford their homes. The definition of being housing-cost-burdened is spending more than 30% of a household income on housing related costs. According to data from the American Community Survey, 35% of renters in Juneau are housing-cost-burdened. Among Juneau’s Alaska Native households (according to a 2024 Tlingit and Haida Regional Housing Authority study) these numbers are significantly higher. Housing is a cost burden or severe cost burden to 80% of Alaska Native households in Juneau, and that figure increases to 84% among Alaska Native renters.

Housing Availability

In the 2024 Southeast Alaska Business Climate Survey, Juneau business leaders identified housing as the top obstacle to economic development and critical for creating a vibrant business climate in the community, with 61% of business leaders saying it is critically important to focus on housing in Juneau over the next five years, as housing is deterring young families and workers from relocating to or remaining in Juneau.

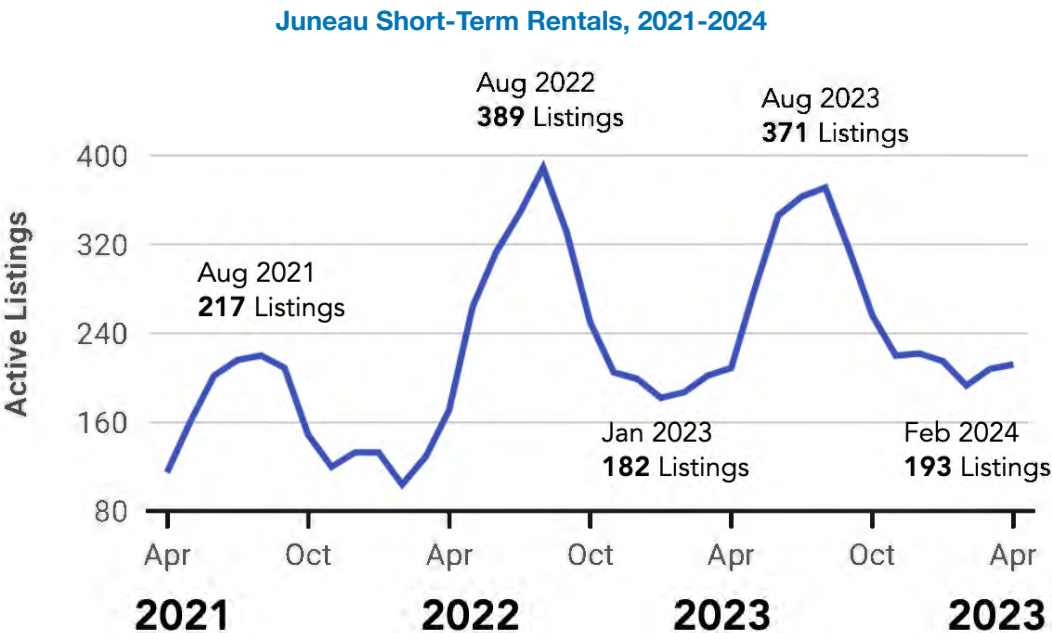
Based on a 2023 survey of 1,115 rental units in Juneau by the Alaska Department of Labor, the overall rental vacancy rate was 4%. A healthy vacancy rate is considered to be approximately 8%. Four bedroom rentals have the lowest vacancy rates, at 0%.

Note: Housing costs for renters include monthly rent, and utilities and fuels, if paid by the tenant. Housing costs for homeowners include mortgage and home equity payments; real estate taxes; insurance; and utilities and fuels.

Short-Term Rentals

Short-term rentals are often blamed for Juneau’s housing shortages. Use of short-term rentals, like Airbnb and Vrbo, rose by 76% from 217 peak listing in the summer of 2021 to 389 active listings in the summer of 2022, before falling by 5% in the summer of 2023. The community hosted IRONMAN Alaska in August of 2022, which explains the significant rise and moderate decline. The average price per night in the past 12 months (May 2023-April 2024) was \$260 per night (this is a fully loaded rate that includes the cleaning fee, airbnb fee, and taxes). Properties range from \$52 to \$1,300 per night. One-half (51%) of the listings are for one bedroom homes. Most (88%) of the listings offer an “entire home,” while 12% offer a single room within a home or more traditional Bed and Breakfast.

Assuming the listings that offer an “entire home” are also counted among Juneau’s overall rental market, this means that approximately 1.4% of the Juneau rental housing stock is being diverted to short-term rentals year-round. This figure is difficult to calculate for peak summer, as an “entire home” could be rented when the homeowner goes on holiday. Summer listings have an occupancy rate of about 80%.



Source: AirDNA, Juneau market analysis

A total of 452 Juneau units or rooms are currently registered with either Airbnb or VRBO, although many are inactive. The majority (61%) of these short-term housing listings offered availability on a seasonal basis only (available for a few days to six months of the year only). Just 17% of Juneau listings were available all or most of the year (more than 270 days). The average length of stay in the last year was 4 days. Additional short-term rentals are registered with the CBJ that rent rooms only during legislative session.

Based on this analysis of short-term rentals in Juneau, the impact on the overall rental economy is smaller comparatively to other drivers of the Juneau housing crisis.

New Housing Units in Juneau 2013-2023

In the last eight years, approximately 900 new housing units have been built in Juneau. During the same period the community added 900 **occupied** housing units — meaning these units are being lived in. Of these 650 are rental units, and 250 were purchased by homeowners. Also between 2015 and 2022 the population of Juneau dropped by just over 400 people, and the average household size dropped from 2.69 to 2.47, meaning **we are using all 900 new housing units to house fewer people**.

The number of single individual households grew from about a quarter of all households in 2015 (26%) to about a third in 2022 (34%). Nearly half (45%) of all Juneau rentals and 27% of homeowners are living alone, representing an increase of 1,193 “living alone” households in Juneau from 2015. Three-quarters of this increase is comprised of seniors (age 65+) mostly women. In other words, changes in demographics and how Juneau residents cohabitate are primarily responsible for the Juneau’s current housing crisis.

Juneau New Housing Units 2013-2023					
Year	Single Family Homes	Duplex Units	Triplex or Fourplex Units	Units in buildings	Total New Units
2023	42	6		73	121
2022	44	14		6	64
2021	55	8		5	68
2020	52	6			58
2019	51	10	4	115	180
2018	53	4	3	12	72
2017	45	12	2	8	67
2016	69	4		168	241
2015	76	12		8	96
2014	51	20	11	137	219
2013	61	12	4	49	126
Total	599	108	24	581	1,312

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section. Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies. Single-family includes attached units. New mobile homes have been excluded from analysis.

Juneau Household Size 2015-2022			
Year	Total Occupied units	Total Population	Average Household Size
2022	13,017	32,108	2.47
2015	12,114	32,531	2.69
Change 2015-2022	903	-423	-0.22
Change 2015-2022 %	7%	-1.3%	-8%

Source: 2020 are US Census numbers - all else are ACS 5-year numbers. Based on the recent THRHA study, the average household size of Alaska Native households in Juneau is 3.2. Just 18% of Alaska Native households in Juneau are single occupancy.

Juneau Residents Living Alone 2015-2022			
Year	Total Juneau Residents Living Alone	Total Juneau Seniors Living Alone	% of Juneau “Living Alone” Households
2022	4,366	1,597 (2/3rds are women)	34%
2015	3,173	706	26%
Change 2015-2022	1,193	891	38%

It is typical that seniors live by themselves in much larger percentages than the population as a whole. Over a quarter (28%) of all U.S. occupied households are one-person households, while 42% of those aged 65 and older live alone. Juneau’s increase in “living alone” households is reflective of Juneau’s baby boomer population aging in place. Based on population and age projections for Juneau, by 2030, Juneau will need an additional 530 housing for seniors living alone.

Juneau Housing Pipeline

In 2023, 121 new housing units were added to the overall Juneau housing stock.

Based on an analysis of current housing projects in the planning or construction phases, an additional 1,000+ housing units are currently in various stages of development in the community, with nearly 400 units with planned completion dates within the next five years.

Planned New Housing Units in Juneau			
Developer	Project Name/status	New Projected Units	Next 5 years
Glory Hall	Downtown Former Glory Hall Location (in progress, <50% AMI)	7	7
Gastineau Human Services	Low-income housing (supportive housing)	51	51
Housing First	Forget-Me-Not Manor Phase 3 (supportive housing)	21	21
Gastineau Lodge Apartments LLC	Gastineau Lodge Apartments (in pre-development phase). <i>Note: project may or may not move forward based on the conditions of their conditional use permit</i>	0-72	0-72
Northern Lights Development	Attached townhouses in Douglas	4	4
Chilkat Vistas, LLC	Chilkat Vistas Apartments (approved, not yet began)	48	48
Coogan Alaska, LLC	Island Hills, Building LMN (approved, not yet began)	18	18
JG Construction	Jackie Street Renninger Subdivision	28	28
THRHA	3 projects: Kowee Phase 1; Pederson Hill; 5 units in Douglas on Crow Hill.	32	10
Chilkat Vistas, LLC	Chilkat Vistas Subdivision capacity (60-100 planned in next 5 years)	327	60
Glacier Heights Juneau LLC	Ridgeview Ridgeview Subdivision Phase I Completion	444	48
Moline Investment Management	Pederson Hill Phase 2	On hold	0
TDLH LLC (Travis Arnd)	North Douglas Highway 15 acres (capacity is 134)	On hold	Unknown
	Total	1,000 Plus	367

Source: CBJ, THRHA, Juneau Planning Commission minutes, personal communications. Note that Telephone Hill could potentially add units, but it is too early to track or include estimates.

Summary Memo

To: City and Borough of Juneau and NW Douglas Sub Area Planning Team

From: Shanna Zuspan and Michelle Bowlds, Agnew::Beck Consulting

Date: January 2024 Revised July 2024

Re: **NW Douglas Sub Area Study Housing Need and Residential Financial Feasibility Findings**

As part of the DOWL team under contract to the City and Borough of Juneau (CBJ), Agnew::Beck Consulting supported the planning efforts related to the Northwest Douglas Sub Area Study by estimating housing need in the CBJ. Additionally, Agnew::Beck assessed the financial feasibility of workforce housing using a private sector-based financial pro forma. The housing need estimate and the financial feasibility analysis are intended to support the North and west Douglas Sub Area Study to better inform land use policy and strategies necessary to help the CBJ meet housing need in Juneau and on Douglas Island. This housing need and residential financial feasibility analysis addresses the following research questions.

- 1) **Housing Need.** What is the overall level of housing need within the CBJ given? Is the lack of affordable housing stifling population growth? What are the factors driving that need?
- 2) **Housing Affordability.** How much housing is needed within different income groups and what are the affordable housing prices within those income groups?
- 3) **Financial Feasibility.** Is it financially feasible to build new affordable and attainable¹ rental housing for low-income and middle-income households?
- 4) **Northwest Douglas Island.** How does a north crossing to Douglas Island and the development of the Northwest Douglas Sub Area Plan improve opportunities for new housing within the CBJ?

To follow are key findings that address these research questions supported by two attachments, including a PowerPoint with detailed housing data and a set of detailed pro forma tables.

Housing Need

Since 2010, the CBJ has seen flat and/or declining population trends, yet there continues to be a need for quality affordable and attainable housing in Juneau to serve a range of incomes and households.

The housing market in Juneau is tight given low vacancy rates. The 2023 Alaska Housing Finance Corporation (AHFC) rental market survey of 1,115 units within the CBJ indicates a rental vacancy rate of four percent. Recent data from the American Community Survey (ACS), indicates a similar rental vacancy rate at 3.6 percent in the CBJ. The ACS reports the ownership vacancy rate in the CBJ has ranged from 1.2 percent in 2020 down to 0.6 percent in 2022. Anything lower than a five percent vacancy rate indicates that housing supply is tight, and demand is outpacing available units. Five percent is considered a “normal” vacancy rate allowing households to move in and out of units due to normal relocation patterns. In Juneau, a lower than 5 percent vacancy rate indicates that meeting future demand for new housing will require additional housing construction; there is no extra supply within the existing housing market to absorb this demand.

¹ Affordable housing often refers to housing that is affordable (no more than 30% of household income) for households making 80 percent of area median income or less. Attainable housing often refers to housing that is affordable for those in the middle-income group or between 80 and 120 percent of area median income. Attainable housing is often also called workforce housing.

There is an immediate need for at least 400 new housing units in Juneau due to overcrowding conditions, despite anticipated declines in population. The Department of Labor is forecasting a decline in CBJ population between 2022 and 2032 yet three percent of households in Juneau are living in overcrowded conditions as defined by the Department of Housing and Urban Development (HUD)² Population trends do not tell a complete story of housing need; households often double and triple up in homes if there is inadequate housing at affordable price points. Overcrowding tends to impact households who are lower income or lower middle income who are often forced to live in conditions that are cramped given the lack of affordable options.

There is likely an additional need for new housing that is not documented by secondary data sources but still exists, specifically non-overcrowded households who are living with family or friends, as well as housing necessary to support the workforce. Through primary survey data in several Alaska communities, we find many households are living with other family members or friends but would prefer their own housing unit if affordable options are available. These households may not be technically overcrowded as defined by HUD but are still seeking their own units and their housing need is not documented within the CBJ. Another category that may be missed is housing needed to support the workforce and help fill open job positions in the CBJ. For example, the Southeast Alaska Regional Health Consortium (SEARHC) currently has 106 open positions in Juneau many of which are highly skilled health care jobs, as well as administrative positions and social service opportunities. It is likely that a barrier to filling some of these positions is the lack of available housing at the right price points and quality levels.

Possibility of the United States Coast Guard Ice Breaker in Juneau. Reports of Juneau as the home port for the Aiviq ice breaker could yield additional housing need in the CBJ. Assuming 190 enlisted personnel and 400 dependents arrive with a new ice break, it is possible there will be a need for 240 to 280 additional new housing units.³ Given the low vacancy rates in Juneau, should the ice breaker materialize the total need for new housing could jump to more than 600 units.

Short term rental market. Despite adding more housing units in recent years, demand for housing has been increasing faster than new housing units are being added to the market. One of the multiple factors that may have contributed to this is the conversion of full-time dwelling units to short term rentals (STR). Since 2010, 616 housing units in Juneau have been used as a STR at some point.⁴ While STR conversions may be contributing to the overall housing shortage, it is among multiple factors, including changing demographics and household size, that continue to strain the housing market in Juneau.

Housing Affordability

Housing affordability is a critical element of understanding and planning for housing needs.

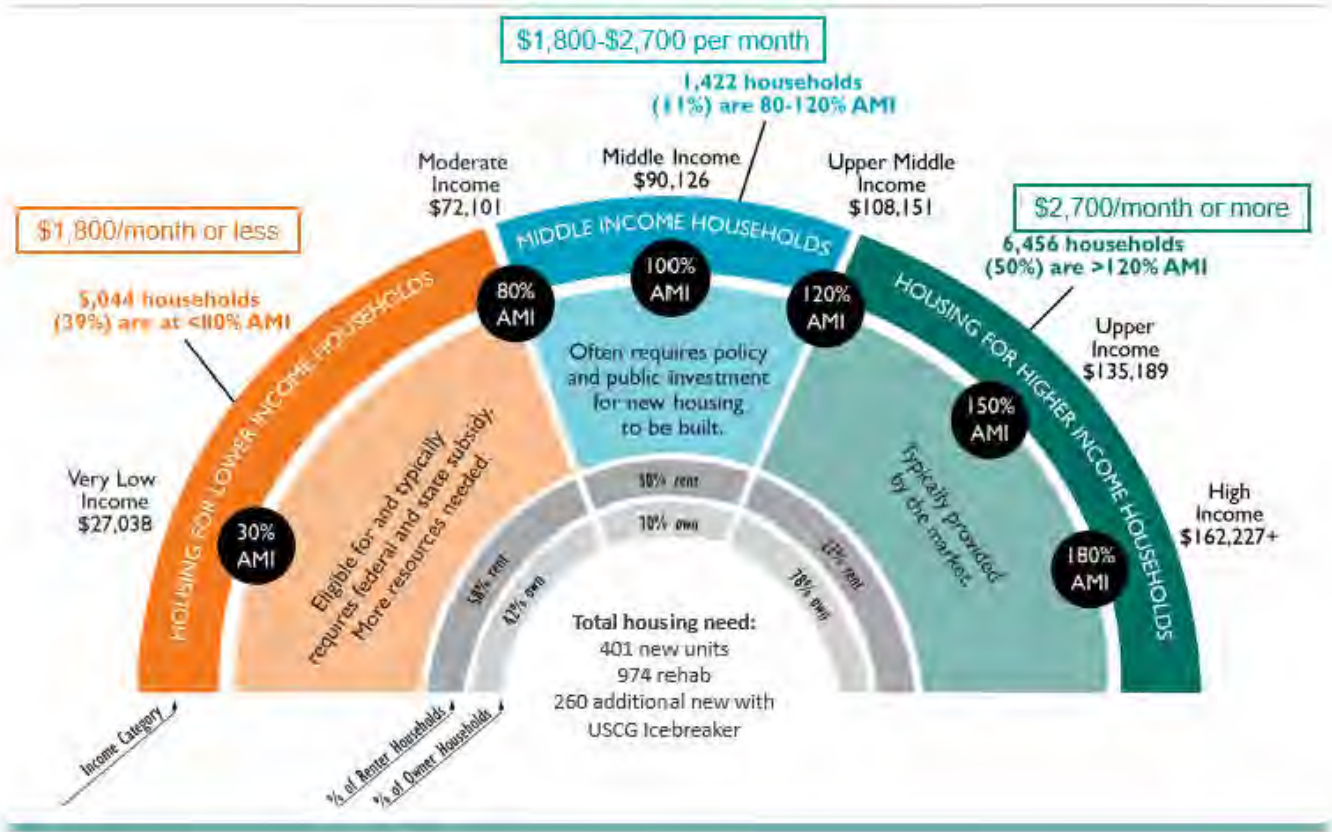
²Overcrowded is defined as more than 1.0 occupant per room. Severely overcrowded is defined as more than 1.5 occupants per room. A “room” includes bedrooms, kitchens and living rooms, but not bathrooms, hallways or unfinished basements. For example, a two-bedroom apartment with a living room and a kitchen would be considered overcrowded if there were five or more people living in the apartment. The same apartment would be considered severely overcrowded if six people were living in the apartment.

³ See slide 23 of Appendix B for assumptions and calculations related to housing that could be attributed to the ice breaker.

⁴ JEDC Research Note: Juneau Housing Stock and Short-Term Rentals, August 2022

Income distribution in Juneau reflects a shrinking middle class. Currently, in Juneau, 39 percent of households make incomes less than 80 percent of area median income (or less than \$72,000 annually), while another 50 percent of households have incomes that put them at 120 percent of area median income or higher (\$108,000 or above). Only 11 percent of Juneau households fall into the middle-income category, making between \$72,000 and \$108,000 annually or between 80 percent and 120 percent of area median income.

Figure 1 CBJ Housing Bridge Graphic



The majority of new housing need in Juneau is for low- or middle-income households. Roughly 312 new units are needed for those at 80 percent of area median income or lower. We estimate that overcrowded households make up the largest share of quantifiable housing need for new units in Juneau and are likely distributed to low- and middle-income households. The reason for this assumption is that households with higher incomes would typically opt for other housing options as opposed to remaining in overcrowded conditions.

New housing that costs under \$2,000 per month is needed in Juneau. Assuming that households pay roughly 30 percent or less of their household income for housing, building new housing with price points at or below \$2,000 per month will serve the largest share of the market. Households who spend more than 30 percent of their total income on housing costs are considered to be cost burdened. Spending a larger portion of household income on housing limits the amount of income available for other non-discretionary spending, such as food, child care, clothing and transportation.

Rental and ownership products are both needed. Roughly 55 percent of low-income households and 70 percent of middle-income households in Juneau own their housing, while the remainder of households rent

their homes. Given these trends, we anticipate a need for about 193 ownership units and another 208 rental units in the CBJ, excluding the potential housing need for the ice breaker.

Figure 2 CBJ Housing Need and Affordability by Income Group

Item	Low Income	Middle Income	High Income
Annual Household Income	Less than \$72K	Between \$72K and \$108K	Greater than \$108K
Housing Need: New Units [1]	312	88	[2]
Affordable Monthly Housing Costs [2]	\$1,800 or less	\$1,800-\$2,700	More than \$2,700
Ownership/Rental	131/181 units or 55%/45%	62/27 units or 70%/30%	Note 1 or 78%/22%
<div>[1] Excludes icebreaker</div> <div>[2] With no published growth in population, no new housing is quantitatively forecasted for the higher income household group. However, given available and open positions in Juneau, especially in the medical field, it is likely that unmet need for housing at higher income levels is needed in order to fill key vacancies at employers in Juneau.</div> <div>[2] Assuming housing is 30% of gross income</div>			

Rental Housing Financial Feasibility

Given the need for affordable and attainable housing within the CBJ, particularly for low income and middle-income households, we prepared a “floating” pro forma to test the financial feasibility of rental housing priced for the workforce. The term floating is used because this real estate pro forma is not meant to reflect or compare one specific site but is meant to evaluate the extent to which there is a financial feasibility gap to build new rental housing in Juneau, overall. To follow are key findings and assumptions from the pro forma analysis.

Key Findings: Pro Forma Analysis

Rental housing built with affordable rents do not pencil when compared to private developer returns.

A \$25 million rental project in Juneau that charges rents from \$1,400 to \$1,900 per month on units that range in size from 400 square feet to 1,000 square feet does not generate enough value to support the cost of construction. Total development costs exceed the capitalized value of net operating income by \$11.2 million, a financial feasibility gap of \$140,000 per unit remains. This gap assumes all major infrastructure, such as collector roads and water and sewer mainlines are stubbed to the site.

Equity investors in a project such as this would receive 3 percent returns by year 10 on a \$15 million investment, which is substantially below mutual fund and stock market returns making the attraction of private capital unlikely. It is important to note that the net operating income of this type of project still produces positive cash flow but is unlikely to generate more than 40 percent of the project costs in debt financing nor attract private equity; social investors may be interested in a project such as this.

Figure 3 “Floating” CBJ Rental Pro Forma

Pro Forma Model Assumptions & Results						
80 Units on 1.5 acres within CBJ		\$25 million TDC[1]. Stick built. No steel			7% cap rate [2]	
33 units per acre density		\$368/SF TDC & \$236/SF vertical construction			7.5% perm loan interest rate	
Surface parking 1 space per unit		\$6/land square foot land costs			30-year term	
Assumes all major infrastructure is stubbed to the site and includes a \$3.00 per land SF budget for site work						
A project “pencils” if the TDC is at least equal to the capitalized value of the net operating income using a 7% cap rate. The feasibility gap is the difference between the capitalized value and the TDC.						
Unit Type	Number	Size	Target Affordable Rent [3]	Rent Required to “Pencil” with No Incentives	Rent Required to “Pencil” with 12-Yr Property Tax Incentives	Rent Required to “Pencil” With Current 12-Yr Property Tax Incentives, Land Write 100% Down & \$50K/unit housing incentive
Studios	8 units	400 SF/unit	\$1,400/mth	\$2,300/mth	\$2,100/mth	\$1,680/mth
1-Bdrms	32 units	600 SF/unit	\$1,600/mth	\$2,600/mth	\$2,300/mth	\$1,848/mth
2-Bdrms	32 units	800 SF/unit	\$1,800/mth	\$2,2900/mth	\$2,600/mth	\$2,100/mth
3-bdrms	8 units	1,000 SF/unit	\$1,900/mth	\$3,100/mth	\$2,800/mth	\$2,268/mth
Feasibility Gap No Incentives			\$140,000 gap / unit			
Feasibility Gap After Use of 12 Year Property Tax Incentive			\$91,000 gap / unit			
Feasibility Gap After Use of 12 Year Property Tax Incentive & 100% Land Write Down			\$83,000 gap / unit			
Feasibility Gap After Use of 12 Year Property Tax Incentive & 100% Land Write Down, plus existing \$50,000 per unit Housing Incentive			\$33,000 gap / unit			

[1] TDC = Total development Costs

[2] A cap rate reflects the market for housing and the level of risk. Cap rates in Lower 48 communities for rental housing are often at 4 or 5%. Cap rates in Alaska are often in the 7 to 9 percent range due to the risk associated with the high cost of construction relative to rents. The lower the cap rate, the more capitalized value is derived in the pro forma.

[3] Affordable rent is targeted to those looking for workforce housing and are likely between 80 and 120 percent of Area Median Income. Rents less than \$2,000 per month are targets for the pro forma to ensure housing is affordable to highest level of need in Juneau.

Juneau’s High Density Property Tax Incentive (12 years) helps but does not fully fund the gap.

Juneau offers a 12-year property tax incentive⁵ within the urban service area (which does not include NW Douglas at this time). This tax incentive reduces the financial gap by 35 percent resulting in a gap of \$91,000 per unit. The 12-year property tax incentive prohibits housing units receiving the incentive to be used as short-term rentals. One developer interview indicates that they may forgo the property tax incentive to allow for the use of short-term rentals to help cross subsidize the permanent housing portion of their project.

⁵ [CBJ Code 69.10.023](#). Property tax incentives for economic development property states that a high-density residential exemption of 12 years is allowed for at least four new residential units on one lot with densities that meet or exceed 75 percent of the maximum density for the lot with no ability to use the housing as short-term rentals during the property tax abatement period. Property must be within the urban service area. There is also a downtown multifamily tax incentive with similar requirements but no density threshold.

Land write downs help close the gap. A sampling of vacant land in the core of Juneau and interviews with developers indicated that assuming \$6 per land square foot for a “floating” real estate pro forma is appropriate. Land values can vary dramatically depending on zoning, site remediation, site conditions, slope and access to infrastructure. This pro forma assumes all major infrastructure is stubbed to the site and no collector or regional serving roads must be constructed. A small \$3 per land square foot budget (~\$350,000) is allocated for site work. If this hypothetical project were built on land that could be provided at no cost, the financial gap would close by another six percent dropping the feasibility gap to \$83,000 per unit.

Juneau’s Affordable Housing Fund⁶ incentive improves feasibility even more. The CBJ currently offers a \$50,000 per unit housing incentive to create more housing for those at or below 120 percent of area median income. When this incentive is layered into the pro forma, the gap comes down to \$33,000 per unit at rents lower than \$2,000 per month. The housing incentive is offered as a grant to non-profits, Tribal governments and housing authorities who target households under 80% of area median income. Additionally, zero or low-interest loans are available for private developers targeting the under 120 percent of area median income household in return for at least 20% of the units being offered to households at 80% of area median income or lower. Projects can be located anywhere in the CBJ and can be for rental or ownership product.

What does it take for the project to pencil? The combination of infrastructure provided to the site, property tax incentives, a land write down, and the current Juneau affordable housing fund \$50,000 per unit housing incentive moves the feasibility gap closer to being solved. With only a remaining \$33,000 per unit gap, rents could increase slightly and/or a slightly higher housing incentive could easily close the gap. This pro forma estimates that an \$80,000 per unit incentive combined with a 12 year property tax incentive, a land write down and publicly funded infrastructure could allow project to pencil with rents less than \$2,000 per month. Additionally, the use of short-term rentals may counteract the financial feasibility limitations by improving financial performance.

Implications for Northwest Douglas Island Planning

What do these findings suggest for planning Northwest Douglas Island? We know housing needs continue in the CBJ despite flat or declining population trends and housing that costs less than \$2,000 per month is most in need. The CBJ has already begun to implement incentives to improve housing feasibility. NW Douglas offers the following opportunities.

- Larger tracts of land that can result in improved site efficiencies, potentially reducing construction costs. More importantly,
- Larger tracts of land owned by the CBJ that can be put out to market at low or no cost in return for constructing housing that is affordable to low income and middle-income households, assuming all major infrastructure is at least partially, if not fully, funded by public funds, which could include federal dollars.

A new north crossing to Douglas Island will not automatically result in new affordable rental housing throughout NW Douglas. However, a north crossing will help open up more options for housing that is affordable and attainable for lower income and middle-income households, especially if infrastructure is provided and incentives, such as property tax abatements and land write downs are offered in return for rents that are affordable.

⁶ More information is here [CDD – Services – Grants – Affordable Housing Fund – City and Borough of Juneau](#)

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 Heritage Way, Juneau, Alaska 99801
Lands_Office@juneau.gov
(907) 586-5252

TO: Alicia Hughes-Skandijs, Chair of the Assembly LHED Committee

FROM: Dan Bleidorn, Lands and Resources Manager
Nick Druyvestein, Telephone Hill Project Manager
Jill Lawhorne, Community Development Director

SUBJECT: Introduction to the Draft Telephone Hill Place Guide

DATE: July 10, 2024

Ordinance 2022-06(b)(K) which was adopted on September 12, 2022, appropriated \$100,000 to the Manager for the Telephone Hill Redevelopment Capital Improvement Project in order to inventory structures, survey the property, locate and test for contamination, and to outline the redevelopment process. As an outcome of this appropriation and after a request for proposals, the CBJ hired consulting firm First Forty Feet (FFF).

The CBJ Engineering Department, Community Development Department and the Lands and Resources Office have collaborated with FFF to gather and assess necessary information for advancing the redevelopment of Telephone Hill. This ongoing effort aligns with the 2024 Assembly Goal 1.D, approved on March 4, 2024, focusing on the planning and implementation of Telephone Hill's redevelopment.

Over the past year, FFF has provided data and documents that have been collected that now make up the appendix to the Draft Telephone Hill Place Guide. Links to the robust appendix can be found below and include:

- [Cultural Resource Assessment](#)
- [1984 Site and Structures Survey](#)
- [Update to the 1984 Site and Structures Survey](#)
- [Existing Structures Condition Survey](#)
- [Phase 1 Environmental Site Assessment](#)
- [Market and Feasibility Analysis](#)

These supporting documents provide the background that FFF used to supplement and draft the Guide. Many of these documents have been previously provided to the Assembly Committee of the Whole for review and discussion. The information from these documents has been compiled and summarized in the Guide. (See Attachment A, Draft Telephone Hill Place Guide).

Recommendation:
Support the Telephone Hill Place Guide as a framework for redevelopment of Telephone Hill and forward it to the Committee of the Whole.

Attachments

Attachment A: Draft Telephone Hill Place Guide

Telephone Hill Place Guide

July 2, 2024



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Prepared for the City of Juneau by First Forty Feet in partnership with:

MRV Architects
NLURA (Northern Land Use Research Alaska)
RESPEC Engineering
Leland Consulting
Dahlberg Design
Cox Environmental Services

Introduction 6

THE VISION

How Public Engagement Influenced The Plan	8
Getting to the Preferred Scenario	14
Development Survey	17

HISTORIC & ENV. CONDITIONS

Cultural Resources Desktop Assessment	20
Historic Building Survey	21
Structural Conditions Survey	22
Phase I Environmental Survey	24

DEVELOPMENT FRAMEWORK

Design Guidelines & Considerations	28
Parcels & Setbacks	32
Development Feasibility Study	33

CIVIL & GRADING

Site Grading	36
Parking Strategy	38
Parking Alternatives	39

IDENTITY AND WAYFINDING

Purpose & Integration	44
Opportunities	45

NEXT STEPS

RFQ v RFP Process	50
RFQ & Developer Outreach	52
RFQ Requirements	52
Master Developer v Site Developers	53
Project Timeline	55

APPENDIX 56

Fig. 1: Project Area context - Alaskan Panhandle	6	Fig. 34: Example of On-Site Carshare Scheme	38
Fig. 2: Project Area	7	Fig. 35: Number of Jobs Within 10-Minute Walk	38
Fig. 3: Vision Diagram	10	Fig. 36: Site & Parking Alternatives Option 1	39
Fig. 4: What We Heard: Identity	12	Fig. 37: Long Term Parking Strategy	40
Fig. 5: What We Heard: Housing and Public Gathering	13	Fig. 38: Site & Parking Alternatives Option 2-3	41
Fig. 6: Telephone Hill Development Survey - Preferred access	14	Fig. 39: Ground Floor Plan	44
Fig. 7: View of tree canopy at from Dixon Street	14	Fig. 40: Example of Active Residential Entries	45
Fig. 8: Aerial view of tree canopy at Telephone Hill	14	Fig. 41: Example of Public Art Mural in Juneau	45
Fig. 9: View of tree canopy at Telephone Hill	14	Fig. 42: Example of Public Seating	45
Fig. 10: Preliminary Concept A	15	Fig. 43: Street Lighting Example	46
Fig. 11: Preliminary Concept B	15	Fig. 44: Directory Wayfinding Example - credit MRV	46
Fig. 12: Preliminary Concept C	16	Fig. 45: Example of Historic Marker in Sidewalk	46
Fig. 13: Preliminary Concept D	16	Fig. 46: Example of Patterned Pavement from Juneau	47
Fig. 14: Telephone Hill Development Survey - Improvements	17	Fig. 47: Example of Open Rock Face	47
Fig. 15: Telephone Hill Development Survey - Housing Needs	17	Fig. 48: Stair Elements Example	47
Fig. 16: Preliminary Area of Potential Affects (APE)	20	Fig. 49: Photo from Open House 1	50
Fig. 17: Telephone Hill Historic Survey Site	21	Fig. 50: Visualization of Telephone Hill Scenario	51
Fig. 18: Buildings Survey Site	22	Fig. 51: Photo from Open House 2	52
Fig. 19: Storage Tank at 214 Dixon St.	25	Fig. 52: Photo from First Walking Tour of Site	53
Fig. 20: Storage Tank at 203 West Third St.	25	Fig. 53: Photo of Historic Downtown Juneau	54
Fig. 21: Site Concepts Diagrams 1-3	28	Fig. 54: Project Timeline Diagram	55
Fig. 22: Site Concepts Diagrams 4-6	29		
Fig. 23: Design Concepts Diagrams	30		
Fig. 24: Visualization of Telephone Hill Development	31		
Fig. 25: Parcels & Setbacks	32		
Fig. 26: Ground Floor Plan	33		
Fig. 27: Typical Floor Plan	33		
Fig. 28: Top Floor Plan	33		
Fig. 29: Development Summary	33		
Fig. 30: Site Grading Key Plan	36		
Fig. 31: Transverse Site Section	36		
Fig. 32: Longitudinal Site Section	37		
Fig. 33: Walking Distance (Minutes) to Nearest Retail from Site	38		

PREFACE

Introduction

First Forty Feet (FFF) was selected by the City and Borough of Juneau (CBJ) to prepare a redevelopment master plan and implementation strategy for the future redevelopment of the Telephone Hill project area.

The Place Guide illustrates a year of public engagement, reviews with key stakeholders, and updates to the Committee of the Whole (COW) at regular intervals. The project includes a summary of the complete public engagement, engagement results, environmental assessment, historical review, and other site analyses to determine existing buildings maximum lifespan, providing the City Manager, staff and Assembly with alternatives for redevelopment or conservation.

PURPOSE OF THE PLACE GUIDE

This document, The Telephone Hill Place Guide, acts as the official reference for everyone involved moving forward to understand the vision, guiding principles and objectives of the Plan. It sets out the

development framework for infrastructure and new vertical development, civil and grading information, and identity and wayfinding element considerations.

The document also sets out how these recommendations were crafted by summarizing the public engagement that occurred throughout the project. Historic and structural assessments were conducted along with an initial environmental assessment that determined what next steps would be necessary to move forward with redevelopment of the site.

The document also gives parking recommendations for the site based on an analysis of access to retail and jobs within the vicinity of the new neighborhood.

In the coming years developers, City officials, developers, professionals working on the detailed design of the site, local residents, and other interested parties will contribute to bringing the Telephone Hill site to life. This document is meant to help guide that process.



Fig. 1: Project Area context - Alaskan Panhandle

Ultimately, this document guides out how Telephone Hill can alleviate some of the housing pressures experienced by local residents, state representatives, the workforce and tourists alike who want to visit Juneau to see it's charming downtown and visit its scenic natural assets.



Fig. 2: Project Area

THE VISION

VISION

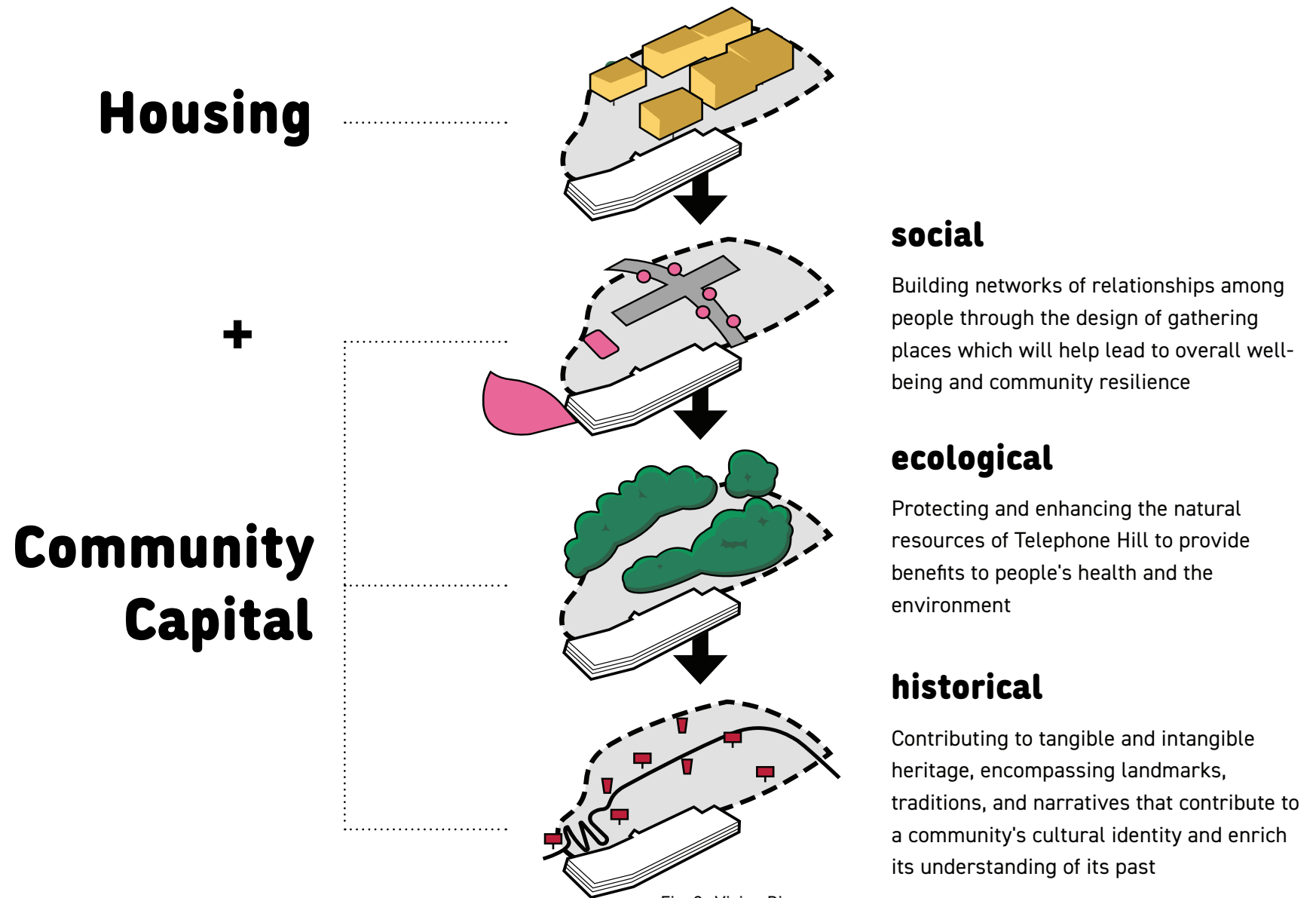


Fig. 3: Vision Diagram

The aspiration for Telephone Hill is to forge an exceptional, **vibrant new neighborhood** dedicated to providing new housing Downtown; where the **integration of social, ecological, and historical aspects** will amplify its character and provide a tapestry of experiences for people to enjoy.

HOW PUBLIC ENGAGEMENT INFLUENCED THE PLAN

The Project's engagement plan was crafted to involve those who are affected by the planning effort to play a role in plan development and in the decision-making process.

The first engagement milestones provided the community with the opportunity to inform the team on the project vision and guiding principles. Another objective of the first engagement session was to convene Juneau residents to understand the City's long-term goals in addressing the housing shortage and how Telephone Hill plays a role in achieving

those goals. The initial engagement session did not involve showing any specific ideas, but focused on listening and gathering information that would later be used to inform the design of the masterplan.

What We Heard!

Telephone Hill should be distinct with its own identity as a new residential neighborhood in Juneau, respecting the traditions of the City but not mimicking the architectural vocabulary of the past.

Informing the Vision and Guiding Principles

SOCIAL

Creating community-focused gathering spaces on Telephone Hill emerged as a theme for community connection and maximizing Gastineau Channel views. These spaces could include open spaces linked to walking paths and seating for relaxation and socializing. Constructing viewing platforms would offer panoramic vistas, with seating and informative displays. Integrating non-residential uses would provide spaces

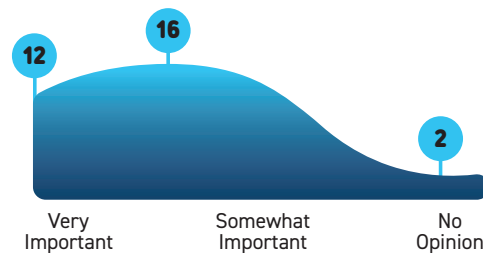
What brings you to Downtown?



What two or three words best describe Telephone hill?



How important is it to have Telephone Hill physically connected to other districts?



Would you like to see Telephone Hill as an extension of:

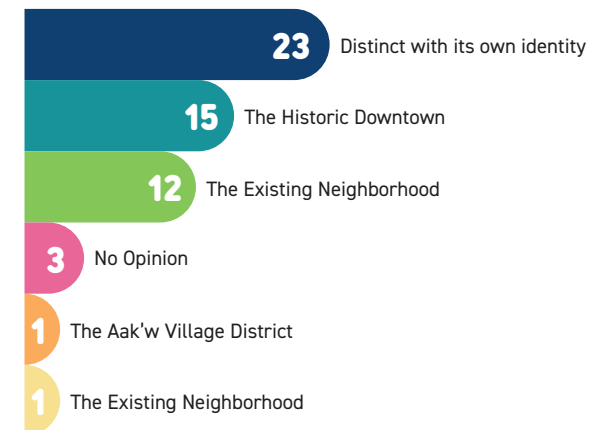


Fig. 4: What We Heard: Identity

for meetings and recreation. Developing pedestrian pathways with signage would encourage residents to connect with their surroundings. Prioritizing these initiatives can transform Telephone Hill into a vibrant community hub where residents come together, enjoy the scenery, and build relationships.

ECOLOGICAL

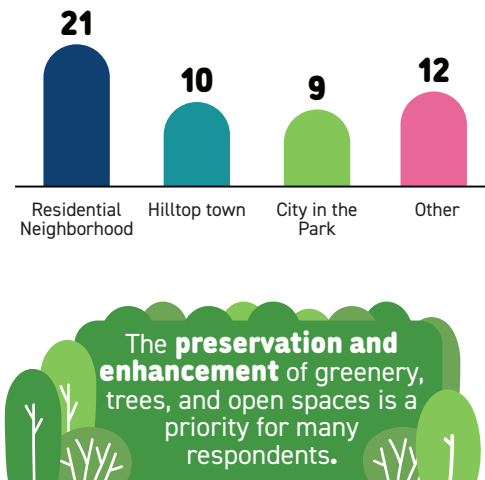
Juneau residents are keen on preserving and improving the existing greenery, trees, and open spaces on Telephone Hill, to as large

an extent possible. This reflects a desire to not only conserve but also enhance these natural elements. Residents recognize the value of green spaces in enhancing their quality of life, promoting well-being, and supporting environmental sustainability. They understand the importance of preserving Telephone Hill's natural assets for their aesthetic appeal and ecological benefits. By prioritizing the preservation and enhancement of Telephone Hill's greenery, residents aim to create a resilient and vibrant community for future generations.

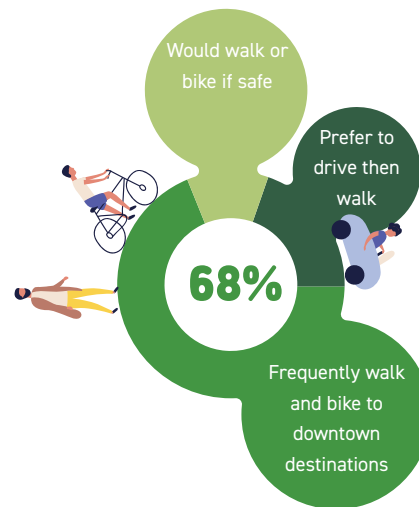
HISTORICAL

Another descriptor attributed to Telephone Hill is the word "historic". Many Juneau residents articulated the historical importance of Telephone Hill, spanning its significance throughout time and would like to see its historical significance documented and preserved for future generations to understand. This will play a role in shaping a collective memory and, ultimately, aid in shaping a common identity for the City.

If Telephone Hill were to have a distinct identity, would it be:



How desirable is walking and biking to downtown and waterfront destination?



Of the following uses the project is considering, please rank in order your preferences.

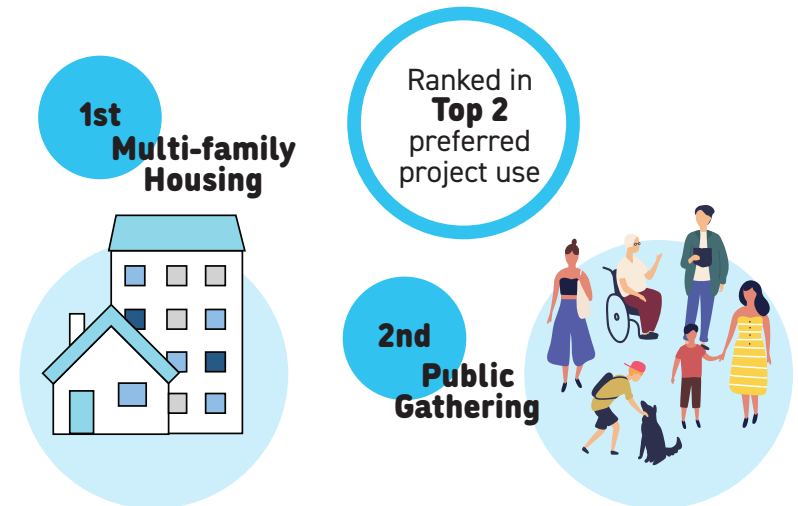


Fig. 5: What We Heard: Housing and Public Gathering

GETTING TO THE PREFERRED SCENARIO

During the second public engagement session in October 2023, preliminary concepts were presented to Juneau residents. The purpose of the engagement was to get feedback from the public on which alternatives best achieved the vision and guiding principles of the project. A survey was conducted during the engagement session as well as after, online, for all of Juneau's residents to take. The results demonstrated that an urban (denser) community on the Hill would best meet the housing needs in Juneau.

There are a variety of ways to access Telephone Hill, of the following ways, which ones are you most likely to use?



Fig. 6: Telephone Hill Development Survey - Preferred access



Fig. 8: Aerial view of tree canopy at Telephone Hill



Fig. 7: View of tree canopy at from Dixon Street



Fig. 9: View of tree canopy at Telephone Hill

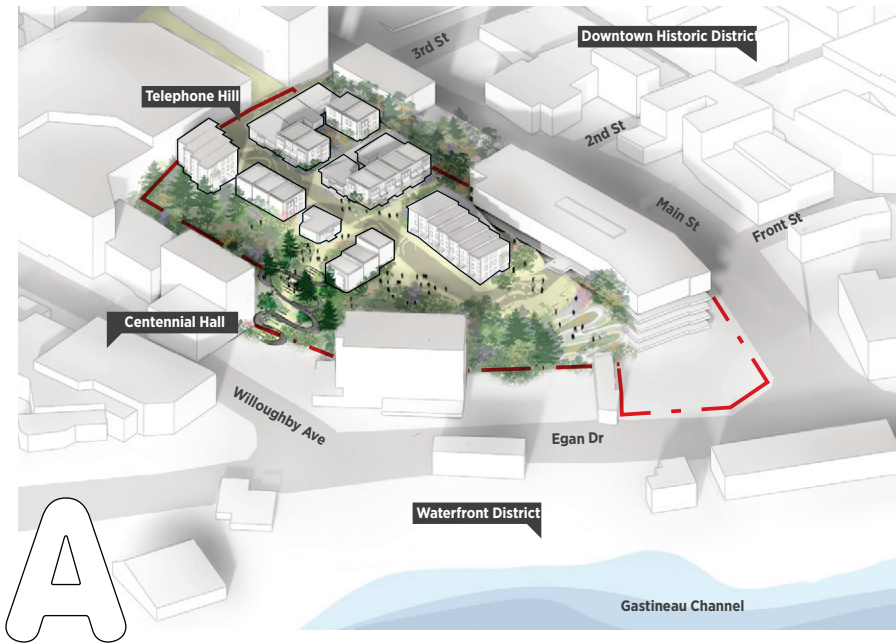


Fig. 10: Preliminary Concept A

Preliminary Concept A: Townhomes

This concept depicts what Telephone Hill could become when developed with single-family attached houses (or Townhomes) along with new office space. The idea was to test the development yield using medium density urban building typologies. The design incorporated an east-west stair from Willoughby Ave. through to Main Street and would require a new alignment and infrastructure for Dixon Street.

- 32 new residential units
- 2-story office addition on top of the existing parking garage

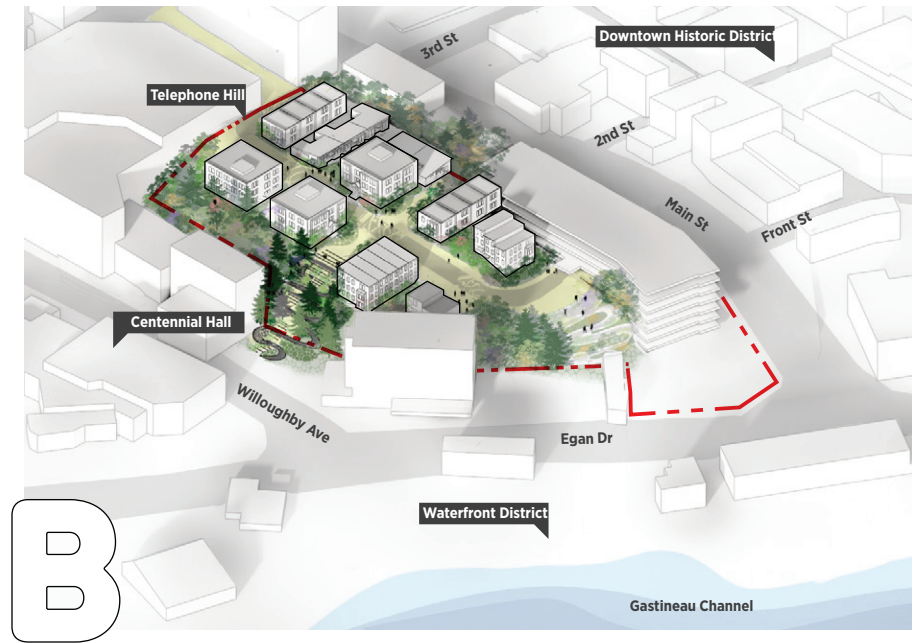


Fig. 11: Preliminary Concept B

Preliminary Concept B: Townhomes & Walk-Ups

Concept B explored the possibility of providing a variety of housing typologies on Telephone Hill, including single-family attached houses (townhouses) as well as walk-up style apartments. In contrast to building offices, three levels of parking were added above the existing parking garage. The concept retained the proposed east-west stair from Willoughby Ave. to Main Street along with the new alignment of Dixon Street.

- 59 new residential units (23 townhouses & 36 walk-up apartments)
- 3-story parking addition on top of the existing parking garage

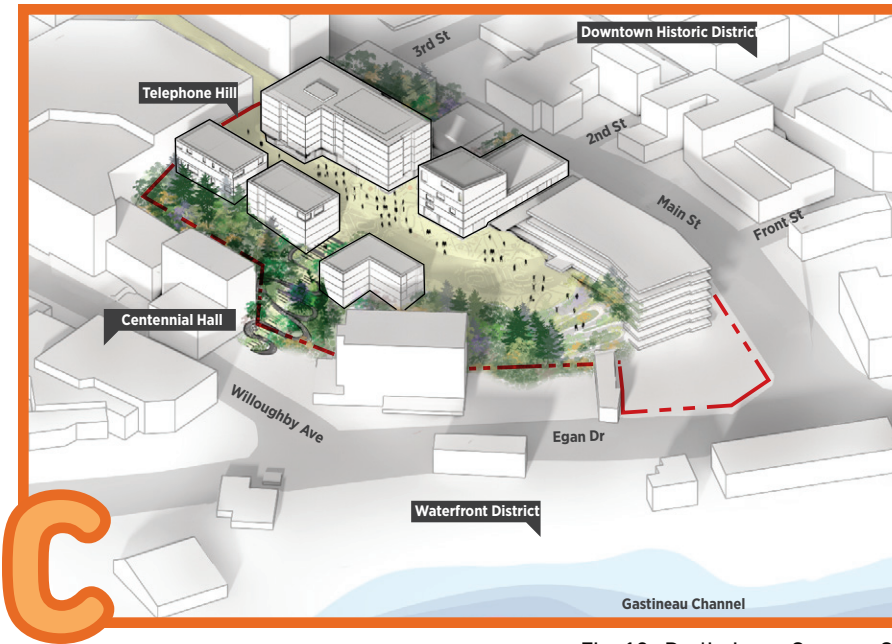


Fig. 12: Preliminary Concept C

Preliminary Concept C: Mid-Rise Apartments

Concept C was the most urban of all the concepts presented at the second engagement session and, ultimately, was selected as the preferred concept of the four presented. The development scenario included approximately 150 new residential uses of varying sizes including studios, one-bed, and two bed units.

- 150 new residential units
- 3-story parking addition on top of the existing parking garage

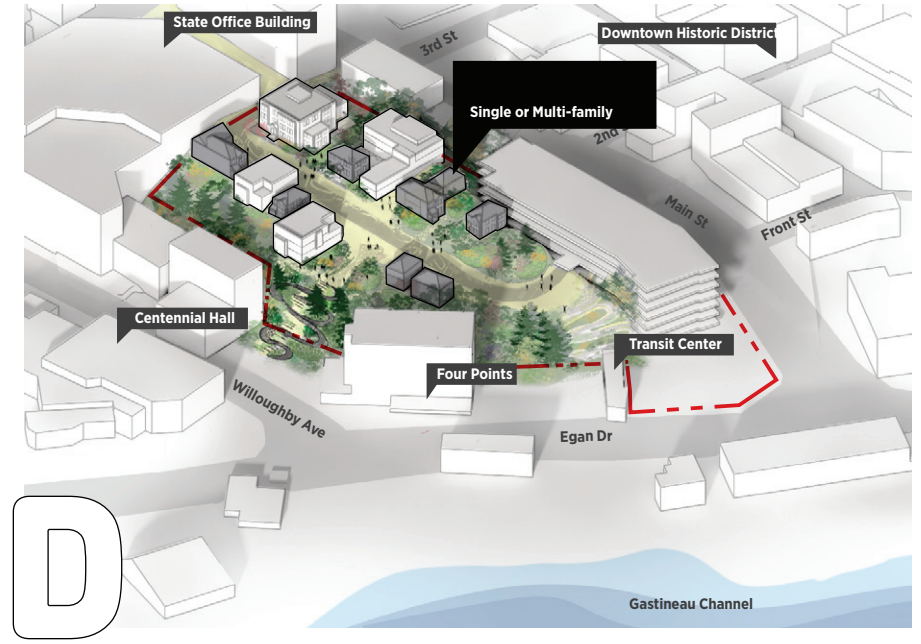


Fig. 13: Preliminary Concept D

Preliminary Concept D: Mixed Infill

Concept D explored how much housing Telephone Hill could support when filling in the gaps between the existing houses with new walk-up apartments. The concept retained the proposed east-west stair from Willoughby Ave. to Main Street along with the new alignment of Dixon Street.

- 7 existing houses retained (approximately 16 units)
- 36 additional residential units
- 3-story parking addition on top of the existing parking garage

DEVELOPMENT SURVEY

The results from the city-wide survey found that Preliminary Concept C: Mid-rise Apartments was the preferred development alternative. When asked for more detail about what types of housing would address the local housing needs, the majority of respondents felt that there should be a mix of housing types to address the needs of the city; including, multi-family housing, workforce housing, senior accessible, and temporary housing. Fortunately, mixed-income and mixed-tenure communities promote social cohesion and interaction among residents and are less likely to experience gentrification.

Select your favorite option and in the following question describe how it could be improved.

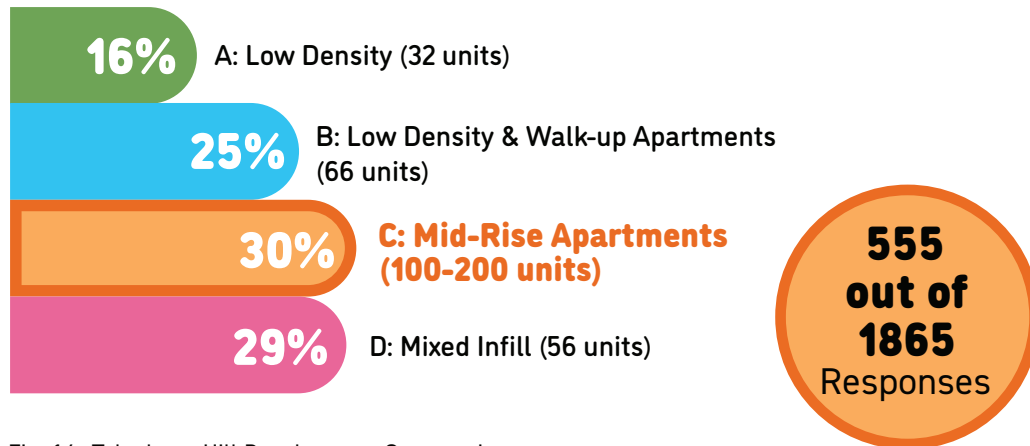


Fig. 14: Telephone Hill Development Survey - Improvements

What type of housing do you feel addresses local housing needs?

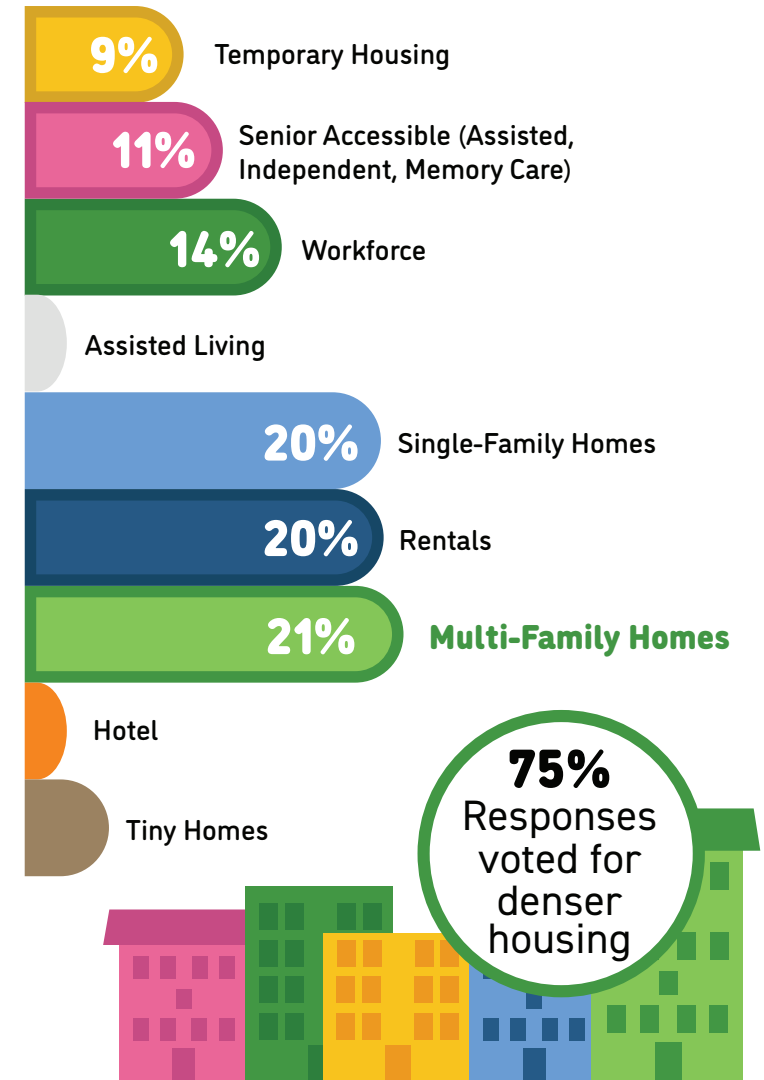


Fig. 15: Telephone Hill Development Survey - Housing Needs

HISTORIC & ENVIRONMENTAL CONDITIONS

CULTURAL RESOURCES DESKTOP ASSESSMENT

The land on which the Project is located was formerly owned by the State of Alaska (SOA) but was deemed excess to the needs and transferred to the City and Borough of Juneau, Alaska (CBJ) for economic development during the 2022 legislative session. In its current configuration, the Project is not a Federal Undertaking subject to Section 106 of the National Historic Preservation Act (NHPA) or the National Environmental Policy Act (NEPA). The Project does not involve SOA-owned or controlled lands and is not subject to the provisions of the Alaska Historic Preservation Act.

There are no known prehistoric or ethnographic Alaska Heritage Resources Survey (AHRs) sites located in the Preliminary APE. However, NLURA's research indicates that there is potential for prehistoric and historic archaeological and ethnographic resources to be present within the Preliminary Area of Potential Effects (APE).

Although the Project is not subject to Section 106 or the AHPA, CBJ has chosen to complete a cultural resource desktop assessment and updated historic site and structures survey for the known sites (structures) within the Project Study Area listed on the Alaska Heritage Resources Survey (AHRs). There are no known prehistoric or ethnographic AHRs sites located in the Preliminary APE. However, NLURA's research indicates that there is potential for prehistoric and historic archaeological and ethnographic resources to be present within the Preliminary APE.

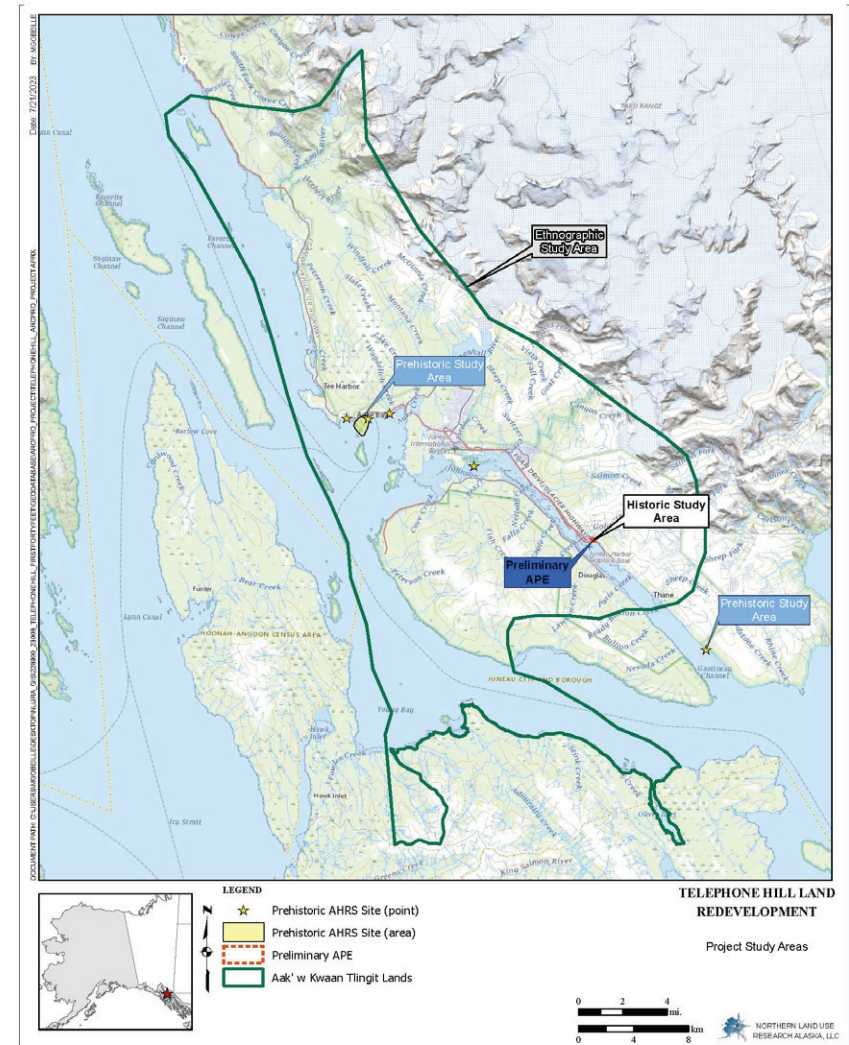


Fig. 16: Preliminary Area of Potential Effects (APE)

HISTORIC BUILDING SURVEY

Multiple site visits were carried out to photograph and document the historic condition of the houses and neighborhood of Telephone Hill. The primary goal of the work was to update the 1984 Historic Survey completed by the Alaska Archives Resource and Records Management. The CBJ consultant team of First Forty Feet, MRV, and Northern Land Use Research Alaska have reviewed the report findings and have found historic value to note.

The historic building survey and inventory was completed during the fall of 2023. It presents updates to the Telephone Hill Historic Site and Structures Survey of 1984. Nearly forty years have passed since the last survey was completed, and the survey found that little modification has occurred since then. Some of the homes show signs of weathering and are in significant need of upkeep and maintenance. Compared to the 1984 report, the Historic Building Survey highlights additional findings of historic value and current conditions. The report, like the 1984 report, also recognizes not only the individual houses as historically significant, but the collections of houses forming a historic district*.

*Historically, the City and Borough of Juneau has referred to historic districts as neighborhoods. Moving forward, the Historic Building Survey document refers to the Telephone Hill historic district as a neighborhood.

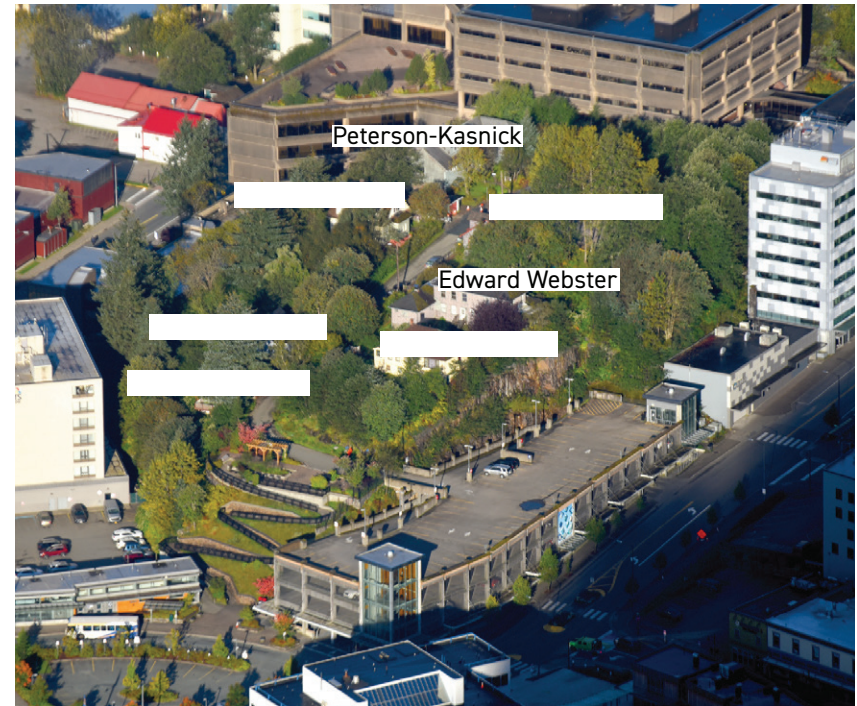


Fig. 17: Telephone Hill Historic Survey Site

STRUCTURAL CONDITIONS SURVEY

The buildings survey performed was a visual assessment of the condition of the structure at the time of inspection. The buildings were constructed between 1882 and 1947 before building codes were adopted. They do not benefit from the modern code requirements for gravity/snow loading, lateral/seismic systems, detailing for load transfer, etc. that provide an appropriate level of safety for the occupants of these homes.

124 Dixon Street

Built in 1910, the residence is three stories with concrete basement walls, wood framing above, and a gable roof system with rafters. The building appears to have a conventional footing with a slab-on-grade. At a minimum, the home needs to be remodeled and retrofitted. Unless the building is saved as a historic asset, it is likely not economically feasible for CBJ to own or rent the property.

125 Dixon Street

Built in 1900, the residence is two stories with concrete basement walls, wood framing above, and a hip-and-gable roof truss system. The building appears to have a conventional footing with a slab-on-grade. The building has visually deteriorated. Chipped paint, siding, and a lack of floor coverings exist. It appears the roof was in the process of being replaced, but there are holes in the old portion of the roof. Rot in the window frames, mold on the siding, and signs of pipe leaks indicate water has infiltrated the building. Unless the building is saved as a historic building, it is likely not economically feasible for CBJ to own or rent the property.

128 Dixon Street

Built in 1935, the residence is three stories with primarily wood-framing, a concrete retaining wall on one side of the basement, and gable roof system with rafters. This building has significant deterioration and is hazardous. Given the number of settlement and structural issues observed, this building is at the end of its useful life and should be demolished. A remodel is not feasible. The building is hazardous and should not be occupied.

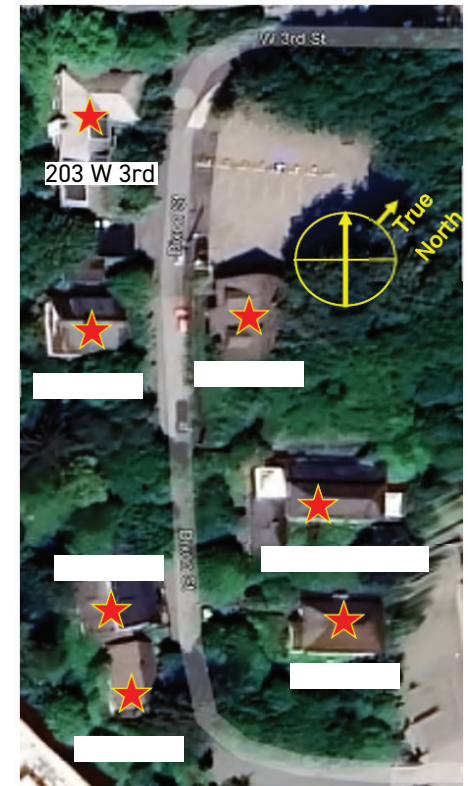


Fig. 18: Buildings Survey Site

135 and 139 West 2nd Street

The buildings were constructed in 1882, according to the historic plaque mounted on the side of the residence. The 135 West 2nd Street residence is a two-story, wood-framed building with a hip roof system with rafters. The 139 West 2nd Street residence is a one-story, wood-framed building with a hip roof system with rafters. The foundation for both residences is conventional footing with concrete basement wall and a partial slab-on-grade. This residence has had additions built onto it over the years. This building is in poor condition. The roof is

covered in moss and has a tarp on the east and west low roofs in an attempt to prevent water leaks. Rafter members are under designed for current snow loads and likely the reason they have not collapsed is because the heat from the building melts the snow during the winter. The homes will need to be remodeled and retrofitted. Unless the buildings are registered as a historic building, it is likely not economically feasible for the CBJ to own or rent the property.

214 Dixon Street

Built in 1913, the residence is three stories with concrete basement walls, wood-framing above, and a gable roof system with roof rafters / site-built trusses. The building appears to have a conventional footing with a slab-on-grade. This building has some deterioration. The columns supporting the stair and deck framing do not have positive connections at the base or to the beam its supporting. At a minimum, the exterior wood stairs should be demolished and rebuilt to prevent injury, and the home needs to be retrofitted. Unless the building is saved as a historic building, it is likely not economically feasible for CBJ to own or rent the property.

211 Dixon Street

Built in 1917, the residence is three stories with partial height concrete basement walls, wood-framing above, and a gable roof with rafters. The building appears to have a conventional footing with a slab-on-grade on part of the basement and unfinished floor on the other part. This building is in fair condition for its age. The roof was replaced recently, and watermarks on the roof rafters appear to be from old leaks and have since dried. The perimeter concrete wall appears

to be in good condition; however, the interior concrete walls have significant cracking and are missing chunks of concrete in some locations. Unless the building is saved as a historic building, it is likely not economically feasible for CBJ to own or rent the property.

203 West 3rd Street

Built in 1947, the residence is four stories with concrete basement walls, wood-framing above, and a hip and gable roof system rafters. The building appears to have a conventional footing with a slab-on-grade. This building appears to be in fair condition for its age. The broken pipe in the back appears to be a sewer pipe, and its contents are draining down the hill. At a minimum, the exterior decks should be demolished and rebuilt to prevent an injury, and the home needs to be retrofitted. Unless the building is saved as a historic building, it is likely not economically feasible for CBJ to own or rent the property.

PHASE I ENVIRONMENTAL SURVEY

First Forty Feet, on behalf of the City & Borough of Juneau, contracted Cox Environmental Services (CES) to perform a Phase I Environmental Site Assessment (ESA) for Telephone Hil, herein referred to as the subject property. The Phase I ESA was performed in conformance with the scope and limitations of Standard Practice for Environmental Assessments: Phase I Environmental Assessment Process (ASTM E1527-21) and the United States Environmental Protection Agency (USEPA) Standards and Practices for All Appropriate Inquiries (AAI), as required under Section 101(35)(b)(ii) and (iii) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (EPA AAI Rule), and Code of Federal Regulations (40 CFR) 312. This Phase I ESA was conducted to identify potential or existing Recognized Environmental Conditions (RECs), Historical RECs (HRECs), and/or Controlled RECs (CRECs), as defined by ASTM Standard E1527-21 and USEPA, and to provide appropriate inquiry into the previous ownership and use of the subject property.

For the purpose of this Phase I ESA, the subject property includes 16 lots developed with seven residences that occupy multiple lots. The street addresses are 211 Dixon Street, 135 W Second Street, 125 Dixon Street, 124 Dixon Street, 128 Dixon Street, 214 Dixon Street, and 203 W Third Street. All of the residences are rental properties; most have been subdivided to accommodate multiple residents.

The ASTM E1527-21 standard outlines definitions for various environmental conditions related to hazardous substances or petroleum products on a property. A Recognized Environmental Condition (REC) is described as the presence or likely presence of

such substances due to environmental release, indicative conditions, or conditions posing a future threat. Conversely, conditions deemed insignificant (de minimis) are not classified as RECs.

The standard defines a Controlled Recognized Environmental Condition (CREC) as a previously addressed environmental condition resulting from a past release, satisfactorily managed by regulatory authorities with implemented controls, allowing hazardous substances to remain in place under specified conditions.

A Historical Recognized Environmental Condition (HREC) refers to a past release of hazardous substances or petroleum products on the property, addressed to regulatory satisfaction without subjecting the property to any mandated controls, thereby meeting unrestricted use criteria established by regulatory authorities.

CES has identified multiple heating oil Aboveground Storage Tanks (ASTs) distributed across various locations within the subject property, including 124 Dixon Street, 128 Dixon Street, 214 Dixon Street, an undisclosed site at 214 Dixon Street, 203 W Third Street, 211 Dixon Street, 125 Dixon Street, and 135 W Second Street. These ASTs, ranging in capacity and installation methods, present potential environmental risks and are recommended for decommissioning by CES. Each recommendation entails the removal of the AST and associated lines, followed by a thorough soil sampling procedure beneath the tanks to assess potential contamination. Despite uncertainties regarding the age of these ASTs, CES underscores the likelihood of out-of-service Underground Storage Tanks (USTs) within the property, emphasizing the need for precautionary measures and further investigation.

CES's recommendations emphasize proactive environmental management to mitigate potential risks associated with the presence of these heating oil ASTs. By advocating for their removal and subsequent soil sampling, CES aims to ensure the safety and environmental integrity of the subject property. Additionally, the acknowledgment of potential out-of-service USTs underscores the importance of comprehensive assessment and remediation efforts to safeguard against potential environmental hazards.

CES recommends an environmental management plan (EMP) be developed outlining procedures for contractors to follow in the event that USTs or soil contamination associated with the above listed ASTs be discovered during construction.



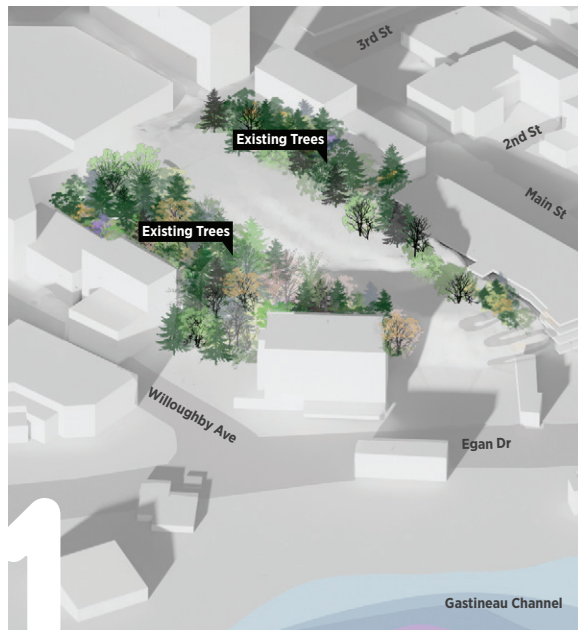
Fig. 19: Storage Tank at 214 Dixon St.



Fig. 20: Storage Tank at 203 West Third St.

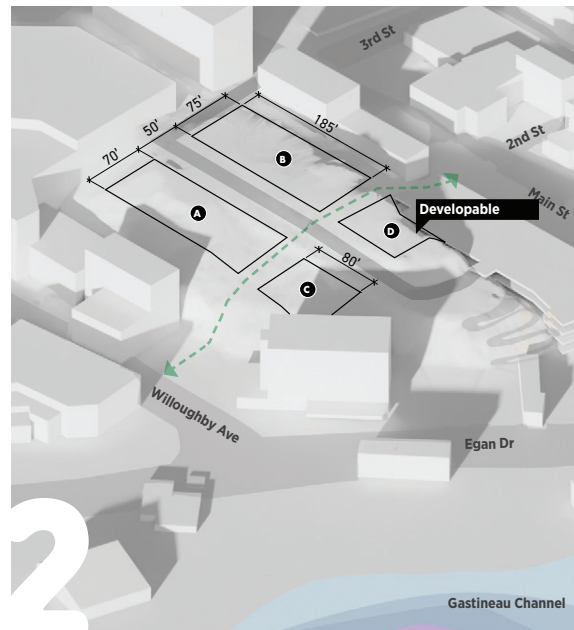
DEVELOPMENT FRAMEWORK

DESIGN GUIDELINES & CONSIDERATIONS



Preserve Existing Landscape Features

Residents taking part in the engagement sessions, overwhelmingly pointed to the existing trees on the perimeter of the site, including the existing cherry tree, as a valuable natural asset worth retaining (to as large an extent as possible) in the future development of Telephone Hill.



Developable Area with Circulation

The majority of respondents felt that physically connecting Telephone Hill to the historic Downtown and Aak'w Village District should be prioritized in the future development of the site. This new east-west stair connection, along with a new road alignment with a city standard roadway for Dixon St. establishes four clearly defined development parcels within the site.

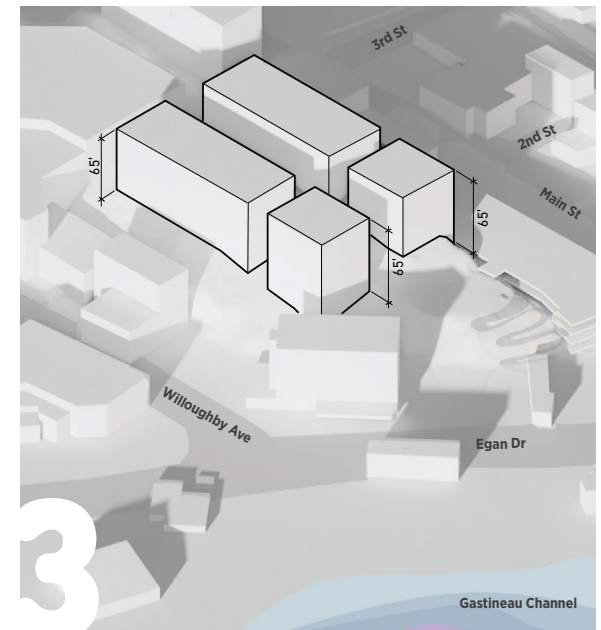
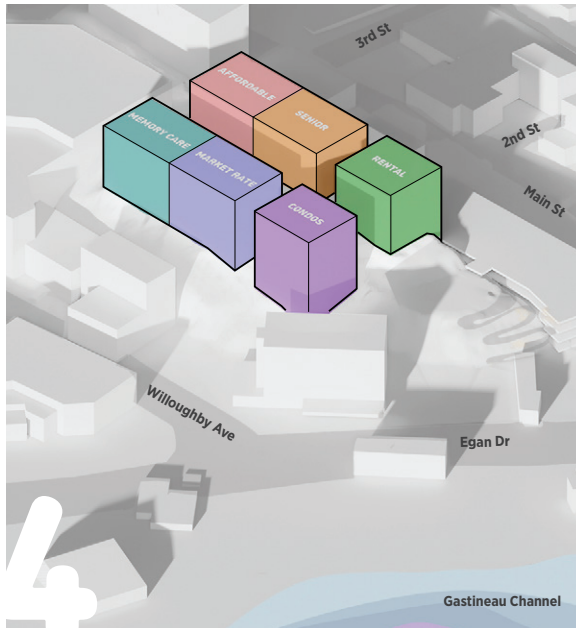


Fig. 21: Site Concepts Diagrams 1-3

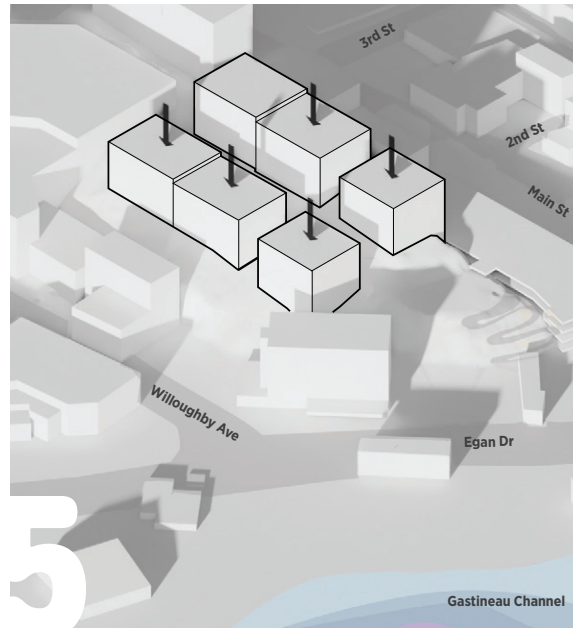
Height Limitations

While there is no current height limitation on Telephone Hill, the vast majority of respondents stated that it was very important to maintain views to the mountain looking east from Aak'w Village and to the west from Downtown. View studies revealed that new development would respect these view sheds if kept to a 65' height limit throughout the site.



Diversity of Housing

Respondents identified a wide variety of housing types which would address Juneau's housing needs. These include temporary housing (for visiting government staff), senior accessible housing (assisted, independent, and memory care), workforce housing, and multi-family rental. The goal is ultimately to create a mix of housing, focused on ameliorating the housing pressures in Juneau.



Site Specific Design

Telephone Hill's irregular topographic conditions should be considered in the design of new buildings on the site. The site slopes down from the State Office Building toward the Gastineau Channel as well as from east to west. Ground floor finish levels should conform to the different levels on the site where building entries are located. This may mean that buildings step down rather than having one continuous floor plate or eave line.

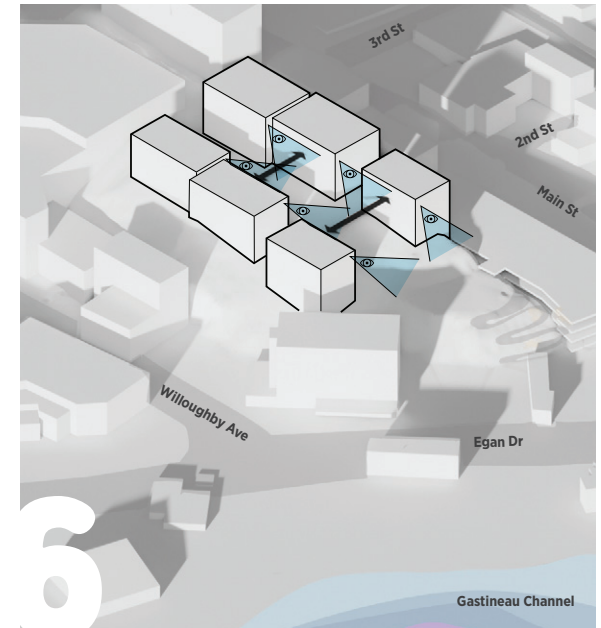
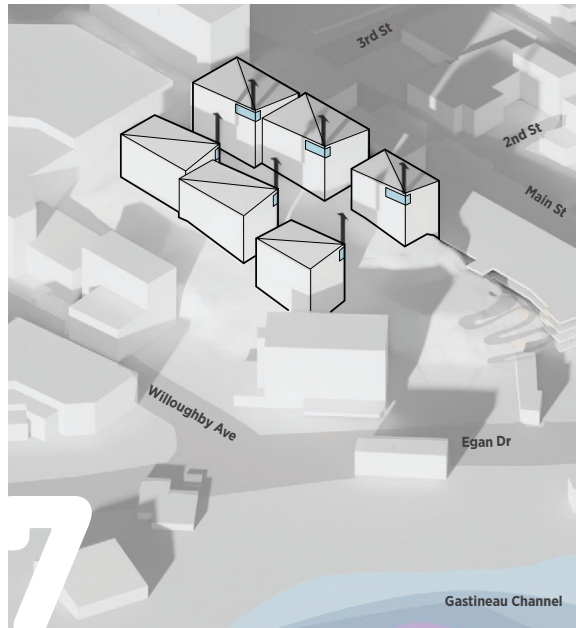


Fig. 22: Site Concepts Diagrams 4-6

Open Views to Gastineau Channel

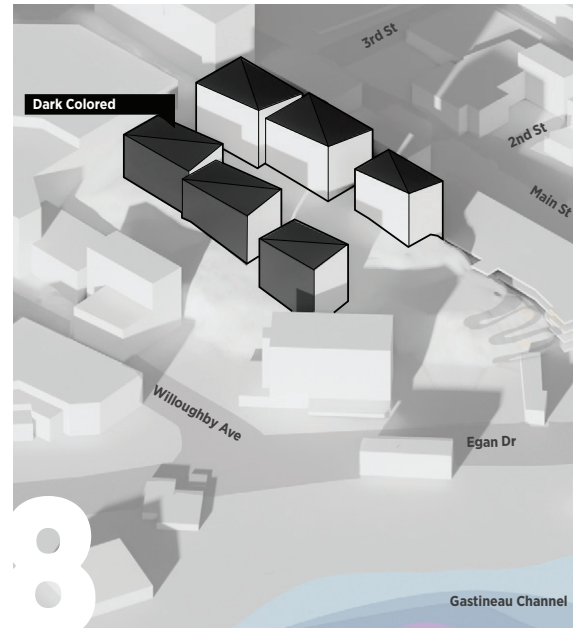
Respondents mentioned that protecting views to the Gastineau Channel from the site would provide a public benefit for visitors and tourists to Juneau as well as a benefit for future residents of Telephone Hill. By pushing the buildings back in progressive steps, the residents of the future buildings will also have enhanced views to the Channel.

DESIGN GUIDELINES & CONSIDERATIONS



Top Floor Amenity

The top corners of each building (or building mass) provide an opportunity for amenity spaces with spectacular views to the Channel. By raising the mass of these buildings on the corners, these amenity spaces could be voluminous and open up to the sky.



Discreet Outer Shell

One possibility for facades facing outward toward the city is that they become discreet and blend in with the trees. A dark outer "shell" will help the buildings disappear in the trees and avoid becoming noticeable objects on the Hill.

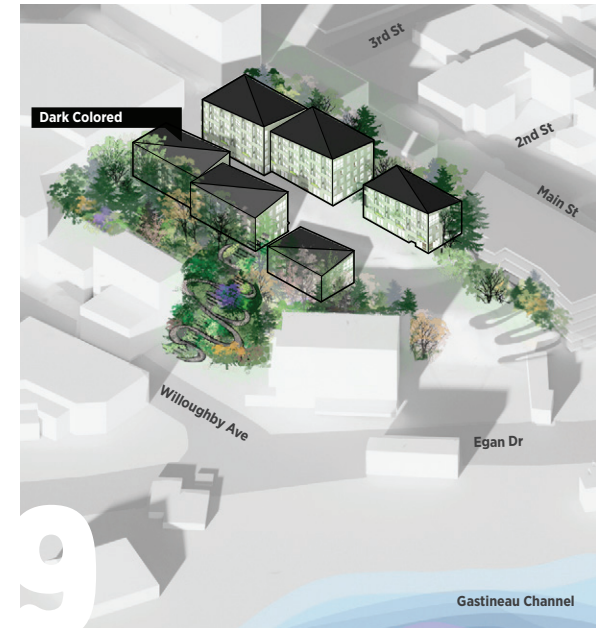


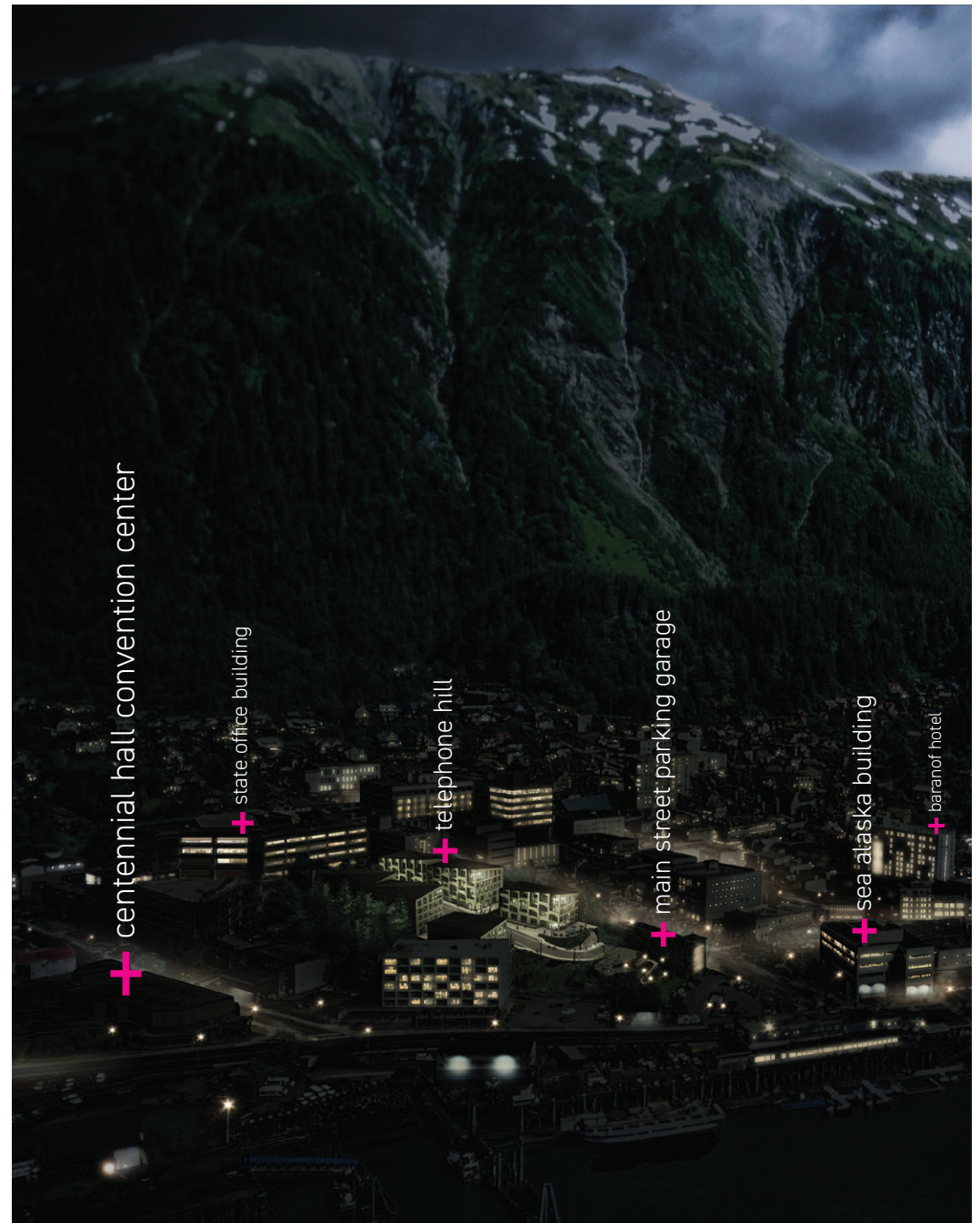
Fig. 23: Design Concepts Diagrams

Units with Views

By carving the building facade in and out along Dixon Street, each unit could have their own private views to the Gastineau Channel. Recessed balconies between 'steps' allow for private viewing decks out to the Channel.

Fig. 24: Visualization of Telephone Hill Development

Visualization depicting what Telephone Hill could look like when following all of the aforementioned design guidelines. This view is taken from above the Gastineau Channel looking back to Telephone Hill and historic Downtown Juneau. The buildings sit comfortably atop the Hill and are quietly concealed behind the existing trees, in scale with the rest of the Downtown.



PARCELS & SETBACKS

The site parcels diagram (to the right) illustrates the new alignment for 3rd Street, Dixon Street and the new access public easement for the two proposed access stairs.

It is recommended that future development conform to the specific development requirements as set out in the diagram. These requirements reflect the design guidelines and considerations illustrated on pages 26-28. These requirements include front and rear yard setbacks to delineate the buildable area within each parcel.

The development summary on the following pages presents a scenario which conforms to the parcels and setbacks diagram (to the right). Its purpose is to illustrate how buildings might be laid out on the site, where entries could be located as well as circulation corridors and stairs. The number of stories in this scenario stays within the height limitations diagram (page 20) and reflects the recommendation for site specific design (page 26).

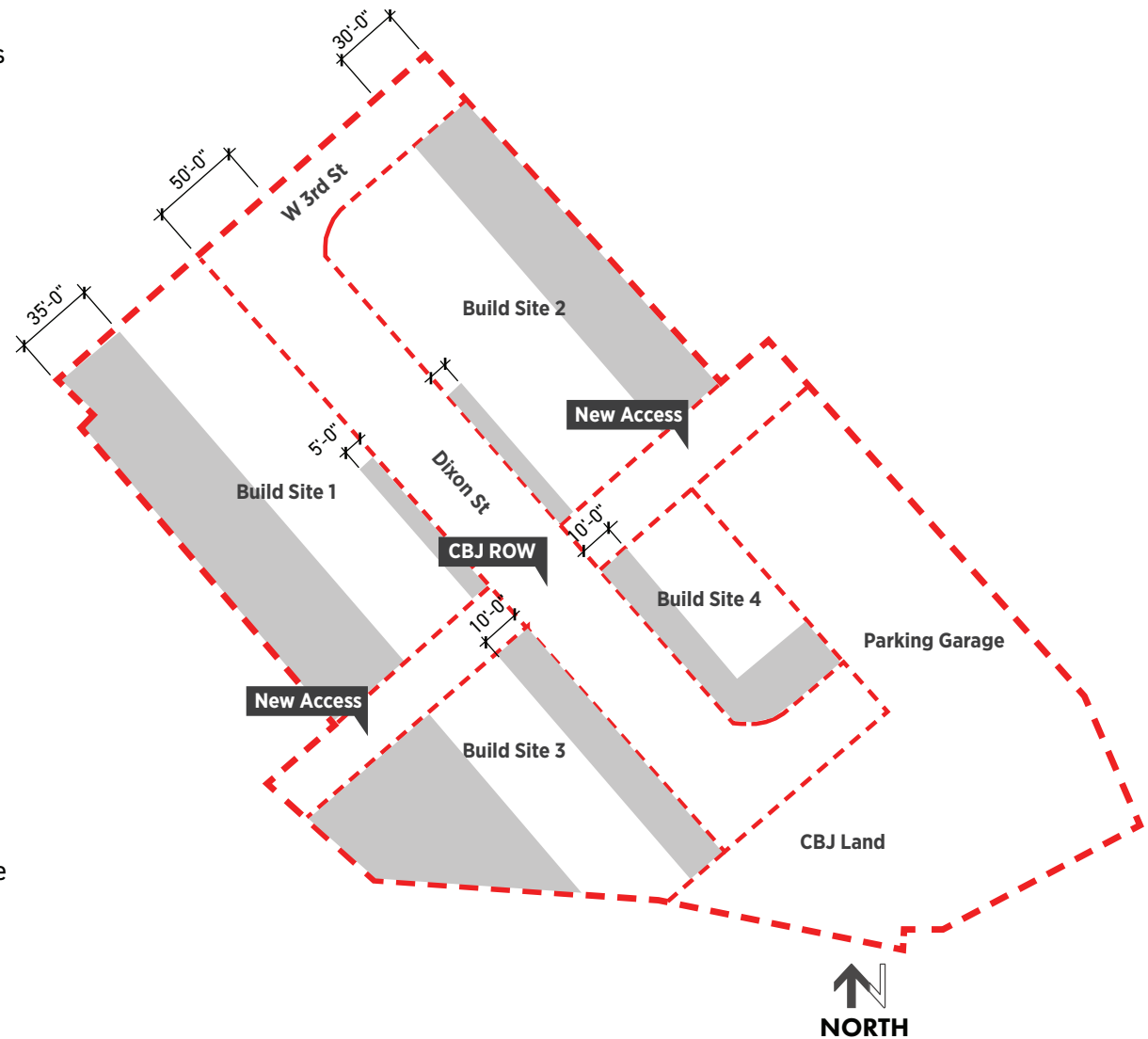


Fig. 25: Parcels & Setbacks

DEVELOPMENT FEASIBILITY STUDY



Fig. 26: Ground Floor Plan

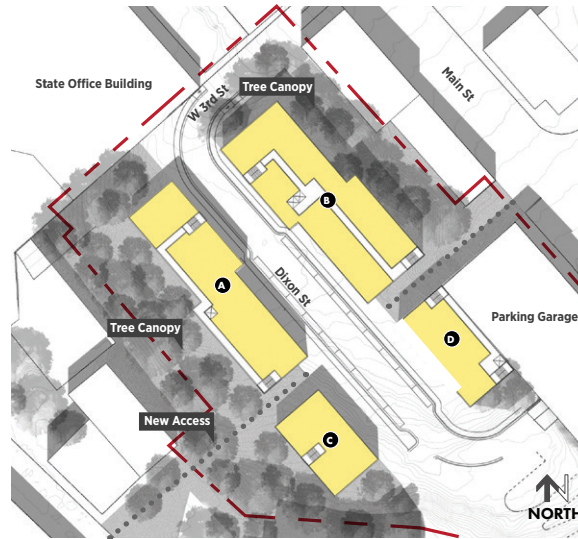


Fig. 27: Typical Floor Plan

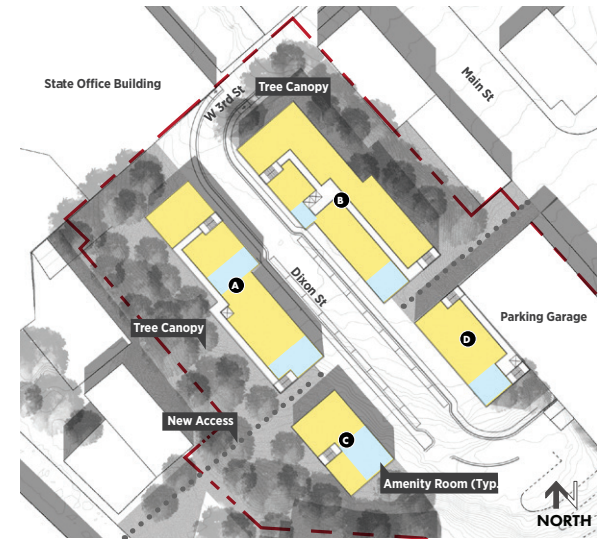


Fig. 28: Top Floor Plan

DEVELOPMENT SUMMARY

	Ground Floor		Second Floor		Third Floor		Fourth Floor		Fifth Floor	
	Non-Residential	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential	Residential	Non-Residential	Residential
BLDG. A	892	6,966	-	7,721	-	7,721	1,709	6,012	-	-
BLDG. B	803	9,328	-	9,911	-	9,911	-	9,911	1,140	8,771
BLDG. C	161	3,444	-	3,635	1,154	2,481	-	-	-	-
BLDG. D	837	2,923	-	3,607	-	3,607	684	2,923	-	-
TOTAL	2,693	22,661	-	24,874	-	24,874	-	21,239		9,911

Fig. 29: Development Summary

CIVIL & GRADING

SITE GRADING

Telephone Hil is characterized by steep slopes and is one of the prominent features of the city's landscape, the Hill rises dramatically from the Gastineau Channel, offering sweeping panoramic views of the surrounding fjords, forests, and mountains. Its rugged terrain poses both challenges and opportunities for development, with its slopes requiring innovative engineering solutions. The topography of Telephone Hill also plays a significant role in shaping the City's urban fabric, influencing land use patterns, transportation routes, and the overall aesthetic appeal of the area. Despite the challenges to development because of the Hill's topography, it offers unique vantage points and is set within a natural landscape making it a prized location for residential, minimal commercial, and recreational purposes, contributing to Juneau's distinctive charm and character.

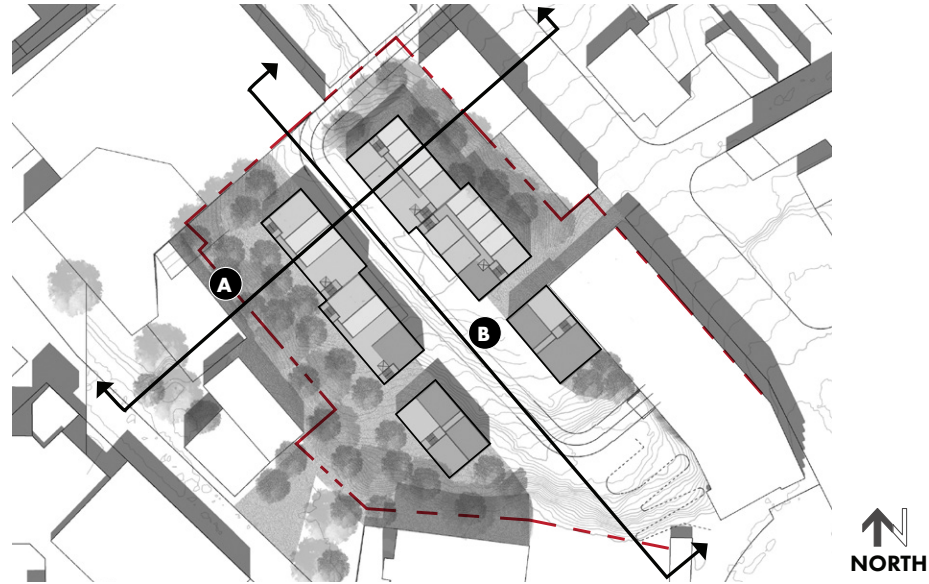


Fig. 30: Site Grading Key Plan

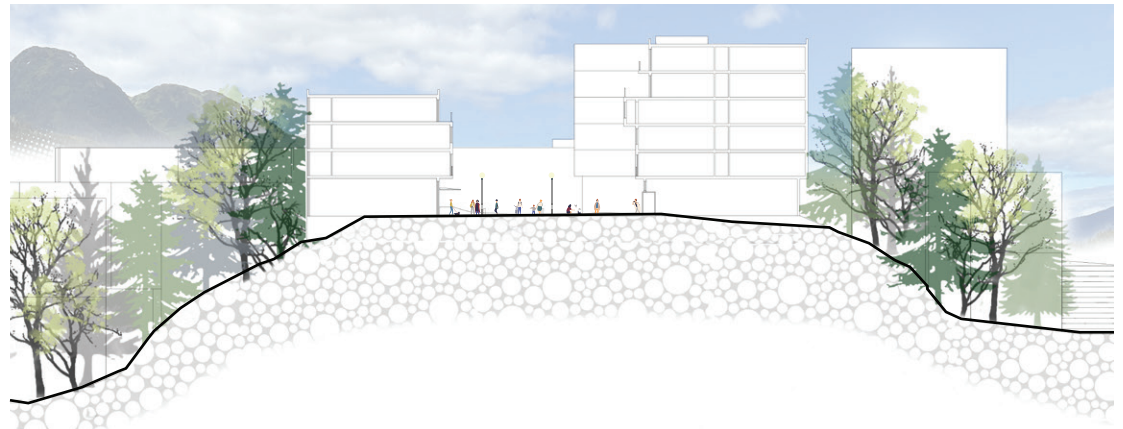
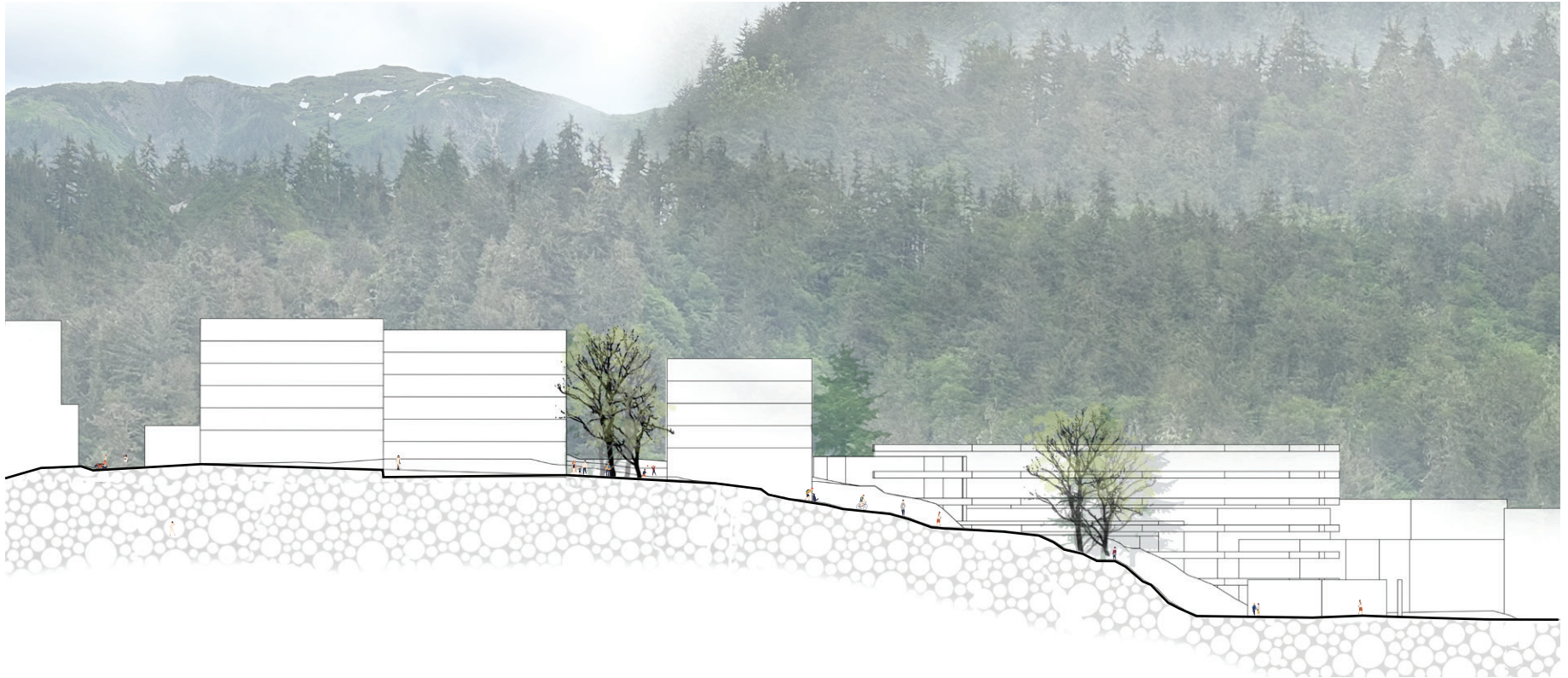


Fig. 31: Transverse Site Section **A**

Fig. 32: Longitudinal Site Section **B**

Moving Along Dixon Street

Dixon Street will need to be moved slightly to the northeast of its current location in order to accommodate future development on both sides of the road. As 3rd Street turns into Dixon Street, the site nearly reaches its highest point. Moving toward the Gastineau Channel, the site has a gentle slope and as it

approaches the existing stairs to the south, adjacent to the parking garage, the slope accelerates. It is important that to keep in mind that any future development should attempt to step building slabs to accommodate ground floor entries.

The New East / West Staircase

The new stair connecting Willoughby Ave. to Main Street will need to be designed according to Juneau's public stair standards, with some modification to allow for occasional stopping points to sit and enjoy the scenic views to Downtown Juneau and waterfront.

PARKING STRATEGY

The Telephone Hill site, adjacent to Juneau's downtown, presents challenges for structured parking due to its topography. Encouraging developers to offer low-cost amenities could enable residents to live car-free while meeting daily needs. Carshare providers like Zipcar work with property owners to provide convenient carsharing options. Although Zipcar isn't in Juneau, other local programs may offer similar services, such as Car2Go or ReachNow. For instance, the Uptown Apartments in Vancouver, WA, offer carsharing with Envoy Technologies, providing electric cars for residents' use. Additionally, the City could attract micromobility



Fig. 34: Example of On-Site Carshare Scheme

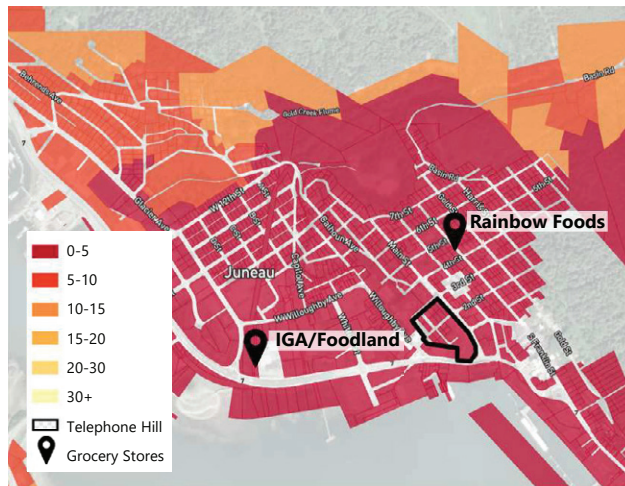


Fig. 33: Walking Distance (Minutes) to Nearest Retail from Site

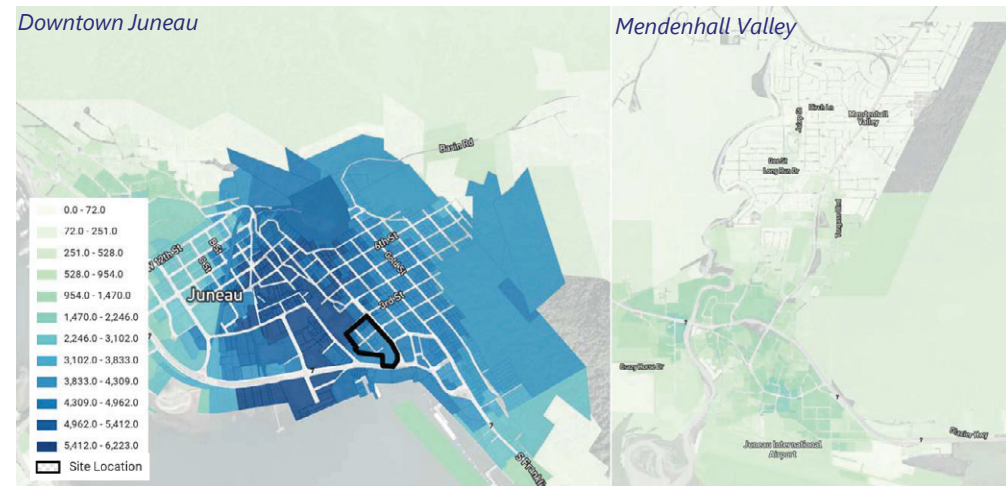


Fig. 35: Number of Jobs Within 10-Minute Walk

PARKING ALTERNATIVES

Option 1 | Shared Parking **(Recommended)**

operators like Bird or Lime, offering shared bikes or scooters as mobility options. Companies like Levy partner with property owners to offer electric scooters to residents, providing maintenance and billing services while allowing partners control over rental rates.

There are a prevalence of retail businesses throughout Downtown Juneau, such that the average walking distance to the nearest retail location from nearly everywhere in the downtown is five minutes or less, including from the Telephone Hill site, as shown on the previous page. Locations of grocery stores within easy walking distance are also shown.

Downtown Juneau also has a very high job density. Around 5,000 jobs are located within a ten-minute walk of the Telephone Hill site, as shown above at left. On the other hand, in the Mendenhall Valley, it is very difficult if not impossible to walk to most jobs, as shown above at right. Although prospective residents of Telephone Hill may still wish to have access to a car for recreation or larger shopping trips, these maps demonstrate the potential for a more walkable or less auto-reliant lifestyle on the Telephone Hill site.

Parking

5 total parking stalls:

- On-street parking shared scheme.

Site Work

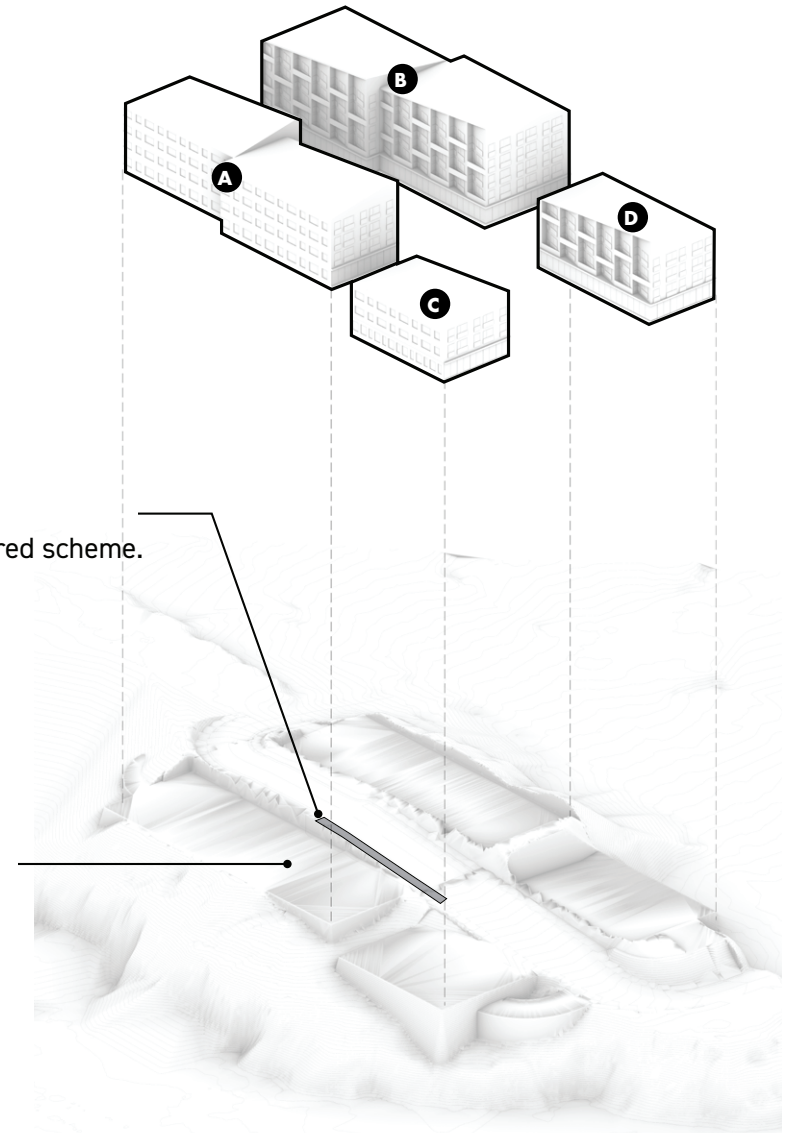


Fig. 36: Site & Parking Alternatives Option 1

Long Term Parking Strategy | Utilizing Main Street Garage

It is recommended that the existing parking garage add three new levels of parking as part of a separate project from this one. The goal will be to add additional parking for future needs of the City and be funded separately from this project.

The new alignment of Dixon Street should be planned to connect to the existing parking garage and future ramps that would be part of the expansion.

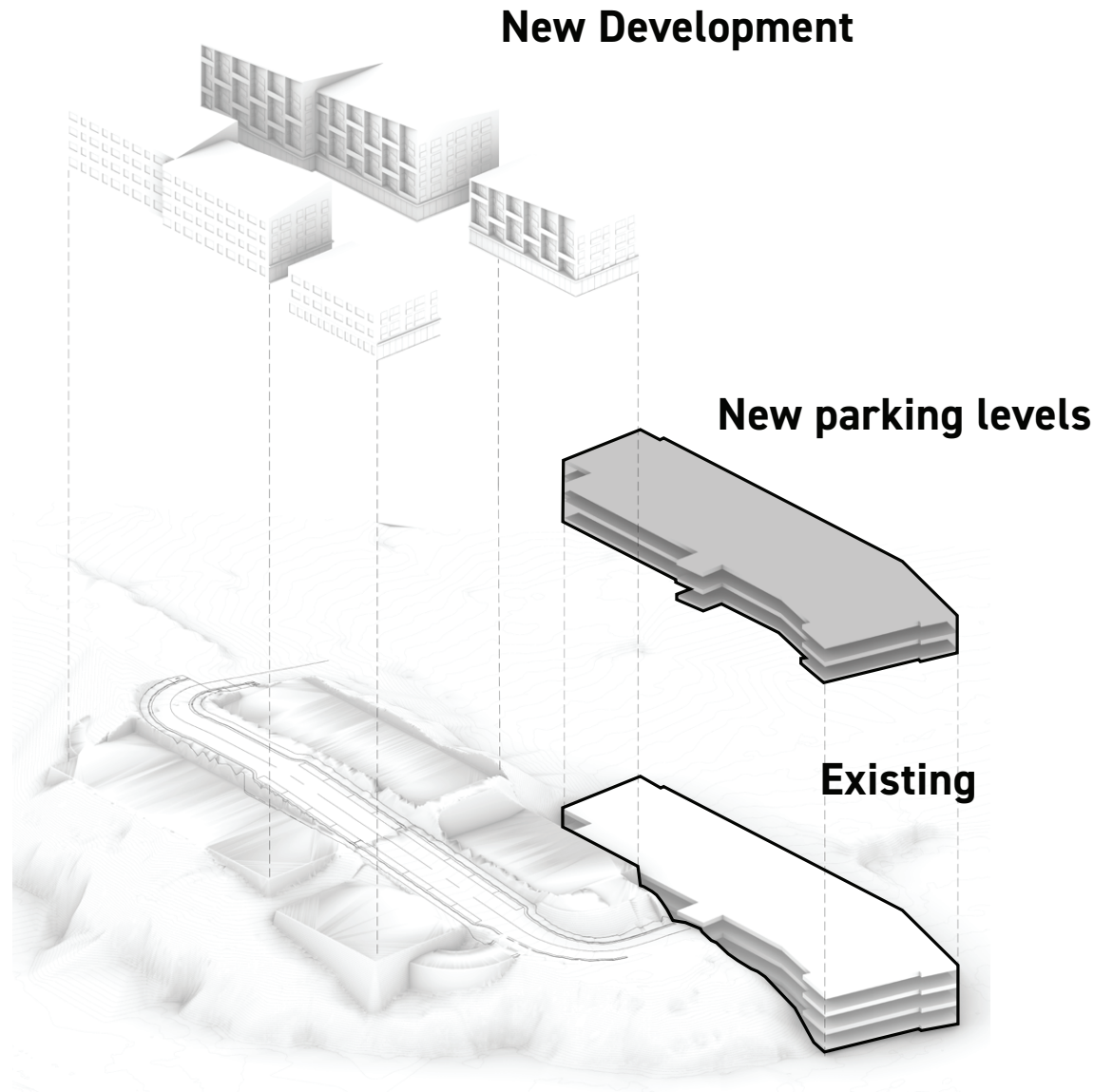


Fig. 37: Long Term Parking Strategy

OPTION 2 | Individual Parking Garages

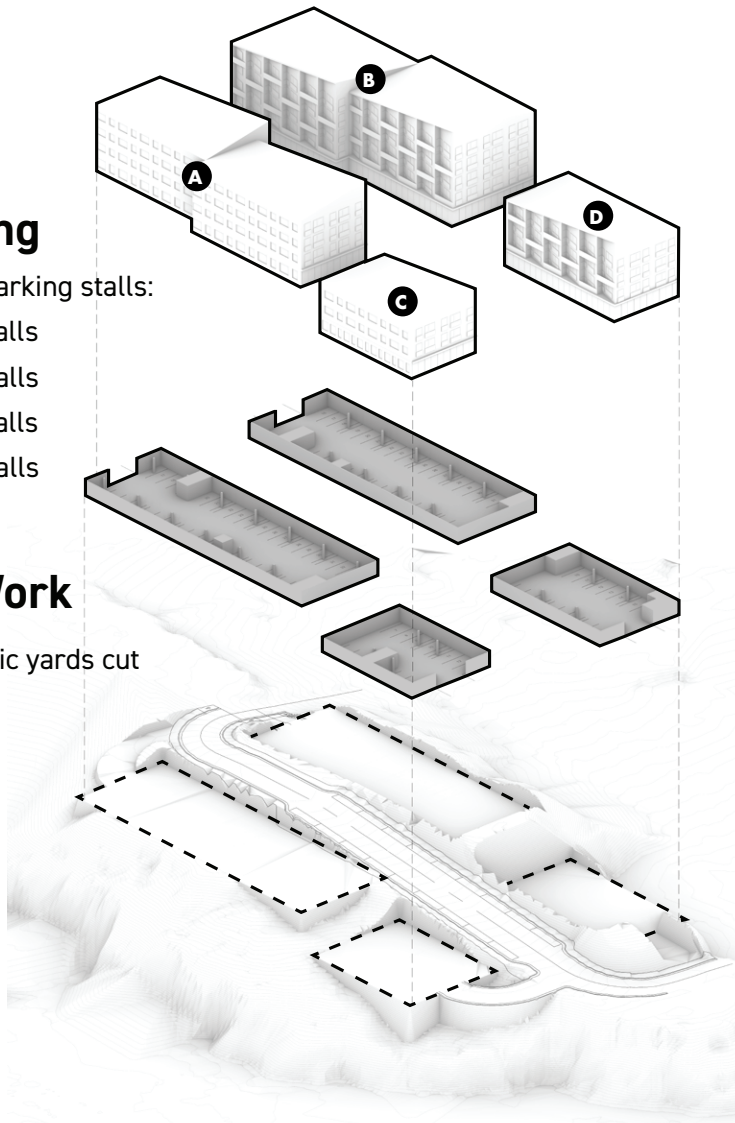
Parking

93 total parking stalls:

- A: 33 stalls
- B: 32 stalls
- C: 13 stalls
- D: 15 stalls

Site Work

16,125 cubic yards cut



Option 3 | Two Parking Garages

Parking

65 total parking stalls:

- A: 33 stalls
- B: 32 stalls

Site Work

10,050 cubic yards cut

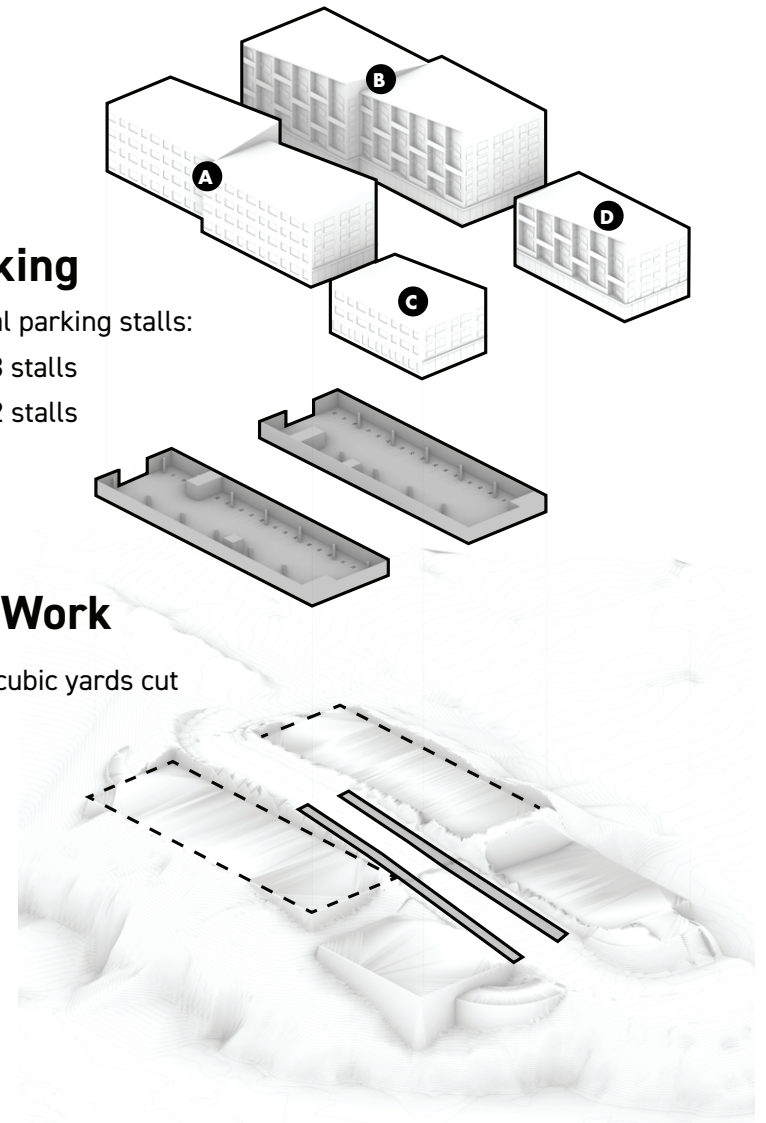


Fig. 38: Site & Parking Alternatives Option 2-3

IDENTITY & WAYFINDING

PURPOSE & INTEGRATION

Integrating wayfinding elements at Telephone Hill will not only serve the practical function of guiding people through the space but also offer an opportunity to infuse it with a unique character and identity. By incorporating signage, landmarks, and other navigational aids that are visually distinctive and culturally relevant, Telephone Hill can communicate its history, values, and personality to those who pass through it. For example, Telephone Hill might use street signs adorned with local artwork or historical motifs, or incorporate landmarks with symbolic significance into its navigation system. In doing so, the wayfinding elements become more than just tools for orientation; they become symbols of the place itself, fostering a deeper connection between individuals and their surroundings.

This integration of wayfinding with identity not only enhances the practical utility of navigation but also contributes to a richer and more meaningful experience, encouraging exploration, interaction, and a sense of place attachment among residents and visitors.



Fig. 39: Ground Floor Plan

OPPORTUNITIES



Fig. 40: Example of Active Residential Entries

Active Ground Floor Uses

Active ground floor uses, such as cafes, community spaces, and ground floor residential entries are vital for creating lively, walkable urban environments, fostering social interaction and neighborhood cohesion and enhancing the overall urban experience.



Fig. 41: Example of Public Art Mural in Juneau

Art Murals

Art murals in public spaces are vital for enhancing the aesthetics of a place, fostering community cohesion, and celebrating local culture, while also promoting inclusivity and dialogue among residents.

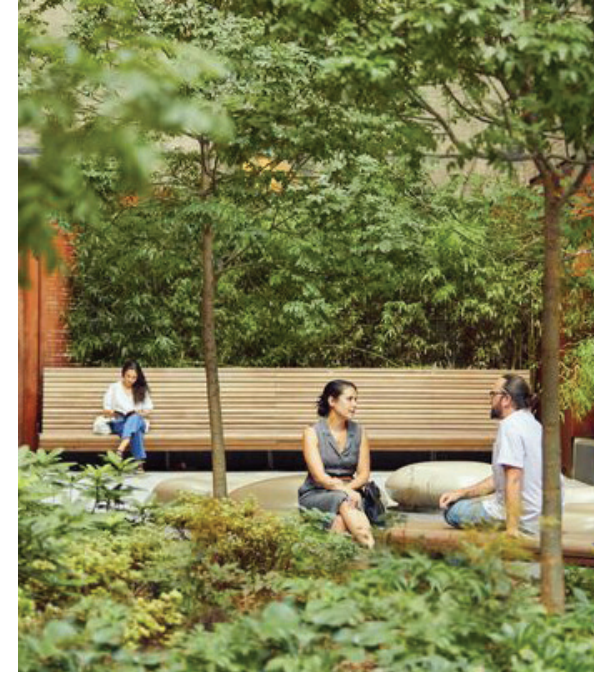


Fig. 42: Example of Public Seating

Public Seating / Benches

Public seating / benches, in public spaces is crucial for fostering social interaction, relaxation, and inclusivity, supporting community engagement and enhancing the usability of urban environments for people of all ages and abilities.

IDENTITY & WAYFINDING ELEMENTS



Fig. 43: Street Lighting Example

Pedestrian Street Lighting

Pedestrian street lighting is essential for safety, accessibility, and enhancing urban environments after dark. Additionally, well-designed lighting aids wayfinding, reduces accidents, and enhances the aesthetic appeal of urban landscapes, creating visually pleasing night-time vistas.

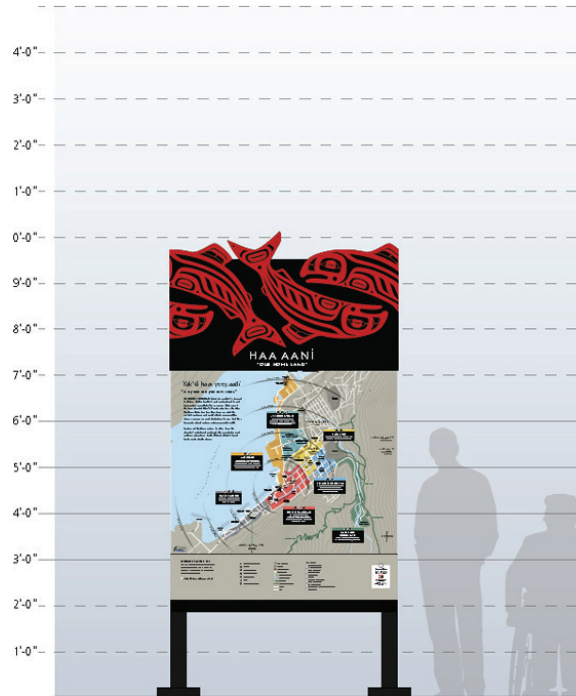


Fig. 44: Directory Wayfinding Example - credit MRV

Signage + Wayfinding

Signage is crucial for wayfinding, offering essential guidance through spaces and enhancing safety and accessibility. Well-designed signage aids navigation efficiently, incorporating local elements to reinforce a sense of place and identity.

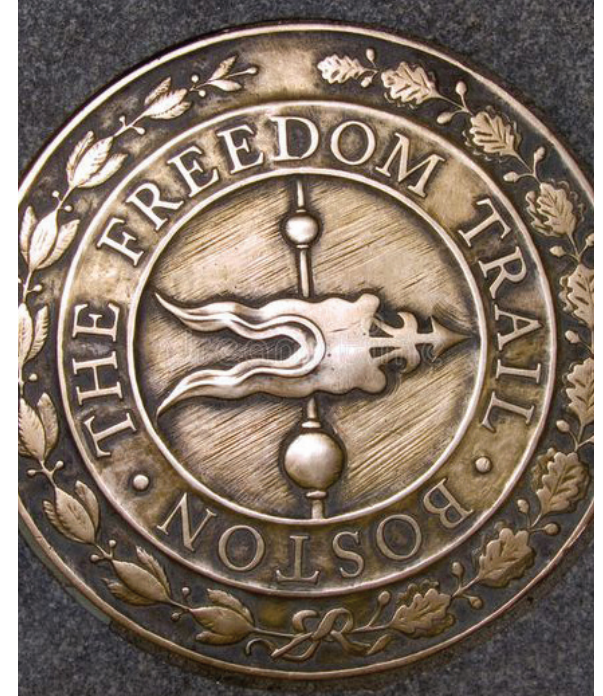


Fig. 45: Example of Historic Marker in Sidewalk

Historic Markers

Historic markers aid wayfinding by offering context and orientation in historically significant areas, guiding individuals while educating them about local heritage and fostering a sense of pride and connection to the past.



Fig. 46: Example of Patterned Pavement from Juneau

Patterned & Symbolic Paving Patterns

Patterned and symbolic paving patterns can have a profound impact on the atmosphere and identity of a place. Beyond their functional role in guiding pedestrian traffic, these patterns serve as visual cues that communicate cultural heritage, artistic expression, or thematic narratives. Symbolic paving patterns can evoke a sense of place, fostering a connection to local history and values.

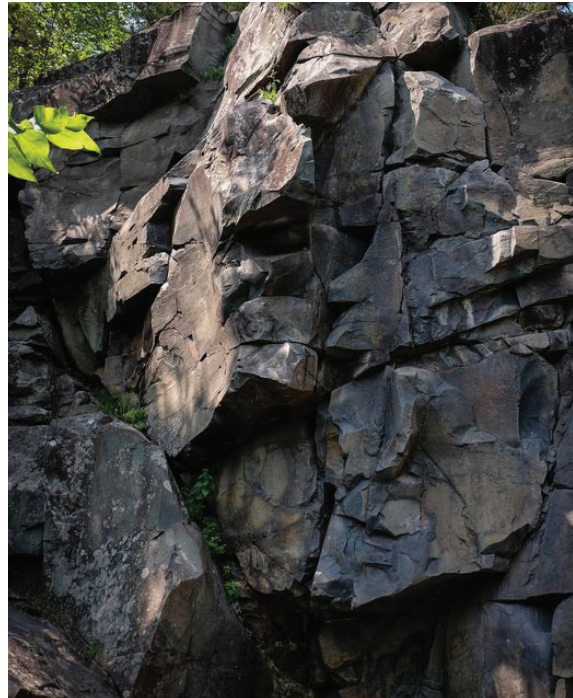


Fig. 47: Example of Open Rock Face

Rock Face Outcrop

Preserving the existing open rock face outcrop at Telephone Hill is crucial for both ecological and educational reasons. These outcrops offer a unique glimpse into geological history, showcasing layers of rock formations that provide valuable insights into Earth's past.

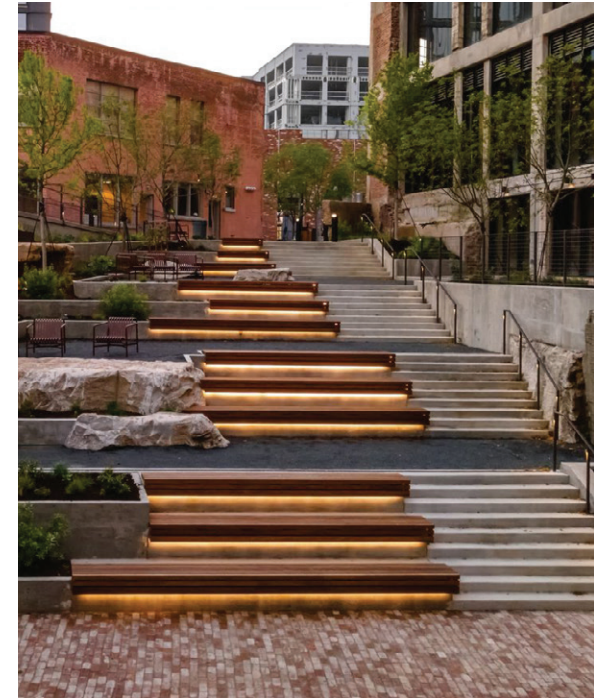


Fig. 48: Stair Elements Example

Sculptural Descending Terrain + Stair

The proposed stairs at Telephone Hill could become sculptural elements, serving both function and aesthetic. They have the potential to become iconic landmarks, enriching the visual landscape and fostering community engagement. These architectural elements blend form and function, enhancing public spaces and leaving a lasting impression.

NEXT STEPS

OVERVIEW

This report section offers recommendations, strategies, and next steps for the CBJ to facilitate the Telephone Hill site's redevelopment. By establishing a clear vision, engaging with developers, and implementing a well-crafted recruitment strategy, the aim is to generate multiple development proposals aligning with the articulated vision. Initially, it covers key aspects of developer recruitment, such as the RFP and RFQ processes, marketing approaches, and essential components of developer solicitation materials. Following this, it addresses phasing and master development considerations for the site, concluding with a roadmap and timeline for the development process.

RFQ v RFP PROCESS

Finding the right development partner is pivotal for the success of the Telephone Hill project. The ideal developer(s) should possess experience, capital, and a strong enthusiasm for the site's potential. Through a competitive process, the CBJ can thoroughly assess numerous candidates to identify the one that best aligns with the site's unique requirements and the CBJ's vision.

Leland Consulting recommends that the CBJ use an RFQ process for the following reasons:

- **Simple to prepare:** An RFQ entails development teams submitting a cover letter, resumes, and qualifications, including details on past similar projects.
- **Likely to generate more submittals:** The reduced time and financial commitment attract more interested parties, crucial for a project in a remote area like Juneau, especially on a challenging site.

- **Likely to catch the interest of highly qualified candidates:** The CBJ can select a few top candidates as finalists, who will then craft detailed proposals. These finalists are likely to produce thoughtful proposals, given their higher chance of securing the job.

However, the RFP process often fails due to:

- **Complexity:** It demands refined proposals, including market analysis and architectural renderings, requiring



Fig. 49: Photo from Open House 1

significant time and resources, often based on incomplete information.

- Deterrence: High costs in time and money discourage many developers, especially those busy or highly qualified, with responses costing tens of thousands of dollars.
- Subjectivity: Decision-making can prioritize superficial aspects, like aesthetics, at preliminary design stages that are likely to evolve.



Fig. 50: Visualization of Telephone Hill Scenario

RFQ VISION & DEVELOPER OUTREACH

The CBJ has developed a vision for the Telephone Hill site, crucial to communicate clearly to developers along with the CBJ's financial commitment, all to be included in the RFQ.

- **Project Summary and Vision:** The CBJ should use this document to outline site details, history, zoning, size, and the vision for Telephone Hill's transformation, including desired building types, open spaces, and housing, offering developers a chance to participate in downtown redevelopment.
- **Financial Reality and Commitment:** Given Juneau's development costs, the CBJ provides funding incentives for housing, summarized in the RFQ. Additional potential investments, like site preparation or affordable housing subsidies, should also be detailed.

With both an RFQ and RFP process, proactive outreach to potential candidates is crucial prior to solicitation issuance. Input from developers, even years before construction, is valuable throughout the planning process.

One strategy the CBJ could employ is issuing a request for interest (RFI) to gather information and engage developers before RFQ/RFP issuance. As the solicitation approaches, local and national outreach is essential to ensure a pool of at least two to three qualified submissions. Given limited local experience for a project of Telephone Hill's scale, outreach to developers in Seattle and elsewhere in the West, as well as Anchorage, is recommended. Ultimately, partnerships between developers with national experience and local partners or contractors may best realize the Telephone Hill vision.

RFQ REQUIREMENTS

Since an RFQ doesn't mandate detailed project drawings, the CBJ must assess the developer's experience to determine advancement. The submission should provide ample detail about the developer and team, including, at least, the following:

- **Team profile:** Description of the primary firm and its location.
- **Principals' resumes:** Backgrounds of

key individuals responsible for project development, design, and management.

- **Project examples:** Detailed descriptions of completed projects by the development team, including developers and architects, with criteria for inclusion.
- **References:** Multiple references, ideally from municipalities with completed public-private partnerships.



Fig. 51: Photo from Open House 2



Fig. 52: Photo from First Walking Tour of Site

- **Final Site Design & Control:** To allow for a diverse range of responses and leverage the creativity of developers, CBJ should maintain flexibility in the final site design and control. Ownership of the site should remain with CBJ until a DDA is signed, with the possibility of a non-binding LOI or MOU before. This ensures quick action if deals fall through, enabling CBJ to move to alternate candidates.

CBJ envisions dividing Telephone Hill into four sites, with development possible by one or multiple developers, either concurrently or in phases. The advantages and disadvantages of a single master developer versus multiple site developers present flexibility considerations for CBJ during the solicitation process.

Advantages of Master Developer:

- One team covering all project disciplines, from architecture to construction.
- CBJ can manage complex urban redevelopment without internal staff expansion.

- **Financial capacity:** Evidence of financing capacity, such as letters of interest from lending institutions or equity partners, subject to confidentiality.
- **Project vision:** Clear statement of the developer's vision and approach to development, including interest in developing the entire site or specific elements.

MASTER DEVELOPER VS SITE DEVELOPERS

CBJ should determine key aspects before RFQ issuance, keeping others flexible during solicitation and negotiation.

Key Choices:

- Budget allocation and funding sources for the project.
- Distinguishing between "wants" and "needs" in the site vision, like affordable housing and public spaces.

Flexible/Negotiable Topics:

- **Master Developer vs. Site Developers:** Options may affect applicant pool.
- **Financing and infrastructure implementation:** CBJ may use infrastructure as an incentive, involving master developer in planning and construction.

- Master developer handles time-consuming tasks like permitting and subcontractor oversight.
- Better coordination between upfront infrastructure and later vertical elements is achievable.

Advantages of Multiple Developers:

- Enables specialized expertise, like affordable housing developers for specific project components.
- Increases competition, offering more architectural and design diversity.
- Easier to engage developers for smaller portions or phased approaches, potentially reducing costs.
- In-house responsibility retention may theoretically save money, though it could introduce inefficiencies.



Fig. 53: Photo of Historic Downtown Juneau

PROJECT TIMELINE

6 Month Horizon

Withing the next 6 months following the completion of this project, the City should focus on developer outreach to introduce the project to developers and then begin to refine the strategy moving forward. This document should be referenced when those conversations take place.

The City should also begin site preparation and finalize CBJ's financial commitment.

8 Month Horizon

Following developer outreach the CBJ should issue the RFQ, select developer(s) and award

the project. This should include a non-binding Letter of Intent (LOI) or Memorandum of Understanding (MOU) outlining the scope, CBJ and developer commitments, and a plan for redevelopment.

12-18 Month Horizon

During this period CBJ should negotiate with the selected developer(s), finalize the design and practice due diligence. Moving forward, CBJ should execute a legally binding Development and Disposition Agreement (DDA) which conveys the land to the developer, and includes provisions for the termination of the project at various phases if problems arise.

18-24 Month Horizon

During this phase of the project, the developer would typically secure final financing and begin to construct the project.

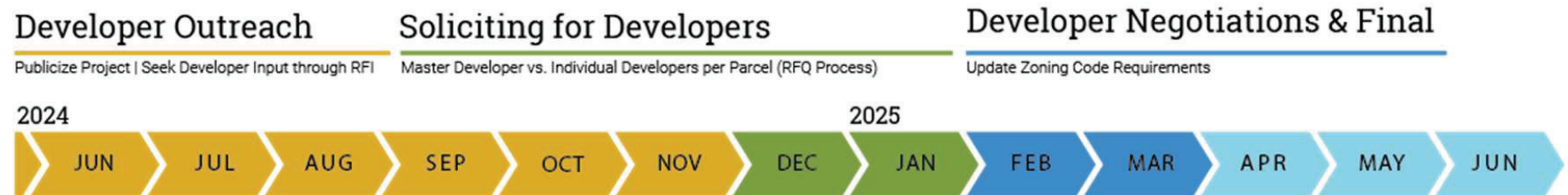


Fig. 54: Project Timeline Diagram

APPENDIX

Cultural Resource Desktop Assessment (NLURA):

https://juneau.org/wp-content/uploads/2024/02/THill_Cultural-Resource-Desktop-Review.pdf

Historic Building Survey (MRV)

https://juneau.org/wp-content/uploads/2024/02/THill_MRV-Report_Updated-Site-and-Structures-Survey.pdf

Existing Structures Condition Report (RESPEC)

<https://juneau.org/wp-content/uploads/2023/12/Telephone-Hill-Existing-Structures-Condition-Report.pdf>

Phase I ESA (Cox Environmental)

https://juneau.org/wp-content/uploads/2024/06/THill_Phase-I-Environmental-Site-Assessment.pdf

Market and Feasibility Analysis (Leland)

https://juneau.org/wp-content/uploads/2024/06/THill_Market-Analysis.pdf

1984 Site and Structures Survey

https://juneau.org/index.php?gf-download=2019%2F02%2FTelephone_Hill_Historic_Site_and_Structures_Survey_1984.pdf&form-id=22&field-id=11&hash=e52e4a25757ecdb235185d53bb30a873ce31a184bb7932b5d982c986d0b3616a



Presented by: The Manager
Presented: 06/17/2024
Drafted by: E. Wright

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA
Serial No. 2024-11

An Ordinance Authorizing the Port Director to Negotiate and Execute a Lease of Alaska Tidelands Survey No. 750, for the Purpose of Waterfront Commercial Activities.

WHEREAS, on June 30, 1969, the State of Alaska entered into a lease agreement with J.E. Trucano (“the Applicant”) for ATS 750 for a period of 55 years with the annual rental rate of \$75.00; and

WHEREAS, in 2001, the State of Alaska conveyed ATS 750 to the City and Borough of Juneau, and transferred the administration of the lease to the City and Borough; and

WHEREAS, the lease expires in June, 2024; and

WHEREAS, Trucano Family LLC, the successor to J.E. Trucano, now desires to enter into a new lease agreement with the City and Borough of Juneau for the lease of ATS 750, containing approximately .426 acres; and

WHEREAS, the Docks and Harbors Board and the applicant conducted appraisals for the property to be leased; and

WHEREAS, the Docks and Harbors Board reviewed this lease proposal at its meeting on May 30, 2024, and approved the lease of ATS 750 to Trucano Family LLC, for the purpose of waterfront commercial activities, with an annual lease payment of \$11,267.00, the annual lease payment established for the first five years, with an adjustment every five years thereafter pursuant to the terms of the lease; and

1 WHEREAS, the Docks and Harbors Board is authorized in CBJC 85.02.060(a)(5) to lease
2 lands as provided in CBJ Chapter 53.20.020 and any action required by the City Manager may
3 be performed by the Port Director; and

4 WHEREAS, CBJC 53.20020 authorizes the lease of lands owned by the City and Borough,
5 including tidelands and submerged lands, by ordinance under such procedures and minimum
6 terms and conditions as set forth in the ordinance.

7
8 THEREFORE BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU,
9 ALASKA:

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

11 **Section 2. Authorization to Lease.** The Port Director is authorized to negotiate and
12 execute a lease to Trucano Family LLC, for ATS 750, a parcel of approximately .426 acres,
13 located at ADL36091-ATS750, Juneau Recording District, First Judicial District, State of
14 Alaska, as generally depicted in Exhibit “A,” subject to the following minimum essential terms
15 and conditions:

- 16 (A) The leased property shall be used by the Lessee for waterfront commercial
17 activities;
- 18 (B) The lease shall be for a maximum term of 35 years (CBJC 53.20.080);
- 19 (C) The annual lease rent for the first five-year period of the term shall be \$11,267.00,
20 plus sales tax. The first payment under the lease agreement shall be due at the
21 start of each year of the term. The Port Director shall review and adjust the annual
22 rental payment every fifth year of the lease in accordance with CBJC 53.20.190(2)
23 and CBJC 85.02.060(a0(5), as well as Docks and Harbors administration
24 regulations;
- 25 (D) Applicant shall be responsible for obtaining all necessary permits and approvals for
its use and development of the leased property;
- (E) Applicant shall indemnify, defend, and hold harmless the City and Borough and its
officers and employees for any claims related to or arising out of the Applicant’s use,
operation, or maintenance of the leased property, equipment, and improvements, or

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any further development of the leased property or improvements by the Applicant;
and

(F) The lease shall include all provisions of the standard CBJ land lease form not in
conflict with ordinance, and any other provisions that the Port Director determines
to be in the public interest.

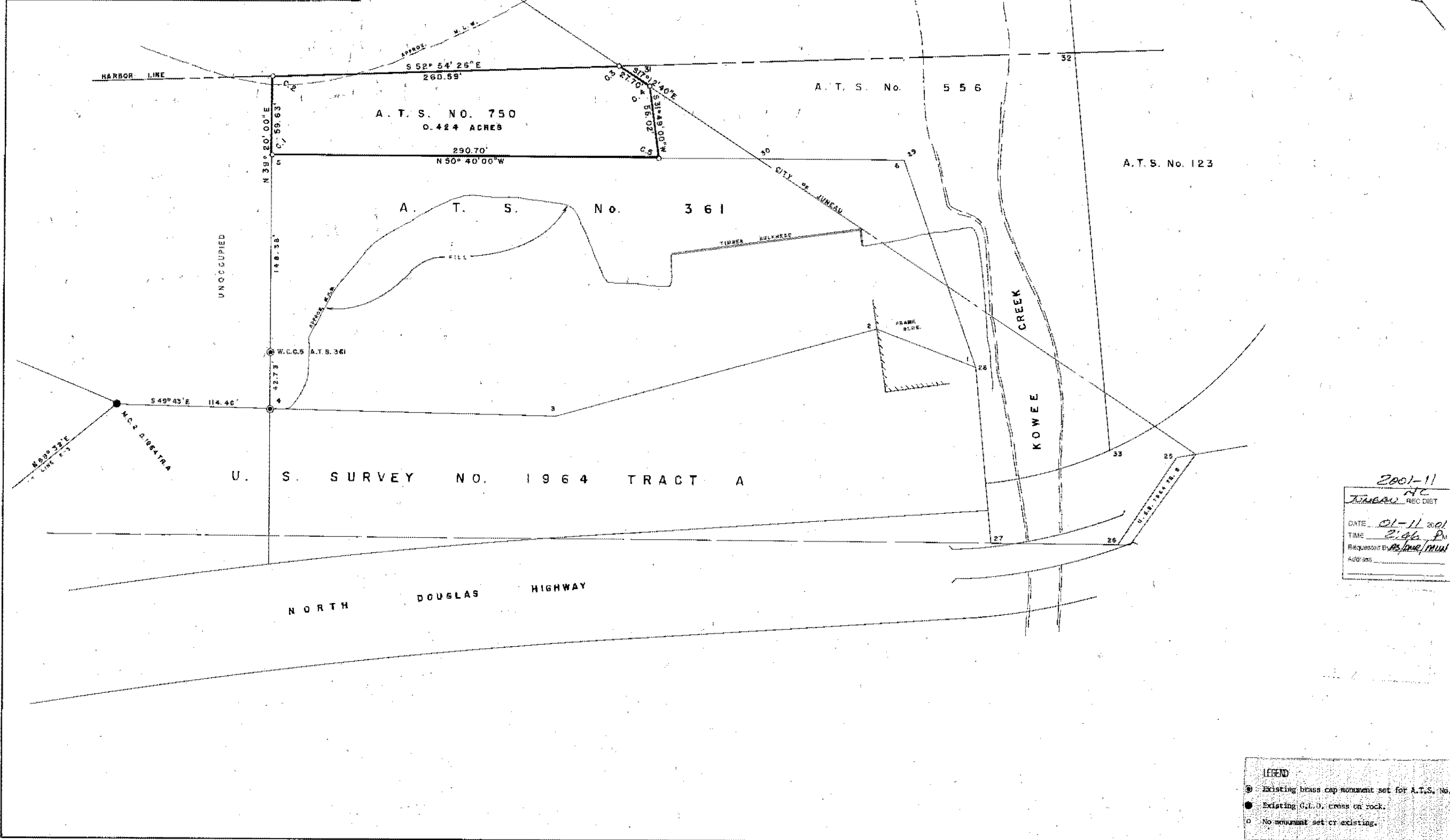
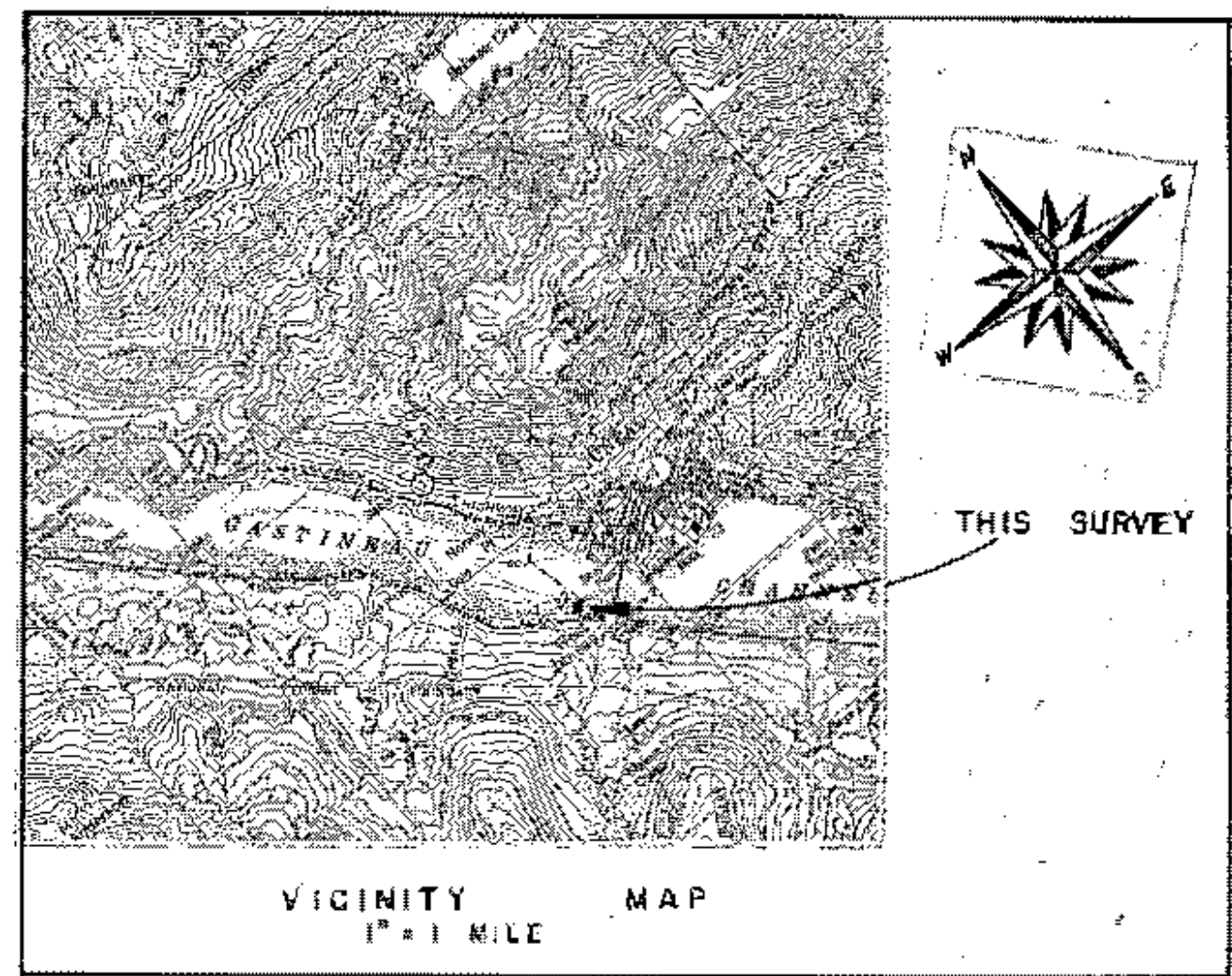
Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2024.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk



DESCRIPTION OF A.T.S. NO. 750

Beginning at Cor. No. 1, identical with Cor. No. 5, A.T.S. No. 361, thence, from Cor. No. 1, by rates and bounds, N. 39° 20' 00" E., 59.63 ft., to Cor. No. 2; S. 52° 54' 26" E., 260.59 ft., to Cor. No. 3; S. 17° 12' 49" E., 27.70 ft., to Cor. No. 4; S. 31° 49' 00" W., 55.02 ft., to Cor. No. 5; N. 50° 40' 00" W., 290.70 ft., to Cor. No. 1, the point of beginning, containing in all 0.424 acres, more or less.

Latitude 58° 18' N. Longitude 134° 26' W.

NOTE: The origin of bearings for this survey originated between Cor. No. 3 and Cor. No. 2, A.T.S. No. 1964, Tract A, officially reported as N. 87° 32' E.

LEASE APPLICANT: J. E. Trzasko
314 Highland Drive
Juneau, Alaska

ENGINEER'S CERTIFICATE

I hereby certify that I am registered to practice land surveying in Alaska and that this plat represents a survey made by me or under my direct supervision, and the measurements shown hereon actually exist as located, and that all dimensional and other details are correct to the best of my knowledge.

Aug. 15, 1967

REGISTERED PROFESSIONAL ENGINEER

2001-11
T. NORDLING REC DIST
DATE 01-11-2001
TIME 2:46 PM
Requested by AS/DNR/MW
Address

Plat Prepared May 12, 1967		ADL 36091	
DATE OF SURVEY		TONER & NORDLING	
Beginning:	April 21, 1967	REGISTERED ENGINEERS	
Ending:	April 21, 1967	JUNEAU, ALASKA	
ALASKA DIVISION OF LANDS			
STATE OF ALASKA			
ANCHORAGE, ALASKA			
ALASKA TIDELANDS SURVEY			
NO. 750 (CR 415 67E)			
Drawn By:	J. E. Trzasko	Approved:	[Signature]
Date Approved:	August 15, 1967	Approved:	[Signature]
Scale:	1" = 40'	Checked:	[Signature]
		File No.	ATS 750

Presented by: The Manager
Presented: 06/17/2024
Drafted by: E. Wright

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2024-12

An Ordinance Authorizing the Port Director to Negotiate and Execute a Lease of Alaska Tidelands Survey No. 842 Tracts A&B, for the Purpose of Waterfront Commercial Activities.

WHEREAS, on August 19, 1971, the State of Alaska entered into a lease agreement with J.E. Trucano (“the Applicant”) for ATS 842 Tracts A&B for a period of 55 years with the annual rental rate of \$400.00; and

WHEREAS, in 2001, the State of Alaska conveyed ATS 842 Tracts A&B to the City and Borough of Juneau, and transferred the administration of the lease to the City and Borough; and

WHEREAS, the lease expires in August, 2026; and

WHEREAS, Trucano Family LLC, the successor to J.E. Trucano, now desires to enter into a new lease agreement with the City and Borough of Juneau for the lease of ATS 842 Tracts A&B, containing approximately 1.01 acres; and

WHEREAS, the Docks and Harbors Board and the applicant conducted appraisals for the property to be leased; and

WHEREAS, the Docks and Harbors Board reviewed this lease proposal at its meeting on May 30, 2024, and approved the lease of ATS 842 Tracts A&B to Trucano Family LLC for the purpose of waterfront commercial activities, with an annual lease payment of \$20,909.00, the annual lease payment established for the first five years, with an adjustment every five years thereafter pursuant to the terms of the lease; and

1 WHEREAS, the Docks and Harbors Board is authorized in CBJC 85.02.060(a)(5) to lease
2 lands as provided in CBJ Chapter 53.20.020 and any action required by the City Manager may
3 be performed by the Port Director; and

4 WHEREAS, CBJC 53.20.020 authorizes the lease of lands owned by the City and Borough,
5 including tidelands and submerged lands, by ordinance under such procedures and minimum
6 terms and conditions as set forth in the ordinance.

7
8 THEREFORE BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU,
9 ALASKA:

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

11 **Section 2. Authorization to Lease.** The Port Director is authorized to negotiate and
12 execute a lease to Trucano Family LLC, for ATS 842 Tracts A&B, a parcel of approximately
13 1.01 acres, located at ADL51488 - ATS 842 Tracts A & B, Juneau Recording District, First
14 Judicial District, State of Alaska, as generally depicted in Exhibit “A,” subject to the following
15 minimum essential terms and conditions:

- 16 (A) The leased property shall be used by the Lessee for waterfront commercial
17 activities;
- 18 (B) The lease shall be for a maximum term of 35 years (CBJC 53.20.080);
- 19 (C) The annual lease rent for the first five-year period of the term shall be \$20,909.00,
20 plus sales tax. The first payment under the lease agreement shall be due at the
21 start of each year of the term. The Port Director shall review and adjust the annual
22 rental payment every fifth year of the lease in accordance with CBJC 53.20.190(2)
23 and CBJC 85.02.060(a)(5), as well as Docks and Harbors administration
24 regulations;
- 24 (D) Applicant shall be responsible for obtaining all necessary permits and approvals for
25 its use and development of the leased property;
- 25 (E) Applicant shall indemnify, defend, and hold harmless the City and Borough and its
 officers and employees for any claims related to or arising out of the Applicant’s use,
 operation, or maintenance of the leased property, equipment, and improvements, or

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any further development of the leased property or improvements by the Applicant;
and

- (F) The lease shall include all provisions of the standard CBJ land lease form not in conflict with ordinance, and any other provisions that the Port Director determines to be in the public interest.

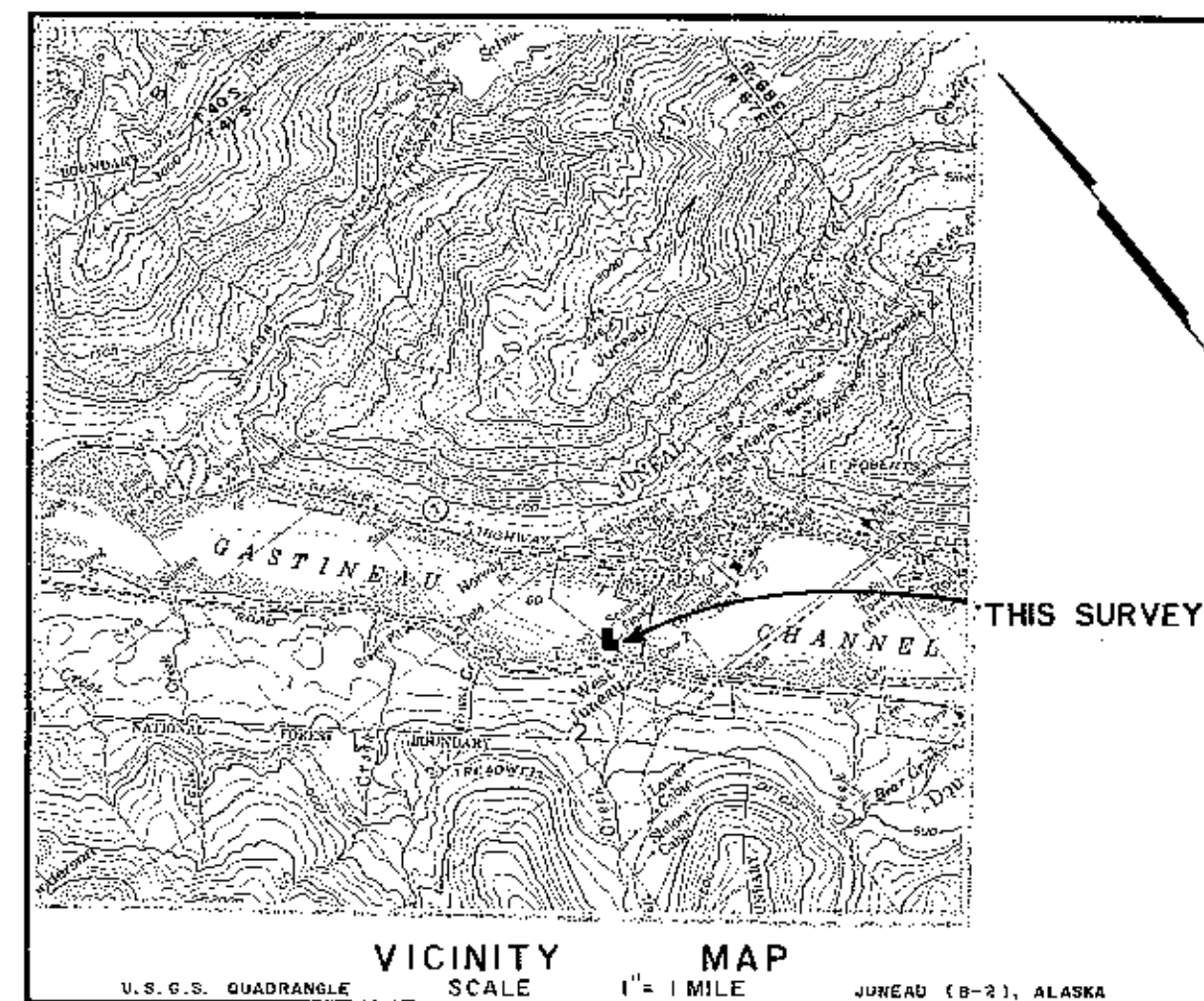
Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2024.

Beth A. Weldon, Mayor

Attest:

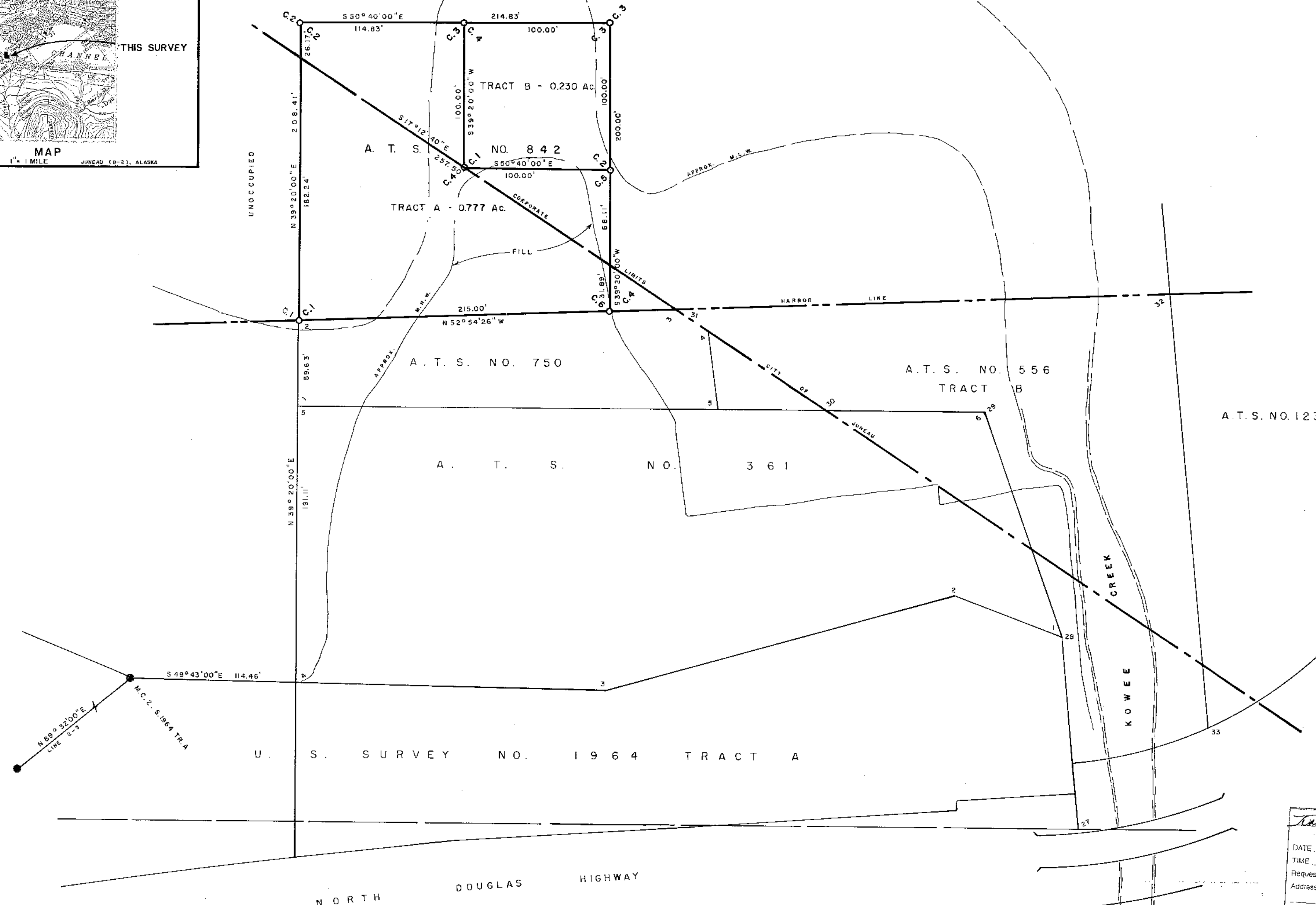
Elizabeth J. McEwen, Municipal Clerk



GASTINEAU

CHANNEL

Ordinance 2024-12 Exhibit A ATS 842



DESCRIPTION OF ATS NO. 842

Beginning at Cor. No. 1, identical with Cor. No. 2, ATS 750. Thence, from Cor. No. 1, by metes and bounds, N 39° 20' 00" E, 200.41 ft. to Cor. No. 2; S 50° 40' 00" E, 214.83 ft. to Cor. No. 3; S 39° 20' 00" W, 200.00 ft. to Cor. No. 4; N 52° 54' 26" W, 215.00 ft. to Cor. No. 1, the point of beginning, containing in all 1.007 acres, more or less.

DESCRIPTION OF TRACT A

Beginning at Cor. No. 1, identical with Cor. No. 1 of ATS 842 described above. Thence, from Cor. No. 1, by metes and bounds, N 39° 20' 00" E, 200.41 ft. to Cor. No. 2; S 50° 40' 00" E, 114.83 ft. to Cor. No. 3; S 39° 20' 00" W, 100.00 ft. to Cor. No. 4; S 50° 40' 00" E, 100.00 ft. to Cor. No. 5; S 39° 20' 00" W, 100.00 ft. to Cor. No. 6; N 52° 54' 26" W, 215.00 ft. to Cor. No. 1, the point of beginning, containing in all 0.777 acres, more or less.

DESCRIPTION OF TRACT B

Beginning at Cor. No. 1, identical with Cor. No. 4, Tract B, ATS 842 described above. Thence, from Cor. No. 1, by metes and bounds, S 50° 40' 00" E, 100.00 ft. to Cor. No. 2; N 39° 20' 00" E, 100.00 ft. to Cor. No. 3; N 50° 40' 00" W, 100.00 ft. to Cor. No. 4; S 39° 20' 00" W, 100.00 ft. to Cor. No. 1, the point of beginning, containing in all 0.230 acres, more or less.

Latitude 58° 18' N. Longitude 134° 26' W.
at Cor. No. 1, ATS No. 842

LEASE APPLICANT:

J.E. Trucano
314 Highland Drive
Juneau, Alaska 99801

CERTIFICATE OF REGISTERED LAND SURVEYOR

I hereby certify that I am a registered land surveyor, and that this plat represents the survey made by me or under my direct supervision, and that all dimensional and other details are correct to the best of my knowledge.

July 24, 1970



2001-10
TANAW REC DIST
DATE 01-11-2001
TIME 2:46 PM
Requested By: [Signature]
Address: [Blank]

Revised: April 10, 1971 - Tract B added.

Approved: [Signature]
Chief, Cadastral Engineer
Approved: [Signature]
Director of Lands

NOTE: The origin of bearings for this survey originated between Cor. No. 3 and Cor. No. 2, MC, USS 1964, Tract A, officially reported as N 89° 32' E.

LEGEND

- Existing G.L.O. cross on rock.
- No monument set or existing.

Plat Prepared May 27, 1970

ADL 51488

DATE OF SURVEY Beginning: May 8, 1970 Ending: May 8, 1970		TONER & NORDLING REGISTERED ENGINEERS JUNEAU, ALASKA	
ALASKA DIVISION OF LANDS STATE OF ALASKA ANCHORAGE, ALASKA			
ALASKA TIDELANDS SURVEY NO. 842 (T41S, R67E, C.R.M.)			
Drawn By: G. R. M.	Approved: [Signature] Chief, Cadastral Engineer	Date Approved: 10-28-70	Approved: [Signature] Director of Lands
Scale: 1" = 40'	Checked: [Signature]	File No.:	ATS 842



Port of Juneau

City & Borough of Juneau • Docks & Harbors
155 Heritage Way • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

From: *Carl Uchytel*
Carl Uchytel, P.E.
Port Director

To: Assembly Lands, Housing & Economic Development (LHED) Committee

Via: (1) Lands Manager
(2) CBJ Manager

Date: July 9th, 2024

Re: ORDINANCE 2024-11 & 2024-12

- At the [June 17th, 2024 regular Assembly meeting](#), Ordinance 2024-11 (Alaska Tideland Survey 750 lease) and Ordinance 2024-12 (Alaska Tideland Survey 842 lease) were introduced. This action follows the [May 30th recommendation by the Docks & Harbors Board](#) for the Assembly approve to lease language, drafted by CBJ Law. The language in the initial CBJ Law draft included a stipulation stating:

TERM AND RENEWAL OPTION

*The effective date of this lease shall be the date this lease is signed by the City. The term of the lease is 35 years, commencing on the effective date of the lease, 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.*

The ability for lessees to have an option to extend a lease one time has been included in all leases since Docks & Harbors began managing CBJ tidelands in 2001.

- Subsequent to the Board's action, the ordinance for introduction added the following statement:

...subject to the following minimum essential terms and conditions:

The lease shall be for a maximum term of 35 years ([CBJC 53.20.080](#));

This leaves Docks & Harbors staff puzzled to the intent. Presumably, with this limiting language, the lessee will not have an expectation to renew the lease following the initial 35-year period with CBJ. Existing code does indeed limit the maximum term to 35 years (53.20.080); however, the next two paragraphs in CBJ code speaks to renewal and preference privilege:

53.20.090 - Renewal of lease.

If at the expiration of the lease of any lands under this chapter the lessee desires a renewal lease of the lands, properties or interests covered thereby, the lessee shall, not sooner than 60 days prior to the expiration, and not later than 30 calendar days prior to the expiration, make application for the renewal lease in writing on forms provided entitled "Application for Renewal of Lease," certifying under oath as to the character and value of all improvements existing on the lands, properties or interests, the purpose for which the lessee desires a renewal lease and such other information as the manager may require to evaluate the renewal. The applicant shall deposit \$25.00 if the lease does not require public bidding or \$50.00 if the lease does require public bidding. The manager may thereupon lease the lands in compliance with all sections of this chapter with a preference being allowed to the former lessee if all other pertinent factors are substantially equivalent. The date that the application for renewal of lease is presented to the manager, as evidenced by the City and Borough receipt date stamped thereon, whether delivered or forwarded by regular mail, certified or registered mail, shall be conclusive.

53.20.100 - Preference privilege.

A lessee under an existing lease shall, upon the expiration or the termination by mutual agreement, be allowed a preference privilege to re-lease those lands previously leased by him or her if all other factors are substantially equivalent. If the lease offered the preference privilege holder does not exceed a term of ten years, the manager may permit the preference privilege holder to re-lease the subject lands under the same procedure, conditions and terms as the expired lease, except that the rental rate shall be reviewed and adjusted before re-leasing, and the assembly must approve the re-lease. The preference privilege holder shall exercise that right within 30 calendar days after the lease is offered by the manager. Failure to do so shall result in forfeiture and cancellation of the preference privilege. If the lease is put up for public bidding, the preference privilege holder shall at the close of the bidding indicate if the preference privilege holder wishes to exercise that preference privilege and meet the highest bid. If the preference privilege holder does so choose, all the requirements of this title shall be met. If the preference privilege holder does not choose to exercise that preference privilege at this time, or if the requirements of this title are not fulfilled, the preference privilege is then forfeited and canceled. No preference privilege shall inure to a lessee whose lease has been canceled or terminated for cause.

3. The LHED should recognize that CBJ tide land leases are virtually all with private investors who require certainty in making long-term capital investments. Limiting lease terms to only one lease, without an option to renew, will adversely affect marine business investors. As examples, if a lease can only be made for a maximum 35-years then the following will require changes to their business plans (i.e.):
 - a. Goldbelt – Tram lease
 - b. Goldbelt – Seadrome Dock
 - c. Alaska Glacier Seafood
 - d. DIPAC
 - e. South Franklin Street Dock
 - f. Future Huna-Totem Cruise Ship Dock
 - g. Andrew's Marina
 - h. Tee Harbor Marina
 - i. CCTHITA – Cultural Immersion Center

4. In the case of the Trucano Family LLC (TFL). The State of Alaska had awarded a 55-year lease with an option to renew. This is consistent with [AS 38.05.070](#) currently in place:

(c) A lease may be issued for a period up to 55 years, if the commissioner determines it to be in the best interests of the state. The commissioner shall consider the useful life of any improvements proposed and approved under AS 38.05.075 in determining the term of the lease. If the commissioner determines that the land or a part of it which is the subject of a grazing lease is not being used for the purpose issued, the lease may be declared void.

*(e) The director may renew a lease issued under this section, AS 38.05.075, 38.05.083, or 38.05.810 upon its expiration if the lease is in good standing and the lease renewal is determined to be in the best interests of the state. A renewal issued under this subsection is not subject to AS 38.05.035(e). A lease under this section, AS 38.05.075, 38.05.083, or 38.05.810 may be **renewed only once for a term not longer than the initial term of the lease**. The director shall provide notice of the lease renewal decision.*

5. Enclosure (1) depicts the property ownership with the red highlighted being owned without encumbrance by TFL. It should be noted that TFL has all the adjacent uplands connected to the CBJ owned tide lands. The tide lands leased to TFL, at fair market value, has limited value except to the upland's property owner. To remove the ability for the lessee to renew future CBJ tide land leases is not in either party's best interest. It is recommended that appropriate language be added to the ordinance and lease which is not as limiting as "the lease shall be for a maximum of 35 years".

#

Encl: (1) Map depicting ownership of parcels

Copy: CBJ Law
Docks & Harbors Board Members
Trucano Family LLC



Recorder return to: City and Borough of Juneau
 Attn: Carl Uchtyl
 155 Heritage Way
 Juneau, AK 99801

TRUCANO LEASE AGREEMENT FOR ATS 750

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 Jeff Trucano dba Trucano Family, LLC. a corporation organized under the laws of the State of Alaska, 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:	Lessees:
Attn: Carl Uchtyl	Attn: Jeff Trucano
Port Director	Trucano Family LLC.
City and Borough of Juneau	Lessee
155 Heritage Way	P.O. Box 21223
Juneau, AK 99801	Juneau, AK 99802
Phone: (907) 586-0282	Phone: (907) 586-2444; (907) 321-3988
Fax:	Fax:
Email:	Email:

PART III. LEASE DESCRIPTION. This lease agreement is identified as: Trucano Lease Agreement for ATS 842 Tracts A&B. 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. LEASE EXECUTION. City and Lessee agree and sign below. This contract is not effective until signed by the City.

City: _____
Date: _____
By: _____
Carl Uchytel, Port Director

Lessee Trucano Family LLC.:
Date: _____
By: _____
Jeff Trucano

CITY ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2024, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Carl Uchytel to me known to be the Port Director of the City and Borough of Juneau, Alaska, a municipal corporation which executed the above foregoing instrument, who on oath stated that he was duly authorized to execute said instrument on behalf of said corporation; who acknowledged to that that he signed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

Notary Public in and for the State of Alaska
My Commission Expires:

LESSEE ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2024, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Jeff Trucano to me known to be the identical individual described in and who executed the foregoing instrument for and on behalf of Trucano Family LLC., as Lessee, which executed the above and foregoing instrument; who on oath stated that they were duly authorized to execute said instrument; who acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

Notary Public in and for the State of Alaska
My Commission Expires:

Risk Management Review: _____, Risk Manager

Approved as to Form: _____, Law Department

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:

ADL36091/ATS750 - The north lot line is 260.59’ wide, the north south length of the east lot line is 82.72’, the southern property line yields an approximate frontage of 290.70’, the west lot line is 59.63’, approximately 18,469 SF or 0.424 AC more or less. Juneau recording district plat map 2001-11.

The Leased Premises are depicted on Exhibit A to CBJ Ordinance No. 2024-XX, a copy of which 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 City Code: CBJ 85.02.060(a)(5) and CBJ Chapter 53.20; and CBJ Ordinance No. 2024-XX enacted by the Assembly on XXX, 2024 and effective on XXX, 2024 .

3. TERM AND RENEWAL OPTION

The effective date of this lease shall be the date this lease is signed by the City. The term of the lease is 35 years, commencing on the effective date of the lease, unless sooner terminated. The 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 the 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. Except as provided in this section, the annual lease payments shall be made by Lessee to City at the start of each year of the term, with the first payment due on June , 2024.

(b) The annual lease payment for the first five-year period of the lease term shall be Eleven Thousand Two Hundred-Sixty-Seven Dollars (\$11,267.00) per year, plus sales tax.

(c) Beginning with the first year after the initial five-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.

(d) Lessee shall pay all appraisal costs associated with re-evaluating and adjusting the annual lease payment.

5. AUTHORIZED USE OF PREMISES

Lessee is authorized to use the Lease Premises for Waterfront Commercial operations. Lessee shall be responsible for obtaining all necessary permits and approvals for Lessee’s development of the Leased Premises. Lessee is required to obtain approval of its construction plans from the City Docks and Harbors Board prior to the start of any construction.

6. INSURANCE

Commercial General Liability Insurance

Lessee shall maintain at all times during this lease commercial general liability insurance, including marina operator’s 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 the 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 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. 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 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. The Parties agree that any subleases in effect at the date of signing of this agreement may continue. The

Lessee must provide a copy of any subleases in effect to the Lessor prior to the execution of this agreement.

(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 hereinbefore 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 from either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefor. 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 land 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 the 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 the 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

Trucano Lease Agreement: ADL 36091

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 the sloughing off or loss of surface materials of the leased land.

(19) **Inspection.** Lessee shall allow an authorized representative of the 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, topsoil, 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 reverses 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 the 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.** The 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 10.5 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 the City of any action, claim, or lawsuit. City Hall notifies Lessee in a timely manner if the need for indemnification, but such 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: Carl Uchtyl
 155 Heritage Way
 Juneau, AK 99801

TRUCANO LEASE AGREEMENT FOR ATS 842 TRACTS A&B

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 Jeff Trucano dba Trucano Family, LLC. a corporation organized under the laws of the State of Alaska, 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:	Lessees:
Attn: Carl Uchtyl	Attn: Jeff Trucano
Port Director	Trucano Family LLC.
City and Borough of Juneau	Lessee
155 Heritage Way	P.O. Box 21223
Juneau, AK 99801	Juneau, AK 99802
Phone: (907) 586-0282	Phone: (907) 586-2444; (907) 321-3988
Fax:	Fax:
Email:	Email:

PART III. LEASE DESCRIPTION. This lease agreement is identified as: Trucano Lease Agreement for ATS 842 Tracts A&B. 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. LEASE EXECUTION. City and Lessee agree and sign below. This contract is not effective until signed by the City.

City:

Date: _____

By: _____
Carl Uchytel, Port Director

Lessee Trucano Family LLC.:

Date: _____

By: _____
Jeff Trucano

CITY ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICAL DISTRICT)

This is to certify that on the ____ day of _____, 2024, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Carl. Uchytıl to me known to be the Port Director of the City and Borough of Juneau, Alaska, a municipal corporation which executed the above foregoing instrument, who on oath stated that he was duly authorized to executive said instrument on behalf of said corporation; who acknowledged to that that he signed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

Notary Public in and for the State of Alaska
My Commission Expires: _____

LESSEE ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICAL DISTRICT)

This is to certify that on the ____ day of _____, 2024, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Jeff Trucano to me known to be the identical individuals described in and who executed the foregoing instrument for and on behalf of Trucano Family LLC., as Lessee, which executed the above and foregoing instrument; who on oath stated that they were duly authorized to execute said instrument; who acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

Notary Public in and for the State of Alaska
My Commission Expires: _____

Risk Management Review: _____, Risk Manager

Approved as to Form: _____, Law Department

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:

ADL51488 - ATS 842 Tracts A & B. This lease is comprised of two tracts, Tract A, a larger “L” shaped lot, and Tract B a smaller, square shaped lot. Together, they form one nearly square shaped lease parcel, The west lot line is 208.41’, the north lot line is 214.83’ wide, the north south length of the east lot line is 200’. The southern property line yields an approximate frontage of 215’. The lease area totals 43,865 SF or approximately one acre. Juneau Recording District, First Judicial District, Alaska plat map 2001-10

The Leased Premises are depicted on Exhibit A to CBJ Ordinance No. 2024-__, a copy of which 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 City Code: CBJ 85.02.060(a)(5) and CBJ Chapter 53.20; and CBJ Ordinance No. 2024-__ enacted by the Assembly on (Date) and effective on June, 2024.

3. TERM AND RENEWAL OPTION

The effective date of this lease shall be the date this lease is signed by the City. The term of the lease is 35 years, commencing on the effective date of the lease, 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. Except as provided in this section, the annual lease payments shall be made by Lessee to City at the start of each year of the term, with the first payment due on June 2, 2024.

(b) The annual lease payment for the first five-year period of the lease term shall be Twenty Thousand Nine Hundred Nine Dollars (\$20,909.00) per year, plus sales tax.

(c) Beginning with the first year after the initial five-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.

(d) Lessee shall pay all appraisal costs associated with re-evaluating and making adjustments to the annual lease payment.

5. AUTHORIZED USE OF PREMISES

Lessee is authorized to use the Lease Premises for Waterfront Commercial operations. Lessee shall be responsible for obtaining all necessary permits and approvals for Lessee’s development of the Leased Premises. Lessee is required to obtain approval of its construction plans from the City Docks and Harbors Board prior to the start of any construction.

6. INSURANCE

Commercial General Liability Insurance

Lessee shall maintain at all times during this lease commercial general liability insurance, including marina operator’s 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 the 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 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. 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 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. The Parties agree that any subleases in effect at the date of signing of this agreement may continue. The

Lessee must provide a copy of any subleases in effect to the Lessor prior to the execution of this agreement.

(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 the 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 hereinbefore 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 from either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefor. 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 land 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 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 the 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

Trucano Lease Agreement: ADL 51488

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 the sloughing off or loss of surface materials of the leased land.

(19) **Inspection.** Lessee shall allow an authorized representative of the 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, topsoil, 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 reverses 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 the 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.** The 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 the 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 10.5 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 with 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 the City of any action, claim, or lawsuit. City Hall notifies Lessee in a timely manner if the need for indemnification, but such 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.

DOCKS AND HARBORS BOARD MEETING MINUTES

May 30, 2024, at 5:00 PM

Port Director's Conf. Room /Zoom Webinar



<https://juneau.zoom.us/j/83856903848> or 1-253-215-8782 Webinar ID: 838 5690 3848 Passcode: 781870

- A. **CALL TO ORDER (5:00pm in the Port Director's Conference Room & via Zoom)**
- B. **ROLL CALL:** The following members attended in person or via zoom- James Becker, Debbie Hart, Matthew Leither, Shem Sooter, and Don Etheridge.

Absent: Paul Grant and Annette Smith.

Also in attendance: Carl Uchtyl – Port Director, Matthew Sill – Port Engineer, Matthew Creswell – Harbormaster, Teena Larson – Administrative Officer, and Melody Musick—Administrative Assistant.

- C. **PORT DIRECTOR REQUESTS FOR AGENDA CHANGES- No Changes**
MOTION By MR SOOTER TO APPROVE THE AGENDA AS PRESENTED.

Motion passed without objection.

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

E. **APPROVAL OF MINUTES**

- 1. April 25th, 2024, Board Minutes

Hearing no objection, the minutes were approved as presented.

F. **NEW BUSINESS**

- 2. Trucano Family LLC ATS 750 New Lease- Mr. Uchtyl referenced page 28 in the packet which is the image and chart that shows the 7 acers of Trucano Family property, lease end dates, and percentage of property filled. Trucano Family wants to put both ATS 750 and ATS 842 on the same lease schedule as Trucano Family ATS 750 lease expires this year. Trucano assumes responsibility for appraisals that occur every five years and CBJ Law has approved placing both properties on the same schedule. On page 40 Mr. Uchtyl referenced an arial view image of both Trucano Family LLC ATS 750 and ATS 842. The ATS 750 plot is 50% filled and the ATS 842 is approximately 33% filled. The amount of property filled is used by appraisers to determine fair market value. The new appraisal for ATS 750 values the property at \$11,267, the former appraisal value being \$11,082 in 2021. CBJ ordinance allows renewed lease with the approval of the Board and then the Assembly. The draft of the new lease provided by CBJ law is included in the packet for review, standard detailed lease.

Board Questions—

Mr. Leither asked if CBJ owns ATS 361, ATS 556, and the other surrounding plots of property?

Mr. Uchtyl said that he cannot confirm 100% that all the 7 acres are CBJ owned. ATS 361 and ATS 556 are owned by Trucano Family. Most of the property is owned by CBJ.

Mr. Leither asked if Trucano has a right to renew the lease or is CBJ allowed to deny Trucano the ability to renew the lease?

Mr. Uchtyl said that to answer the question one would have to review the legal doctrine and provide due cause for denying the right to renew the lease. Since Trucano has the lease, according to local ordinances, they have the right to renew their lease.

Mr. Leither said that previous questions were posed to understand whether ATS 750 and ATS 842 property could be used for a future boat yard.

Mr. Uchytel stated that he posed the idea to Trucano and they responded by stating that it would not be a financially beneficial endeavor.

Ms. Hart asked how ATS 750 is used to support the Juneau community?

Mr. Uchytel said that ATS 750 and Trucano is a private enterprise and via sub-leases to Petro Marine and construction companies provide services to CBJ Docks and Harbors and the surrounding community.

Public Comment—None

Board Discussion/ Action

Ms. Hart asked whether the current lease agreement rate is appropriate for the value of the property considering the services it provides to the community?

Mr. Uchytel said that the lease agreement rate is based on fair market value under CBJ ordinance. Fair market value is determined by the appraiser and if the Board felt that the value is unfair the Board could seek out another appraiser. Trucano can counter the appraisal. CBJ does not frequently challenge the appraisal value received from the term contractor.

MOTION by MR. SOOTER TO APPROVE THE NEW LEASE FOR TRUCANO FAMILY LLC FOR ATS 750 AND FORWARD TO THE ASSEMBLY FOR FINAL APPROVAL.

Motion passed unanimously.

3. Trucano Family LLC ATS 842 New Lease—Mr. Uchytel references page 40p. to show the “L” shaped plot of ATS 842. The acre property is appraised at a higher value due to being 33% filled. \$1.01 per square foot is fair market value, the total plot being appraised at \$20,909. The former appraisal value for the plot was \$20,470, tracking a \$500 value increase since the previous appraisal.

Board Questions—

Mr. Leither asked what are the buildings in the arial view image on page 40?

Mr. Etheridge stated that the building is a warehouse for Petro Marine.

Public Comment-- None

Board Discussion/ Action

Mr. Leither asked if there is a way CBJ could aid in making a boat yard on ATS 842 a profitable enterprise?

Mr. Becker said that the best location for the boat yard would be where the University of Alaska Southeast Technical Center or the property owned by the Marks in North Douglas. The price that UAS is asking for their property is unattainable for CBJ.

Mr. Uchytel said that it would be difficult to use the mentioned properties due to access off North Douglas, but he would continue to be in communication with Trucano about the potential for a boat yard.

Mr. Sooter asked if Trucano pays property taxes for the land and buildings on the property?

Mr. Uchytel confirmed that Trucano family does pay property taxes.

MOTION by MR. SOOTER TO APPROVE THE NEW LEASE FOR TRUCANO FAMILY LLC FOR ATS 842 AND FORWARD TO THE ASSEMBLY FOR FINAL APPROVAL.

Motion passed unanimously.

4. Resolution in Support of Statter Harbor Break Water—Mr. Uchytel referenced the grant agreement provided by the U.S. Army Corps of Engineers that was discussed and approved in the April Board meeting. On page 108, is the resolution created by CBJ in support of the Statter Harbor breakwater which will go before the Assembly for approval. Mr. Uchytel acknowledges errors in the verbiage of the resolution and will work with CBJ law to amend these errors. On page 108 line 14, “the installation would protect a number of public and private entities from wind and waves” will be changed as the breakwater will protect one public and one private entity. Line 35 states that the project will cost \$4M, which conflicts with the grant agreement that states \$3M. The accurate estimated cost is \$4M, which will be split between CBJ and the Army Corps. On page 109, line 53 states that Docks and Harbors will consult with the City Manager, instead of requiring a resolution, before committing to a capital improvement project. This interpretation of Title 85 changes conflicts with Mr. Uchytel’s interpretation, which will be worked on with CBJ Law before being presented before the June 17th Assembly.

Board Questions—

Mr. Becker asked what is the timeline of the breakwater?

Mr. Uchytel said that according to the Army Corps the planning will take 3 years. Docks and Harbors will be responsible for 20% of the total construction cost, approximately \$20M. Some of the funding can come from the Alaska Department of Transportation Municipal Harbor Grant. Funding can be raised from other sources.

Mr. Becker asked when will the breakwater be built?

Mr. Uchytel said that the timeline depends on how the Army Corps can raise funding. Mr. Uchytel hopes that it will not take 10 years to be built as each year the existing breakwater sustains more damage.

Ms. Hart asked if the Board is being asked to approve the resolution due to the new Title 85 Ordinance and understanding the role of oversight needed by the City Manager? Ms. Hart also asked if mapping the percentage of Statter Harbor users that are linked to commercial entities would be helpful to raise funding for the breakwater?

Mr. Uchytel stated that CBJ procedures need to be followed to submit capital improvement projects which includes the new Title 85 ordinance. Funding for the breakwater using the marine passenger fees will be utilized in the future when construction begins. In the past Statter harbor staff has recorded that 90% of the float was used for commercial purposes.

Public Comment—

Clayton Hamilton, Juneau AK

Mr. Hamilton asked what is the age of the current breakwater and how long would the new breakwater last?

Mr. Uchytel said that the current breakwater was built approximately 40 years ago. Marine construction has improved significantly. The design and construction will be conducted by the Army Corps. Once the design is finalized then an estimate can be made on the longevity of the new float.

Board Discussion/ Action—None.

MOTION BY MR. LEITHER TO APPROVE THE RESOLUTION IN SUPPORT OF THE US ARMY CORPS OF ENGINEERS AUKE BAY FEASIBILITY STUDY.

Motion passed unanimously.

G. ITEMS FOR INFORMATION/DISCUSSION**5. Grant Strategy & Grant Updates**

Mr. Uchtyl said that Mr. Sill has been busy working on two grants. First being the Port Infrastructure Development Program (PIDP) grant for the drive down float at Aurora Harbor which was sent out May 3rd. Second, the EPA Dock Electrification project which was a collaborative effort with the CBJ grant writer Ashley Heimbigner and Mr. Sill. Starting on page 110 is the grant report and on page 135 are the enclosures. Mr. Uchtyl asked Mr. Sill to brief the Board on the grant writing efforts.

Mr. Sill reported that the EPA grant requires a 10% match which would be \$6,570,236 from CBJ. The grant is for \$58,330,000 for a \$64,900,236 project. Mr. Sill is working with an engineering consultant under AELP to create the design for the cruise ship dock electrification. The grant is focused on converting port infrastructure to zero emissions.

Mr. Uchtyl said that the EPA has \$3 Billion to which all ports across the nation can apply. There were 90 days to apply for this grant funding. On page 136 there is a resolution of support from the Assembly for the EPA grant.

Mr. Sill said that regarding the PIDP grant, the federal agencies were very responsive to the nature of public opportunity for fishermen.

Mr. Uchtyl said that efforts are being made for the Alaska Department of Transportation Harbor Facilities grant, which would represent the community match for the PIDP grant drive down float. The Board would have to commit \$2.5M, the grant application would go through DOT, the application would be due in August. Aurora Phase IV would prevent the ability for another grant in Aurora Harbor, however a waiver may be requested. Another consideration for the Alaska Department of Transportation grant funding would be to put zincs in the Statter Harbor pilings. Both A and B floats in Statter harbor do not have zinc anodes. In the past Docks and Harbors has been successful in receiving grant funding from ADOT. Docks and Harbors would have to come up with approximately \$500,000. Aurora Phase IV has \$5M from FY2022 1% sales tax and funding from the legislature that is approved for the match, which is awaiting the governor's signature. In the past, the governor vetoed this program, if approved there will be \$10M for the project. Part of the grant agreement states that a contractor must be obtained by the end of the year if the project is approved. The governor has been invited to speak at the ribbon cutting ceremony for Aurora Phase III at the H float, which is planned for June 20th. Taku Harbor has \$750,000 from the 1% sales tax to replace the approach dock. Mr. Uchtyl said that Docks and Harbors has applied for Dingell-Johnson Sport Fish Grant, which is a 25% and 75% split with CBJ funding 25%. Mr. Uchtyl will be reaching out to Fish and Game for an update on the status of the grant. The Wayside dredging project has funding from the 1% sales tax initiative. The design has been outsourced to PND.

Board Discussion/Public Comment—None.

6. Seadrome Bank- Beach Access

Mr. Uchtyl referenced the image on page 138 of the Seadrome property. The current Board meeting is being held in the Seadrome building and will be in the future due to construction on Rm. 224. This allows the Board members to become acquainted with the property Goldbelt plans to raise and build out into the tideland space for a tourism-related facility. Mr. Uchtyl said that he wants the Board to have a good understanding of what is CBJ property and what is Goldbelt property.

Board Discussion/ Public Comment—

Mr. Becker asked what has the Board decided?

Mr. Uchtyl said that the Board has not made any decisions. Mr. Uchtyl anticipates Goldbelt will make an offer to purchase the entire property to give them flexibility in their building plans. The Board will

have to decide what lands to retain or whether it will be better to sell to obtain funding for other projects. Those discussions have not been finalized.

Public Participation

Clayton Hamilton, Juneau AK

Mr. Hamilton asked if the tideland property has been assessed and what is the value of the assessment?

Mr. Uchytel said that the assessment is complicated due to the patch work of property shared by Docks and Harbors and Goldbelt. The uplands property is owned by Goldbelt, and the tidelands are owned by Docks and Harbors. An appraiser has valued the various parcels; however, Mr. Uchytel does not have those values presently.

7. Douglas Boat Fire

Mr. Creswell said that he received a call around 5:15pm to report the fire at Douglas Harbor. When Mr. Creswell arrived the fire department was on site, with the initial responders being volunteers from the Douglas Fire Department. Mr. Creswell said that the fire is believed to be started by a 27ft liveaboard vessel on the A float. The fire spread to two boats on either side of the original vessel. One vessel was a charter vessel, and the other vessel was a small sailing vessel. Mr. Creswell is in contact with the owners of the effected vessels. Two of the electrical pedestals suffered damage, they have been replaced and power is restored. The finger that the primary vessel in the fire was tied-to received relatively minor damage including decking replacement and an additional tub installed underneath the finger. Mr. Sill has ordered lumber for the repairs. The burnt vessel has been towed to Karl's Auto & Marine. The repairs for the burnt vessel are handled by the insurance company and not Docks and Harbors. The Fire Marshall is in possession of the two electrical pedestals to inspect whether the pedestals caused the fire. No official cause of the fire has been determined; current evidence shows that it originated from electrical issues from the boat. There were no individuals on the vessel at the time of the fire.

Board Discussion/ Public Comment

Mr. Leither asked if the boat who is believed to have started the fire had insurance and if the other boats affected by the fire had insurance.

Mr. Creswell said that the charter vessel has insurance and the sailing vessel and the vessel who is believed to have started the fire are uninsured.

Mr. Leither asked if the insurance requirements that went through 6 months ago had not occurred, would it have affected the way the situation is being addressed.

Mr. Creswell said that insurance is required at this time.

Public Comment-- Clayton Hamilton, Juneau AK

Mr. Hamilton said that it is his understanding that the fire department used a hydrant that was in the Douglas lot. Do the standpipes work in the Harbor?

Mr. Creswell said the fire system at Douglas Harbor is a dry fire system and a hydrant is required. The hydrant is connected to a pumper engine, which connects to the dry fire system and then a hose on the docks connects to the standpipes. The first responders to the fire bypassed the usage of the dry fire suppression system and ran a hose directly to the fire. If the fire was larger the dry fire suppression system would have been utilized.

Ms. Hart said that the community response to the fire was amazing and prevented a significant fire event.

H. COMMITTEE AND MEMBER REPORTS

1. Operations Committee Meeting Report—Cancelled.
2. Assembly Lands Committee Liaison Report—None.
3. South Douglas/West Juneau Liaison Report—None.
4. Member Reports—None.

I. PORT ENGINEER'S REPORT

Mr. Sill reported—

- Aurora Harbor—The construction has been completed for weeks except for the electrical. The electricians are still gathering the needed components. Power is connected and checks will be completed in the next week to get power running. There are temporary power systems in place due to lead times. Planning on moving boats to the H float on Monday (06/03) which is contingent on the electrical system getting an inspection by the electrical engineer. The water samples have been submitted to ensure that the water is drinkable.

Board Questions

Mr. Leither asked about the status of the Harris Harbor gate?

Mr. Sill said that there is an electrical component to the security of the gate at Harris which needs to be installed by the electrical crew that is currently working at Aurora Harbor. There are cameras that still need to be installed, wires that need to be pulled and lights that need to be replaced. The work will be done by Alaska Electric starting tomorrow (05/31). Mr. Sill has hinges he will be installing because the hinges that the gate came with the gate were not substantial enough. There has already been vandalism and damage done to the new gate. Work on the gate will resume once the cameras have been installed. Estimated time for the gate being operational is 1-2 weeks.

J. HARBORMASTER'S REPORT

Mr. Creswell reported—

- Kevin Dugan- The Harbor Operations Supervisor had a stroke two weeks ago and is in Anchorage at the rehabilitation hospital. His mental capacity is unaffected but is currently non-verbal and suffered damage to his right side.
- Repairs to Statter Harbor Breakwater and Auke Bay Marine Station Dock—Those repairs have been completed. 4ft sections of bull rail have been installed on the outside of the Statter Harbor breakwater to relieve the stress on the breakwater from the cleats of larger vessels.
- New parking system—The new system is operational and there is an app to pay for parking which is live for the Taku lot and will be live for the Stater lot once some technical errors are corrected. The new parking system makes enforcement easier as there are mobile printers that issue the tickets. Staff are being trained on the new system.
- Aurora Habor—Certified letters are being set out to Aurora Harbor patrons for Sea Trial Letters. Warning letters have been out ahead of time and therefore compliance and sea trails are operating smoothly.
- CT Lot—The buses were having difficulty making the left hand turn into the lot coming from the south, direction of the AJ Dock. The term contractors, Carver construction, hired Compass Concrete to cut the curb back to allow for the buses to have several more feet of space to make the turn into the CT lot. The concrete from the project is still being cured.

K. PORT DIRECTOR'S REPORT

Mr. Uchytel reported—

- Maritime Festival— Successful Maritime Festival in May, Coast Guard won the tug-o-war. The Navy vessel, William P Lawerance supported and participated in the festivities.
- Board Applications—The Docks and Harbors Board has four openings. The applications have been extended to June 10th and interviews are anticipated for July 2nd.
- Meeting with Tlingit and Haida—Mr. Uchytal and Mr. Creswell met with Tlingit and Haida on 05/29 about 4400 Thane Oar house. Tlingit Haida plans to leverage property that they purchased by Tee Harbor for their Cultural Immersion Center. Their environmental team is pitching the idea for a recycling and composting center which they have received grant funding to construct. Docks and Harbors is opposing the use of their leased property at 4400 Thane for the recycling and composting center. The lease that Tlingit and Haida signed states that the property would be used for a Cultural Immersion Center, and they would have to get support from the Thane Neighborhood Association. The Docks and Harbors Board would have to be convinced that the best use of the waterfront property is for the recycling center to receive approval. If Tlingit and Haida were to move forward with the plan there would be many steps that they would have to take to receive approval.
- Community Meeting—On 06/03 the Tourism Manger for CBJ will be presenting plans to extend the sea walk from Franklin Dock to the AJ Dock. The National Guard dock will be mentioned in the presentation. CBJ Engineering and the Tourism Manager have been negotiating with Petro Marine and Mr. Reed Stoops to acquire the tidelands at the National Guard Dock. It is unclear whether Docks and Harbors has jurisdiction over what occurs with the National Guard Dock tideland lease. Mr. Uchytal will attend the meeting. CBJ is not allowed to sell the National Guard tideland parcel due to the nature of receiving the tideland property from the state. The parcel is allowed to be leased with Docks and Harbors as the managers of the property.

Board Questions

Mr. Becker asked if the Franklin Dock wants the additional tideland property to install an additional on-off station?

Mr. Uchytal said that Reed Stoops, who is owner of the company that manages South Franklin Dock. The issue is that CBJ wants the sea walk to go through upper tideland property that Reed Stoops owns. Part of that easement negotiation, Mr. Stoops has expressed interest in obtaining the National Guard tideland parcel.

Mr. Leither asked for an update on how title 85, effective May 29th, has impacted operations.

Mr. Uchytal said that at the Assembly meeting in April there were deliberations on the title 85 changes, and they took the recommendations provided by the City Manager which were approved. Only time will tell what the impact of title 85 will be.

Mr. Uchytal acknowledged the departure of Teena Larson from her position as Administrative Officer. She will be missed by the Docks and Harbors family. Docks and Harbors will experience a period of adjustment with her departure. Mr. Uchytal anticipates a lot of changes with new Administrative Officer and four open seats on the Docks and Harbors Board.

L. ASSEMBLY LIAISON REPORT—None.

M. BOARD ADMINISTRATIVE MATTERS

- a. Ops/Planning Committee Meeting - Wednesday June 19th, 2024
- b. Board Meeting - Thursday June 27th, 2024.

N. ADJOURNMENT—The meeting was adjourned at 6:48pm.

**APPRAISAL REPORT MARKET RENT OF
TRUCANO BARGE LANDING, 1.43 AC,
ADL 36091, AND ADL 51488
3560 NORTH DOUGLAS HIGHWAY, LOCATED IN
GASTINEAU CHANNEL, JUNEAU, ALASKA**



(111720(145))

PREPARED FOR: City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

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

EFFECTIVE DATES: April 16, 2024

REPORT DATE: May 1, 2024

OUR FILE NO.: 24-019

HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

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May 1, 2024

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

VIA Email teenalarson@juneau.org

Re: Appraisal Report Market Rent of Trucano Barge Landing, ADL 36091 and ADL 51488, 1.43 Acres, Located in the Gastineau Channel, at 3560 North Douglas Highway, Juneau, Alaska; Our File: 24-019

Dear Mr. Uchtyl,

We have contacted the lessee, inspected the property and made a market analysis of the tidelands and waterfront real estate market to determine the market rent for the two separate tideland leases referenced above and identified in the following table. The effective dates are reflective of the inspection date, given that the existing leases are set to expire. The tidelands are valued in the condition in which they were leased. They are both partially filled. Based on our analysis, the estimated annual market rent value is as follows:

Subject Sites	Effective Date	Annual Market Rent	SF Area	Pre-Leased Condition
ADL 36091 -ATS 750	4/16/2024	\$11,267	18,469 SF	50% filled
ADL 51488- ATS 842 Tr A & B	4/16/2024	\$20,909	43,865 SF	33% filled

These market rental rates are based on 21¢/SF for unfilled tidelands and \$1.01/SF for the filled tidelands in their “as was” pre-leased condition.

Your attention is invited to the remainder of this report which sets forth the Assumptions and Limiting Conditions, Certification of Appraisal and the most pertinent data considered in estimating the market rent of the subject property. Some of this material is included in the addenda. This appraisal report 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.

Thank you for this opportunity to be of service. If you have any questions or comments, please feel free to contact us at your convenience.

Sincerely,



Slater Ferguson, 133619
Horan & Company, LLC

TABLE OF CONTENTS

1 Introduction 5

1.1 Purpose of Appraisal, Intended Users and Intended Use 7

1.2 Parties to the Transaction 7

1.3 Lessee Contact, Inspection & Effective Date..... 8

1.4 Appraisal Methodology 8

1.5 Alaska Tidelands Valuation and Rent Market 8

2 Area Analysis 10

2.1 Juneau Area Analysis 10

2.2 Industrial Waterfront Land Market - North Douglas 11

2.3 COMPETING NEIGHBORHOODS 13

3 Description 17

3.1 Overall Description 17

3.2 Zoning 17

3.3 Assessed Valuation and Taxes 18

3.4 Functional Utility of Site..... 18

4 Property Description - ADL 36091 19

4.1 Subject Photos 20

5 Property Description - ADL 51488 21

5.1 subject photos – ATS 842 22

6 Valuation 23

6.1 Highest and Best Use 23

6.2 Tidelands Lease Valuation 23

ADDENDA 30

Certifications of Appraisal

Assumptions and limiting condition’s including a hypothetical condition

Definitions

Area Analysis

Lease ADL 36091 Leases and Amendments and Plats

ADL 36091 ATS 750 Plat 2001-11

ADL 51488 Leases and Amendments and Plats

Comparable Write ups

Qualifications

1 INTRODUCTION

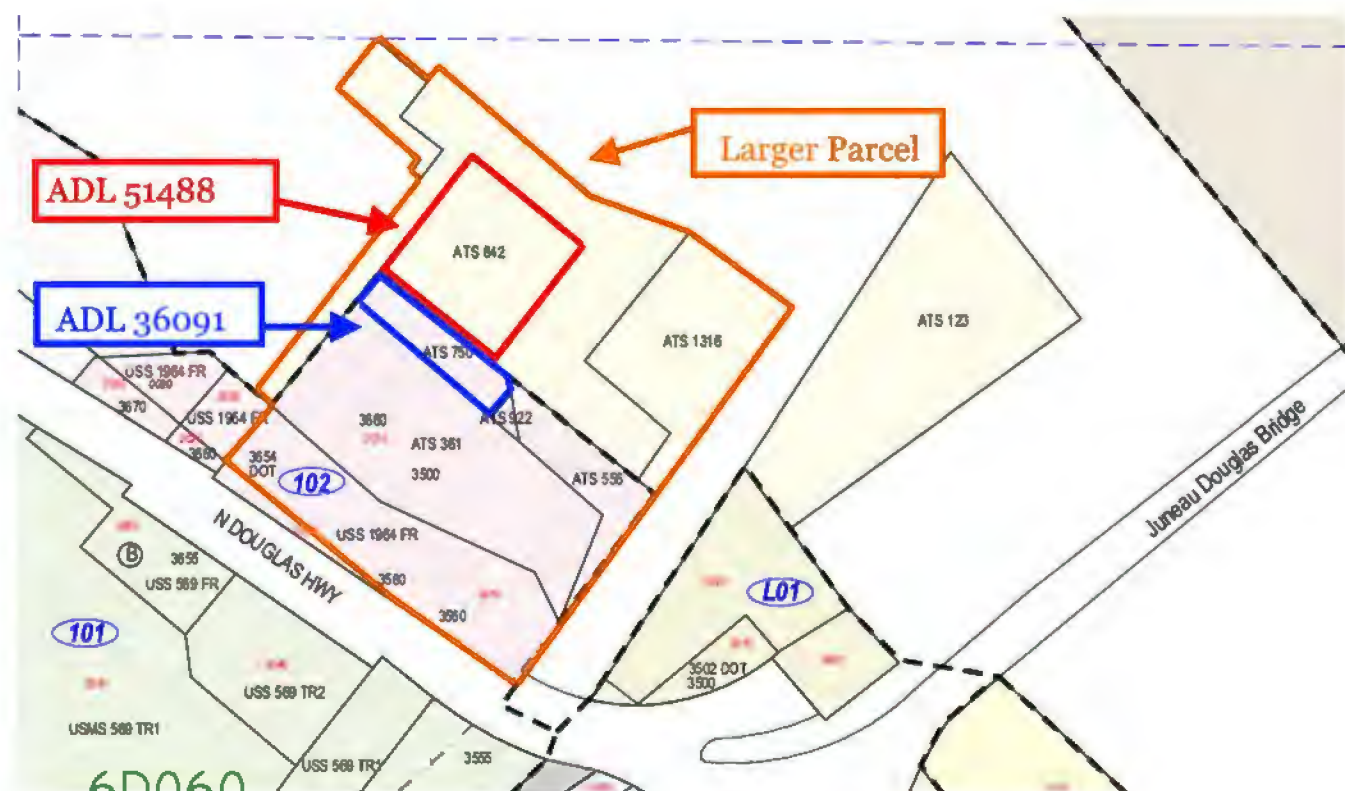


FIGURE 1.1 – The two subject leases; ADL36091, 51488 and the larger Trucano site of which they are part of.

The purpose of this appraisal is to estimate the current market rent of the subjects for the purpose of negotiating new leases for both properties. These leases are identified in the following table which includes their various renewal dates and other information. They are identified in Figure 1.1.

TABLE 1.1 – Lease Summaries			
Identification of Subject Sites	Lease End Date	SF Area	Comments on Pre-Leased Condition
ADL 36091 -ATS 750	6/29/2024	18,469 SF	50% filled
ADL 51488- ATS 842 Tracts A & B	8/18/2026	43,865 SF	~33% filled

The subject leases are portions of the Trucano barge landing construction company site which is just over 7 AC in total. The overall property address is 3560 North Douglas Highway, Juneau, Alaska.

This site has been developed in phases over time, extending seaward from the North Douglas Highway. As development occurred over time, tidelands were dredged and filled. Some of these lands were filled by successive owners with and without tideland leases. Some leases lapsed and were re-let as partially filled. Today, this site estimated at about 7.2 AC, is well-developed with a tank farm and marine fueling facility, a barge landing, a dock and dredged harbor. There

are offices and warehouse structures on the upland as well as filled yard area for equipment storage and fabrication. The subject tidelands are appraised for their market value rent, in their “as was” conditions at the time of the lease, as variously indicated in the table above.

The effective dates of the appraisals are reflective of the inspection date (04/16/2024). The effective dates do not correlate with a lease renewal date, as both leases are set to expire within the next couple years. (6/29/24 & 8/18/26)

The lease terms are summarized as followed below. Please see the addenda for a complete copy of the lease.

Synopsis of Lease ADL 36091

<i>Legal Description/Leased Premises:</i>	ADL 36091, ATS 750
<i>Lessor:</i>	City and Borough of Juneau, as successor to the State of Alaska
<i>Lessee:</i>	J.E. Trucano
<i>Original Lease Date:</i>	June 30, 1969
<i>Ending Lease Date:</i>	June 29, 2024
<i>Rental Adjustment Period:</i>	Every five years
<i>Last Lease Review Date:</i>	April 23, 2021,
<i>Last Annual Lease Payment</i>	\$11,082.00 plus sales tax
<i>Use:</i>	Barge Terminal
<i>Property Rights Included:</i>	Normal rights conveyed by lease.
<i>Property Rights Excluded:</i>	No mineral or timber rights are conveyed by lease.
<i>Other Terms of Lease:</i>	Typical fully net lease indemnifying lessee.
<i>Reversion of Improvements:</i>	Not specified but typically able to be retained by lessee or its successor if all obligations of lease have been fulfilled, and lease extended. Improvements must be removed if lease is terminated.
<i>Easements:</i>	None noted on Plat.
<i>Improvements Included:</i>	There are no building improvements however the site had been filled about 50% as leased and currently appraised. This site has since been completely filled however these additional improvements are not included in our appraisal.

Synopsis of Lease ADL 51488

<i>Legal Description/Leased Premises:</i>	ADL 51488, ATS 842, Tracts A and B
<i>Lessor:</i>	City and Borough of Juneau, as successor to the State of Alaska
<i>Lessee:</i>	Trucano Family Partnership
<i>Original Lease Date:</i>	August 19, 1971
<i>Ending Lease Date:</i>	August 18, 2026

<i>Rental Adjustment Period:</i>	Every five years
<i>Last Lease Review Date:</i>	April 23, 2024,
<i>Last Annual Lease Payment</i>	\$20,470 plus sales tax
<i>Use:</i>	Barge Terminal
<i>Property Rights Included:</i>	Normal rights conveyed by lease.
<i>Property Rights Excluded:</i>	No mineral or timber rights are conveyed by lease.
<i>Other Terms of Lease:</i>	Typical fully net lease indemnifying lessee.
<i>Reversion of Improvements:</i>	Not specified but typically able to be retained by lessee or its successor if all obligations of lease have been fulfilled, and lease extended. Improvements must be removed if lease is terminated.
<i>Easements:</i>	None noted on Plat.
<i>Improvements Included:</i>	There are no building improvements, however, the site had been filled about 1/3 as leased and currently appraised. This site has since been completely filled, however, these additional improvements are not included.

1.1 PURPOSE OF APPRAISAL, INTENDED USERS AND INTENDED USE
The purpose of this appraisal is to determine the annual market rent for the subjects. The market rent estimate is for the property in fee simple interest less mineral rights in their **Pre-Lease Condition**.

Intended Use: This valuation is to be used to set market rent for several tideland leases as administered by the City and Borough of Juneau.

Intended Users are the City and Borough of Juneau and Trucano Family Partnership, Doug Trucano, owner and lessee.

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

1.2 PARTIES TO THE TRANSACTION
Client and Ostensible Owner

City and Borough of Juneau (CBJ) is the client and ostensible owner, successor to The State of Alaska which retains subsurface minerals, revert interest if CBJ dissolved, and a condition of title is that CBJ cannot sell the tidelands.

Lessee
Trucano Family Partnership, Doug Trucano, owner and lessee.

1.3 LESSEE CONTACT, INSPECTION & EFFECTIVE DATE

Slater Ferguson, appraiser inspected the property on April 16, 2024 and met with Jeff Trucano at the property. The effective date is reflective of the inspection date, April 16, 2024.

1.4 APPRAISAL METHODOLOGY

The most direct way to estimate market rent is by the Rent Comparison Approach. In this approach, the annual rent of similar properties is considered on a price per square foot basis. In some instances we allocated rents of industrial properties to the tideland and upland portions. We also considered sales of fee simple and leasehold commercial and industrial property and developed an indicated annual S.F. rent by applying a market rental percentage rate to the nominal square foot value.

We identify comparable information through interviews with knowledgeable participants in the real estate markets such as local appraisers, other lessors and lessees, discussions with municipal property assessment personnel, and others who are familiar with the real estate market in Southeast Alaska. Information was also collected from the Port of Juneau for comparable land leases. A search was performed of similarly used properties in the communities throughout Juneau, Alaska.

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 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 Value Ratios and 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.

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 is beyond the scope of this report to make this determination at this time.

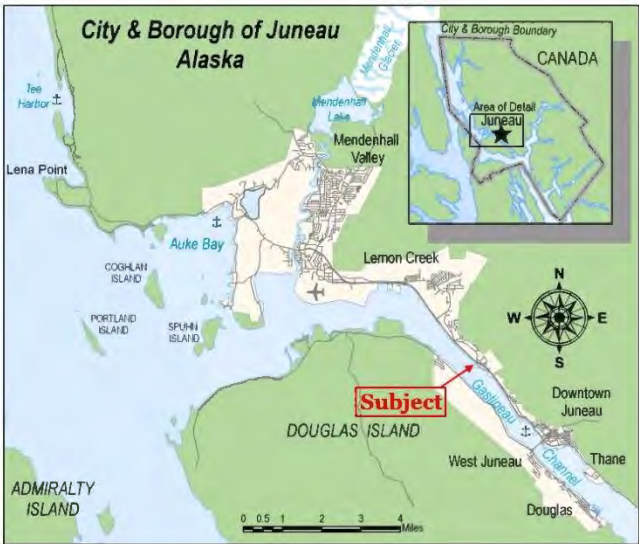


FIGURE 2.1 – Juneau subject map

Tourism has recovered significantly for the independent traveler and more recently, in 2022/2023, the cruise ship passenger. Actual passenger count for 2023 was approximately 1,650,000 or 130% of the previous high in 2019. The passenger count is projected to increase again in 2024. Tourism-related sales have also rebounded as seen in gross tax receipts. These totals have not been updated since 2021, however, they are expected to have been similar to, or have exceeded 2019 numbers in 2023. The independent travel market appears to be stronger based on bed tax receipts which in 2023 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.

The overall real estate market in Juneau is strong. The population has declined somewhat but income remains steady. Parts of the commercial service sector serving mining and construction remains strong. Housing also remains strong. Retail and tourist-oriented properties have rebounded since the pandemic and are benefiting from record high visitor totals. The outlook for the general real estate market in Juneau is positive with values expected to increase or stay steady.

2.2 INDUSTRIAL WATERFRONT LAND MARKET - NORTH DOUGLAS

The subject lands are part of the Trucano Industrial site on the Douglas side of the Juneau-Douglas Bridge. The immediate area is zoned waterfront industrial (WI) bisected by Kowee Creek as indicated on Figure 2.6. It is surrounded by residential property along the steep hillside to the southwest and Gastineau Channel to the northeast. This 7 AC industrial waterfront site has developed over the years. It originally had a smaller footprint with additional tidelands leases successively added, filled, dredged, and developed. The site presently hosts a tank farm and marine fueling facility, construction yard, storage and fabrication facilities, a dredged harbor barge landing and dock facility. Other than the tank farm and marine fueling operation, the property is primarily owner occupied by the businesses of Trucano Construction. The subject’s three tideland leases are portions of this 7 AC+ site. The lease rental values are estimated for the land in its “As-was” condition prior to the lease and further development.

This site has good proximity to downtown Juneau being convenient for transfers of goods and services throughout the community. This marine fueling-tank farm facility is convenient for fuel distribution along the road system and marina access with close proximity to Harris and

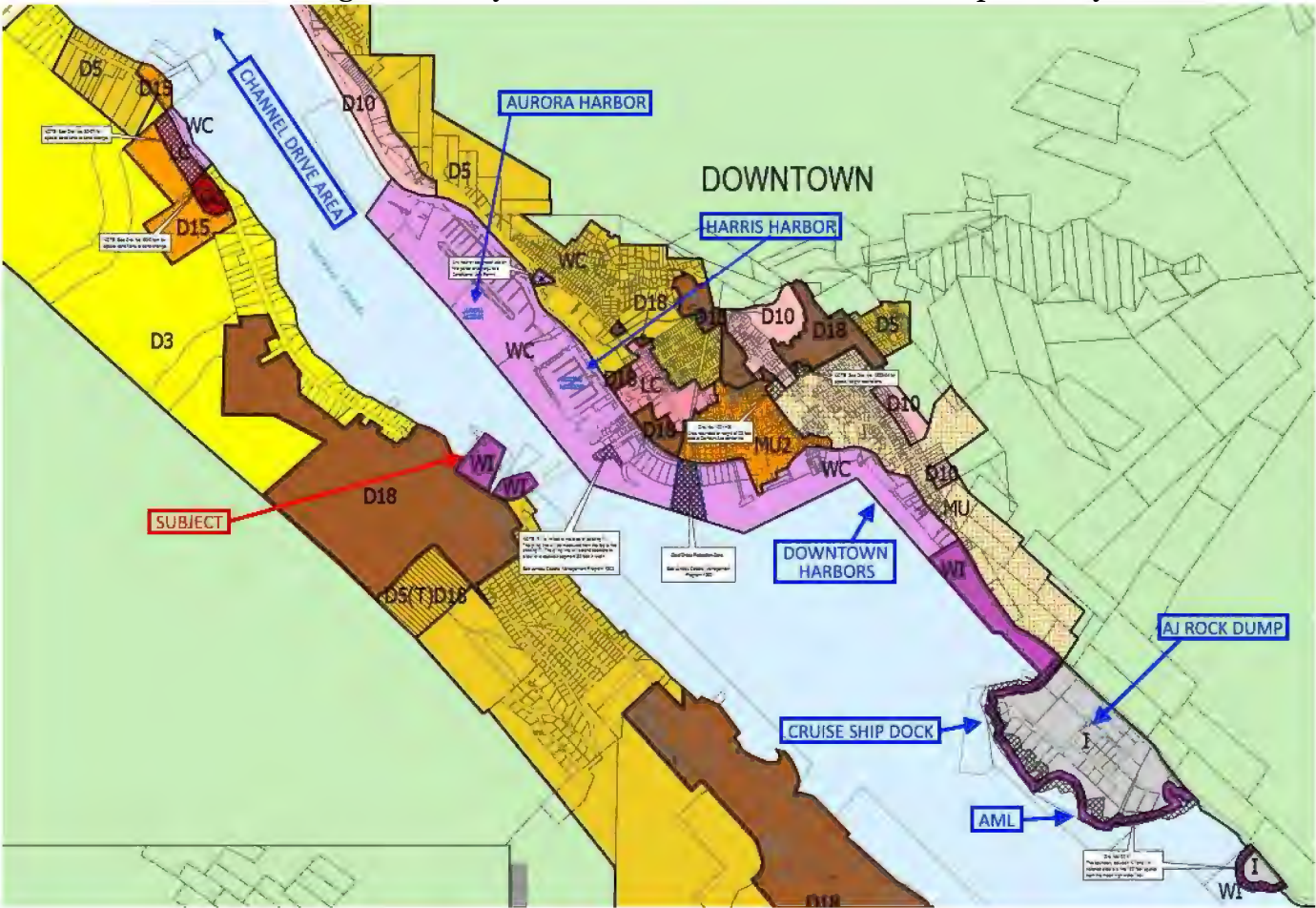


FIGURE 2.6 - Zoning map showing the location of the subject property and proximity to downtown Juneau and other commercial and industrial waterfront areas.

Aurora Harbors, as well as the downtown Juneau Harbors. Gastineau Channel marina access to the north is limited and truncated by shallow waters of Channel Drive about 3 miles northwest. Oceangoing vessels and marine traffic access to the Inside Passage is down Gastineau Channel to the southeast. The site is relatively well protected by the tidal flats and buttress of the Juneau-Douglas Bridge. It is also somewhat limited by the height of the bridge for oceangoing traffic to and from the southeast. This was recently affirmed by the purchasers of Crowley Taku Oil tank farm at the AJ Rock Dump by Petro Marine who will now be able to unload larger barges at that site south of the bridge. Petro Marine will still use the subject site for gasoline off loaded by smaller barges that can go under the bridge.



FIGURE 2.7 - Juneau road system map showing subject and competitive transfer sites. Note Juneau Ferry Terminal ferries carry containers with limited sailings. Alaska Marine Highway label shows the office location only. Samson Tug and Barge shows their warehouse facility but barges are off loaded at the AML site.

Competitive Barge Landing Sites

Over the last 10 years, Alaska Marine Lines has joined Lynden Transport as a sister company and they jointly use the barge landing facility at the AJ Rock Dump site off Thane Road. See their location on Figure 2.7. AML purchased Northland Services barge company and moved its business away from Channel Drive to the same facility. The only other remaining shipping/barge company in Juneau is Samson Tug and Barge which contracts AML to deliver its Juneau destination goods at its facility. Therefore, all the barge business is consolidated at

this time to AML’s facility at the AJ Rock Dump. It is beyond the scope of this appraisal to determine the demand for barge landing facility capacity in Juneau, but it appears that the 23-acre AML site has satisfied the current demand.

Juneau, being the central commercial hub for Southeast Alaska, is the staging area for commerce in various communities and remote areas in the region. There are two major mines operating out of Juneau; Greens Creek and Kensington. These and other general construction projects create a steady demand for transfer sites along the Juneau Road system. A construction yard and barge landing facility use would be the most likely near-term use for the subject as it has been being used. There are several contractors who are seeking these types of transfer/barge landing sites confirming a persistent demand in this relatively small market. Also, it is noted industrial uplands at the AJ Rock Dump area and in the Mendenhall Valley have had persistently high demand level in part for contractor storage.

2.3 **COMPETING NEIGHBORHOODS**

The uses for the uplands or filled tidelands in this area would compete with other industrial neighborhoods. The most similar industrial upland neighborhoods to the Trucano Barge Landing area include the Salmon Creek/Channel Drive, Industrial Boulevard and Lemon Creek areas. Demand for non-waterfront commercial/industrial land in these areas has been relatively persistent. The most competitive waterfront areas include the Salmon Creek/Channel Drive waterfront, the AJ Rock Dump area and Auke Bay, which is split into two areas, one by the Statter Harbor Marina complex and the other by the ferry terminal.

Land along **Channel Drive** includes uplands and water frontage. It is zoned WI, Waterfront Industrial. The access road is paved and all utilities are present. All but two parcels are developed. Developed uses include a moving company, several barge landing sites, contractor yards, fish hatchery and fish processor, and a park. There are less than 12 sites along the waterfront.

The water frontage in this neighborhood is generally leased tidelands which range from an annual lease amount of \$0.16/SF to \$0.20/SF implying \$2.00/SF to \$2.50/SF fee simple at a rate of 8%¹, in their natural condition before fill.

Land values in the **Industrial Boulevard** area do not have water frontage and are zoned Industrial. Most of the neighborhood has been or is being developed with warehouses, mechanic shops, boat repair shops, wholesalers, boat condominiums, open contractor storage, and specialty services requiring that zoning. Most of the land is filled and leveled at street grade. All utilities are present. There are several dozen individual lots with the total neighborhood bounded by the Mendenhall River to the north, Gastineau Channel and Mendenhall Wetlands to the west and south and the Airport boundary to the southeast. On the

¹ \$0.10/SF / 8%= \$1.25, \$0.16/SF / 8%= \$2.00

north boundary is the Glacier Highway. Land in this neighborhood ranges from \$6/SF to a high of \$16/SF.

Lemon Creek commercial and industrial area is located between downtown and the Mendenhall Valley and has been steadily developing with owner-occupied service type structures. Mini warehouse units, storage buildings, some modified retail buildings, apartments, and larger tracts with large retail structures, and in the GC zone more retail type buildings, car lot, banks etc. From Anka St on the NW portion of the neighborhood to Commercial Blvd. is zoned Industrial, and land sales are in the \$15/SF to \$21.00/SF range for smaller fully prepared lots. That land is zoned Industrial and includes Concrete Way, location of the Police Station, and several small commercial buildings. Further to the west is the landfill, and associated uses, but also commercial uses. It has similar land values. There has been one known land sale that closed in October of 2021 for \$155,000 or \$17.30/SF. This property is an assemblage of two vacant lots which are approximately half filled and total 8,962 SF. It sold again in January of 2024 for \$184,000 or \$20.53/SF, indicating a ~19% increase in value over approximately 2 years.

The A.J. Rock Dump neighborhood is located about 1/2 mile east of downtown, along the water frontage. Many lots are inside the subdivision without water frontage. Many of those developed lots are used for commercial and industrial activity. AML barge lines moved here from a site closer to downtown. Now they have a large barge landing site, offices, and yard space. It may take up 1/3 of the area neighborhood. Bulk tank farms and storage structures fill the remaining lots. Finished lots along Mill Street held by one group of property owners sold a lot for \$20/SF in 2015. In 2017 they sold a lot for \$21/SF. Between April, 2019 and March 9, 2020 they sold six contiguous lots totaling 129,012 SF to five buyers for \$2,838,264, \$22/SF. The last of these lots closed days before the worldwide pandemic was declared in March of 2020. Most buyers were building tour bus repair and storage facilities or using the land as open storage taking advantage of proximity to their existing businesses within the subdivision and being close to the downtown and cruise ship docks. Three buyers were expanding use for existing locations in the area. Although some developments were stalled most owners continued on through the questionable pandemic years watching and waiting for recovery. In August of 2023 one of the lots resold (Lot 5A #12320) for nearly \$28.00/SF but the seller had put about four feet of fill he valued at \$100,000 on the lot to bring it to Mt. Roberts Street grade where it had previously been at Eastaugh Street grade. This value increase is predominantly due to this upgrade but also shows some strengthening in the market. Most of this area is developed and land values for the upland portion are over \$20/SF. Tidelands are developed with a cruise ship dock, moorage for private work boats, and marine improvements since the water depth offshore is sufficient for that use. The tidelands in this neighborhood are considered superior to the subject neighborhood given their deeper waters/moorage potential, and location outside of the Juneau Douglas Bridge.

The Auke Bay neighborhood is quite small, with five major developed sites, including the Glacier Seafoods dock and processing plant, the Alaska Marine Highway terminal, the Gitkov dock, the Delta Western fueling station & tank farm, and the Allen Marine transfer site. These uses require deeper water offshore for deep draft vessels. They share good access and all utilities. The waterfront sites are fully developed. Any expansion now will be seaward on leased tidelands. The water frontage in this neighborhood is generally leased tidelands which range from an annual lease amount of \$0.22/SF to \$0.24/SF implying \$2.75/SF to \$3.00/SF fee simple at a rate of 8%², in their natural condition before fill.

Tidelands on the Douglas side of the **J.D. Bridge** form a relatively small, somewhat competitive area. Again, there are very few transactions. Unfilled tidelands have been leased in this area ranging from \$.05/SF to \$0.20/SF depending on accessibility, land character and title encumbrance. Partially filled tidelands are leased at between \$0.40 and \$0.60/SF.

The competing neighborhoods are filling in with land at 75%-90% developed. In general, it appears that demand for industrial land (both waterfront and uplands) has remained strong, and values have increased somewhat since 2020.

² \$0.10/SF / 8%= \$1.25, \$0.16/SF / 8%= \$2.00

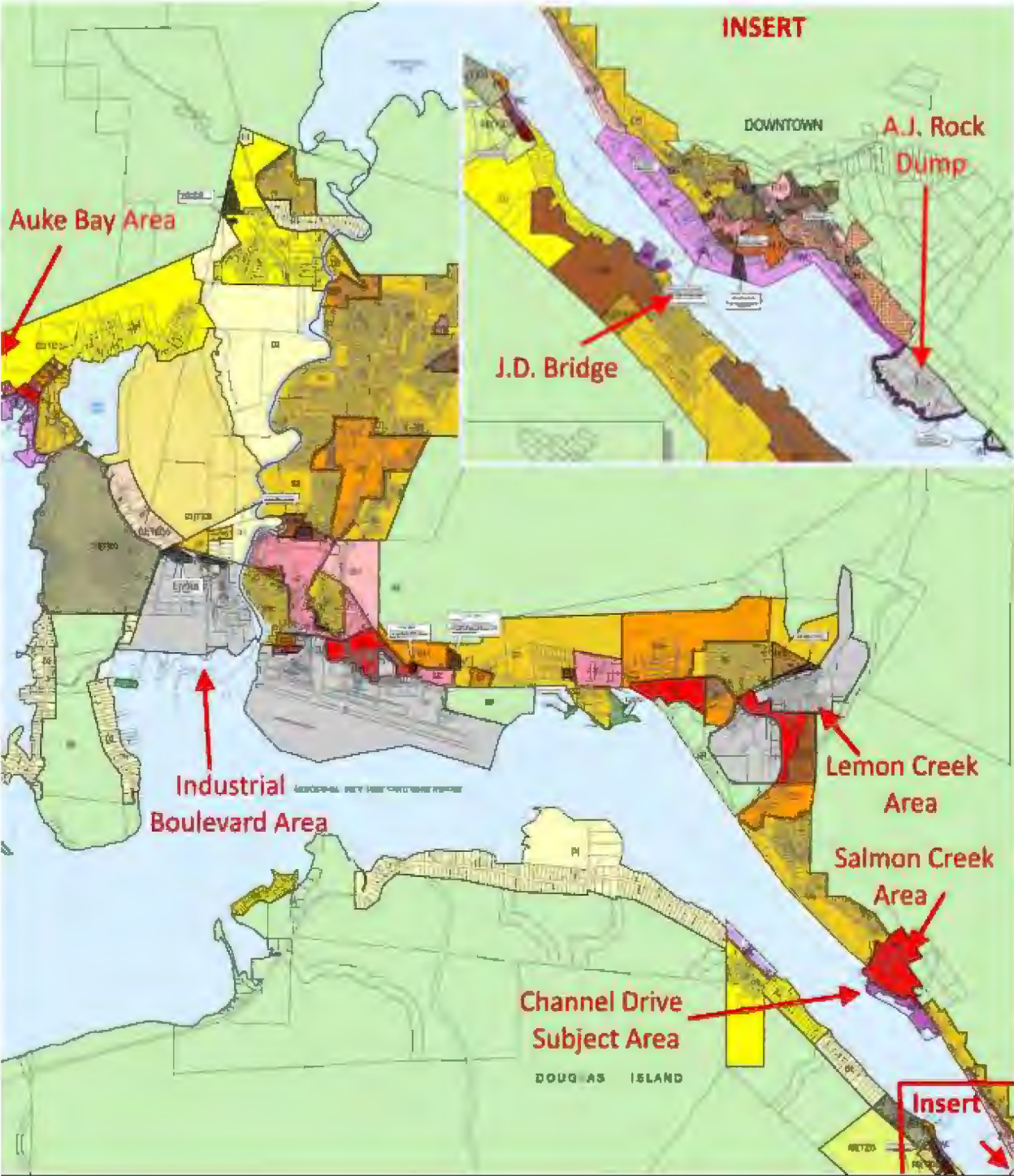


FIGURE 2.4 – COMPETING NEIGHBORHOOD LANDS

3 DESCRIPTION

3.1 OVERALL DESCRIPTION



FIGURE 3.1 – Subject properties ADL 51488 and 36091 outlined. ADL 105460 is not included in the analysis of this report.

The subject properties consist of three lease sites in the Trucano Construction Complex immediately north of the base of the Juneau Douglas Bridge on the Douglas side. The address of the complex is 3560 North Douglas Highway. These parcels, identified by their ADL numbers, are listed described below. Figure 3.1 shows the outline of these parcels on an aerial photo of the complex. Common elements, which all three leased parcels share, will be described next, followed by an individual description of each parcel.

Access

Both parcels as presently developed, have vehicular access via common ownership and control of adjacent parcels. Access via saltwater is via the Gastineau Channel. Water depth in their prelease condition was deep enough to moor barges for loading and unloading of materials although dredging and tides continue to be factors.

Utilities

All those available within the City and Borough of Juneau.

3.2 ZONING

The property is zoned Waterfront Industrial (WI). The WI district, is intended for industrial and port uses, which need or substantially benefit from a shoreline location. In addition, many of the uses that are allowed in the Waterfront Commercial (WC) district, are also allowed in the WI district. The WC district allows for both land and water space for commercial 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. It appears the subject's current use as a barge landing complies with the zoning. See Figure 2.6 for zoning map.

3.3 ASSESSED VALUATION AND TAXES

The two subject lease parcels each have their own Assessor Parcel Number (APN) however the assessed values associated with possessory interest are included under one master parcel number 6D0601020014-15 for the entire project.

3.4 FUNCTIONAL UTILITY OF SITE

These tidelands function well for the intended use as a marine fueling facility, barge landing, and marine construction staging area. The water depth is adequate for this use.

4 PROPERTY DESCRIPTION - ADL 36091

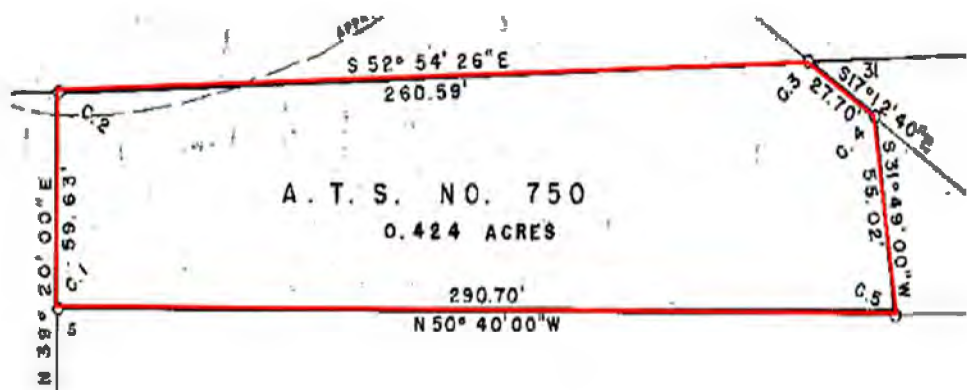


FIGURE 4.1 – ADL 36091 Excerpt from Plat Map 2001-11 with dimensions.

Legal Description: ATS 750, Juneau Recording District, First Judicial District, State of Alaska.

Assessor’s Parcel Number: 6D0601020013

This property is 18,469 SF or 0.424 AC in size. It is currently filled and used as a staging area for the barge complex and tank farm. It was 1/2 filled in its pre-lease condition. It has a slightly irregular trapezoidal shape which is shown on Figure 4.1. This parcel lacks road frontage, but adjacent lands owned by the lessee have road frontage on N. Douglas Highway. The north lot line is 260.59’ wide. The north south length of the east lot line is 82.72’. The southern property line yields an approximate frontage of 290.70’. The west lot line is 59.63’. Water depth in its prelease condition was deep enough to moor barges for loading and unloading of materials, although it goes dry at low tides.

Easements and Other Restrictions

We are unaware of any easements or restrictions. See Figure 4.2 for plat notes.

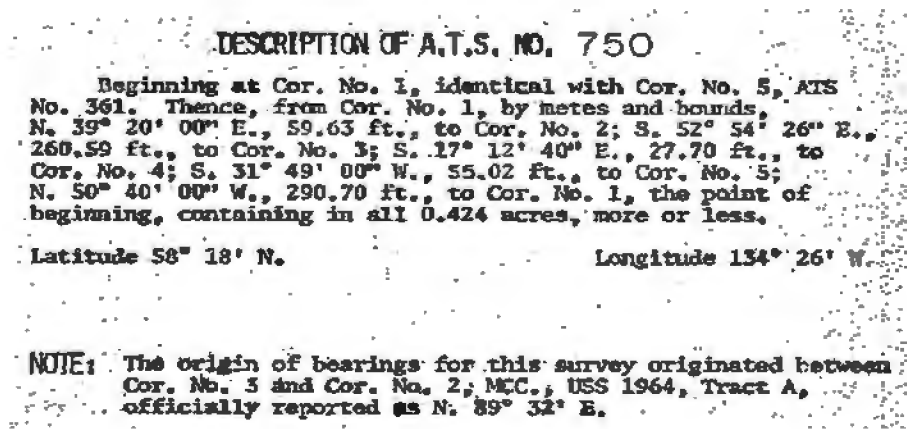


FIGURE 4.2 – Plat notes from Plat map 2001-11.

4.1 SUBJECT PHOTOS



ADL 36091 Looking NW. (20240416_152450)



ADL 36091 – Looking SE with JD Bridge in background. (20240416_152241)

5 PROPERTY DESCRIPTION - ADL 51488

Legal Description: ATS 842, Tracts A & B, Juneau Recording District, First Judicial District, Alaska

Assessor's Parcel Number:
6D0601020014 & 6D0601020015

This lease is comprised of two tracts, Tract A, a larger “L” shaped lot, and Tract B a smaller, square shaped lot. Together, they form one nearly square shaped lease parcel totaling 43,865 SF or approximately one acre. The west lot line is 208.41’. The north lot line is 214.83’ wide. The north south length of the east lot line is 200’. The southern property line yields an approximate frontage of 215’. This property was 1/3 filled in its prelease condition.

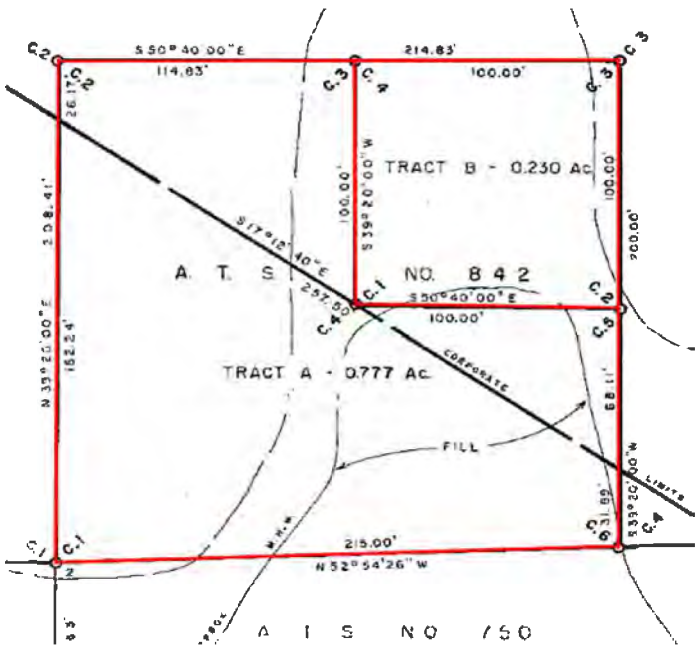


FIGURE 6.1 – ADL 51488 Excerpt from Plat Map 2001-10 with dimensions.

Easements and Other Restrictions

No easements or encroachments are noted on the plat. The appraiser is unaware of any easements or restrictions. The plat notes for Plat 2001-10 are included below.

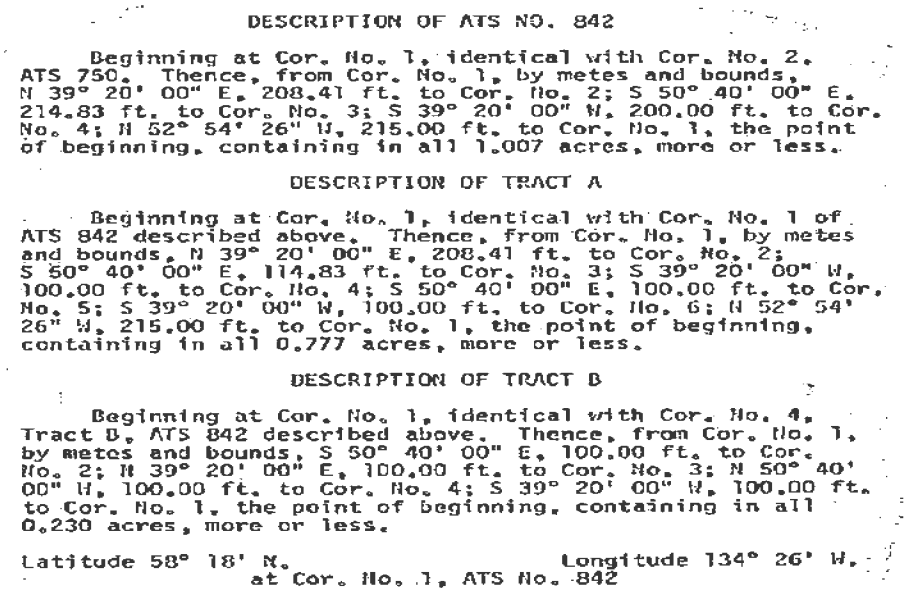


FIGURE 6.2 – Plat notes from recorded Plat 2001-10.

5.1 SUBJECT PHOTOS – ATS 842



ADL 51488 looking SE at ATS 842 with JD Bridge and Gastineau Channel in background. (20240416_152238)



ADL 51488 looking SW down center of ATS 842 in its developed condition toward Douglas Island. (20240416_152631)

6 VALUATION

6.1 HIGHEST AND BEST USE

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The Dictionary of Real Estate Appraisal, 6th Edition, Appraisal Institute, page 109

Marine-related industrial uses are the defining use for the subject parcels and are also the highest and best use. The subject’s current use as a tank farm, barge landing site and staging area meets all four tests of highest & best use.

6.2 TIDELANDS LEASE VALUATION

The most direct way to value the subject’s lease is on a rent per square foot basis. Most of the industrial and commercial tidelands along the Juneau road system are leased by the City & Borough of Juneau or the State of Alaska. In the Channel Drive area, we have six observations of CBJ rents to various industrial users ranging from 16¢/SF to 21¢/SF per year with most recent rent adjustment dates ranging from 2020 to 2023. The subject leases at the Trucano industrial facility just inside the bridge were established roughly five years ago based on 20¢/SF for the unfilled tidelands and \$1.00/SF for the allocated filled areas. Current market conditions suggest these rates are low.

The real estate market has improved in the last several years as both the Juneau and Southeast Alaska economies have strengthened since the pandemic. This is reflected in the commercial waterfront and upland industrial rents we have observed (See comps 1, 2, 4 & 5). It is also apparent in the upland industrial land market. Industrial subdivisions at the AJ Rock Dump had seen sales in the \$22.00/SF range for upland industrial sites in 2020. In 2023, the most recent lot sale sold for \$28.00/SF which is partially due to added fill. Lots in the new Honsinger Subdivision (Mendenhall Valley) sold in the \$22.00/SF to \$25.00/SF range. In 2024, a two-lot assemblage sold for \$20.53/SF in the Lemon Creek Industrial area. This property previously sold for \$17.30/SF in 2021, indicating an increase in value of nearly 20%. As land rents at 8% of fee simple value, this would suggest a range of \$1.60/SF to \$2.24/SF annually.

For comparison purposes we have considered some typical tideland lease rents (Comps 1 and 2) outlined in the following table together with an industrial waterfront rent (Comp 3), an allocated waterfront leasehold purchase (Comp 4), and industrial upland rent used for storage (Comp 5). The most helpful comps are summarized in the following table.

TABLE 6.1 - Summary of Most Comparable Rental Observations

Comp & Rec # Use/Transaction		Location - Juneau Abbreviated Legal	Date	Annual Rent	SF Size	Rent/ SF Tideland	Rent /SF Uplands
Comp 1- (#2046) Unfilled tidelands rent		2681 Channel Dr ATS 1277	09/23	\$15,943	79,715	\$0.20	
Comp 2- (#12387) Unfilled tidelands rent		13395 Glacier Hwy Ptn of ATS 1170 & Trct B, ATS 1525	02/23	\$12,438	56,540	\$0.22	
Comp 3- (#9960) Barge facility rent		3155 Channel Dr ATS 1277 & ATS 877	04/24	\$149,460	158,306		\$0.94
				\$9,540	45,694	\$0.21	
Comp -4 (#11142) Leasehold purchase		2691 Channel Dr Lt 1 ATS 217, Lt 2 ATS7 & ATS 1503	04/17	\$85,280	85,989		\$0.99
				\$16,320	82,514*	\$0.20*	
Comp 5 – (#11923) Upland Industrial rent (Confidential)		Industrial Blvd Area	04/23	\$27,000	20,000 to 30,000 SF		\$1.02
Subject	ADL 36091	ATS 750	04/23	Solve	18,469	Solve	Solve
	ADL 51488	ATS 842	04/23		43,865		
*Leasehold & fee sale adjusted to fee simple with allocated tidelands at \$204,000 capitalized at 8%= \$16,320 annual rent, uplands value at \$1,066,000 at 8% indicates rent of \$85,280.							

Comps 1 and 2 are a sampling of the recent CBJ leases for discussion and analysis of the current market annual rent per square foot. **Comp 3** is the lease of the Salmon Creek Development barge landing facility at 3155 Channel Drive, and **Comp 4**, a purchase of the leasehold interest in the barge landing at 2691 Channel Drive in 2017. These two comps have been adjusted to indicate their price per square foot annual rent. **Comp 5** displays the nominal annual S.F. rent for an upland lot in the Industrial Blvd area of Mendenhall Valley, reflecting raw land rent used for open storage.

Please see addenda for details of these comparables. Note details of comp 5 have been omitted for confidentiality purposes.

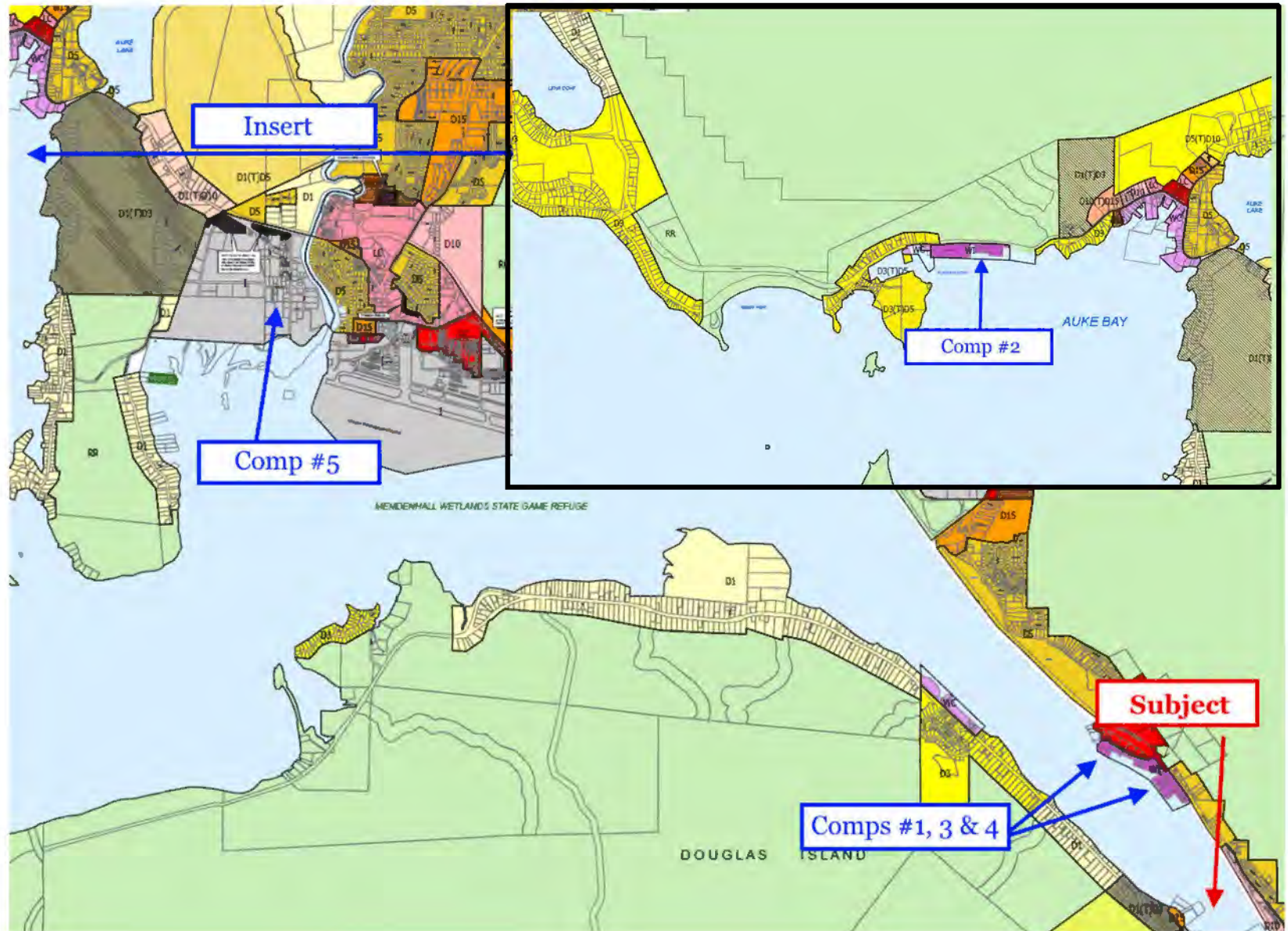


FIGURE 6.1 – COMPARABLE RENT/SALES MAP - JUNEAU

Quantitative Adjustments

Comp 1 and 2 are straight tidelands rents and require no quantitative adjustments. Comp 1 is rated qualitatively inferior, while Comp 2 is rated superior. This will be further discussed in the following paragraphs.

Comp 3 requires quantitative adjustments since it is the rent of a fully developed barge landing facility. We have made a quantitative allocation of the tidelands, uplands and of improvements. The most recent annual rent \$288,000 is about \$1.41/SF for the land area used. The total area is adjusted for the loss of use for the cell tower (688 SF) land rent. This leaves a net site area of 204,000 SF. The \$1.41/SF land rent is adjusted downward 22¢ for expenses paid by the landlord for tax, insurance, dredging etc. and there are significant yard improvements, such as paving, an office building and a ramp that would require an additional adjustment of 35¢/SF per year capitalizing their depreciated cost. This leaves net rent to land only at \$0.84/SF per year for 204,000 SF for an adjusted annual rent of \$171,360. This rent is apportioned out with sloping tidelands contributing about 6% of the unit value as compared to the uplands. This analysis indicates the upland rent at \$148,808, (158,306 SF) or \$0.94/SF and the tidelands rent at \$9,540, (45,694 SF) at \$0.21/SF.

Comp 4 is the adjusted indicated fee simple value per SF of the sloping and tidelands based on our analysis of the purchase of leased tidelands that had been partially filled and fee simple uplands. The quantitatively adjusted price per SF, has been allocated to the tidelands is what is expressed in the table and will be used for analysis.

Comp 5 is the land rent of an industrial uplands lot located in the Industrial Boulevard area of the Mendenhall Valley. It is currently rented for use as open storage. It does not require quantitative adjustments.

Qualitative Ranking

Attributes of the sales that would influence value not readily quantifiable in the market are ranked qualitatively. A qualitative rating has been developed to weigh market differences between the subject and the comparables whereby, if a comparable attribute is superior to the subject, a minus rating of -1, -2, or -3 is given, depending on its severity. Conversely, if a comparable attribute is inferior to the subject, a plus rating of +1, +2, or +3 is given, depending on its severity, to weigh this with other attributes towards the subject. The gradation of weighting 1 to 3 is used since all qualitative attributes are not, in the appraisers' opinion, equally weighted within the market.

The following Table 7.2 summarizes the salient characteristics of the subject and the comps and provides for a weighted rating of the comps to the subject.

In the subject instance the comps after adjustments are relatively homogeneous. They form a narrow range of annual square foot rent between 20¢/SF and 22¢/SF for the tidelands. They indicate an upland annual rents of \$0.94/SF to \$1.02/SF.

Market conditions for the comparable sales range from April of 2017 to April of 2024. One of the significant events which have occurred during this time is the Covid pandemic declared by the World Health Organization in March of 2020. The travel restrictions and social separation mandates put a cloud over many investments. The waterfront commercial and industrial properties, however, continue to have persistent high demand as indicated by sales before and after the onset of these restrictions. Comparable 4 sold prior to the Covid pandemic in 2017, before real estate values generally increased. It is rated inferior in market conditions. All other comparables are rated similar in this regard. Attributes such as **zoning, size, street access & utilities and the pre-developed conditions** are all rated similar in the subject instance as well.

One of the significant differing issues among the comps and the subject are the **conditions of the rent**. In two cases, Comps 3 and 4, the rents are developed as adjustments to open market transactions. In these cases, due to the adjustments, it is felt that they are superior or on the high side of what the subject indicated rents might be. They are rated superior -1 for **conditions of rent**. On the other hand, Comps 1 and 2 are the nominal SF rental values based on other CBJ leases. This circumstance in our opinion creates the possibility of an understatement of rent especially in light of the recent active market. Comps 1 and 2 are rated inferior +1 in this instance. Comp 5 is an unadjusted market rent and is considered similar on a price per squarefoot basis.

The **location** is rated similar among the subject and the Juneau Comps 1, 3 & 4 on the inside of the Juneau Douglas bridge. The location for comp 2 is in the Auke Bay area of Juneau. It is more accessible for larger ships, as it is not under the Juneau-Douglas Bridge within the Gastineau Channel. Comp 5 is also rated similar in location in the Mendenhall Valley within another industrial neighborhood.

The **waterfront quality** is influenced by the need for occasional dredging along the strip of waterfront on Channel Drive due to the outflow of the Salmon Creek and the uplift of the Gastineau Channel mud flats. This makes Comps 1, 3 and 4 inferior by +1. Comp 3, although in the same area, one condition of its rent is that the landlord provide dredging of the ship basin. This is however, somewhat negated due to the surrounding shallow tidelands that make access more difficult. It is rated slightly inferior by +1. Comp 5 is an uplands comp that is not considered applicable to this comparable element.

Public **street access and utilities** are available to the subject through its adjacent develop larger parcel and is similar to the case of Comps 1 through 5. All comparables are rated similar in this regard.

These ratings apply to both the allocated tideland rent/SF and the upland rent/SF. They are ranked and summarized in the following Table 7.2.

TABLE 6.2 – Qualitative Rating Grid											
Comparable Elements	Subject- 3560 N. Douglas Hwy	Comp 1 (#2046) 2681 Channel Dr		Comp 2 (#12387) 13395 Glacier Hwy.		Comp 3 (#9960) 3155 Channel Dr.		Comp 4 (#11142) 2691 Channel Dr.		Comp 5 (#11923) Industrial Blvd Area	
Annual Rent/SF	TIDELAND	\$0.20/SF		\$0.22/SF		\$0.21/SF		\$0.20/SF		N/A	
	UPLAND	N/A		N/A		\$0.94/SF		\$0.99/SF		\$1.02/SF	
Conditions of Rent	Typical	Inferior	+1	Inferior	+1	Superior	-1	Superior	-1	Similar	0
Market Conditions	4/24	09/23	0	02/23	0	04/24	0	04/17	+1	04/23	0
Location	Inside Bridge	Similar	0	Superior	-1	Similar	0	Similar	0	Similar	0
Zone	WI	WI	0	WI	0	WI	0	WI	0	I	0
Size of TL's	1.43 AC (62,334 SF)	1.83 AC	0	1.3 AC	0	4.7 AC	0	3.1 AC	0	~.5 AC	0
Waterfront Access Quality	Good Typical	Inferior	+1	Superior	-1	Inferior	+1	Inferior	+1	N/A	0
Street Access & Utilities	Paved/All	Similar	0	Similar	0	Similar	0	Similar	0	Similar	0
Pre-lease condition	Undeveloped	Similar	0	Similar	0	Similar	0	Similar	0	Similar	0
Overall Rating	Solve	Inferior	+2	Superior	-1	Similar	0	Inferior	+1	Similar	0
The indicated value of the subject TIDELAND market rent/SF is		More than \$0.20/SF		Less than \$0.22/SF		Similar to \$0.21/SF		More than \$0.20/SF			
The indicated value of the subject UPLAND market rent/SF is						Similar to \$0.94/SF		More than \$0.99/SF		Similar to \$1.02/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 comps essentially form a range for the tidelands portion of the subject between 20¢/SF and 22¢/SF. Given this generally tight range, the sloping/submerged tideland value is placed towards the middle. Their ranking suggests the subject would be worth approximately **21¢/SF**. The uplands portions of these sales suggest a range of \$0.94/SF to \$1.02/SF. This range is also relatively tight. Two of the three indicators suggest a rent of between \$0.99/SF and \$1.02/SF, while Comp 3 is a lower indicator at \$0.94/SF. Because Comp 3 involves allocating out the contributions of improvement income, it is given less weight. Considering the weighting of the data **\$1.01/SF** seems reasonable for the rent of the upland portions of the property. This is a slight increase from the previous rent at \$1.00/SF which is further justified in the market over the last 5 years, as is further discussed in Section 2 and the beginning of Section 6. Based on these conclusions the annual rent for each of the properties can be calculated based on their pre-developed characteristics as originally rented summarized in the following tables.

Table 6.3 parcel rent calculation					
Lease	Legal Description	SF Areas	Land Type	SF Rent	Annual Rent
	ADL 36091 ATS 750	9,235	Tideland	\$0.21	\$1,939.35
		<u>9,235</u>	Upland	\$1.01	<u>\$9,327.35</u>
		18,469	Blended	\$0.61	\$11,266.70
	ADL 51488 ATS 842 Tr A & B	29,243	Tideland	\$0.21	\$6,141.03
		<u>14,622</u>	Upland	\$1.01	<u>\$14,768.22</u>
		43,865	Blended	\$0.48	\$20,909.25

The annual rental adjustment value by lease is rounded and summarized in the following table by effective date of the rental adjustment.

Subject Sites	Effective Date	Annual Market Rent	SF Area	Pre-Leased Condition
ADL 36091 -ATS 750	4/16/2024	\$11,267	18,469 SF	50% filled
ADL 51488- ATS 842 Tr A & B	4/16/2024	\$20,909	43,865 SF	33% filled

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 made a personal inspection of the property that is the subject of this report on April 16, 2024. A representative of the lessee, Jeff Trucano, met me on site.
- No one else provided significant real property appraisal assistance to the persons signing this certification.
- I have not performed any services regarding the subject property, as an appraiser or in any other capacity, within the three-year period immediately preceding acceptance of this assignment.



April 16, 2024
Effective Date of Appraisal

May 1, 2024
Date of Report

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report and valuation contained herein are expressly subject to the following assumptions and/or conditions:

Hypothetical Conditions

HC 1 – This report is made under the hypothetical condition that the subject is in its unimproved prelease condition.

General Assumptions and Limiting Conditions

1. It is assumed the data, maps and descriptive data furnished by the client or his 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.
4. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraisers' estimate of the highest and best use.
5. It is assumed the title to the property is marketable. No investigation to this fact has been made by the appraisers.
6. No responsibility is assumed for matters of law or legal interpretation.
7. It is assumed 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 appraisers.
8. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
9. The value estimate is made subject to the purpose, date and definition of value.
10. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.
11. 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.

12. The appraisers 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.

TERMINOLOGY

Market Rent

The most probable rent that a property should bring in a competitive and open market.

Rental Rate

The percentage of market value that a comparable class of private property would bring in the open market with the same conditions of lease as offered by the state.

Hypothetical Condition

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; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

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

The use of hypothetical conditions or extraordinary assumptions may affect the assignment results.

Tidelands

All areas which are at or below mean high tide and coastal wetlands, mudflats, and similar areas that are contiguous or adjacent to coastal waters and are an integral part of the estuarine systems involved. Coastal wetlands include marshes, mudflats, and shallows and means those areas periodically inundated by saline waters.

Market Value is defined as:

“The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restriction of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.”

The Appraisal of Real Estate Appraisal Institute, 14th Edition, Page 447

2 AREA ANALYSIS

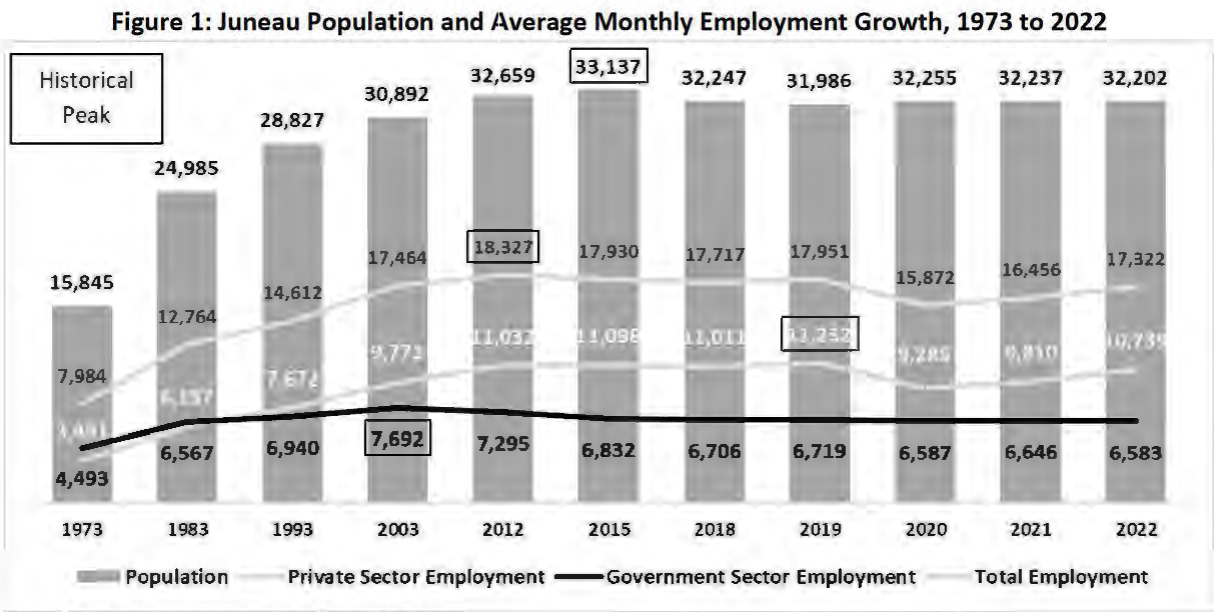
2.1 JUNEAU AREA ANALYSIS

Demand for real estate is generally driven by population, and the population is sustained by employment. The Juneau economy has historically been driven by state government which has been shrinking. Region wide state jobs have declined 25% between 2012 and 2023 as contrasted by state jobs outside the region which are down only 12%¹. This is an indication of the continued shrinkage in state employment in Juneau due to overall reduction in state government budget, moving of employee positions from Juneau to the Anchorage area, and the high percentage of funded, unfilled positions.

Jobs and Population

Juneau Economic Development Council’s (JEDC’s) October 2023 report of the 2022 data on Juneau employment and earnings indicated- “Juneau's average monthly employment increased by 866 jobs (+5.3%) in 2022 based on preliminary jobs numbers. This follows an increase of 573 jobs between 2020 and 2021. The private sector added 929 jobs (+9.5%) in 2022. Government jobs (Federal, State, and Local) decreased by 63 (-1.0%) from the previous year. Most of the decrease occurred within State Government, which lost 142 jobs (4.1%) from 2021 to 2022.” ²

Figure 2.1, copied below, shows the population and employment trend.



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

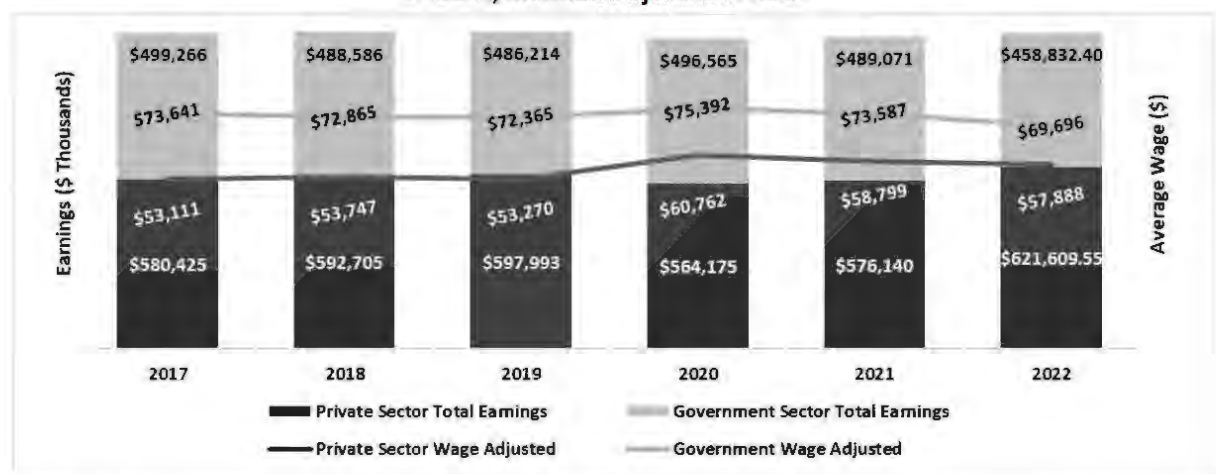
FIGURE 2.1 - Population And Employment Trends From JEDC December 2023.

¹ Publication; SE Alaska by the Numbers 2023, page 8, published by the Southeast Conference

² JEDC Dec 2023 Report page 6.

The report says, “Juneau's trade industries (like mining, tourism, and manufacturing – including seafood processing) bring revenue into the community from outside. Juneau's trade industries grew by 705 jobs (+20.3%) in 2022, a significant rebound since the loss of 1,411 traded jobs in 2020. The number of jobs in Juneau's trade industries is 310 jobs below what it was in 2019. Mining saw an increase of 82 jobs (+9.7%), a second consecutive year of increases. Manufacturing saw an additional 29 jobs (+7.8%) in 2022, bringing the number of jobs above 2019 numbers. Tourism added 213 jobs (+16.4%) in 2022, bringing the job count to 87.3% of what it was in 2019. Juneau's non-trade industries (goods and services consumed where they are produced) saw an overall increase of 235 jobs (+3.7%) in 2022. With this increase, the number of jobs in the non-trade sector is 189 below what it was in 2019.”

Figure 3: Juneau's Total Earnings (Thousands) and Average Annual Wages for Private and Government Sectors, Inflation Adjusted to 2022



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 are exclusive of active-duty Coast Guard employment.)

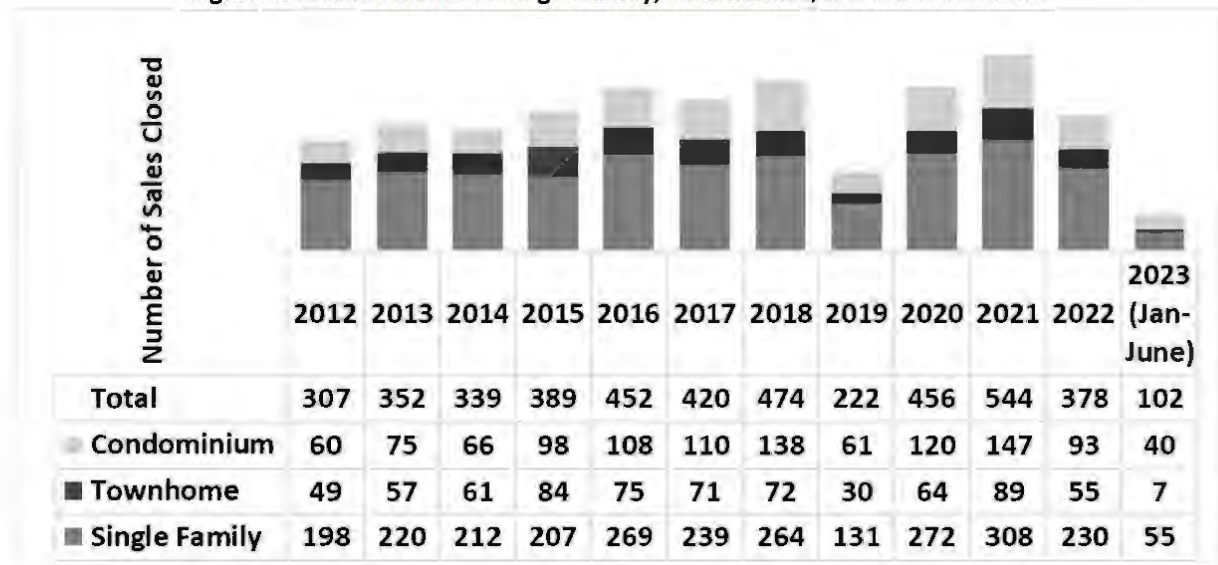
FIGURE 2.2 - JEDC Figure 3 from page 9 of the September 2023 Report

The report continues on page 10, “In 2022, Juneau continued to experience a decline in the number of State Government jobs. Average monthly state government employment decreased by 142 jobs (compared to losses of 48, 143, and 29 in preceding years). Local and Tribal Government employment increased by 85 jobs. Federal Government employment decreased by six jobs. The Health Care & Social Assistance, Financial & Real Estate, and Construction industries all experienced job losses, most significantly within the Health Care & Social Assistance industry, which saw a decrease of 79 jobs from 2021. Most other industries saw modest to significant increases for the second consecutive year, which is a good sign after the pandemic-induced job losses of 2020. The Travel & Hospitality industry continued to experience a rebound in employment, increasing by 159 jobs in 2021 and 213 in 2022 after losing 591 in 2020.”

Housing

Juneau has an apparent housing shortage as do many Alaska communities. The JEDC report continues on page 49, “Juneau’s home sale volume decreased in 2022 after reaching an all-time high for the decade across all home types in 2021. Total sales volume decreased 31% from 2021 to 2022. Single-family home sales decreased 25% from the previous year, condominiums decreased 37%, and townhomes 38%. If sales continue at the same pace as the first half of 2023, there will be a significant decrease in home sales volume in 2023. This trend lines up with the Federal Reserve beginning to institute interest rate hikes in March of 2022.”

Figure 42: Sales Volume of Single Family, Townhomes, and Condominiums



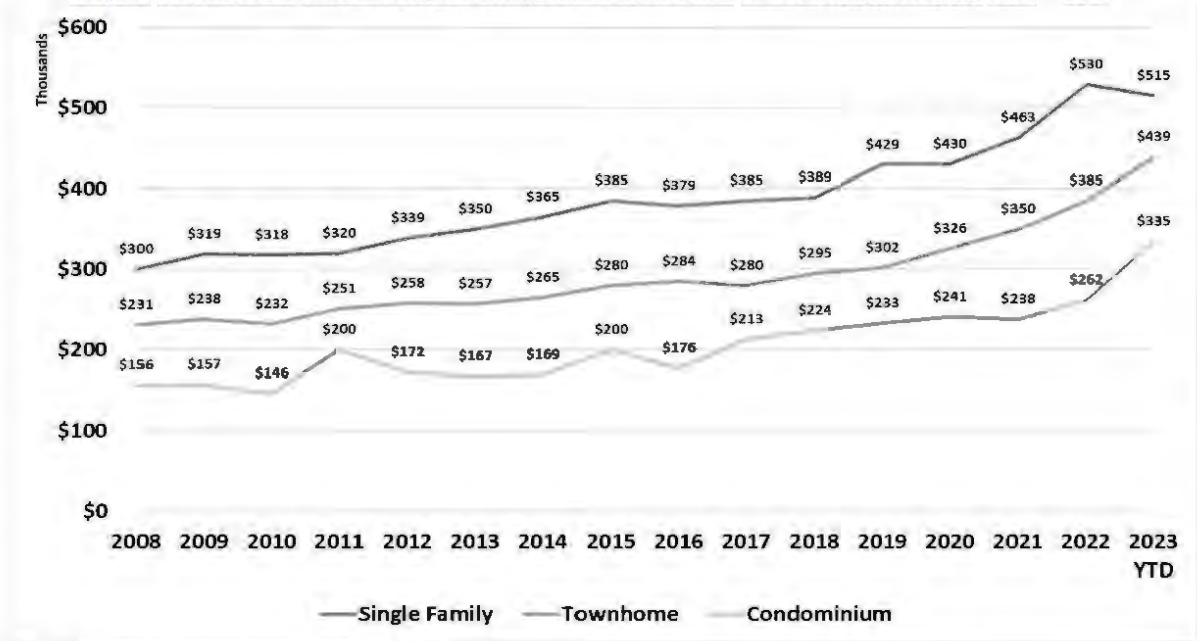
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, Alaska Housing Market Indicators, "Quarterly Survey of Lenders" Dataset. (Note: Single Family includes attached units; multi-family includes properties with two or more dwellings.)

Figure 2.3 JEDC 2023 Study Figure 42.

The average number of days on the market decreased dramatically over the last several years from the highs of 2016 to 2019 averaging from 28 to 18 days. It dropped to 8 days in 2020 and five days in 2021 and 2022. This confirms the continued increase in demand and limited supply for housing. The first six months of 2023 show a slight uptick averaging 6 days versus 5 days for the entire previous two years. While the housing shortage still persists, higher interest rates may dampen demand.

The following trend shows the steady increase in average house prices since 2008. The year-to-date numbers for 2023 for single families appear to have slightly declined.

Figure 44: Median Price of Single Family, Attached Homes and Condominiums, 2013 – 2023



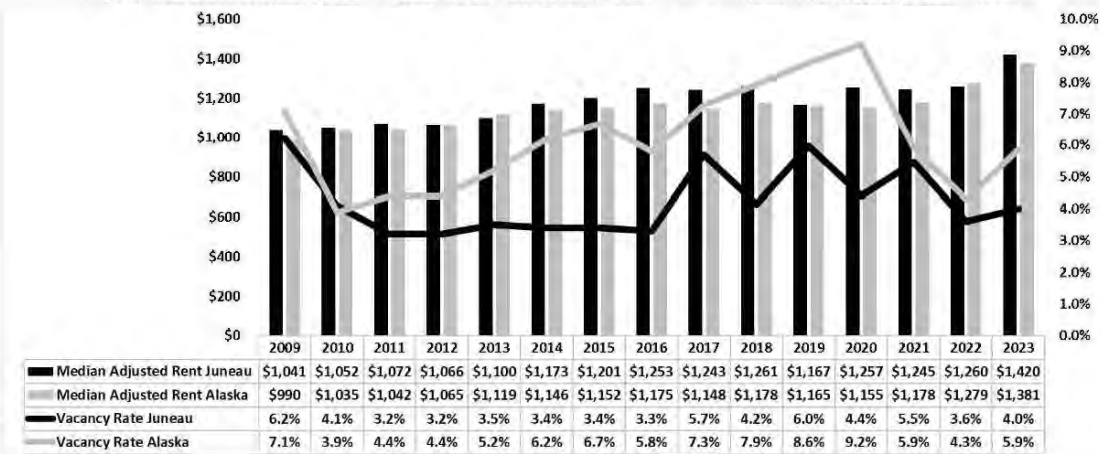
Sources: Southeast Alaska Multiple Listing Service.

Figure 2.4 JEDC 2023 Study Figure 44

The JEDC report comments on rentals, page 50; “Every March, the Alaska Department of Labor and Workforce Development surveys Alaska’s landlords for rental housing costs and vacancy rates for the Alaska Housing Finance Corporation. In March 2023, Juneau’s median rental price for all units increased by 12.7% to \$1,420, the biggest one-year increase on record. Vacancy rates in Alaska rose to 5.9% while those in Juneau increased to 4.0%. According to the Alaska Department of Labor and Workforce Development, the ideal vacancy rate for a community is between 6 and 7%. This is because more vacancies allow renters more choice on where to live, putting pressure on landlords to keep units in good repair and keep prices competitive.”

Juneau’s residential vacancy rates still remain relatively low even after a rise in rents as seen in the Rental and Vacancy Rate figure from JEDC below.

Figure 45: All Units Median Adjusted Rental Prices and Vacancy Rate, March 2009 – 2023



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, and Alaska Housing Finance Corporation, 2021 Rental Market Survey (March). (Note: Rental price is adjusted to include heat, light, hot water, water, garbage, sewer, and snow removal, if one or more of these utilities is not included in the rent.)

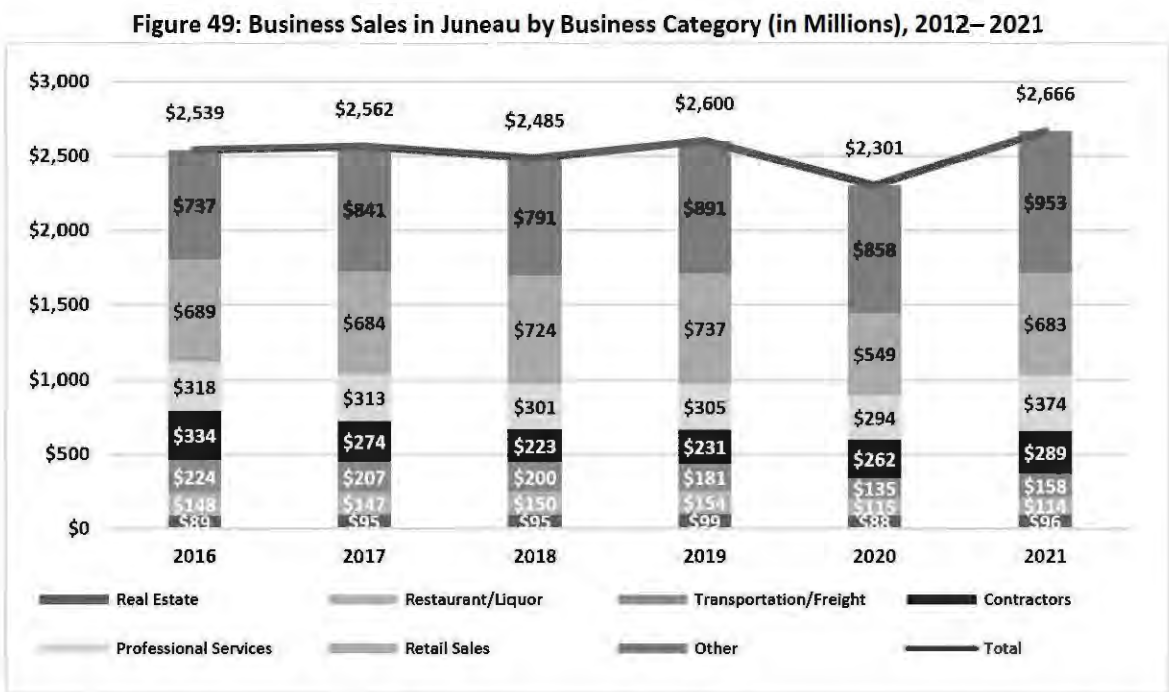
Figure 2.5 JEDC 2023 Study Figure 45

Business Activity

Gross business sales are a good sign of market activity and a latent demand for certain types of real estate. For instance, gross retail sales drive the ability of businesses to pay rents. Growth in the service sector impacts the demand for commercial rental space.

The 2023 JEDC report section on gross business sales indicates; “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.”

See the following figure.

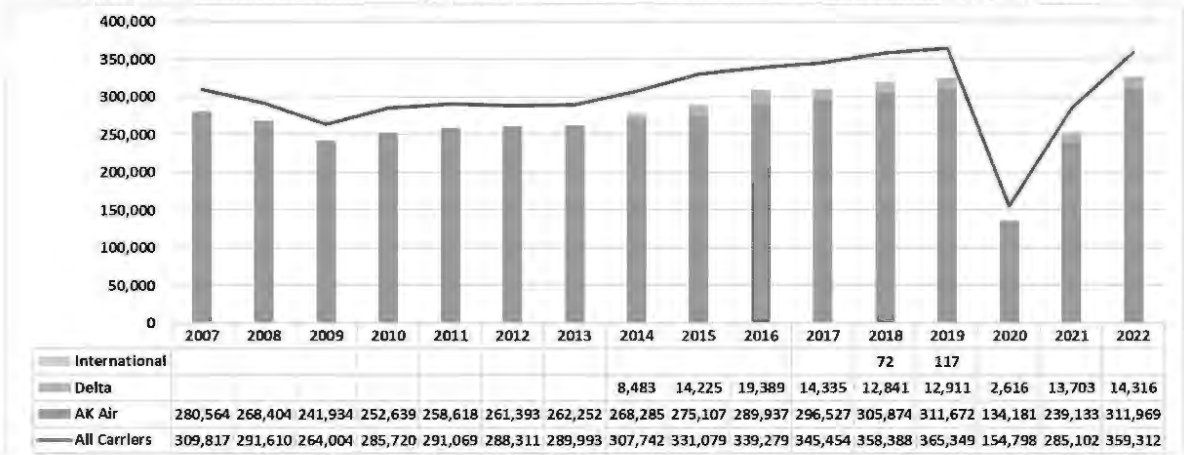


Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, Statistical Section. (Note: “Other” category includes mineral sales, wholesale equipment, food suppliers, and fuel companies.)

Figure 2.6 JEDC 2023 Study Figure 49

Tourism is a significant private sector economic driver as it brings in new dollars from outside the community. It has been hardest hit by the restrictions involved with the COVID Pandemic which shut down most travel in 2020. Independent travelers have recovered from the height of 2019 as indicated in the following air passenger trend which also includes business travel.

Figure 54: Scheduled Air Passenger Enplanements at Juneau International Airport, 2007-2022

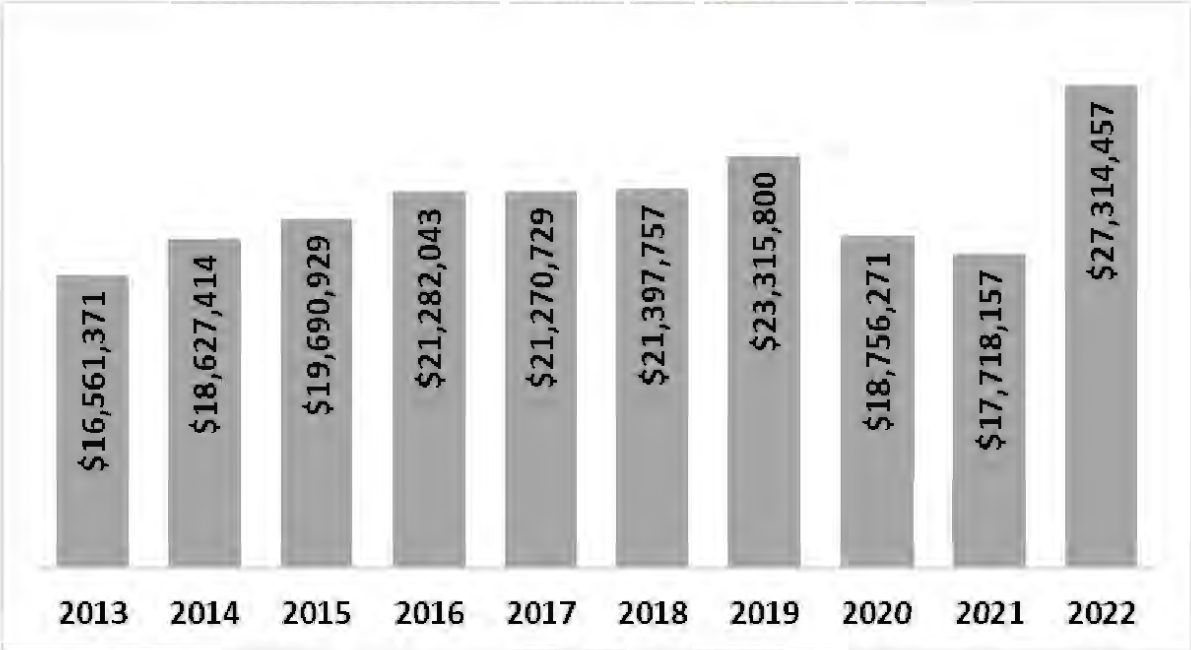


Source: Bureau of Transportation Statistics, T-100 Market Data, ACAIS

Figure 2.7 JEDC 2023 Study Figure 54

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 2022 study show 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 57: Juneau Revenue Taxed by Bed Tax by Fiscal Year, FY13 – FY22



Source: City and Bureau of Juneau Comprehensive Annual Financial Report, Statistical Section

Figure 2.8 JEDC 2023 Study Figure 57

Cruise ship visitation had been rising in general for some time and peaked in 2019 before it collapsed in 2020 due to the COVID pandemic. It has more than recovered during the 2023 season as indicated in the following figure. The high number has apparently strained the town’s capacity to adequately handle this volume in a manner conforming to the community’s quality of experience expectations. In April of 2023 CBJ signed a Memorandum of Agreement with Cruise Lines Agency International (CLIA) targeting the five ships per day limit for the 2024 season. As of February of 2024, the estimated volume for the 2024 season is projected to be similar to the 2023 season.

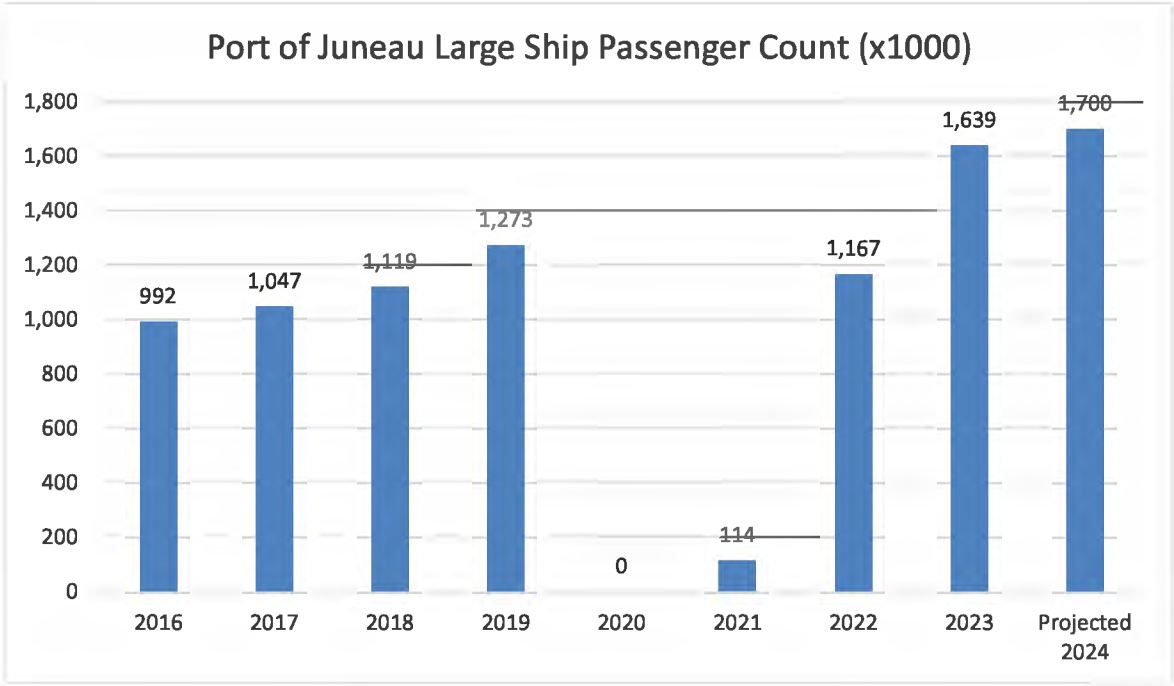


Figure 2.9 - Cruise ship passenger count provided by CBJ Docks and Harbor Department, and Cruise Line Agencies of Alaska.

Retail Sales- Tourism

The 2022 JEDC 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.”



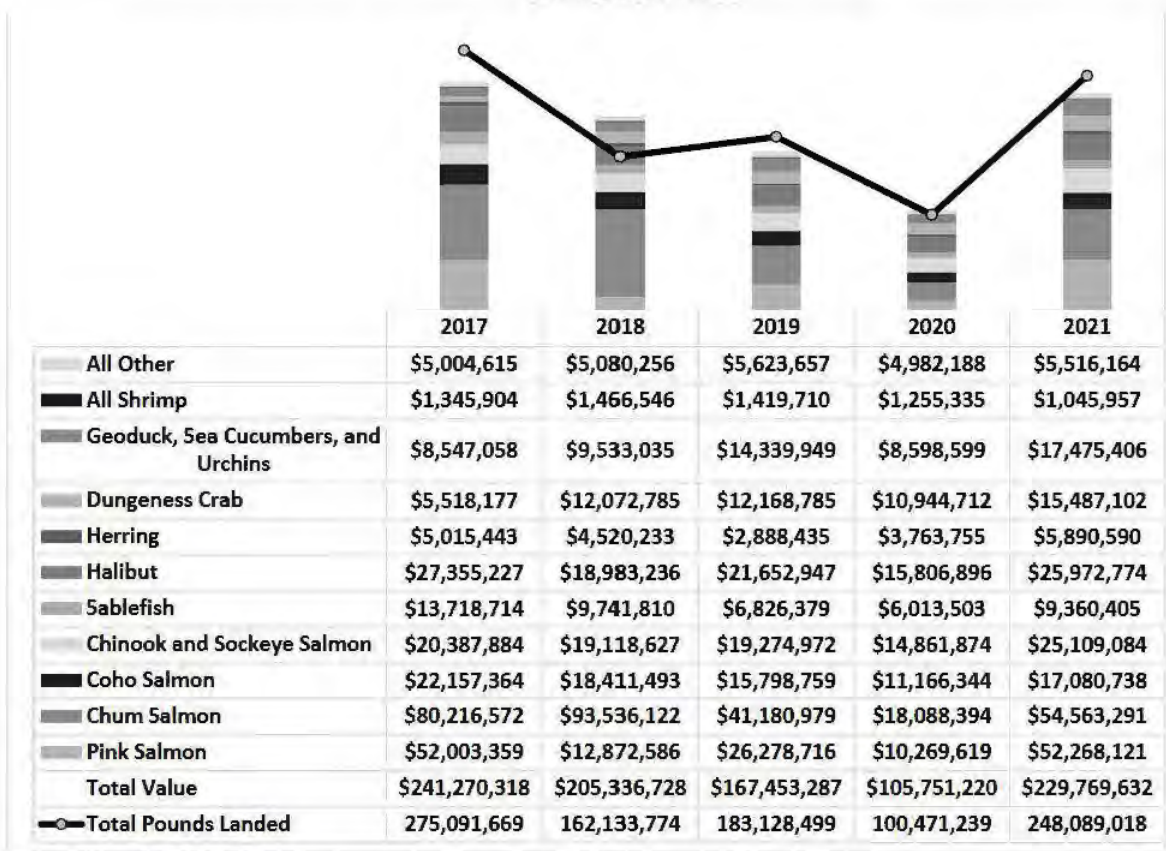
Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, Statistical Section. **Notes:** Data for 2021 was unaudited at the time of publication; Gross business sales related to tourism are determined by the type of business, not individual sales, and count sales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

Figure 2.10 2022 JEDC Study Figure 60.

Fishing

The fishing industry was also depressed as a result of the pandemic due to the drop in restaurant demand which reflected a decline in 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 2022 Study Figure 75.

Mining Industry

According to the Publication; SE Alaska by the Numbers 2023, page 6, published by the Southeast Conference; “The mining sector is growing steadily. Mining jobs and wages in Southeast Alaska were up by 12% in 2022, and has doubled since 2010.”

Two of the three major regional mines are in the Juneau area. The Hecla Greens Creek, just west of Juneau on Admiralty Island is one of the largest silver mines in the world. In August 2023, it had 506 full-time permanent employees, 32 more than in 2022. The Greens Creek is the largest private sector employer in Juneau as well as the highest taxpayer at \$2.4 million per year in property and sales taxes. The Coeur Alaska’s Kensington Mine, just north of the Juneau road system and Berners Bay, is exclusively a gold mine. It produced 109,000 ounces of gold in 2022. In 2023, Coeur Alaska Kensington had a full-time permanent staff of 383, down 20 from 2022.

A third mine, the Dawson Mine is a smaller gold and silver project on Prince of Wales Island. The Dawson Mine reported 54 full-time workers in 2022. Additional mining exploration projects are active in the region, including the Palmer Project in Haines, Herbert Gold in Juneau, Bokan Mountain, and Niblack, both on Prince of Wales. Mining jobs in Southeast Alaska have increased by 3% in the first half of 2023. Metal prices continue to be strong as indicated in the charge from the SE Alaska by the Numbers 2023 report, page 6.

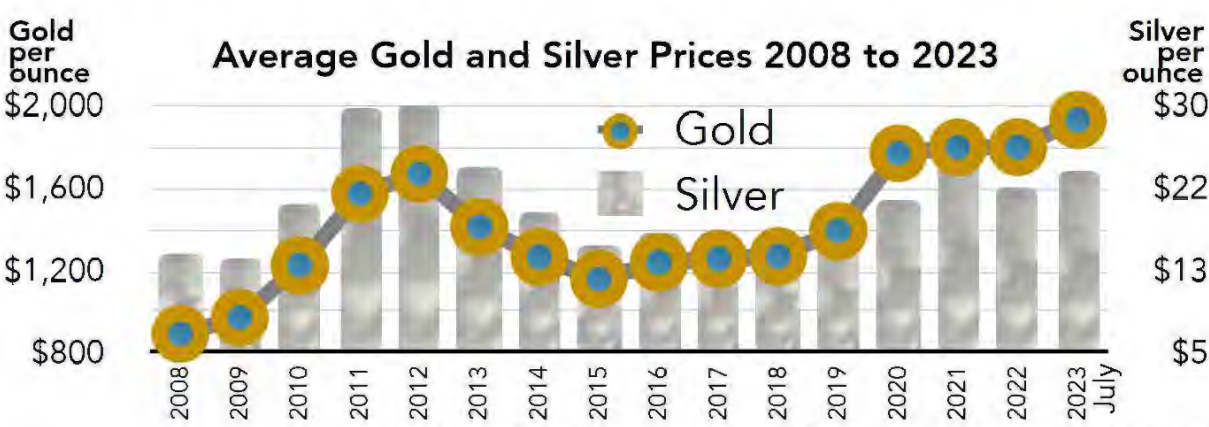


Figure 2.13 SE Alaska by the Numbers 2023, page 6, published by the Southeast Conference. Prepared

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING, LAND AND WATER

400 Willoughby Avenue, SUITE 400

JUNEAU, ALASKA 99801

PHONE: (907) 465-3400

FAX: (907) 586-2954

February 14, 2001

J.E. Trucano
P.O. Box 020870
Juneau, AK 99802

Re: Transfer of Tideland Leases No. ADL 36091 and 51488 to the City and Borough of Juneau

Dear Lessee:

This is to inform you that land management authority for the tidelands on which the above referenced lease is located has been conveyed to the City and Borough of Juneau. The management authority, effective 2/8/2001, includes all the State of Alaska's rights, title, and interest in, and to, the tidelands. A state tideland patent will be issued to CBJ, subject to the lease.

Accordingly, the above referenced lease has been transferred to the City and Borough of Juneau. The administration of the lease now resides with the City and Borough of Juneau and all correspondence and rental payments for this lease should be made to:

Attn: Joe Graham
Port of Juneau
City and Borough of Juneau
155 South Seward
Juneau, AK 99801
(907) 586-5255

If you have any questions about the lease transfer please call me at 465-3513.

Sincerely,



Doug Sanvik
Natural Resource Officer

cc: Joe Graham, City and Borough of Juneau

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING, LAND AND WATER

TONY KNOWLES, GOVERNOR

400 Willoughby Avenue, SUITE 400
JUNEAU, ALASKA 99801

PHONE: (907) 465-3400

FAX: (907) 586-2954

November 3, 2000

J E Trucano
P.O. Box 020870
Juneau, Alaska 99802

Re: ADL 36091, ADL 51488

Dear Mr. Trucano:

The purpose of this letter is to provide notice pursuant to AS 38.05.945 of our preliminary decision to grant a tideland conveyance to the City and Borough of Juneau. ~~This conveyance will transfer approximately 265 acres of tide and submerged land to the city and borough. Your tideland leases, ADL 36091 & ADL 51488 will be part of this conveyance. This will not effect the terms of your existing lease. Juneau will become the land owner and the only changes will be that your annual use payments will be made to the City and Borough of Juneau and any future lease modifications will be administered by them.~~

A copy of the preliminary decision may be obtained from our office. The deadline for making comments on this preliminary decision will be December 3, 2000. Persons that do not submit written comment during the comment period will have no right to appeal the final finding.

If you have any questions please let me know.

Sincerely,



Bob Palmer
Lands Officer

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS
344 Sixth Avenue
Anchorage, Alaska

DL-37a (Tidelands)
Revised December, 1961

Lease No. ADL 36091

LEASE AGREEMENT

THIS INDENTURE made and entered into this 30th day of June 19 69, by and between the STATE OF ALASKA, through the Director of the Division of Lands, with the consent and approval of the Commissioner of the Department of Natural Resources, acting for and on its behalf under and pursuant to Chapter 169, SLA 1959, as amended, and the regulations promulgated thereunder, as amended or hereafter amended, hereinafter referred to as the LESSOR; and J. E. TRUCANO of P. O. Box 870, Juneau, Alaska 99801 hereinafter referred to as the LESSEE:

WITNESSETH, that whereas the Lessor has classified the lands herein demised as: Commercial lands on October 3 19 68, pursuant to Chapter 169, SLA 1959, as amended; and

WHEREAS, the Lessor has caused the lands herein demised to be appraised and such appraisal was made and approved on or after June 6, 19 69; and

WHEREAS, the Lessor has caused a notice of intent to lease the lands herein demised to be published as required by law or caused notices of intent to lease to be posted as required by law; and

WHEREAS, an auction of the within demised property was held at the time and place designated by notice and said sale was approved by the Director of the Division of Lands, Department of Natural Resources, State of Alaska:

NOW THEREFOR, the Lessor has agreed to let and does hereby let and demise to the Lessee, and the Lessee has agreed to take and does hereby take from the Lessor all that lot, piece, or parcel of land more particularly bounded and described, as follows:

Known as ATS 750 - Beginning at Cor. No. 1, identical with Cor. No. 5, ATS No. 361, thence, from Cor. No. 1, by metes and bounds, N 39° 20' 00" E, 59.63 ft., to Cor. No. 2; S 52° 54' 26" E, 260.59 ft., to Cor. No. 3; S 17° 12' 40" E, 27.70 ft., to Cor. No. 4; S 31° 49' 00" W, 55.02 ft., to Cor. No. 5; N 50° 40' 00" W, 290.70 ft., to Cor. No. 1, the point of beginning, containing in all 0.424 acres, more or less. Latitude 58° 18' N. Longitude 134° 26' W.

TO HAVE AND TO HOLD the said demised premises for a term of Fifty Five
(55) years commencing on the 30th day of June, 19 69 and ending
at 12 o'clock midnight on the 29th day of June, 2024, unless
sooner terminated as hereinafter provided.

The Lessee shall pay to the Lessor rental as follows: Equal Annual
payments, in advance, on or before the 30th day of June of every
year during said term at the rate of Seventy Five and No/100-----
----- Dollars (\$75.00-----) per annum, such payments to
be subject to adjustment at each five year interval from the effective date hereof, if the
lease term hereof exceeds five years, such adjustment to be based primarily upon a reappraised
annual rental value of land in a state of improvement similar to that of the land described
herein at the time this lease was entered into.

It is hereby mutually covenanted and agreed that this indenture is made upon the
foregoing, and upon the following agreements, conditions, covenants, and terms, VIZ:

1. The word "Lessor" as and wherever used in the lease, shall be construed to
include, and shall include, bind and inure to the benefit of, the State of Alaska, its
successor and assigns, at any time during the term of this lease or any renewal thereof;
and the word "Lessee" as and wherever used in this lease shall be construed to include and
shall include and bind and inure to the benefit of the Lessee, his successors and assigns.

2. It shall be the responsibility of the Lessee to properly locate himself and
his improvements within the confines of the property leased herein.

3. The Lessor, Alaska, hereby expressly saves, excepts and reserves out of the
grant hereby made unto itself, its lessees, successors, and assigns forever, all oils,
gases, coal, ores, minerals, fissionable materials, and fossils of every name, kind or
description, and which may be in or upon said lands above described, or any part thereof,
and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable
materials, and fossils, and it also hereby expressly saves and reserves out of the grant
hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter
by itself, its or their agents, attorneys, and servants upon said lands, or any part or
parts thereof, at any and all times, for the purpose of opening, developing, drilling and
working mines or wells on these or other lands and taking out and removing therefrom all
such oils, gases, coal, ores, minerals, fissionable materials and fossils, and to that
end it further expressly reserves out of the grant hereby made, unto itself, its lessees,
successors, and assigns forever, the right by its or their agents, servants and attorneys
at any and all times to erect, construct, maintain, and use all such buildings, machinery,
roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove
such soil, and to remain on said lands or any part thereof for the foregoing purposes and
to occupy as much of said lands as may be necessary or convenient for such purposes hereby
expressly reserving to itself, its lessees, successors, and assigns, as aforesaid,
generally all rights and power in, to and over said land, whether herein expressed or not,
reasonably necessary or convenient to render beneficial and efficient the complete enjoy-
ment of the property and rights hereby expressly reserved.

Provided, however, no rights shall be exercised by Alaska, its lessees, successors
or assigns, until provision has been made by Alaska, its lessee, successors or assigns,
to pay to the owner of the land, upon which the rights herein reserved to Alaska, its
lessees, successors, or assigns are sought to be exercised, full payment for all damages
sustained by said owner, by reason of entering upon said land; provided, that if said
owner for any cause whatever refuses or neglects to settle said damages, Alaska, its
lessees, successors or assigns or any applicant for a lease or contract from Alaska for

the purpose of prospecting for valuable minerals, or option contract or lease for mining coal or lease for extracting petroleum or natural gas, shall have the right, after posting a surety bond with the Director in a company qualified to do business in Alaska or in a form as determined by the Director, after due notice and opportunity to be heard, to be sufficient in amount and security to secure the said owner full payment for all such damages, to enter upon the land in the exercise of said reserved rights, and shall have the right to institute such legal proceedings in a court of competent jurisdiction wherein the land is situated, as may be necessary to determine the damages which the surface lessee of such lands may suffer.

4. The lands leased herein have been classified as shown on page 1 of this agreement and in accordance with the Classification Regulations, Title II, Division I, Chapter I, Subchapter I, and any use thereof which shall be in material conflict with said classification shall, if not remedied after due notice thereof has been served on the Lessee, constitute a breach of this lease and the Lessor may thereupon terminate same in accordance with provisions herein contained. The Lessor does not warrant that by such classification the land is ideally suited for the use authorized thereunder and the Lessor gives no guaranty, actual or implied, that the utilization under said classification will be profitable.

5. All coal, oil, gas and other minerals and all deposits of stone or gravel valuable for extraction and utilization and all materials subject to Title II, Division I, Chapters Four (4), Five (5) and Six (6), Alaska Administrative Code, as amended or as shall hereafter be amended are excepted from the operation of this lease. Viz: The Lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peatmoss, or any other material valuable for building or commercial purposes; provided, however, that material required in the enjoyment of this lease may be used after a written permit therefor has been obtained from the Lessor.

6. The Lessor expressly reserves the right to grant easements or rights-of-way across the land herein leased if it is determined to be in the best interests of the State to do so; provided, however, that the Lessee shall be entitled to compensation for all improvements or crops which are damaged or destroyed as a direct result of such easement or right-of-way.

7. The Lessee shall not commit waste or injury upon the lands leased herein. Any violation of this agreement shall not only subject the offender to civil liability, but upon conviction thereof he may be fined in any sum not exceeding \$1000.00.

8. If the lands leased herein are classified and leased as grazing or agricultural lands the Lessee shall not prevent or deny the lawful pursuit or the hunting of game or the taking of fish; provided, however, the Director, upon request in writing, may allow the lands leased herein, or portions thereof, to be posted to prohibit hunting and fishing when it appears necessary in order to properly protect the Lessee and his property.

9. Should the lands herein leased lie within the jurisdiction of any authorized building or zoning authority they shall be utilized in accordance with the rules and regulations promulgated by said authority.

10. The Lessee shall take all reasonable precaution to prevent, and take all reasonable action to suppress grass, brush and forest fires on the land herein leased.

11. The Lessee shall allow the Lessor, through its duly authorized representative, to enter upon the leased premises, at any reasonable time, for the purpose of an inspection thereof.

12. When the Lessee shall use the lands leased herein to construct any form of hydraulic project or employ any equipment or engage in any activity which will use, divert, obstruct, pollute or change the natural flow or bed of any river, lake or stream or that will utilize any of the waters of the State or materials from any river, lake or stream beds, the Lessee shall, prior to the commencement of any such operations, procure the approval of the Commissioner of the Department of Fish and Game and the original or an image copy thereof shall be filed with the Lessor prior to the commencement of such activity.

13. The Lessee may assign the lands, or portion thereof, herein demised, provided, he first makes application to the Lessor for a permit and the Lessor, in his discretion, may issue such permit if he finds it to be in the best interest of Alaska. Upon an assignment being granted, the assignee thereunder shall become subject to and be governed by the provisions of this lease in the same manner as though he were the original Lessee.

14. This lease may not be modified orally or in any manner other than by an agreement in writing signed by all parties hereto or their respective successors in interest.

15. This lease may be cancelled, in whole or in part, under one or more of the following conditions:

- A. While in good standing by the mutual agreement in writing of the respective parties hereto.
- B. If issued in error with respect to material facts.
- C. If the leased premises are being used for an unlawful purpose.

16. If the Lessee should default in the performance of any of the terms, covenants or stipulations herein contained or of the regulations promulgated pursuant to Chapter 169, SLA 1959, as amended, and said default shall not be remedied within 30 days after written notice of such default has been served upon the Lessee by the Lessor, the Lessee shall be subjected to such legal action as the Lessor shall deem appropriate including but not limited to, the forfeiture of this lease. No improvements may be removed by the Lessee during any period in which this lease is in default. In the event that this lease shall be terminated because of a breach of any of the terms, covenants, or stipulations contained herein the annual rental payment last made by the Lessee shall be retained by the Lessor as liquidated damages.

17. Any notice or demand which must be given or made by the parties hereto shall be in writing, and shall be complete by sending such notice or demand by United States registered or certified mail to the address shown on the lease or to such other address as the parties shall designate in writing from time to time. A copy of any such notice shall be forwarded by the Lessor to any lienholder who has properly recorded his interest in the lease with the Lessor.

18. In the event that this lease is terminated as herein provided, by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by the Lessee during the term of this lease, the Lessor may immediately, or at any time thereafter, enter or re-enter and take possession of said lands, or any part thereof, and without liability for any damage therefor, remove all persons and property therefrom either by summary proceedings or by a suitable action or proceeding at law; provided, however, that the words "entry" and "re-entry" as used herein, are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession,

dispossess, and/or dispossession by the Lessor, whether had or taken by summary proceedings, or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or in part, from any liability hereunder.

19. Upon the expiration, termination or cancellation of this lease, unless the same has been renewed, the Lessee shall quietly and peaceably leave, surrender, and yield up unto the Lessor all of the leased land on the last day of the term of the lease.

20. The receipt of rent by the Lessor, with or without knowledge of any breach of the lease by the Lessee or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of this lease, shall not be deemed to be a waiver of any provision of this lease. No failure on the part of the Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate such terms or covenants or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money or the termination, in any manner, of the term therein demised, or after giving by the Lessor of any notice hereunder to affect such termination, shall not reinstate, continue, or extend the resultant term herein demised, or destroy, or in any manner impair the efficacy of any such notice of termination as may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless expressed in writing and signed by the Lessor.

21. The Lessee, after written request therefor has been filed with the Lessor and prior to the commencement of such work, may receive credit toward current or future rentals, provided the contemplated work, to be accomplished on or off the area leased herein, in the discretion of the Lessor, shall result in increased valuation to other State owned lands. The Lessor's authorization to proceed with the work for rental credit, if granted, shall stipulate the type and extent of improvements, standards of construction to be followed and the maximum allowable rental credit therefor; provided further that no rental credit shall inure to the Lessee until the work has been completed and the Lessor has inspected same to determine compliance with the provisions of said authorization.

22. If, upon the expiration of this lease, the Lessee desires a renewal lease on the lands, properties or interests covered herein, he shall within 30 days before the expiration of this lease, make application to the Lessor on Form DL-74 entitled "Application for Renewal of Lease," in which he must certify under oath as to the character and value of all the improvements existing upon the land, the purpose for which he desires a renewal and such other information as the Director of the Division of Lands may require. Along with the application the applicant shall deposit a sum equal to 50% of the current annual rental, as provided herein, but in no event to exceed the sum of \$50.00. The Lessor may thereupon lease said lands in compliance with the provisions herein enumerated, Chapter 169, SLA 1959, as amended, and the rules and regulations promulgated thereunder, allowing a preference right to the Lessee herein.

23. The Lessee hereunder shall, upon the expiration of this lease or the prior termination thereof by mutual agreement, be allowed a preference right to re-lease the lands leased herein if all other pertinent factors are substantially equivalent. If the renewal lease does not require public auction the preference right holder shall exercise his right within 30 days before the expiration of this lease by written notice directed to the Lessor and failure to do so shall result in forfeiture and cancellation of such preference right. In the event that the lease is subject to and is offered at public auction the preference right holder shall, at the close of bidding, indicate his desire to exercise his preference right and meet the highest bid. In the event the preference right holder does not elect to exercise his right and fails to do so at this time his preference right shall be forfeited and forever lost.

24. Improvements owned by a Lessee on Alaska lands shall within 60 days after the termination of the lease be removed by him; provided, such removal will not cause injury or damage to the lands; and further provided, that the Lessor may extend the time for removing such improvements in cases where hardship is proven. The retiring Lessee or permittee may, with the consent of the Lessor, sell his improvements to the succeeding lessee or permittee.

If any improvements and/or chattels having an appraised value in excess of \$10,000.00 as determined by the Lessor are not removed within the time allowed, such improvements and/or chattels shall upon due notice to the Lessee, be sold at public sale under the direction of the Lessor. The proceeds of sale shall inure to the Lessee who placed such improvements and/or chattels on the lands after paying to Alaska all rents due and owing and expenses incurred in making such sale. In case there are no other bidders at any such sales, the Lessor is authorized to bid, in the name of Alaska, on such improvements and/or chattels. The bid money shall be taken from the fund to which said lands belong and the said fund shall receive all monies or other value subsequently derived from the sale or leasing of such improvements and/or chattels. Alaska shall acquire all the rights, both legal and equitable, that any other purchaser could acquire by reason of said purchase.

If any improvements and/or chattels having an appraised value of \$10,000.00 or less, as determined by the Lessor, are not removed within the time allowed, such improvements and/or chattels shall revert to and absolute title shall vest in Alaska.

25. If any clause, or provision, herein contained, shall be adjudged to be invalid, it shall not affect the validity of any other clause or provision, of this lease or constitute any cause of action in favor of either party as against the other.

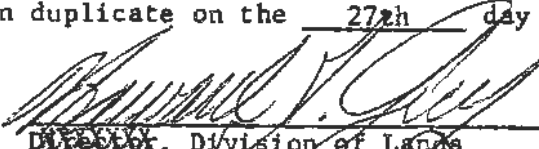
HERRING SPAWN COVENANT:

This lease is issued subject to Section 2, Chapter 34, SLA 1959, as thereafter amended.

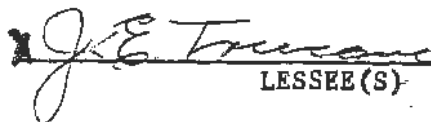
It is agreed that the covenants, terms and agreements herein contained shall be binding upon the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the State of Alaska, Lessor, acting through the Director of the Division of Lands of the Department of Natural Resources, lawfully authorized thereunto, has caused these presents to be executed at Anchorage, Alaska, in duplicate and the said Lessee has hereunto set his hand, agreeing to keep, observe and perform the rules and regulations promulgated under Chapter 169, SLA 1959, as amended, the terms, conditions and provisions herein contained, on the Lessee's part to be kept, observed and performed; and executed said instrument, in duplicate on the 27th day of August, 19 69.

APPROVED:


Director, Division of Lands
Chief, Water Resources

COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES
STATE OF ALASKA


LESSEE(S)

UNITED STATES OF AMERICA)
State of Alaska) ss.

THIS IS TO CERTIFY that on the 27th day of August, 1969, before me, the undersigned Notary Public, personally appeared Edward J. Gray known to me and known by me to be the Director of the Division of Lands of the Department of Natural Resources, and acknowledged to me that he executed the foregoing lease for and on behalf of said State, freely and voluntarily and for the use and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Yvonne M. Allford
Notary Public in and for the State of Alaska
My commission expires 3-29-71

UNITED STATES OF AMERICA)
State of Alaska) ss.

THIS IS TO CERTIFY that on this 21st day of August, 1969, before me, the undersigned, a Notary Public in and for Alaska duly commissioned and sworn, personally appeared J. E. TRUCANO to me personally known to be one of the persons described in and who executed the within instrument and the said J. E. TRUCANO acknowledged to me that he signed and executed the same freely and voluntarily for the uses and purposes therein mentioned.

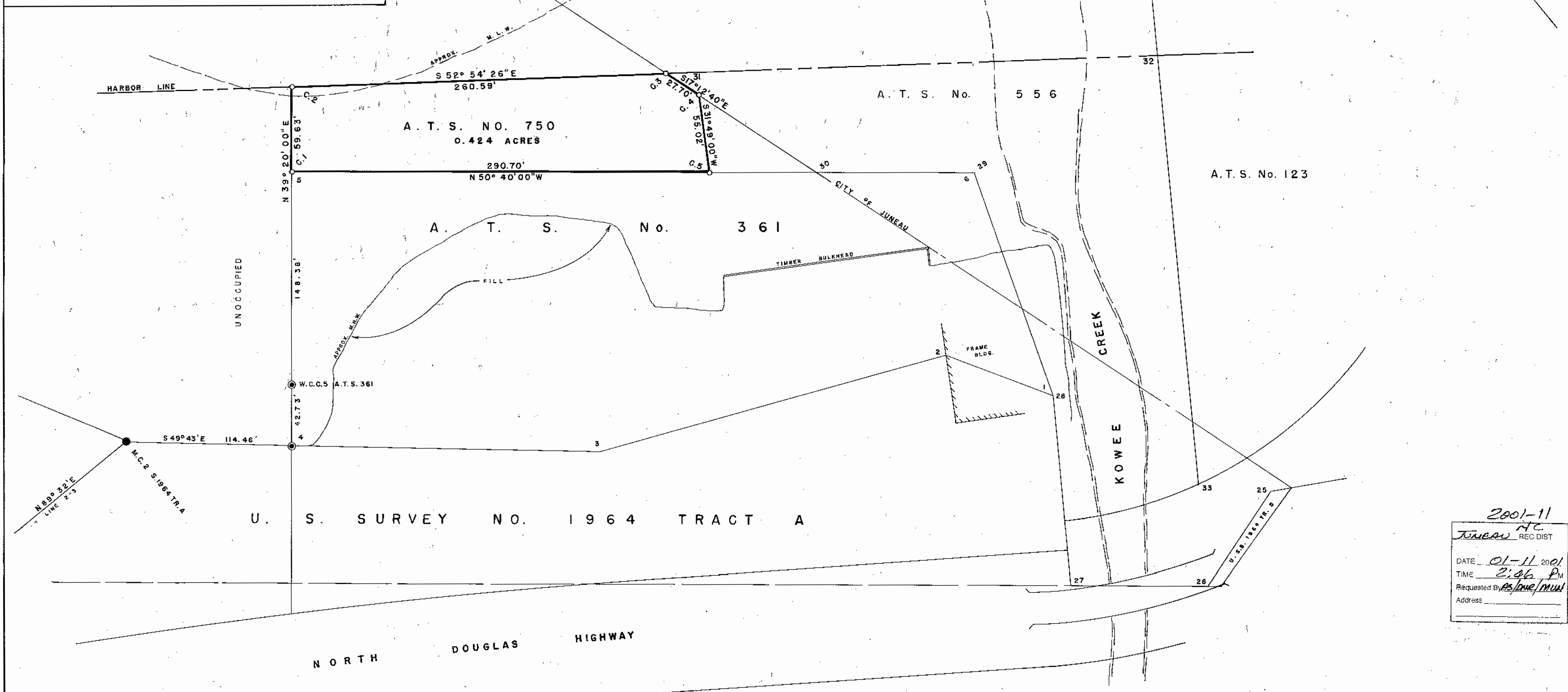
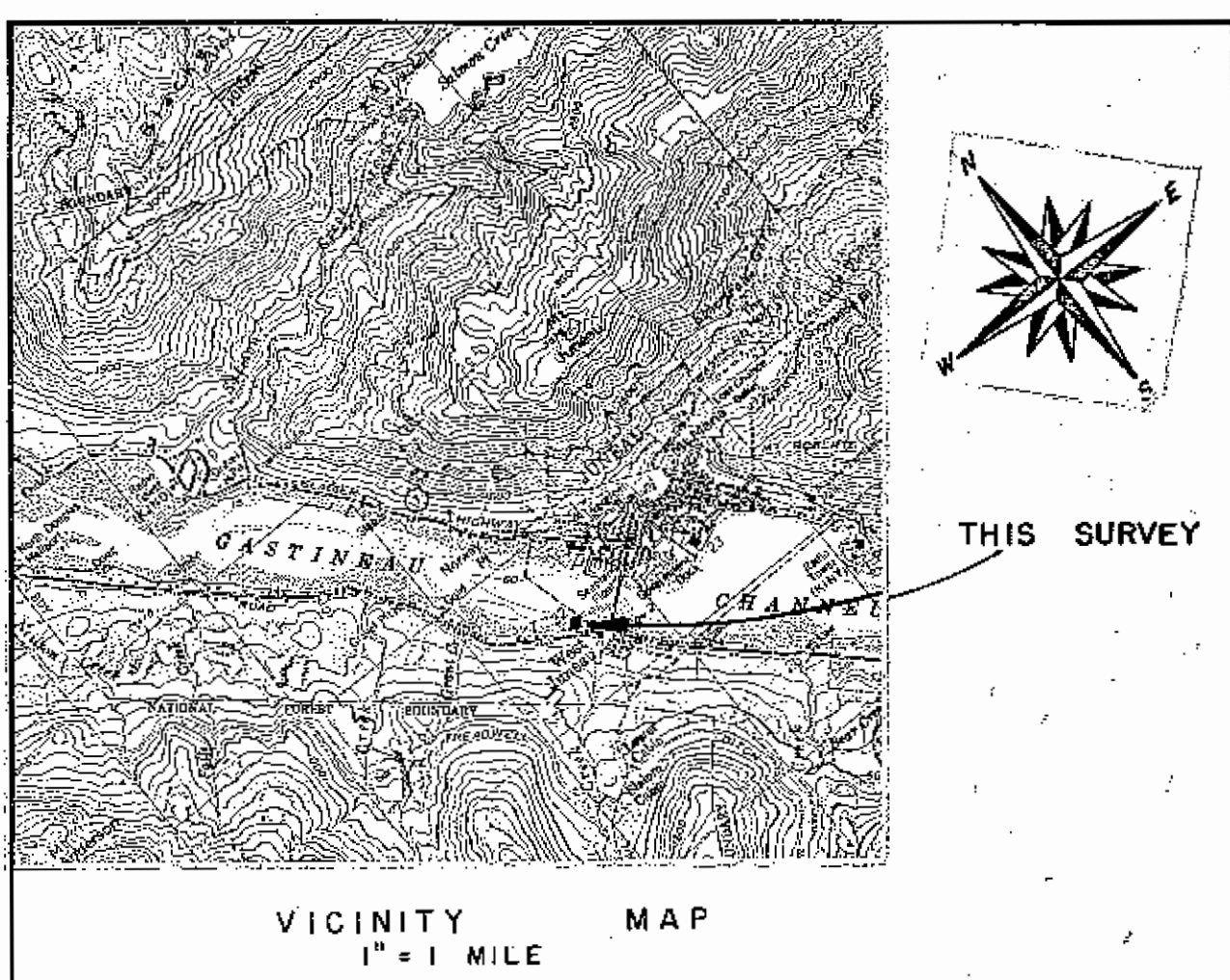
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

[Signature]
Notary Public in and for the State of Alaska
My commissioner expires 5-25-70

Approved as to Form:

Ralph E. Moody
Attorney General

By Richard A. Bradley
Title Assistant Attorney General



DESCRIPTION OF A.T.S. NO. 750

Beginning at Cor. No. 1, identical with Cor. No. 5, A.T.S. No. 361. Thence, from Cor. No. 1, by metes and bounds, N. 39° 20' 00" E., 59.63 ft., to Cor. No. 2; S. 52° 54' 26" E., 260.59 ft., to Cor. No. 3; S. 17° 12' 40" E., 27.70 ft., to Cor. No. 4; S. 31° 48' 00" W., 55.02 ft., to Cor. No. 5; N. 50° 40' 00" W., 290.70 ft., to Cor. No. 1, the point of beginning, containing in all 0.424 acres, more or less.

Latitude 58° 18' N. Longitude 134° 26' W.

NOTE: The origin of bearings for this survey originated between Cor. No. 3 and Cor. No. 2, M.C., USS 1964, Tract A, officially reported as N. 89° 32' E.

LEASE APPLICANT: J. E. Trucano
314 Highland Drive
Juneau, Alaska

ENGINEER'S CERTIFICATE

I hereby certify that I am registered to practice land surveying in Alaska and that this plat represents a survey made by me or under my direct supervision, and the monuments shown hereon actually exist as located, and that all dimensional and other details are correct to the best of my knowledge.

Aug 18 1967

REGISTERED PROFESSIONAL ENGINEER

- LEGEND**
- Existing brass cap monument set for A.T.S. No. 361.
 - Existing G.L.D. cross on rock.
 - No monument set or existing.

Plot Prepared May 12, 1967

ADL 36091

DATE OF SURVEY		TONER & NORDLING	
Beginning: April 21, 1967		REGISTERED ENGINEERS	
Ending: April 21, 1967		JUNEAU, ALASKA	
ALASKA DIVISION OF LANDS			
STATE OF ALASKA			
ANCHORAGE, ALASKA			
ALASKA TIDELANDS SURVEY			
NO. 750 (CR 41S 67E)			
Drawn By:	G. M.	Approved:	<i>[Signature]</i>
Date Approved:		Approved:	<i>[Signature]</i>
Scale:	1" = 40'	Checked:	
		File No.	ATS 750

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS
323 E. 4th Avenue
Anchorage, Alaska

DL-37a
Revised 9/70

Lease No ADL 51488

LEASE AGREEMENT

THIS INDENTURE made and entered into this 19th day of August 19 71, by and between the STATE OF ALASKA, through the Director of the Division of Lands, with the consent and approval of the Commissioner of the Department of Natural Resources, acting for and on its behalf under and pursuant to Chapter 169, SLA 1959, as amended, and the regulations promulgated thereunder, as amended or hereafter amended, hereinafter referred to as the LESSOR; and J. E. Trucano of P. O. Box 870, Juneau, Alaska 99801 hereinafter referred to as the LESSEE:

WITNESSETH, that whereas the Lessor has classified the lands herein demised as: Industrial lands on July 7 19 71, pursuant to Chapter 169, SLA 1959, as amended; and

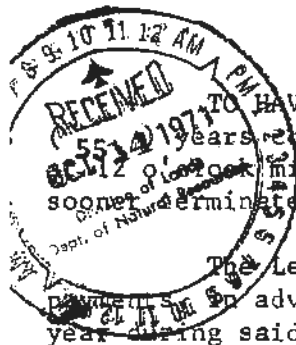
WHEREAS, the Lessor has caused the lands herein demised to be appraised and such appraisal was made and approved on or after July 8, 19 71; and

WHEREAS, the Lessor has caused a notice of intent to lease the lands herein demised to be published as required by law or caused notices of intent to lease to be posted as required by law; and

WHEREAS, an auction of the within demised property was held at the time and place designated by notice and said sale was approved by the Director of the Division of Lands, Department of Natural Resources, State of Alaska:

NOW THEREFOR, the Lessor has agreed to let and does hereby let and demise to the Lessee, and the Lessee has agreed to take and does hereby take from the Lessor all that lot, piece, or parcel of land more particularly bounded and described, as follows:
Known as ATS No. 842: Beginning at Cor. No. 1, identical with Cor. No. 2, ATS 750. Thence, from Cor. No. 1, by metes and bounds, N 39° 20' 00" E, 208.41 ft. to Cor. No. 2; S 50° 40' 00" E, 214.83 ft. to Cor. No. 3; S 39° 20' 00" W., 200.00 ft. to Cor. No. 4; N 52° 54' 26" W., 215.00 ft. to Cor. No. 1, the point of beginning, containing in all 1.007 acres, more or less in two tracts (A/0.777 acres, E/0.230 acres). Latitude 58° 18' N., Longitude 134° 26' W., at Cor. No. 1, ATS No. 842.

Handwritten notes:
11-11-71
10-1
11-11-71
2-7-71



TO HAVE AND TO HOLD the said demised premises for a term of fifty-five years years commencing on the 10th day of August, 1971 and ending sooner or later midnight on the 18th day of August, 2026, unless terminated as hereinafter provided.

The Lessee shall pay to the Lessor rental as follows: Equal annual payments in advance, on or before the 19th day of August of every year during said term at the rate of Four hundred and no/100 Dollars (\$400.00) per annum, such payments to be subject to adjustment at each five year interval from the effective date hereof, if the lease term hereof exceeds five years, such adjustment to be based primarily upon a reappraised annual rental value of land in a state of improvement similar to that of the land described herein at the time this lease was entered into.

It is hereby mutually covenanted and agreed that this indenture is made upon the foregoing, and upon the following agreements, conditions, covenants, and terms, VIZ:

1. The word "Lessor" as and wherever used in the lease, shall be construed to include, and shall include, bind and inure to the benefit of, the State of Alaska, its successor and assigns, at any time during the term of this lease or any renewal thereof; and the word "Lessee" as and wherever used in this lease shall be construed to include and shall include and bind and inure to the benefit of the Lessee, his successors and assigns.

2. It shall be the responsibility of the Lessee to properly locate himself and his improvements within the confines of the property leased herein.

3. The Lessor, Alaska, hereby expressly saves, excepts and reserves out of the grant hereby made unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, and fossils, and it also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, drilling and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, no rights shall be exercised by Alaska, its lessees, successors or assigns, until provision has been made by Alaska, its lessees, successors or assigns, to pay to the owner of the land, upon which the rights herein reserved to Alaska, its lessees, successors, or assigns are sought to be exercised, full payment for all damages sustained by said owner, by reason of entering upon said land; provided, that if said owner for any cause whatever refuses or neglects to settle said damages, Alaska, its lessees, successors or assigns or any applicant for a lease or contract from Alaska for

the purpose of prospecting for valuable minerals, or option contract or lease for coal or lease for extracting petroleum or natural gas, shall have the right, after posting a surety bond with the Director in a company qualified to do business in Alaska or in a form as determined by the Director, after due notice and opportunity to be heard, to be sufficient in amount and security to secure the said owner full payment for all such damages, to enter upon the land in the exercise of said reserved rights, and shall have the right to institute such legal proceedings in a court of competent jurisdiction wherein the land is situated, as may be necessary to determine the damages which the surface lessee of such lands may suffer.

4. The lands leased herein have been classified as shown on page 1 of this agreement and in accordance with the Classification Regulations, Title II, Division I, Chapter I, Subchapter I, and any use thereof which shall be in material conflict with said classification shall, if not remedied after due notice thereof has been served on the Lessee, constitute a breach of this lease and the Lessor may thereupon terminate same in accordance with provisions herein contained. The Lessor does not warrant that by such classification the land is ideally suited for the use authorized thereunder and the Lessor gives no guaranty, actual or implied, that the utilization under said classification will be profitable.

5. All coal, oil, gas and other minerals and all deposits of stone or gravel valuable for extraction and utilization and all materials subject to Title II, Division I, Chapters Four (4), Five (5) and Six (6), Alaska Administrative Code, as amended or as shall hereafter be amended are excepted from the operation of this lease. Viz: The Lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peatmoss, or any other material valuable for building or commercial purposes; provided, however, that material required in the enjoyment of this lease may be used after a written permit therefor has been obtained from the Lessor.

6. The Lessor expressly reserves the right to grant easements or rights-of-way across the land herein leased if it is determined to be in the best interests of the State to do so; provided, however, that the Lessee shall be entitled to compensation for all improvements or crops which are damaged or destroyed as a direct result of such easement or right-of-way.

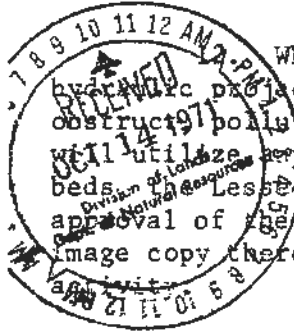
7. The Lessee shall not commit waste or injury upon the lands leased herein. Any violation of this agreement shall not only subject the offender to civil liability, but upon conviction thereof he may be fined in any sum not exceeding \$1000.00.

8. If the lands leased herein are classified and leased as grazing or agricultural lands the Lessee shall not prevent or deny the lawful pursuit or the hunting of game or the taking of fish; provided, however, the Director, upon request in writing, may allow the lands leased herein, or portions thereof, to be posted to prohibit hunting and fishing when it appears necessary in order to properly protect the Lessee and his property.

9. Should the lands herein leased lie within the jurisdiction of any authorized building or zoning authority they shall be utilized in accordance with the rules and regulations promulgated by said authority.

10. The Lessee shall take all reasonable precaution to prevent, and take all reasonable action to suppress grass, brush and forest fires on the land herein leased.

11. The Lessee shall allow the Lessor, through its duly authorized representative, to enter upon the leased premises, at any reasonable time, for the purpose of an inspection thereof.



When the Lessee shall use the lands leased herein to construct any form of hydraulic project or employ any equipment or engage in any activity which will use, divert, obstruct, pollute or change the natural flow or bed of any river, lake or stream or that will utilize any of the waters of the State or materials from any river, lake or stream beds, the Lessee shall, prior to the commencement of any such operations, procure the approval of the Commissioner of the Department of Fish and Game and the original or an image copy thereof shall be filed with the Lessor prior to the commencement of such activity.

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- A. While in good standing by the mutual agreement in writing of the respective parties hereto.
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RECEIVED
OCT 14 1977
Division of Lands
Dept. of Natural Resources

24. Improvements owned by a Lessee on Alaska lands shall within 60 days after termination of the lease be removed by him; provided, such removal will not cause damage to the lands; and further provided, that the Lessor may extend the time for removing such improvements in cases where hardship is proven. The retiring Lessee may, with the consent of the Lessor, sell his improvements to the succeeding or permittee.

any improvements and/or chattels having an appraised value in excess of as determined by the Lessor are not removed within the time allowed, such improvements and/or chattels shall upon due notice to the Lessee, be sold at public sale under the direction of the Lessor. The proceeds of sale shall inure to the Lessee who placed such improvements and/or chattels on the lands after paying to Alaska all rents due and owing and expenses incurred in making such sale. In case there are no other bidders at any such sales, the Lessor is authorized to bid, in the name of Alaska, on such improvements and/or chattels. The bid money shall be taken from the fund to which said lands belong and the said fund shall receive all monies or other value subsequently derived from the sale or leasing of such improvements and/or chattels. Alaska shall acquire all the rights, both legal and equitable, that any other purchaser could acquire by reason of said purchase.

If any improvements and/or chattels having an appraised value of \$10,000.00 or less, as determined by the Lessor, are not removed within the time allowed, such improvements and/or chattels shall revert to and absolute title shall vest in Alaska.

25. If any clause, or provision, herein contained, shall be adjudged to be invalid, it shall not affect the validity of any other clause or provision, of this lease or constitute any cause of action in favor of either party as against the other.

26. Special provisions Page 'A' attached hereto and made a part hereof.
HERRING SPAWN COVENANT:

This lease is issued subject to Section 2, Chapter 34, SLA 1959, as thereafter amended.

It is agreed that the covenants, terms and agreements herein contained shall be binding upon the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the State of Alaska, Lessor, acting through the Director of the Division of Lands, Department of Natural Resources, lawfully authorized thereunto, has caused these presents to be executed at Anchorage, Alaska, in duplicate and the said Lessee has hereunto set his hand, agreeing to keep, observe and perform the rules and regulations promulgated under Chapter 169, SLA 1959, as amended, the terms, conditions and provisions herein contained, on the Lessee's part to be kept, observed and performed; and executed said instrument on the day and year first above written.

APPROVED:

Wear J. Natoni
Chief, Water Resources Section
Division of Lands

Commissioner, Department of Natural Resources

~~SPECIAL STIPULATION: Upon removal of the contract entitlement, the purchaser shall cause the removal area to be left in neat, orderly condition, a satisfactory condition for this purpose defined as that condition deemed satisfactory by an authorized representative of the Division of Lands.~~

J. F. Tamm
LESSEE(S)

Deleted by Division of Lands

8/77 10/20/71

UNITED STATES OF AMERICA)
State of Alaska) ss.

THIS IS TO CERTIFY that on the 4th day of October, 1971, before me, the undersigned Notary Public, personally appeared William S. Norton known to me and known by me to be the Chief, Water Resources Section, Division of Lands, Department of Natural Resources, and acknowledged to me that he executed the foregoing lease for and on behalf of said State, freely and voluntarily for the use and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

William S. Norton
Notary Public in and for the State of
Alaska
My commission expires May 25, 1975

UNITED STATES OF AMERICA)
State of Alaska) ss.

THIS IS TO CERTIFY THAT on the 5th day of Oct., 1971, before me, the undersigned, a Notary Public in and for Alaska duly commissioned and sworn, personally appeared X E. Trueano to me personally known to be one of the persons described in and who executed the within instrument and the said X E. Trueano acknowledged to me that he signed and executed the same freely and voluntarily for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

X E. Trueano
Notary Public in and for the State of
Alaska
My commission expires May 29, 1974 X



Section F, Item 4.

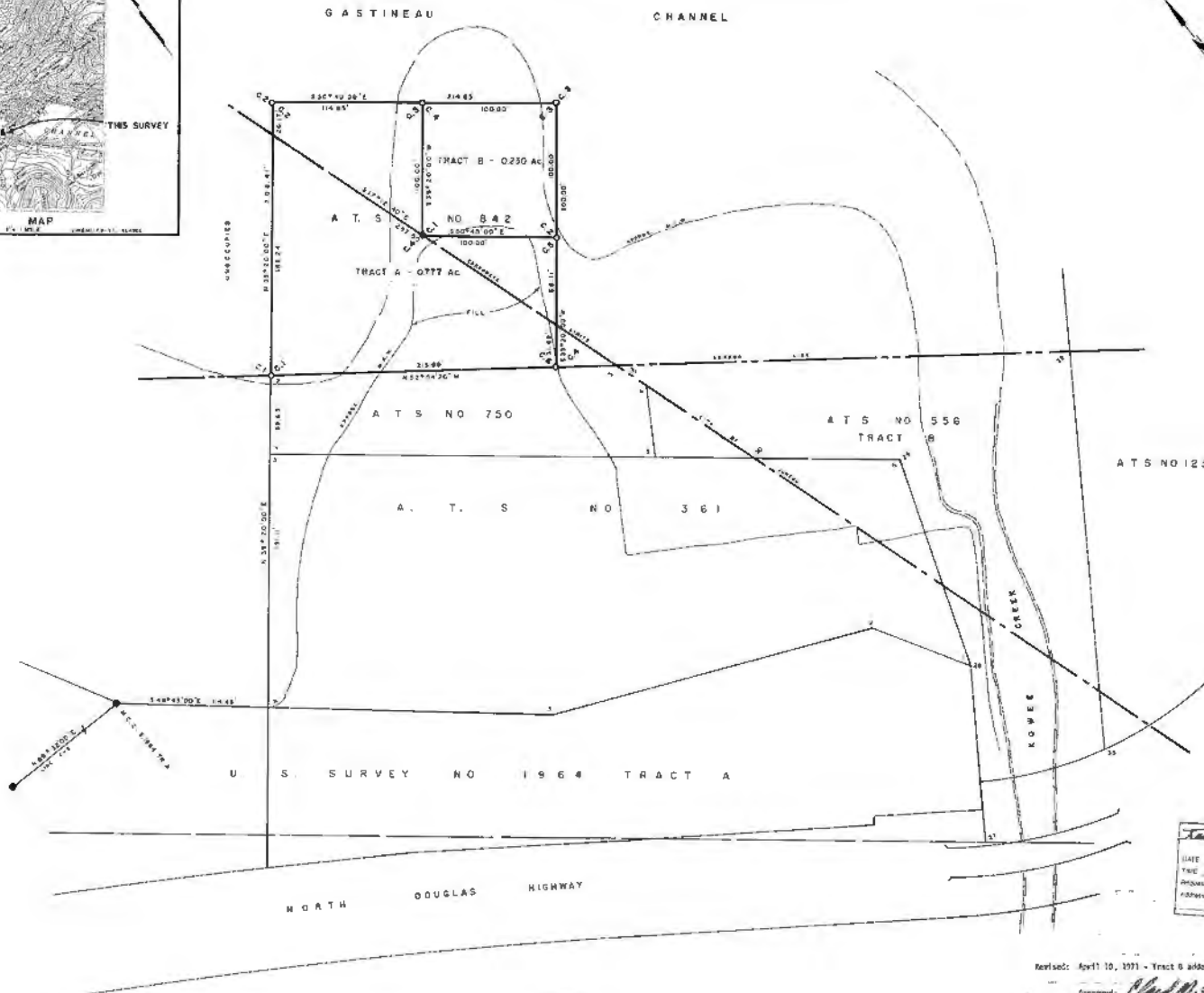
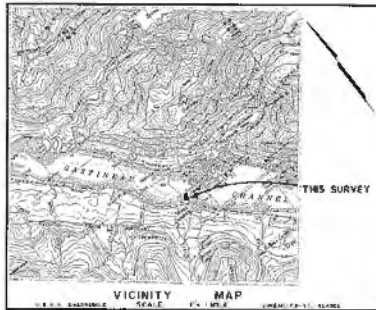
Page 'A'

SPECIAL STIPULATIONS:

The lessee shall dress or cover all areas of fill with appropriate materials i.e. sand and gravel in such a manner that car bodies or other waste matter will not be visible. Upon completion of the fill construction phase the lessee shall notify the lessor so that an inspection of fill area may be conducted to determine acceptability. Acceptability in this instance shall be determined by an authorized representative of the Division of Lands.



Section F, Item 4.



DESCRIPTION OF ATS NO. 842

Beginning at Cor. No. 1, identical with Cor. No. 2, ATS 750, Thence, from Cor. No. 1, by meter and bounds, S 29° 20' 00" E, 200.41 ft. to Cor. No. 2; S 29° 20' 00" E, 214.82 ft. to Cor. No. 3; S 29° 20' 00" E, 215.00 ft. to Cor. No. 4; S 29° 20' 00" E, 215.00 ft. to Cor. No. 1, the point of beginning, containing in all 1.007 acres, more or less.

DESCRIPTION OF TRACT A

Beginning at Cor. No. 1, identical with Cor. No. 1 of ATS 842 described above, Thence, from Cor. No. 1, by meter and bounds, S 29° 20' 00" E, 200.41 ft. to Cor. No. 2; S 29° 20' 00" E, 214.82 ft. to Cor. No. 3; S 29° 20' 00" E, 215.00 ft. to Cor. No. 4; S 29° 20' 00" E, 215.00 ft. to Cor. No. 1, the point of beginning, containing in all 0.777 acres, more or less.

DESCRIPTION OF TRACT B

Beginning at Cor. No. 1, identical with Cor. No. 1 of Tract A, ATS 842 described above, Thence, from Cor. No. 1, by meter and bounds, S 29° 20' 00" E, 200.41 ft. to Cor. No. 2; S 29° 20' 00" E, 214.82 ft. to Cor. No. 3; S 29° 20' 00" E, 215.00 ft. to Cor. No. 4; S 29° 20' 00" E, 215.00 ft. to Cor. No. 1, the point of beginning, containing in all 0.230 acres, more or less.

Latitude 59° 18' N. Longitude 134° 26' W.
at Cor. No. 1, ATS No. 842

LEASE APPLICANT
J. C. Truone
216 Highland Drive
Juneau, Alaska 99801

CERTIFICATE OF REGISTERED LAND SURVEYOR
I hereby certify that I am a registered land surveyor, and that this plat represents the survey made by me or under my direct supervision, and that all dimensional and other details are correct to the best of my knowledge.
1970



2001-10
J. C. Truone
1970

Final: Proposed Map 27, 1970

DATE OF SURVEY Beginning: May 8, 1970 Ending: May 8, 1970	TONER & NORBULING REGISTERED ENGINEERS JUNEAU, ALASKA
ALASKA DIVISION OF LANDS STATE OF ALASKA ANCHORAGE, ALASKA	
ALASKA TIDELANDS SURVEY NO. 842 (T41S, R67E, C.R.M.)	
Drawn By R. R. M.	Approved: [Signature]
Date Approved: 12-28-70	Approved: [Signature]
Scale: 1" = 40'	Checked: [Signature] File No. ATS 842

NOTE: The origin of bearings for this survey originated between Cor. No. 3 and Cor. No. 2, U.S. 1964, Tract A, officially reported as S 29° 20' E.

Revised: April 10, 1971 - Tract B added.
Approved: [Signature]
Approved: [Signature]

THIS PLAT IS BEING FILED UNDER AS 40.1060 • JUNEAU RECORDING DISTRICT

HORAN & COMPANY, LLC**LAND COMPARABLE**

Section F, Item 4.

12 CBJ - Salmon Creek

Recording District Juneau**Address:** 2685 Channel DR**City:** Juneau**State:** AK**Zip:** 99801**Location:** Channel Drive**Legal:** ATS 1503; Plat 96-62; originally ADL 106124

; Parcel Number: 7B0901010050

Instrument: Lease **Serial:** 2011-002493-0**Annual Rent:** \$7,700**Trans.Type:** Land Rent**Trans. Date:** September 1, 2023**Rights:** Lease Fee less Minerals, Easements (See**Grantor:** CBJ**Terms:** Annual rent**Grantee:** Gastineau Landing, Kris Hart**Size (AC):** 0.8800**Utilities:** None**Frontage:** 150' on Gastineau Channel**Access:** Boat, See Comments**Zone:** WI**Improvements:** None included in lease**Topography:** Submerged**Land Class:** Waterfront, Commercial, Tidelands**Vegetation:** Typical**Soil:** Alluvial**Present Use:** Barge landing**Intended Use:** Barge Landing**Highest and Best Use:** Commercial**Comments:**

Lessee owns adjacent leases and uplands. The water depth is sufficient for barge landing operations. Piling noted on site are not part of lease, lease is for unimproved pre-lease condition. No 50' pedestrian easement per the plat.

Analysis:

As of 2024 - Rent increased to \$7,700 (\$0.20/SF)

\$ 6,900 ÷ 38,333 SF = \$0.18/SF

Marketing Info: Most recent appraisal adjustment was effective 9/1/23 at \$7,700/year. Market appraised 5 year rental adjustment effective 5/21/2018. (20-095). Last rent had been 9/1/2013 \$5749.95. This is a 35-year lease, beginning on 5/21/2008 and expiring on 5/22/2043.

Confirmed with: Teena Scovill CBJ Ports Teena Larson, CBJ

Confirmed date: 04/27/2015 10-6/2021

Confirmed by: J.Horan C.Horan

Revision Date: 4/23/2022

Record Number: 2046



Looking across subject tidelands in a southerly direction from its northerly corner, 11/17/20



FIGURE 2.6 - Channel Drive subject location map showing significant properties.

Record Number: 12387

HORAN & COMPANY, LLC**UNDEFINED WORKS**

Section F, Item 4.

03 CBJ - Auke Bay

Recording District Juneau**Address:** 13395 Glacier Highway**City:** Juneau**State:** AK**Zip:** 99801**Location:** Gitkov Dock (near State Ferry Terminal) , Auke Bay**Legal:** Part of ATS 1170, ADL 101598, 34,576.96 SF and Part of Tract B, ATS 1525, 21,963.32 SF ;**Instrument:** Tidelands **Serial:****Annual Rent:** \$12,439**Trans.Type:** Land Rent**Trans. Date:** February 1, 2023**Rights:** Lease**Grantor:** CBJ Docks & Harbors**Terms:****Grantee:** Delta Western, LLC**Size (AC):** 1.2980**Utilities:** All**Frontage:****Access:** Road, paved**Zone:** WI**Improvements:** None Included**Topography:** Submerged, Steep**Land Class:** Tidelands, Waterfront, Commercial**Vegetation:** None**Soil:** Tidelands**Present Use:** Had about 1000 SF fill per seller, a floating dock (old barge) and ramp not included in CBJ land rent**Intended Use:** Build a tank farm, opened in July/August 2020.**Highest and Best Use:** Water related commercial**Comments:****Analysis:** $\$12,438.80 / 56,540.28 = \$0.22/\text{SF}$ **Marketing Info:** Negotiated sale of lease hold. Seller said price confidential but no additional value assigned to tideland area rented. It was excess to his needs and he was happy to reduce his rent. Seller still retained TL for its Greens Creek employee transfer facility.

Confirmed with: Teena Larson CBJ

Confirmed date: 1/24/24

Confirmed by: Slater

Revision Date:

Record Number: 12387



HORAN & COMPANY, LLC**LAND COMPARABLE**

Section F, Item 4.

12 CBJ - Salmon Creek

Recording District Juneau**Address:** 3155 CHANNEL DR**City:** Juneau**State:** AK**Zip:** 99801**Location:** 3 miles north of downtown Juneau**Legal:** ATS 1277 (Plat 83-210) and ATS 877 Lot B2 within Portion of Section 9, T41S, R67E, ADL 102934 Parcel number: 7B090130101&0100 (File 20-101); Parcel Number: 7B0901300101**Instrument:** Lease **Serial:****Annual Rent:** \$288,000**Trans.Type:** Land Rent**Trans. Date:** April 1, 2024**Rights:** Lease**Grantor:** Salmon Creek Development LLC**Terms:** 6 year lease directly to Secon. Year 4-6, Annual increases scheduled of \$500/mo or \$6,000/yr.**Grantee:** COLASKA DBA Secon Inc**Size (AC):** 4.6985**Utilities:** Water, Sewer, Electric**Frontage:** 422 Water Front**Access:** Road, gravel**Zone:** WI**Improvements:** None**Topography:** Level, Submerged**Land Class:** Tidelands, Waterfront, Vacant, Commercial**Vegetation:** Cleared**Soil:** Gravel**Present Use:** Vacant- As leased**Intended Use:** Marina- Barge landing**Highest and Best Use:** Marine related Commercial/Industrial**Comments:**

The most recent annual rent \$288,000 is about \$1.42/SF of the land areas adjusted to use compensate for the loss of use for the cell tower (688 SF) for a net site area of 204,000 SF. The \$1.41/SF land rent is adjusted downward 22¢ for expenses paid by the landlord tax insurance dredging etc. and there are significant yard improvements paving office building and ramp that would require an additional 42¢/SF per year capitalizing the depreciated cost. This leaves net rent to land only at \$0.78/SF per year for 204,000 SF for an annual and rent of \$159,000. This rent is apportioned out to sloping and tidelands contributing about 20% of the unit value as compared to the uplands. This analysis indicates the upland rent at \$149,460, (158,306 SF) or \$0.94/SF and the tidelands rent at \$9,540, (45,694 SF) at \$0.21/SF.

According to Mr. Smith, the adjacent channel/tidelands was dredged in 2023. 20,000 yards of material was removed, at a cost of approximately \$400,000. AML is no longer involved. Salmon Creek Dev leases directly to Secon.

Analysis:

The annual rent is applied to 204,000 SF net of the cell tower land lease area. After deducting for the landlord expense and the capitalized value of the improvements the income to land is estimated at \$170,428 apportioned to 158,306 SF of uplands. See comments for break down.

Marketing Info: As of 4/1/24 - Secon leases directly from Salmon Creek Dev. 6 year lease. Went up to \$288,000 on April 1st. See terms above. Previous Terms -5 year sublease \$21,494/month. Increase 1.5% each year April 1st. Rent the same May 2023 ~ \$25,000 per month including 5% Sales Tax. Per Joe Smith (907-321-2330) current 10/18/21 rent is \$24,000/mo. Assume it starts 4/1/202. 4/1/2020 Last year of lease rent adjustment \$277,428. 3/31/2016 Rent \$257,928.

Original negotiated lease escalates annually (Gasteneau Construction-Smith to AML) and then sublet to AML. Re-sublet to Secon of Juneau at slightly adjusted rent mid 2015.

Confirmed with: City document

Joe Smith

Confirmed date: 09/02/16

2/1/2021

Confirmed by: C.Horan

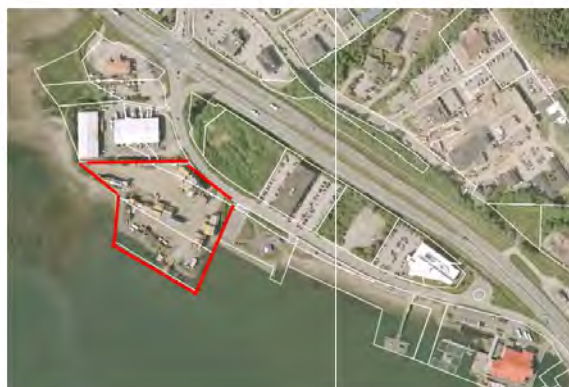
C.Horan

Revision Date: 4/23/2022

Record Number: 9960



PHOTO 4 - VIEW LOOKING SOUTH ACROSS BUREAU; (10114_02528)



HORAN & COMPANY, LLC

LAND COMPARABLE

Section F, Item 4.

HORAN & COMPANY, LLC**LAND COMPARABLE**

Section F, Item 4.

12 CBJ - Salmon Creek

Recording District Juneau**Address:** 2691 Channel Dr**City:** Juneau**State:** AK**Zip:** 99802**Location:** Adjacent to Hatchery on Channel Dr**Legal:** Lot 1, ATS 217; Lot 1, ATS 7; and Leasehold interest in adjacent tidelands, ATS 1067 & ATS 7 Lot 2 (ADL 80526) and an Assignment of lease for ATS 1503, dated March 13, 2017, Doc # 2017-001090-1, JRD; Parcel Number: Multiple**Instrument:** SWD - **Serial:** 2017-001528-0**Sale:** \$1,100,000**Trans.Type:** Sale**Trans. Date:** April 6, 2017**Rights:** Fee Simple, Leasehold**Grantor:** Channel Construction, Inc. (William Tonsgard Jr.)**Terms:** Assume cash**Grantee:** Gastineau landings, LLC (Western Marine)**Size (AC):** 3.0763**Utilities:** All**Frontage:** 484.21' Water Front**Access:** Road, paved, Boat**Zone:** WI**Improvements:** Block retaining structures and gate**Topography:** Submerged, Level**Land Class:** Tidelands, Waterfront, Commercial**Vegetation:** Cleared**Soil:** Buildable**Present Use:** Industrial, construction yard, contoured barge landing**Intended Use:** Barge landing, added a barge ramp and more fill area**Highest and Best Use:** Barge Landing/Marine Construction**Comments:**

This sale consists of a combination of filled, fee simple owned uplands and leasehold tidelands which are filled and submerged. The area breakdown is as follows: Fee owned uplands: 38,041 SF, Leasehold filled tidelands: 47,948 SF, Leasehold submerged tidelands: 82,514 SF. An access easement on the subject's southeastern border which in turn connects to an access easement (30'x120') benefitting the subject, across ATS 13. This easement provides access to the barge landing on ATS 1503, the lease assignment of which is part of this transaction.

Analysis:

Land Value = \$1.1 million minus \$70,000 site improvements (Concrete blocks gate) = \$1,030,000 indicated fee simple & lease hold land value.

Add lease fee interest (cap land rent) \$244,736 for capitalized tidelands leases = \$1,270,000(Rnd)/168,503 SF = \$7.57/SF

Tidelands Value \$204,000/ 82,514 SF = \$2.48/SF

Uplands \$1,066,000/85,989 SF = \$12.39/SF

Marketing Info: Negotiated sale. Buyer had been using it and owner was in risk of default so sold it to buyer/user who felt it was market. Buyer wanted to keep control of the land. Price was based on debt owed to the lender plus an unknown percentage. Buyer knowledgeable of the market. Sale included easement (30'x120') over ATS 13.

Seller also gave first right of refusal on adjacent 2681 Channel Dr. ATS 13, fee owned land improved with house and shop.

Confirmed with: Kriss Hart

Kriss Hart

Confirmed date: 12/31/2020

4-13-2021

Confirmed by: C.Horan

C.Horan

Revision Date: 4/14/2022

Record Number: 11142



111720 (134)



QUALIFICATIONS OF SLATER M. FERGUSON

Education:

2008 - Graduated from Sitka High School, Sitka, Alaska

2012 - Graduated with a BS in Geography from Western Oregon University, Monmouth, Oregon

Real Estate Appraisal Experience:

November 2018 to Present – Certified General Real Estate Appraiser – Horan & Company, LLC

June 2014 to November 2018 - Real Estate Appraiser Trainee - Horan & Company, LLC

- In-depth assistance of Commercial/Residential Appraisal Development and Market Data Research
- Leadership role in the 2015 Mass Appraisal/Revaluation for the City of Craig, AK

Oct 2012 to June 2014 – Office Admin/Appraiser Assistant – Horan & Company, LLC

Certification & Approvals:

Certified General Real Estate Appraiser, State of Alaska License #133619

VA approved, January 2020

FHA approved, January 2019

Appraisal Education:

7 Hour Hotel/Motel Valuation Course, June 2023

14 Hour UASFLA Course, May 2023

7 Hour USPAP Update Course, February 2023

Rural Area Appraisals: Freddie Mac Guidelines and Property Eligibility Requirements, May 2021

The Cost Approach: Unnecessary or Vital to a Healthy Practice, April 2021

7 Hour USPAP Update Course, June 2021

Cool Tools: New technology for Real Estate Appraisers, Jan 2021

General Appraiser Market Analysis with Highest and Best Use, Aurora, CO, August 2018

2016-2017 7-Hour Equivalent USPAP Update Course, Online, June 2017

Residential Sales Comparison and Income Approaches, Louisville, KY, October 2017

General Appraiser Report Writing and Case Studies, Woburn, MA, November 2017

General Appraiser Income Approach/Part 1, Houston, TX, September 2016

General Appraiser Income Approach/Part 2, Houston, TX, September 2016

Real Estate Finance Statistics and Valuation Modeling, Las Vegas, NV, February 2015

General Appraiser Site Valuation & Cost Approach, Chicago, IL, October 2015

Appraisal Procedures, Appraisal Institute, Online Course, April 2014

General Appraiser Sales Comparison Approach, Chicago, IL, October 2014

Appraisal Principles; Appraisal Institute, Online Course, October 2013

15-Hour USPAP, Tigard, OR, November 2013

Types of Property Assessed for Taxation:

City of Craig real property assessment roll; single-family, multi-family and mobile homes

City of Skagway real property assessment roll, single-family, multi-family and mobile homes

Types and Location of Properties Appraised:

Residential – Single/multi-family homes, condos, mobile homes, island properties and vacant lands in Sitka, AK

Commercial – Warehouses, office buildings, retail buildings, mini-storage facilities, lodges/apartment buildings and vacant lands in Sitka, AK; Mixed-use commercial buildings, tidelands, and vacant lands in Juneau, AK; A Lodge in Haines, AK; vacant lands in Gustavus, AK; vacant lands in Petersburg, AK; vacant lands on Prince of Wales Island and Admiralty Island.

Slater Ferguson has also aided other appraisers in the appraisal process of numerous properties located throughout Southeast Alaska. These properties include a variety of commercial buildings (office, retail, warehouse/shops, apartments, etc.) and vacant lands.

Rev. 6/2023

Trucano Family LLC

PO Box 21223
Juneau, AK 99802

Phone 907-321-3988
jeff@trucanoak.com

July 12, 2024

To: Assembly Lands, Housing & Economic Development (LHED) Committee

Subject: Ordinance 2024-11 & 2024-12

This letter is in response to the wording change in Ordinance 2024-11 & 2024-12 that originally allowed “Lessee an option to renew this lease for one, successive period of 35 years”, and was subsequently changed to “The lease shall be for a maximum term of 35 years”.

Trucano Family LLC (TFL) is a 3rd generation, locally owned family business, that has a portion of land adjacent to North Douglas Highway. Since its purchase, this lot has been developed into a marine port which houses a fuel tank farm (Petro Marine) and a contracting company (Trucano Construction). In order to make these operations successful, tideland leases, originally with the State, and then transferred to the City of Juneau were obtained.

When development began it was understood these tideland leases would not expire for 55 years, and at that time we would have an option for renewal. Had we known CBJ would limit the renewal process, we likely would have not made these major investments. Furthermore, TFL owns the land located directly shoreward from this tideland lease, and has the option to renew the tidelands running around the other three sides. This would make the parcel inaccessible and unvaluable to anyone other than the landowner.

Trucano Construction is a general contracting company that started in 1965 and specializes in marine construction throughout Southeast Alaska, but mainly in Juneau. Some of the CBJ projects they have been involved with include: Rebuilds of Douglas, Harris, Aurora and Statter Boat Harbors, Downtown Waterfront Improvements, Sea Walk Construction and sunken boat removal/demolition. Being the only local, marine company that provides these services, there is a cost savings to CBJ versus hiring out of state contractors. In addition, they have constructed numerous bridges and buildings throughout Juneau, and recently partnered with a company to complete over 100 affordable condos in the city. Trucano owners and employees are all local individuals that live and spend their money in the City of Juneau.

Petro Marine is an Alaskan based fuel company that barges fuel into Juneau for distribution around the city. They have been in operation at this location for over 20 years, and benefit the City of Juneau by providing competitive fuel prices and numerous local jobs. This location eases congestion in the downtown corridor, as the only other major fueling port is located South of Downtown Juneau.

Neither of these businesses could continue to operate after 35 years with the current wording in the lease agreements.

The members of the TFL are confused why this change took place, and would like some clarification as to why an option to renew would not be allowed. What is the benefit to CBJ by not even providing an option in 35 years to continue this lease? We would also like to know if this lease is being singled out? Or, is this the new standard for CBJ tideland lease renewals? If this is going to be the new standard, it will likely cause major problems for many private businesses (tourism, freight, seafood) which provide services and jobs to the community of Juneau.

Thank you for your time regarding this matter.

Sincerely,
Jeff Trucano
Trucano Family LLC