



DOCKS AND HARBORS BOARD MEETING AGENDA

February 27, 2025 at 5:00 PM

Port Director's Conference Room/Zoom Webinar

<https://juneau.zoom.us/j/82488379728> or (253)215-8782 Meeting ID: 824 8837 9728 Passcode 544173

A. CALL TO ORDER

B. ROLL CALL: James Becker, Tyler Emerson, Clayton Hamilton, Debbie Hart, Matthew Leither, Nick Orr, Annette Smith, Shem Sooter & Don Etheridge

C. PORT DIRECTOR REQUESTS FOR AGENDA CHANGES

D. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS (not to exceed five minutes per person, or twenty minutes total time)

E. APPROVAL OF MINUTES

1. January 30th, 2025

F. CONSENT AGENDA

- A. Public Requests for Consent Agenda Changes
- B. Board Members Requests for Consent Agenda Changes
- C. Items for Action

2. New Golbelt Tram Lease
Presentation by Port Director

RECOMMENDATION: TO COMMENCE A PROCESS TO INITIATE A NEW 35 YEAR LEASE FOR THE GOLDBELT TRAM LEASE.

3. Administrative Financial Transfers
Presentation by Port Director

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

MOTION: TO APPROVE THE CONSENT AGENDA AS PRESENTED.

G. NEW BUSINESS

4. Potential Commercial Tour out of Aurora Harbor
Presentation by Port Director

Board Questions

Public Comment

Board Discussion/Action

MOTION: TO CONCUR [OR NOT CONCUR] WITH THE PORT DIRECTOR'S POSITION THAT MUTIPLE DAILY EXCURSION TOURS IS INCONSISENT WITH VISION FOR OUR DOWNTOWN HARBOR FACILITIES.

H. ITEMS FOR INFORMATION/DISCUSSION

- [5.](#) Waterfront Vendor Application - Late Submission
Presentation by Port Director
Board Discussion/Public Comment

I. STAFF, COMMITTEE AND MEMBER REPORTS

J. PORT ENGINEER'S REPORT

K. HARBORMASTER'S REPORT

L. PORT DIRECTOR'S REPORT

M. ASSEMBLY LIAISON REPORT

N. BOARD ADMINISTRATIVE MATTERS

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

O. 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.



DOCKS AND HARBORS BOARD MEETING MINUTES

January 30, 2025, at 5:00 PM

Port Director's Conference Room/Zoom Webinar

A. CALL TO ORDER by Mr. Etheridge at 5:00pm, January 30th, 2025.

B. ROLL CALL: James Becker, Clayton Hamilton, Debbie Hart, Matthew Leither, Shem Sooter and Don Etheridge.

Absent: Annette Smith, Tyler Emerson and Nick Orr.

Also in attendance: Port Director Carl Uchtyl, Port Engineer Matthew Sill, Admin Officer Melody Musick and Port Operations Supervisor Scott Hinton.

C. PORT DIRECTOR REQUESTS FOR AGENDA CHANGES- none.

1. Approval of the Agenda

MOTION BY MR. SOOTER TO APPROVE THE AGENDA AS PRESENTED.

Approved unanimously.

D. SPECIAL ORDER OF BUSINESS- Employee of the Quarter.

Mr. Uchtyl recognized Ms. Thrower as Employee of the Quarter, October-December 2024. Mr. Uchtyl said that Ms. Thrower has been an employee with Docks and Harbors for 18 months and has shown decisive leadership and unwavering commitment to improvement of department operations. One of Ms. Thrower’s most commendable contributions occurred on December 10th, 2024, when a patron collapsed in the Aurora Harbor parking lot. Ms. Thrower was the first to respond and administered lifesaving CPR. Ms. Thrower’s calm demeanor and quick thinking under immense pressure were instrumental in saving the life of the patron. Ms. Thrower’s ability to coordinate her team in the middle of a crisis, requesting and deploying the AED, applying first aid techniques, and ensuring the patrons comfort ultimately saved his life. Beyond Ms. Thrower’s emergency response skills, she has demonstrated transformative leadership in her role as Administrative Supervisor. She has been at the forefront of implementing new marina management system, streamlining billing processes, and enhancing customer service standards. Ms. Thrower’s innovative solutions, such as, automating payment process and user-friendly online tools have improved operational efficiency and customer satisfaction. Ms. Thrower’s communication and collaboration skills are exemplary, consistently fostering a positive and productive work environment; she excels at mentoring her team, adapting to challenges, and implementing strategic initiatives. Ms. Thrower’s efforts in standardizing processes across the department have been pivotal in advancing the Docks and Harbors operational goals. Ms. Thrower’s outstanding contributions in the fourth quarter and throughout the year make her more than deserving of employee of the quarter. Thank you, Ms. Thrower, for your service to the Docks and Harbors department.

E. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Rodney and Rebecca Nowlin, Juneau, AK

Mr. Nowlin said that last year he moved from Wrangel to Juneau and could not find a storage unit when he moved. Mr. Nowlin said that he bought a used U-Haul van to park at the North end of Douglas Harbor to use as storage. Mr. Nowlin said that he is renting a 30-foot strip of sand and weeds for originally approximately \$60 a month. Mr. Nowlin said that a different formula was proposed to calculate the cost of storage by volume in the storage space. Mr. Nowlin expressed that the formula did not make sense and that he does not believe he should be charged for the size of his property. The cost of storage increased from \$60 to \$133 with the implementation of the volume formula. The charge is currently \$166, which is \$2000 a year to rent a 30-foot strip of gravel and weeds. Mr. Nowlin said that the charge is unjust and has written to Mr. Creswell to express strong opposition to the charge. Mr. Creswell said that the Board had approved the changes to

how storage fees would be assessed. Mr. Nowlin said that his initial reaction was to go along with the charges. Mr. Nowlin provided an antidote about his negative experience with the Harbor Board in Wrangel. Mr. Nowlin said that he is a 100% disabled veteran with limited resources and is impacted by the increase in the storage fees.

Ms. Nowlin asked why she was not aware of the increase in storage rates.

Mr. Etheridge said that rate changes go out for public comment several times before being voted on by the Board and being implemented.

Ms. Nowlin asked if everyone parked at the North end of Douglas Harbor must pay the same rate?

Mr. Uchtyl said that the rate is the same for all patrons. The rate is tied to the Consumer Price Index (CPI).

F. APPROVAL OF MINUTES

- 2. Special Board Meeting (Retreat) of November 12th, 2024
- Special Board Meeting (Retreat) of November 13th, 2024
- Regular Board Meeting of Thursday, December 19th, 2024

Approved unanimously.

G. CONSENT AGENDA

- A. Public Requests for Consent Agenda Changes
- B. Board Members Requests for Consent Agenda Changes
- C. Items for Action

- 3. Transfer of \$3,000,000 from Docks Funds Balance to CIP Statter Phase IIID
Presentation by Port Director

RECOMMENDATION: THAT THE ASSEMBLY APPROVE THE TRANSFER OF \$3M FROM THE DOCKS FUNDS BALANCE TO STATTER PHASE IIID PROJECT WHICH WOULD PROVIDE CURB, GUTTER, PAVING AND LANDSCAPING FOR THE EXCURSION BUS PARKING LOT.

- 4. Pioneers of Alaska Lone Sailor Statue - Waterfront Location Request
Presentation by Port Director

RECOMMENDATION: THAT THE ASSEMBLY ALLOW FOR THE PIONEERS OF ALASKA TO PLACE AN UNITED STATES NAVY MEMORIAL "LONE SAILOR STATUE" IN THE TIMBER DECK AREA BETWEEN THE ALASKA STEAMSHIP AND CRUISESHIP TERMINAL DOCKS.

- 5. ADOT Harbor Facility Grant Appropriation - \$5M Aurora Harbor PH IV
Presentation by Port Engineer

RECOMMENDATION: THAT THE ASSEMBLY ACCEPT A \$5M ADOT HARBOR FACILITY GRANT FOR AURORA HARBOR PHASE IV

- 6. Boatyard Trailer Bid Award
Presentation by Port Director

RECOMMENDATION: THAT THE ASSEMBLY AWARD A \$319,700 BID CONTRACT TO KROPF INDUSTRY FOR A BOATYARD TRAILER USING FUNDS FROM DOCKS & HARBORS FLEET RESERVE FUNDS.

MOTION BY MR. SOOTER TO APPROVE THE CONSENT AGENDA AS PRESENTED.

Motion approved unanimously.

H. UNFINISHED BUSINESS

7. Process to Select Patron to Construct New Boat Shelter at Aurora G22/23
Presentation by Port Director: Mr. Uchytel said that the owner of the boat shelter that was destroyed in the January 2024 storm has elected not to rebuild. Mr. Uchytel said that the Board in the process of determining how to select a patron to rebuild a boat shelter. Mr. Uchytel said that the opportunity was advertised for 45 days, that ended on the 15th of January. There was no public interest received regarding the application to rebuild the boat shelter. The application required a \$100 non-refundable administrative fee to apply. Mr. Uchytel said that at last week's Operations and Planning Committee meeting there was a motion to remove the \$100 application fee, maintain the minimum bid of \$500, and to advertise for an additional 30 days. If there is no additional interest in the reconstruction of a boat shelter, then Docks and Harbors intends to build a finger float in lieu of a boat shelter.

Board Questions

Mr. Sooter asked if there are no interested parties in the construction of a new boat shelter, could the construction of a new finger float be included in the Aurora Harbor Phase IV project?

Mr. Uchytel said that the construction of a new finger float would be a change to the current project plans that are being prepared to be advertised. This change would not be a significant burden.

Public Comment- none.

Board Discussion/Action

MOTION BY MR. SOOTER TO RESOLICIT OFFER TO CONSTRUCT NEW BOAT SHELTER BY REMOVING THE \$100 NON-REFUNDABLE APPLICATION FEE; EXTEND THE ADVERTISEMENT PERIOD 30 DAYS; AND IF NO OFFERS ARE RECEIVED, DOCKS & HARBORS INTENDS TO CONSTRUCT A FINGER FLOAT IN LIEU OF A BOAT SHELTER.

I. NEW BUSINESS

8. FY25/FY26 Budget Process
Presentation by Port Director/Administrative Officer: Mr. Uchytel said he is willing to go through the power point presentation that was reviewed at the Operations and Planning Committee meeting to answer any additional questions from the Board regarding the budget. Mr. Uchytel referenced the budget overview sheets for Docks and Harbors and said that the overview is what is approved by the Managers Office and the Assembly. Mr. Uchytel said that there were minor changes made based on the finance department's review over the last week based on updated actuals for personnel expenditures. Mr. Uchytel said that he also has provided a supplemental document on behalf of the request from the Operations and Planning Committee meeting to see a larger snapshot of Docks and Harbors historical expenditures and revenues. Mr. Uchytel said that FY20 and FY21 are reflective of the economic impact of the COVID-19 pandemic.

Board Questions

Mr. Hamilton asked why the land lease revenue under the Harbors Operations accounting unit was projected to drop and then increase to \$300,000.

Mr. Uchytel said that in FY2023 the revenue for land leases was \$963,000 and then in FY2024 the revenue increased to \$1,200,000. The budgeted revenue for FY25 is \$950,000. Mr. Uchytel said that he does not have an explanation for the variance without looking at the specific financial information.

Ms. Musick said that the land lease revenue projection is comprised of the current lease rates and factoring in the market rent appraisal that occur every five years for leased properties that will receive updated appraisals in FY25. Ms. Musick said that the projected FY25 revenue reflects an amended and increased value based on the FY24 actuals. The FY26 budget reflects the projection of increased market value in leased properties that are scheduled for reappraisal in FY26.

Mr. Hamilton said it does not make sense since the FY23 actuals were \$963,000.

Mr. Uchytel said he would have to review the land lease revenue documents to provide an answer.

Ms. Musick said that in FY24 there were high value properties that had new market value rent appraisals that increased the revenues higher than initially budgeted.

Mr. Hamilton asked if an appraisal has ever lowered a lease value.

Mr. Etheridge said yes, Goldbelt Tram decreased \$72,000 in its last assessment.

Mr. Hamilton asked if that appraisal was done during the COVID-19 pandemic.

Mr. Etheridge said yes.

Mr. Uchytel said that this should be reviewed, since the finance director said that this could be a windfall due to an accounting mis appropriation.

Public Comment- none.

Board Discussion/Action

Mr. Hamilton asked if the motion would be to approve both Docks and Harbors enterprise budgets?

Mr. Etheridge said yes.

Mr. Hamilton asked if they could be voted upon separately.

Mr. Etheridge said yes.

MOTION BY MR. SOOTER TO APPROVE THE PROJECTED ACTUAL FY25 BUDGET AND AMENDED FY26 BUDGET FOR THE DOCKS ENTERPRISE AS PRESENTED.

Mr. Hamilton abstained.

MOTION BY MR. SOOTER TO APPROVE THE PROJECTED ACTUAL FY25 BUDGET AND AMENDED FY26 BUDGET FOR THE HARBOR ENTERPRISE AS PRESENTED AND ASK UNANIMOUS CONSENT.

Mr. Hamilton objected.

Roll Call

James Becker- Yes

Clayton Hamilton- No

Debbie Hart- Yes

Matthew Leither- Yes

Shem Sooter- Yes

Don Etheridge- Yes

Motion passes.

J. ITEMS FOR INFORMATION/DISCUSSION

9. Maritime Administration (MARAD) PIDP GRANT GUIDANCE

Presentation by Port Director: Mr. Uchytel referenced page 67 of the agenda packet which contains a letter received from the Federal Maritime Administration (MARAD) regarding the PIDP grant for the Aurora Harbor Drive Down Float. Mr. Uchytel said that last week he was supposed to have an initial team meeting with MARAD regarding the PIDP grant which was canceled due to the executive orders issues by President Trump. Mr. Uchytel said that he will reengage on the initial team meeting when MARAD is ready. Mr. Uchytel said that on page 72 of the agenda packet there are details about permitting for the project required by the National Environmental Policy Act (NEPA). Mr. Uchytel said that he will be meeting with a NEPA representative tomorrow to start the permitting process. Mr. Uchytel said that

Docks and Harbors is in the process of receiving federal permitting for the Aurora Phase IV project. Docks and Harbors has done a lot of environmental work for Aurora Harbor, Mr. Uchtyl feels confident it the ability to secure permits for the Aurora Harbor Drive Down Float. Mr. Uchtyl said that Section 106 of the National Historic Protection Act which covers the consideration of the history of the Harbor within the project. Mr. Uchtyl said that as part of the Army Corps inspection of the Aurora Harbor project they did a Section 106 review of Aurora and Harris Harbors, Mr. Uchtyl said that meeting that assessment requirement is close to completion. Section 6 is the Civil Rights Act of 1964, which would assess for any civil rights violations in CBJ policies. Mr. Uchtyl said that the letter of funds availability is something that can be done at any time. Mr. Uchtyl said that there is a possibility that Docks and Harbors receives the Alaska Department of Transportation Harbor Facilities Grant for the 50% of the local match for the Aurora Harbor Drive Down Float. If Docks and Harbors does not receive the additional grant funding the budget contains the funds to cover the match. Mr. Uchtyl said that he is hopeful for the project to start a year from now. Docks and Harbors will issue a request for proposal for engineering services. Mr. Uchtyl said that he able to answer any questions regarding the MARAD grant.

Board Questions/Public Comment- none.

K. STAFF, COMMITTEE AND MEMBER REPORTS- none.

L. PORT ENGINEER'S REPORT

Mr. Sill reported:

- Aurora Harbor Phase IV: Mr. Sill said that he is in the process of wrapping up the bid documents for Aurora Harbor Phase IV project to advertise on February 1st. Mr. Sill said that Docks and Harbors has been working with consultants during this process and they have turned in most of the documents required. Mr. Sill said that this project has been in progress for a long time, some of the initial documents were started in 2014. Bid opening for the project is scheduled for February 27th, which is the same as the Docks and Harbors Board meeting. The Board will be asked to approve the bids for the project. The bid will be approved at the March 3rd Assembly meeting.

Mr. Sooter asked if there will be marine mammal observation associated with the project.

Mr. Sill said that there will be marine mammal observation primarily looking for sea lions and humpback whales. The concern related to sunflower sea stars that was a large concern during the Wayside Park Dredging project has not come up during the permitting process so far. Mr. Sill anticipates standard mitigation measures.

Mr. Uchtyl said that the early entry for the project could begin as early as January 1st, 2026, with substantial completion by November 1st, 2026.

Mr. Sill said that the first step in the construction process will be to install the new approach dock and then to install the new floats starting from H float moving towards the yacht club.

Mr. Sooter asked if there were any alternates associated with the project?

Mr. Sill said that anodes are an alternate. Mr. Sill said that the project cost should not exceed the grant match amount, the anodes are an alternate to ensure that the grant match amount is not exceeded and will be installed if funds are available. Zinc anodes have been a historically successful project for the Alaska Department of Transportation Harbor Facilities Grant program and could be installed later with a successful grant application.

M. HARBORMASTER'S REPORT

Mr. Hinton reported:

Mr. Hinton said that is the Port Operations Manager and acting Harbormaster this week. Deputy Harbormaster Jeremy Norbryhn is at the Seattle Boat Show and Mr. Creswell is at an Association of Marina Industries Conference.

- Sunk boat at Statter Harbor: Mr. Hinton said that an hour after Mr. Norbryhn left to the Seattle Boat show he received a call about a sinking boat in Statter Harbor. The owner is working with Melino's Salvage to recover the vessel.
- Snow removal efforts: Staff has been working hard on snow removal efforts.

Mr. Hamilton asked what the timeframe is for snow removal down on the floats.

Mr. Hinton said that priority is entrances to the Harbors, the parking lots, then main floats, and finger floats.

Mr. Hamilton asked if anyone did snow removal on the finger floats in Douglas Harbor today?

Mr. Hinton said that he does not know.

N. PORT DIRECTOR'S REPORT

Mr. Uchytel reported:

- Taku Harbor Project: Mr. Uchytel said that another project that Docks and Harbors is tracking is the Taku Harbor Float Project. Mr. Uchytel said that he is waiting for the cooperative agreement from the Department of Fish and Game. When the State conveyed the tidelands for Taku Harbor floats to Docks and Harbors there is a 40-foot walk from the floats to the trail that is owned by the Department of Natural Resources. This 40-foot section is incorporated in the new design, Mr. Uchytel said that he is working with DNR to make sure that there aren't any problems during the construction process.
- Staff update: Mr. Creswell is at the Association of Marina Industries Conference of behalf of the Alaska Association of Harbormasters and Port Administrators (AAHPA). Mr. Norbryhn is at the Seattle with a representative group from AAHPA. February 25th and 26th Juneau is hosting the AAHPA Administrative Conference.

Mr. Hamilton asked where the minutes were for last week's Operations and Planning Committee Meeting.

Mr. Etheridge said that they will be presented at next month's Operations and Planning Committee Meeting.

Mr. Hamilton said that he did not see the CPI adjustment on this week's meeting agenda.

Mr. Etheridge said that there was no motion to bring the CPI adjustment to the Board meeting and that without a motion the CPI adjustment goes into effect.

Mr. Hamilton said that he made a motion to bring it to the Board.

Mr. Etheridge said that the motion did not pass.

O. ASSEMBLY LIAISON REPORT- none.

P. BOARD ADMINISTRATIVE MATTERS

10. Next Meetings:

Wednesday, February 19th - Operations-Planning Committee Meeting

Thursday, February 27th - regular Board Meeting

Q. 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.

CITY AND BOROUGH OF JUNEAU

Lessor

MOUNT ROBERTS DEVELOPMENT CORPORATION

Lessee

LAND LEASE

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THIS INDENTURE made this ____ day of January, 1995, by and between the CITY AND BOROUGH OF JUNEAU, ALASKA, a municipal corporation, whose address is 155 South Seward Street, Juneau, Alaska 99801 (hereinafter called "Lessor"), and Mount Roberts Development Corporation, an Alaska corporation, whose address is 369 South Franklin Street, Suite 207, Juneau, Alaska 99801 (hereinafter called "Lessee").

WITNESSETH:

1. **Authority:** This Lease is entered into pursuant to the authority of the City and Borough of Juneau as directed in Ordinances 94-39 and 94-42.

2. **Leased Premises and Air Rights Easement:** (a) Lessor does hereby lease and Lessee does hereby take from Lessor, the premises described as follows and as further shown in Exhibit A attached hereto and incorporated herein (hereinafter called "Leased Premises"), situated in the Juneau Recording District, State of Alaska:

Portions of the following lots in an area not to exceed 10,000 Square Feet as shown on Exhibit A:

Lot 13B, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

That portion of Lot 16 lying Northwesterly of Dockside Subdivision, Block 83, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

That portion of Lot 17 lying Northwesterly of Dockside Subdivision, Block 83, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

Lot 1 Dockside Subdivision according to Plat 89-9, Juneau Recording District, First Judicial District, State of Alaska

Lot 2A, Subdivision of Lot 2, Dockside Subdivision according to Plat 91-71, Juneau Recording District, First Judicial District, State of Alaska

(b) Lessor does hereby lease and Lessee does hereby take from Lessor an easement one hundred feet in width (fifty feet on each side of the tramway centerline) for the surveying, engineering, design, planning, development, construction, maintenance, and operation of a tramway, including without limitation, cables, tramway fixtures, cars, and appurtenant structures and equipment. The easement shall burden all lands owned by Lessor, or in which Lessor has an interest of any kind, where said lands are to be traversed by Lessee's tramway, including without limitation the premises described as follows and as generally shown in Exhibit B attached hereto and incorporated herein (hereinafter called "Air Rights Easement"), situated in the Juneau Recording District, State of Alaska:

Portions of the following lots as shown on Exhibit B:

Lot 13B, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

That portion of Lot 16 lying Northwesterly of Dockside Subdivision, Block 83, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

That portion of Lot 17 lying Northwesterly of Dockside Subdivision, Block 83, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

Lot 1 Dockside Subdivision according to Plat 89-9, Juneau Recording District, First Judicial District, State of Alaska

Lot 2A, Subdivision of Lot 2, Dockside Subdivision according to Plat 91-71, Juneau Recording District, First Judicial District, State of Alaska

Lot 1, Block 6, U.S. Survey 7A, amended Addition to Juneau, Juneau Recording District, First Judicial District, State of Alaska

Lot 2, Block 6, U.S. Survey 7A, amended Addition to Juneau, Juneau Recording District, First Judicial District, State of Alaska

Roberts Street

Lessor does not warrant that Lessor has any right, title or other interest in the following lands, but to the extent Lessor in fact has any such right, title or other interest, Lessor leases to Lessee the described Air Rights Easements where said lands are within 50 feet of the tramway centerline as generally shown in Exhibit B:

South Franklin Street

G Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska, excepting that portion of G Millsite heretofore conveyed to Alaska Tram Corporation by Warranty Deed recorded December 20, 1976, in Book 128, page 254, Juneau Recording District, First Judicial District, State of Alaska.

F Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska

B Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska

P Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska

H Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska

X Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska

Bear No. 7 in U.S. Mineral Survey 1027A, Juneau Recording District, First Judicial District, State of Alaska

"It" Mining Claim, according to U.S. Mineral Survey 1027A, Juneau Recording District, First Judicial District, State of Alaska

Additional parcels along the tramway line as shown in Exhibit B hereto which are currently held by the State of Alaska, Department of Natural Resources

(c) Lessee shall cause the Leased Premises and the Air Rights Easements to be surveyed by a registered land surveyor and a copy of the survey delivered to Lessor within 160 days of the Permit Date, as defined in Section 4 herein, but in no event later than the commencement of construction. Upon completion of the survey, Lessor and Lessee shall prepare a supplemental memorandum of lease setting forth the description of the Leased Premises and the Air Rights Easements as surveyed. Said supplemental memorandum of lease shall be recorded in the Juneau Recording District.

3. Use of Premises: (a) The Lessee agrees to use the Leased Premises for the following purposes:

The surveying, engineering, design, planning, development, construction, operation and maintenance of an aerial tramway base terminal and associated structures and uses. As used herein, "associated structures and uses" means:

1. a waiting room
2. a ticket office
3. public restrooms; Lessee shall provide public restrooms as specified by the Planning Commission
4. an area for the exhibition of tram models, photographs, and similar historical and explanatory materials
5. administrative space

The Leased Premises shall be used only for purposes within the scope of the application and the terms of the Lease, and in conformity with the provisions of the City and Borough Code, and applicable state and federal laws and regulations. Use or development for other than the allowed uses shall constitute a violation of the Lease and subject the Lease to cancellation at any time.

(b) The Lessee agrees to install improvements according to the following conditions:

(1) Tramway Plans and Specifications. All plans for uphill equipment and systems shall be properly certified as being in accordance with the American National Standards Institute's Safety Requirements for Aerial and Surface Passenger Tramways and Surface Tows (B77.1) A complete set of drawings, specifications, and records for each lift shall be maintained by the Lessee and made available to Lessor upon request. These documents shall be retained by Lessee for a period of three years after removal of the system from the Leased Premises.

(2) Plan Preparation and Certification. All plans for development, layout, construction, reconstruction or alteration of improvements on the site, as well as revisions of such plans, must be prepared by a licensed engineer, architect, or other qualified individual acceptable to Lessor's authorized officer. Design and construction specifications of buildings must be prepared and certified by an architect licensed in the State of Alaska. Plans and specifications for tramway mechanical and cable systems must be prepared and certified by a mechanical engineer licensed in the State of Alaska. Such plans must be accepted by Lessor's authorized officer before the commencement of any work. Lessee may be required to furnish as-built plans, maps, or surveys upon the completion of construction.

(3) Preconstruction and Construction Supervision. Preconstruction and construction activities must be personally supervised by a qualified representative of Lessee, approved by Lessor's authorized officer. In the event that the Lessee's designated representative is unavailable, Lessee must either immediately designate a similarly qualified individual (and immediately seek approval by Lessor's authorized officer for the change) or all work must stop. In addition, Lessee must provide for all major construction activities to be supervised by a qualified engineer or architect licensed in the State of Alaska who is experienced in commercial construction. Construction of aerial passenger tramways must be supervised by an engineer qualified and experienced in this type of construction. Construction activities within the Lease site shall be minimized throughout the period of May through September to prevent disruption of tourist use of the cruise ship terminal. A detailed construction mobilization and staging plan shall be submitted to Lessor for approval.

(4) Certificate of Completion. Before new improvements are open for public use, Lessee shall submit to Lessor's authorized representative a certificate of inspection from an engineer registered in the State of Alaska, certifying that the improvements have been constructed in accordance with the approved plans and that any deficiencies noted in the inspection have been corrected.

(c) The Lessee shall conduct its operations in accordance with the following:

(1) Conditions of Operations. Lessee shall maintain its facilities, improvements and operations on the Leasehold Lands to standards of repair, orderliness, neatness, sanitation, and safety generally applicable to general industry standards.

(2) Operation of Leasehold Lands.

A. A qualified representative(s) of Lessee, approved in advance by Lessor's authorized officer, shall conduct and manage all operations, services and facilities authorized by the Lease.

B. The designated, approved representative(s) of Lessee shall be present at the resort, on or adjacent to the Leased Lands, at all times when the facilities authorized by the Lease are open to the public.

C. The tramway shall be operated and maintained in accordance with the American National Standards Institute's Safety Requirements for Aerial and Surface Passenger Tramways and Surface Tows (B77.1)

(3) Lift Inspections. Lessee shall have all passenger tramways inspected by a qualified mechanical engineer or tramway specialist registered in the State of Alaska. Inspections shall be made in accordance with the American National Standards Institute's Safety Requirements for Aerial and Surface Passenger Tramways and Surface Tows (B77.1) A certificate of inspection, signed by an officer of Lessee, attesting to the adequacy and safety of the installations and equipment for public use, shall be received by Lessor prior to public operation. Lessee shall make the certificate available to Lessor upon request, and shall post the certificate in a conspicuous location available to the general public.

(4) Damage to or Destruction of Improvements. In the event that any buildings, facilities, or improvements constructed or managed by Lessee located on the Leasehold Lands are declared unsafe or unfit for use or occupancy, Lessee shall immediately commence and diligently pursue to completion the necessary repair, replacement or reconstruction.

(5) Operating Plan. Lessee or its designated representative shall prepare and annually revise by September 30 of each year an Operating Plan. The Operating Plan shall be prepared in consultation with the Lessor's authorized officer and cover winter and summer operations as appropriate. The provisions of the Operating Plan and the annual revisions submitted by Lessee shall become a part of the Lease. The Operating Plan shall consist of at least the following sections:

- A. First aid.
- B. Communications.
- C. Signs.
- D. General safety and sanitation.
- E. Erosion control.
- F. Accident reporting.
- G. Search and rescue.
- H. Designation of representatives.
- I. Lift system operation.
- J. Public access.
- K. An updated organization chart with names and qualifications of managers.
- L. Employee safety plan.

(6) Refuse Disposal. Lessee shall dispose of solid waste resulting from activities on the Leasehold Lands, including materials, garbage, rubbish of all lands, by hauling the waste to an approved transfer site or sanitary landfill disposal area.

(7) Temporary Suspension. Lessor reserves the right pursuant to law to suspend Lessee's operations, in whole or in part, in response to an immediate and direct threat to public health on municipal lands. Any such suspension shall occur only after consultation with Lessee and, if within the reasonable control of Lessee, after Lessee has been given an opportunity to resolve the threat in a timely manner and thereby prevent suspension of operations.

4. Term: (a) The base term of this Lease, including the air rights easement granted herein, shall be for a period of thirty-five years commencing on the effective date of this Lease, unless sooner terminated as provided herein.

(b) Lessee shall have the right to renew this Lease for an additional thirty-five years commencing at the end of the Base Term except the Lessor may deny renewal for good cause shown. "Good cause" must relate to acts and omissions under this Lease.

(c) The "Permit Date" of this Lease shall be the date upon which Lessee receives all applicable government permits and licenses necessary to commence construction of the base terminal of the tramway, or January 1, 1996, whichever occurs first.

5. Base Rent: (a) The Base Rent (including payment for the Air Rights Easement) shall be ten percent of the appraised market value of the Leased Premises per year or \$30.00 per square foot of the Leased Premises, whichever is greater. For the first three years of the Lease term and until adjusted as provided herein, the rent shall be \$30,000.00 per year.

(b) Base Rent shall accrue commencing on the execution date, but shall not be payable until 18 months after the Permit Date or the last day of the month in which the tramway is operating and open to the public, whichever is earlier. At the end of the 18th month or the conclusion of the month during which the tramway becomes operational and opens to the public, as applicable, Lessee shall pay all accrued unpaid Base Rent, together with the Base Rent for the remainder of the current quarter.

(c) After the first Base Rent payment is made as provided in this section, Base Rent shall be paid quarterly, due in advance on the first day of the month of each quarter, without the necessity of any billing by Lessor.

(d) The Leased Premises shall be appraised for the determination of Base Rent of the Lease as follows:

(1) The agreed upon appraised market value of the Leased Premises for the first three years after the Permit Date shall be deemed to be \$30.00 per square foot.

(2) An appraisal shall be conducted every three years thereafter. The new Base Rent shall be effective commencing on the first day of the third anniversary of the Permit Date of the Lease, and shall be reset effective on the first day of each successive third year anniversary of the Lease.

(3) The basis of appraisal shall be the fair market value of the unimproved land of the Leased Premises including the Air Rights Easements, at its highest and best use. The appraisal shall not consider any buildings or structural improvements above or below ground, landscaping or paving. The appraisal shall consider the Leased Premises as unimproved land.

(4) A certified appraiser selected and compensated by the Assessor of the City and Borough of Juneau shall conduct each initial appraisal. If Lessee concurs in the result of the appraisal by the CBJ Assessor, the appraisal shall establish the fair market value for calculating the Base Rent. If Lessee does not concur in the result of the appraisal by the CBJ Assessor, Lessee shall hire an independent certified appraiser, and present the results to Lessor. If Lessor concurs in the results of the independent appraisal, the appraisal shall establish the fair market value for calculating the Base Rent. If Lessor does not concur, Lessor and Lessee shall negotiate in good faith to reach a fair market value between the results of the initial and independent appraisals. If Lessor and Lessee cannot agree, Lessor and Lessee shall engage and share in the cost of a third independent certified appraiser (acceptable to both parties) to determine the fair market value of the Leased Premises. The third appraiser shall be instructed to select either the initial appraisal or the independent appraisal as the one which most closely reflects the fair market value of the Leased Premises. The fair market value selected by the third appraiser shall be final, and shall establish the fair market value for calculating the Base Rent. In this section, "certified" means a regular member of the Society of Real Estate Appraisers or the American Institute of Real Estate Appraisers (or the successor body of either group) who has been properly designated MAI, SREA or SRPA, or any future similar designation which denotes proficiency in the appraisal of commercial real property.

6. Royalty Rent: (a) In addition to the Base Rent, Lessee shall pay to Lessor a Royalty Rent upon all gross revenues generated from all ticket sales and other sales on the Leased Premises and actually tendered to Lessee (hereinafter "Leasehold Revenues") according to the following schedule.

However, regardless of the Leasehold Revenues, in no event shall the Royalty Rent be less than \$60,000.00 annually.

Leasehold Revenues	Royalty Rate
\$0 to \$3 million	1%
\$3 million to \$5 million	3%
\$5 million to \$8 million	4%
Over \$8 million	5%

(b) Lessee shall pay the Royalty Rent to Lessee on an annual basis no later than January 31 of the year following the calendar year for which Royalty Rent is due.

(c) Royalty Rent shall not accrue until the tramway is operating and open for business to the public.

(d) Lessor shall have the right at all reasonable times during the tenancy of the Lease, upon ten day's advance written notice, to inspect, review and copy any records of Lessee that are necessary to verify Lessee's compliance with its compensation obligations under the Lease.

7. Holding Over: If Lessee holds over beyond the expiration of the base term and any renewal, such holding over shall constitute a tenancy from month-to-month only.

8. Interest on Late Payments: (a) 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 of twelve percent per year.

(b) Lessee hereby covenants and agrees to pay the rent when due and understands that payment of rent is a condition precedent to the continuance of this Lease.

9. Taxes, Assessments, and Liens: (a) During the term of this Lease, Lessee shall pay, in addition to the rents, assessments, rates, charges, and utility bills which Lessee may become liable to pay including any tax on Leaseholds imposed generally on lessees, and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, other than mortgage lien, against the Leased Premises or the improvements placed thereon.

(b) Lessee may, at any time or from time to time during the term of this Lease or any renewal thereof, encumber by deed of trust or mortgage or other security instrument, by way of assignment

or otherwise, Lessee's interest under this Lease and the Leasehold interest and easement hereby created for any purpose, without the consent of Lessor.

10. Assignments: Lessee may assign the Leased Premises and Air Rights Easement, provided the proposed assignment shall be first approved by Lessor in writing, which approval shall not unreasonably be withheld. The assignee shall be subject to all of the provisions of the Lease. All terms, conditions, and covenants of the underlying Lease which may be made applicable to the assignment are hereby incorporated into the assignment.

11. Warranty of Title; Quiet Enjoyment; No Warranty As To Fitness: (a) Lessor hereby represents and warrants that Lessor is the owner in fee simple of the Leased Premises, and of the real property subject to the Air Rights Easements (excepting those parcels for which no warranty is provided as described in Section 2 of this Lease)

(b) Lessee, upon payment of the rent and all other charges provided for in this Lease and upon observing and keeping all of the covenants, agreements, and provisions of this Lease on its part to be observed and kept, shall lawfully and quietly hold, occupy, and enjoy the Leased Premises and the Air Rights Easements during the term of this Lease without hindrance or molestation.

(c) The Lessor does not warrant by its classification or leasing of the Leased Premises or the Air Rights Easements that the land is suited for the use authorized under the classification or lease and no guaranty is given or implied that it shall be profitable to employ the Leased Premises and Air Rights Easements to said use.

12. Protection of Prior Easements: Lessee shall place no building or structure over any portion of the Leased Premises which shall prevent the use of:

(a) the easements previously granted by instrument recorded May 12, 1989, in Book 316, page 642, Juneau Recording District, First Judicial District, State of Alaska to Alaska Marine Lines, Inc., for access, ingress and egress, or

(b) the use agreement dated April 15, 1963, between the City and Borough of Juneau and the State of Alaska.

13. Encumbrance of Parcel: Lessee, during the term of this Lease, shall not encumber or cloud Lessor's title to the Leased Premises, the real property subject to the Air Rights Easement, or any portion thereof, nor enter into any lease, easement, or other obligation of Lessor's title without the prior written consent of Lessor; and any such act or omission, without the prior written consent of Lessor, shall be void against Lessor.

14. Valid Existing Rights: This Lease is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this Lease.

15. Modification: This Lease may be amended, modified or otherwise changed only by an agreement in writing signed by all parties in interest or their successor in interest.

16. Cancellation: (a) This Lease may be cancelled in whole or in part, at any time, upon mutual written agreement by Lessee and Lessor.

(b) Lessor 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 any of the provisions of the City and Borough Code, and should the default continue for 30 calendar days after service of written notice by Lessor without remedy by Lessee of the conditions warranting default, Lessor may subject Lessee to appropriate legal action including, but not limited to, forfeiture of Lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.

(d) Failure to abide by the following timetable shall, in the discretion of Lessor, constitute grounds for cancellation:

(1) Commencement of construction of the base terminal of the tramway within 18 months after the effective date of the Lease.

(2) Completion of the foundation for the base terminal of the tramway within six months after commencement of construction.

(3) Completion of construction of, and issuance of a certificate of occupancy for, the base terminal of the tramway within 24 months after commencement of construction.

(e) Lessee shall not be held responsible, nor shall this Lease be subject to forfeiture or cancellation, for delays in complying with the foregoing schedule where such delays are due to flood, fire, earthquake, tsunami, or other natural catastrophe; strike, lockout, work stoppage; acts of civil or military authorities; war, insurrection, riot or other civil commotion; act of God; or by any other cause which is unavoidable or beyond the reasonable control of Lessee, but not including the unavailability, insufficiency, or delays in receiving financing. If delayed by force majeure, Lessee shall use reasonable diligence to correct the cause of the delay.

17. Bonding of Contractors: Lessee shall require the general contractor(s) performing work on the Leased Premises to be bonded to ensure completion of construction of the base terminal of the tramway.

18. Environmental Matters:

(a) Lessee's Responsibility for Environmental Laws. Lessee shall, at its own expense, comply with all existing and hereafter enacted environmental responsibility laws, hereafter "Environmental Laws". Lessee shall, at its own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority, hereafter "Authority," under the Environmental Laws.

Should the Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of any spills or discharges of or contamination by Hazardous Materials, as hereafter defined, on the Leasehold Lands that occur during the term of the Lease, or arise out of or in connection with Lessee's use or occupancy of the Leasehold Lands, then Lessee shall, at its own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. Lessee's obligations under this section shall arise if there is any event or occurrence on the Leasehold Lands during the term of the Lease or arising out of or in connection with the Lessee's use or occupancy of the Leasehold Lands that requires compliance with the Environmental Laws.

At no expense to Lessor, Lessee shall promptly provide all information requested by Lessor for preparation of affidavits or other documents required by Lessor to determine the applicability of the Environmental Laws to the Lease, and shall sign the affidavits promptly when requested to do so by Lessor.

(b) Indemnification by Lessee. Lessee shall indemnify, defend and hold harmless Lessor from all fines, suits, procedures, claims, liabilities, and actions of any kind arising out of or in any way connected with any spills or discharges of or contamination by Hazardous Materials on the Leasehold Lands that occur during the term of the Lease or arise out of or in connection with Lessee's use or occupancy of the Leasehold Lands; and from all fines, suits, procedures, claims, liabilities, and actions of any kind arising out of Lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spills or discharges or contamination that occur during the term of the Lease or arise out of or in connection with Lessee's use or occupancy of the Leasehold Lands.

(c) Lessee's Assurances to Lessor. Lessee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals or Hazardous Materials upon the Leased Lands except when fully in compliance with the Environmental Laws. Lessee agrees that it will not construct any aboveground or underground fuel or chemical tanks without the written consent of Lessor.

In any court action or administrative proceeding it shall be rebuttably presumed that any environmental contamination of the Leasehold Lands (1) has been released on the Leasehold Lands, (2) has resulted from acts or omissions of Lessee or its agents, and (3) has occurred during the term of the Lease. Lessee has the burden of rebutting these presumptions by clear and convincing evidence.

(d) Enforcement Rights of the City and Borough of Juneau. This section of the Lease does not in any way alter the powers and rights of the City and Borough of Juneau, Alaska, or Lessee's duties and liabilities under Title 46 (or its successor) of Alaska Statutes or other state or federal statutes regarding Environmental Laws. For example, notwithstanding the provisions of the Lease, the City and Borough of Juneau, Alaska, shall not be precluded from claiming under any statute that Lessee is strictly liable, jointly and severally, for damages and costs incurred by the City and Borough of Juneau, Alaska, for cleanup of contamination of the Leasehold Lands.

(e) Notice of Environmental Problems. Lessee agrees to immediately notify Lessor if Lessee becomes aware of (1) any Hazardous Material or other environmental problem or liability with respect to the Leasehold Lands or (2) any lien, action, or notice resulting from the claimed or actual violation of Environmental Laws, including but not limited to the generation, recycling, reuse, sale, storage, handling, transport, and disposal of any Hazardous Material.

(f) Lessee's Obligations Unconditional. Lessee's obligations under this section regarding environmental compliance are unconditional and shall not be limited by any nonrecourse or other limitations of liability provided for in the Lease or any document executed in connection with the Lease. The representations and covenants of Lessee set forth in the Lease, including without limitation the indemnity for environmental compliance provided herein, are (1) separate and distinct obligations from Lessee's obligations under the Lease, (2) shall not be discharged or satisfied by lease compensation or other payment under the Lease, and (3) shall continue in effect after any further transfer of the Leasehold Lands.

(g) "Environmental Laws" Defined. For purposes of the Lease, "Environmental Laws" is defined to include, but shall not be limited to, the Comprehensive Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. 9601, et. seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6901, et. seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251, et. seq., the Clean Air Act, 42 U.S.C. 7401, et. seq. and AS 46.03.710-.850, and any other local, state and federal laws or regulations, whether currently in existence or hereafter enacted, that govern (1) the existence, cleanup or remedy of contamination on property, (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination, (3) the control of hazardous wastes, or (4) the use, generation, transport, treatment, removal or recovery of Hazardous Material.

(h) "Hazardous Material" Defined. For purposes of the Lease, "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by the City and Borough of Juneau, Alaska, the State of Alaska, or the United States government. It is any substance

which at any time shall be listed as "hazardous" or "toxic" or in the regulations implementing the CERCLA, RCRA, and AS 46, or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Environmental Laws. The term "Hazardous Material" shall also include, without limitation, raw materials, building components, the products of any manufacturing or other activities on the Leasehold Lands, wastes, petroleum, oil, and source, special nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 301 1, et. seq., as amended)

(i) Pre-Construction Audits.

(1) Lessee shall engage a qualified contractor to conduct a Phase I environmental audit of the Leased Premises. The Phase I audit shall be performed prior to the effective date of the Lease. The cost of the Phase I audit shall be paid by Lessee. The results of the Phase I audit shall be available to the authorized employees or agents of Lessor and Lessee as designated by the respective party.

(2) In the event the Phase I environmental audit reveals reasonable cause to believe the Leased Premises are contaminated or polluted in such a manner as to require cleanup or remediation under applicable law, Lessee shall engage a qualified contractor to conduct a Phase II environmental audit and evaluation of the Leased Premises prior to the commencement of any construction on the Leased Premises. The cost of the Phase II audit shall be borne solely by Lessee.

(3) In the event the Phase II audit demonstrates contamination or pollution of the Leased Premises in such a manner as to require cleanup or remediation under applicable law, Lessor shall immediately notify the proper governmental authorities, and shall comply with all lawful directions of said authorities. In such event, Lessee shall have the right, in its sole discretion, to terminate the Lease upon 30 days written notice to Lessor.

(j) Termination Audits

(1) One year prior to termination of the Lease, Lessee shall engage and pay for a qualified contractor to conduct a Phase I environmental audit of the Leased Premises. The results of the Phase I audit shall be available to the authorized employees or agents of Lessor and Lessee as designated by the respective party.

(2) In the event the Phase I environmental audit reveals reasonable cause to believe the Leased Premises are contaminated or polluted in such a manner as to require cleanup or remediation under applicable law, Lessee shall engage and pay for a qualified contractor to conduct a Phase II environmental audit and evaluation of the Leased Premises.

(3) In the event the Phase II audit demonstrates contamination or pollution of the Leased Premises in such a manner as to require cleanup or remediation under applicable law, Lessee shall

immediately notify the proper governmental authorities, and shall comply with all lawful directions of said authorities.

(4) As used in this paragraph (j), the terms "Phase I Audit" and "Phase II Audit" shall be construed according to the standards applicable at the time the audit or audits are conducted.

19. Re-entry: These entire agreements are upon the condition that if Lessee shall be in arrears in a payment of rent for a period of 30 days, or if Lessee abandons Leased Premises; or if Lessee shall fail or neglect to do or perform or observe any of the terms, agreements, covenants, or conditions contained herein on its part to be kept and performed and such failure or neglect shall continue for a period of not less than 30 days after Lessor has notified Lessee in writing of Lessee's default hereunder and Lessee has failed to correct such faults within 30 days, or if Lessee shall be declared to be bankrupt or insolvent according to law, or if any assignment of its property shall be made for the benefit of creditors, then, in any of the said cases or events, Lessor may, at its option, immediately or at any time thereafter, without demand or notice, enter into and upon the Leased Premises and real property subject to the Air Rights Easement, or any part thereof, and in the name of the whole and repossess the same and expel said Lessee and those claiming by, through, or under Lessee, remove Lessee's effects and improvements (if any) forcibly, if necessary, without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or breach of covenant or condition. On the re-entry aforesaid, this Lease shall terminate.

20. Landlord's Lien: In addition to its other remedies, Lessor shall have a landlord's lien upon all property on the Leased Premises for any rents in arrears, and Lessor shall have a right to the common law, nonjudicial remedy of distress for rents in the event of any arrearage.

21. Waste and Injury to Leased Premises: Lessee shall be liable to and promptly pay Lessor for any waste or injury to the Leased Premises or real property subject to the Air Rights Easement. Lessee shall take all prudent precautions to prevent or suppress pollution of the ground surface, water, air, or land. If Lessee commits waste, or trespass or injury upon Leased Premises, Lessee, in addition to being civilly liable for any damages caused, shall be criminally liable as provided by law.

22. Rights of Mortgagee or Lienholder: (a) Any lender on the security of the leasehold estate, or successor or assign of such lender, shall have the following rights at any time during the Lease term or any renewal thereof:

(1) To do any act or thing required of Lessee hereunder, and all such acts or things done and performed shall be as effective to prevent a forfeiture of Lessee's rights hereunder or cancellation of this Lease as if done by Lessee;

(2) To realize on the security afforded by the leasehold estate by exercising foreclosure proceedings or power of sale or other remedy afforded in law or in equity or by the security

documents or by acceptance of a grant, assignment, or other conveyance in lieu of foreclosure or other such remedy, and to transfer, convey or assign the title of Lessee to the leasehold estate and easement created hereby to any purchaser at any such foreclosure sale, and/or to acquire and succeed to the interest of Lessee hereunder by virtue of any such foreclosure sale or other such transfer.

(b) Notwithstanding any other provision of this Lease, the rights of Lessor in the event of default of Lessee may not be exercised until written notice of such default has been given by certified or registered mail, return receipt requested, to any lender (from whom a written notice containing its name and address has been received by Lessor from Lessee) or to the person or firm designated by any such lender to accept such notices pursuant to written notice by such lender to Lessor. Such lender shall have the right to cure any such default within ten days of receipt of such notice by such lender or said person or firm with respect to any default that can be cured by the payment of money, or to cure any other default by taking reasonable steps to commence the remedy of such default within 30 days of receipt of notice thereof, and diligently continuing the curing of the same to completion. Lessor agrees any such curative action by lender shall be tantamount to curative action by Lessee.

(c) No such lender or successor or assign of such lender shall be liable to Lessor as an assignee of this Lease unless and until such time as such lender, its successors or assigns, shall acquire the rights of Lessee hereunder through foreclosure or other appropriate proceedings in the nature thereof, or as a result of any other action or remedy provided for by such mortgage or deed of trust or other security instrument, or which may otherwise be provided by law, or through grant, assignment or other conveyance in lieu of any of the foregoing. The liability of such lender or successor or assign of such lender as an assignee shall be confined solely to the period or duration of possession or ownership of such lender or successor or assign of such lender of the Leased Premises and Air Rights Easements as lessee hereunder.

(d) If the leasehold estate or any interest or part thereof and the fee of any of the Leased Premises or real property subject to the Air Rights Easements shall become vested in the same person, firm, corporation, or other entity other than Lessor, there shall be no merger of the leasehold estate and the fee unless and until any lender shall have consented thereto in writing.

(e) In order to aid Lessee in financing improvements to be situated on the Leased Premises and by use of the Air Rights Easements, Lessor agrees to amend this Lease as shall be reasonably necessary to satisfy the lender's reasonable security interest requirements, provided such amendment shall not decrease significantly any of Lessee's obligations or Lessor's rights under this Lease. Such amendment may in Lessor's discretion apply only to the portion of the Leased Premises or the real property subject to the Air Rights Easements which are, or are proposed to be, subject to the proposed security interest and only for the duration of the security interest.

(f) If by reason of any default of Lessee not cured within the curative periods specified hereunder, either this Lease or any renewal thereof is terminated or not renewed at the election of

Lessor prior to the stated expiration, Lessor will enter into a new lease with the lender for the remainder of the base term and renewal term, effective as of the date of such termination, at the rent and on the terms contained herein, subject to the following conditions:

(1) Such lender shall make written request to Lessor for such new lease within 30 days after the date of such termination, and such written request shall be accompanied by a payment to Lessor of all sums then due to Lessor under this Lease;

(2) Such lender shall pay to Lessor at the time for execution and delivery of such new lease any and all expenses reasonably incurred because of the default of Lessee, including legal and attorney's fees; and

(3) Such lender shall perform all other conditions required to be performed by Lessee to the extent that Lessee shall have failed to perform such conditions, or shall take appropriate steps to commence curing and be pursuing the same with diligence and continuity.

(g) Within a reasonable time, Lessee shall notify Lessor of the execution and delivery of any and all deeds of trust, mortgages, or other security instruments entered into by Lessee and affecting the leasehold interest, and furnish Lessor with a true and correct copy thereof.

(h) During the term of this Lease, Lessor shall not encumber any part or all of the Leased Premises (except by way of the sale of municipal bonds generally secured by the full faith and credit of the City and Borough of Juneau or the revenues to be received by Lessor pursuant to this Lease) without the prior written consent of Lessee.

23. Re-Lease: In the event that this Lease should be terminated as herein provided, or by summary proceedings, or otherwise, Lessor may offer the Leased Premises for lease or other appropriate disposal pursuant to the provisions of the City and Borough Code.

24. Forfeiture of Rental: In the event that this Lease should be terminated because of any breach by Lessee, as herein provided, the rental payment last made by Lessee shall be forfeited and retained by the Lessor as partial or total damages for the breach.

25. Written Waiver: The receipt of rent by Lessor 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 to be a waiver of any provision of the Lease. No failure on the part of Lessor to enforce any covenant or provision herein contained, nor any waiver of any right thereunder by Lessor unless in writing, shall discharge or invalidate such covenants or provisions, or affect the right of Lessor to enforce the same in the event of any subsequent breach or default. The receipt, by Lessor, of any rent or other sum of money after the termination, in any manner, of the term demised, or after the giving by Lessor 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 such notice of termination as may have been given thereunder by Lessor to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by Lessor.

26. Expiration of Lease: Unless the Lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender, and yield up unto Lessor all of the Leased Premises and the real property subject to the Air Rights Easements on the last day of the term of the Lease.

27. Removal or Reversion of Improvements upon Termination of Lease:

(a) Surrender of Leasehold. Upon the expiration, termination or cancellation of the Lease, Lessee shall leave and deliver up all of the Leasehold Lands in good, sanitary and marketable condition, order and repair.

(b) Disposition of Improvements and Chattels After Termination. At Lessor's option, improvements not approved by Lessor shall be removed and the site restored to its original condition at Lessee's sole expense, or such improvements shall be forfeited to Lessor.

(c) Prior to the Permit Date of the Lease, Lessee shall file with Lessor a reclamation plan for the Leasehold Lands, which must be approved in writing by Lessor's authorized officer. Any reclamation plan approved pursuant to a conditional use permit issued by the Community Development Department of the City and Borough of Juneau shall be sufficient for purposes of this paragraph.

A bond, letter of credit, or other security approved as to form by the Lessor's Attorney in the amount of the total cost of implementing the reclamation plan must be posted with Lessor when Lessee receives written approval of the reclamation plan. The bond will be used in the event Lessee fails to leave the site in a safe and clean condition when, and if, the Leasehold is surrendered.

The reclamation plan must include a description of the methods and techniques which Lessee will use to rehabilitate all sites affected by construction. Under the Lease, Lessee retains all ownership rights to site improvements. In the plan, Lessee shall describe its intention to remove, rehabilitate or abandon each such improvement. The plan must also include a schedule which sets forth in detail the steps required for surface rehabilitation, and a specific timeline showing when Lessee will accomplish each step.

28. Rental for Improvements or Chattels Not Removed: Any improvements or chattels, belonging to Lessee or placed on the Leased Premises during Lessee's tenure with or without permission and remaining upon the premises after the termination date of the Lease shall entitle the Lessor to charge a reasonable rent therefor.

29. State Discrimination Laws: Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska statutes prohibiting discrimination, particularly AS 18.80.220 (discrimination in employment) and AS 18.80.230 (discrimination in providing public accommodations or services). In the event of Lessee's failure to comply with any of the above non-discrimination covenants, Lessor shall have the right to terminate the Lease and to re-enter and repossess the Leased Premises and hold the same as if the Lease had never been made or issued.

30. Compliance with Regulations and Code: Lessee shall comply with the Code of the City and Borough of Juneau and any regulations issued pursuant thereto, and with all state and federal regulations, as may affect the activity upon or associated with the Leased Premises; and Lessee's failure to do so shall be considered a breach of this Lease agreement. A reference to an ordinance in this Lease or any amendment to this Lease includes any changes in that ordinance or regulation whether by amendment, repeal and replacement, or other means. This Lease does not limit the power of the City and Borough of Juneau, Alaska, to enact and enforce legislation or to promulgate and enforce regulations affecting, directly or indirectly, the activities of the Lessee or its agents in connection with this Lease or the value of the interest held under this Lease. In case of conflicting provisions, ordinances and regulations take precedence over this Lease. Lessor assumes no responsibility for enforcing laws, regulations, ordinances and the like which are under the jurisdiction of other governmental bodies.

31. Inspection: Lessee shall allow an authorized representative of Lessor to enter the Leased Premises for inspection at any reasonable time.

32. 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 in any way which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

33. Parking and Rights-of-Way: (a) Lessee shall provide off-site parking for its employees in an amount to be determined by the City and Borough Planning Commission as part of the conditional use permit issued for the tramway project.

(b) Lessor expressly reserves the right to grant easements or rights-of-way across the Leased Premises if it is determined in the best interest of Lessor to do so. Lessor agrees not to grant any easement or right-of-way which will interfere with Lessee's use of the Leased Premises or Air Rights Easements. Annual rentals may be adjusted to compensate Lessee for loss of use of portions of the Leased Premises included within said easements or rights-of-way.

34. Liabilities, Indemnity and Insurance. (a) Indemnity. Lessee shall indemnify, defend and hold Lessor harmless from and against all claims, demands, judgments, damages, liabilities, penalties and costs, including attorney's fees, for loss or damage, including but not limited to property damage, personal injury, wrongful death, and wage, employment or worker's compensation

claims, arising out of or in connection with the use or occupancy of the Leased Lands by Lessee or by any other person holding rights under the Lessee, or at Lessee's sufferance or invitation; and from any accident or fire on the Leased Lands; and from any nuisance made or suffered thereon; and from any failure by Lessee to keep the Leasehold Lands in a safe and lawful condition consistent with applicable laws, regulations, ordinances or orders; and from any assignment, sublease, or conveyance, attempted or successful, by Lessee of all or any portion of the Leasehold Lands or interest therein contrary to the conditions and covenants of the Lease. Lessee will hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever on the Leased Lands at the sole risk of Lessee with its successors, assigns and invitees, and will save Lessor harmless from any claim of loss or damage by any cause whatsoever, including claims by third parties; however, this provision has no effect if, but only if, the sole proximate cause of the injury or damage is the Lessor's negligence.

(b) Damage to Lessor's Property. Lessee shall exercise diligence in protecting from damage the land and property of the City and Borough of Juneau, Alaska, covered by and used in connection with the Lease. Unless such damage shall have been caused by Lessor or its invitees, or because of actions taken by third parties due to unrestricted public access to the Leasehold Lands, Lessee shall:

(1) repair damage and restore the site to its previous condition;

(2) pay the City and Borough of Juneau, Alaska, the full cost of any damage resulting from negligence or activities occurring under the terms of the Lease or under any law or regulation applicable to municipal land generally, whether caused by the Lessee, or agents or employees of Lessee; or

(3) accomplish another remedy prescribed by Lessor's authorized officer.

(c) Risk of Loss of Improvements.

(1) Lessee assumes all risk of loss to the improvements resulting from natural or catastrophic events, including but not limited to, avalanches, rising waters, high winds, falling limbs or trees, and other hazardous events. If the improvements authorized by the Lease are destroyed or substantially damaged by natural or catastrophic events, Lessee shall cause an analysis by a certified engineer to be conducted to determine whether the improvements can be safely occupied in the future and whether rebuilding should be allowed. The results of this analysis shall be provided to Lessor's authorized officer.

(2) Prior to re-occupation by the public, Lessee shall produce appropriate certification as to the suitability for occupancy of all affected improvements. The certificate shall be provided to Lessor's authorized officer prior to re-opening of facilities to the public.

(d) Insurance. Lessee shall furnish to Lessor certificates of insurance prior to beginning operations under the Lease, and must give 30 days advance written notice of cancellation, non-renewal or any material change to such insurance coverage. All of the insurance policies shall be in form and substance reasonably satisfactory to Lessor and shall be issued by a company or companies satisfactory to Lessor. Failure to furnish satisfactory evidence of insurance, or the lapse of the policy once acquired, is a material breach and grounds for termination of the Lease. Required insurance is subject to annual review by the City and Borough of Juneau, Alaska, Office of Risk Management.

The coverage shall extend to property damage, bodily injury, or death arising out of Lessee's activities under the Lease including, but not limited to, occupancy or use of the Leasehold Lands and the construction, maintenance, and operation of the structures, facilities or equipment authorized by the Lease.

Without limiting the respective rights of indemnification above, Lessee shall purchase at its own expense and maintain in full force at all times during the term of the Lease, the following policies of insurance:

(1) Statutory Alaska Worker's Compensation, as well as Employer's Liability Insurance, with a limit of not less than \$500,000 in compliance with the laws of the State of Alaska, and where applicable, insurance which complies with any other statutory obligations, whether federal or state, pertaining to the compensation of injured employees, and including voluntary compensation. The Worker's Compensation Insurance shall contain a waiver of subrogation clause in favor of the City and Borough of Juneau, Alaska.

(2) Commercial General Liability insurance with a combined single limit of not less than \$10 million per occurrence. This policy shall include but not be limited to premises and operations, independent contractors, and products/completed operations, and reference the indemnification provisions of the Lease.

This insurance shall be considered to be the primary of any other insurance carried by the City and Borough of Juneau, Alaska, through self insurance or otherwise. This insurance shall also contain a "cross liability" or "severability of interest" clause or endorsement. The City and Borough of Juneau, Alaska, its officers, its agents, and its employees are to be covered as insureds as respects liability arising out of use of the Leased Lands or operations of Lessee. The insurer shall agree to waive all rights of subrogation against Lessor, its officers, agents, and employees for losses arising from the Leasehold Lands.

(3) All-Risk Property Insurance, including earthquake and flood, including business interruption, on the tramway structures, buildings, and equipment forming part of or otherwise connected to the Leased Lands, in such amounts and with such deductibles as under good business practices are ordinarily provided for on similar tram buildings and equipment, but in no event in an

amount less than the replacement value of the improvements. The City and Borough of Juneau, Alaska, shall also be named as a loss payee on any loss settlement under this section. Lessee shall be obligated to pay the deductibles.

35. Successors: This Lease shall be binding on the successors, administrators, executors, heirs, and assigns of Lessee and Lessor.

36. Condition of Premises: Lessee shall, during the demised term, at Lessee's own cost, cause the Leased Premises and the real property subject to the Air Rights Easement, together with any improvements thereon, to be kept in good repair and kept in a 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 Premises or real property subject to the Air Rights Easement. Lessee shall not undertake any activity which causes or increases a sloughing of or loss of surface materials on the Leased Premises. Lessee shall not in any manner, substantially change the contour or condition of the land without prior written permission of Lessor.

37. Use of Material: Lessee shall not sell or remove for any use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other material 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 in writing by Lessor.

38. Responsibility to Properly Locate on Leased Premises: It shall be the responsibility of Lessee to properly locate Lessee and Lessee's improvements on the Leased Premises and real property subject to the Air Rights Easements and failure to so locate shall render Lessee criminally liable as provided by law.

39. Approval of Other Authorities: The issuance by Lessor of this Lease does not relieve Lessee of the responsibility of obtaining licenses or permits as may be required by the Lessor or by duly authorized state or federal agencies.

40. Local Hire: Lessee shall use best efforts to hire contractors and residents located in the City and Borough of Juneau.

41. Notice or Demand: Any notice or demand, which under the terms of this Lease or under any ordinance or statute must be given or made by parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address herein given. 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.

LESSOR'S ADDRESS: CITY AND BOROUGH MANAGER
City and Borough of Juneau
155 South Seward Street
Juneau, Alaska 99801

LESSEE'S ADDRESS: MOUNT ROBERTS DEVELOPMENT CORPORATION
369 South Franklin Street, Suite 207
Juneau, Alaska 99801

42. Memorandum of Lease: At the request of either party, the other party shall execute and acknowledge a memorandum of lease or a memorandum of modification of lease complying with the statutory and regulatory requirements for recordation of such memoranda.

43. License Prior to Effective Date: Prior to the effective date of this Lease, Lessee shall have a license to access to the Leased Premises and the Air Rights Easements to perform such examination, testing, engineering, surveying, and other such preparatory work as may be deemed appropriate by Lessee. Prior to performing such work, Lessee shall notify Lessor of the timing, nature and duration of such preparatory work.

44. Governing Law and Interpretation: (a) This Lease shall be governed by the laws of the United States, the State of Alaska, and the City and Borough of Juneau.

(b) This is a negotiated Lease where both parties are represented by counsel. Accordingly, the rule of contract interpretation that ambiguities, if any, are to be construed against the drafter shall not apply.

45. No Broker: Each party represents to the other that it has dealt with no broker in connection with this Lease.

46. Entire Agreement; Amendments: This document excluding any words or paragraphs struck out and including any language added, in either case, initialed and dated by both parties and including exhibits attached hereto contains the entire agreement between the parties, and said agreement may not be modified except in writing. There are no oral promises, representations, or warranties between the parties regarding any matter or thing connected with or related to the matters and things which are the subject of this Lease.

47. Consultation and Approval: It is hereby agreed that the development and use of the Leased Premises and the performance by Lessee of its obligations under the Lease requires the continued cooperation and involvement of Lessor and regular consultation between the parties. Whenever an action of one party requires the approval of the other party hereto, the parties shall use their best efforts to consult with each other, including exchange of information and suggestions. Whenever the consent or approval of a party is required, the request shall be acted upon promptly

(generally within 30 working days) and any approval called for herein shall not be unreasonably withheld.

IN WITNESS WHEREOF, the Lessor and Lessee have caused this Lease to be executed the day and year first above written in Juneau, Alaska.

LESSOR: CITY AND BOROUGH OF JUNEAU, ALASKA

By: Mark R. Palesh
Mark Palesh
City & Borough Manager

LESSEE: MOUNT ROBERTS DEVELOPMENT CORPORATION

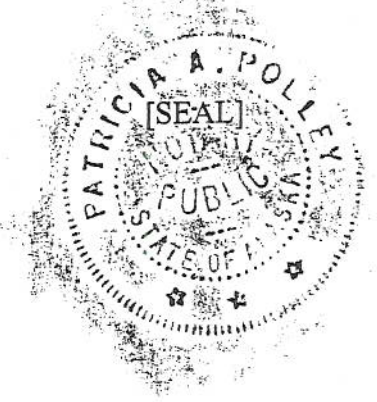
By: John Heiser
John Heiser
President

ACKNOWLEDGEMENT BY LESSEE

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 31st day of January, 1995, by John Heiser, President of Mount Roberts Development Corporation, an Alaska corporation, on

behalf of the corporation.



Patricia A. Polley
Notary Public on and for the State of Alaska
My commission expires: 07-08-97

ACKNOWLEDGEMENT BY LESSOR

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

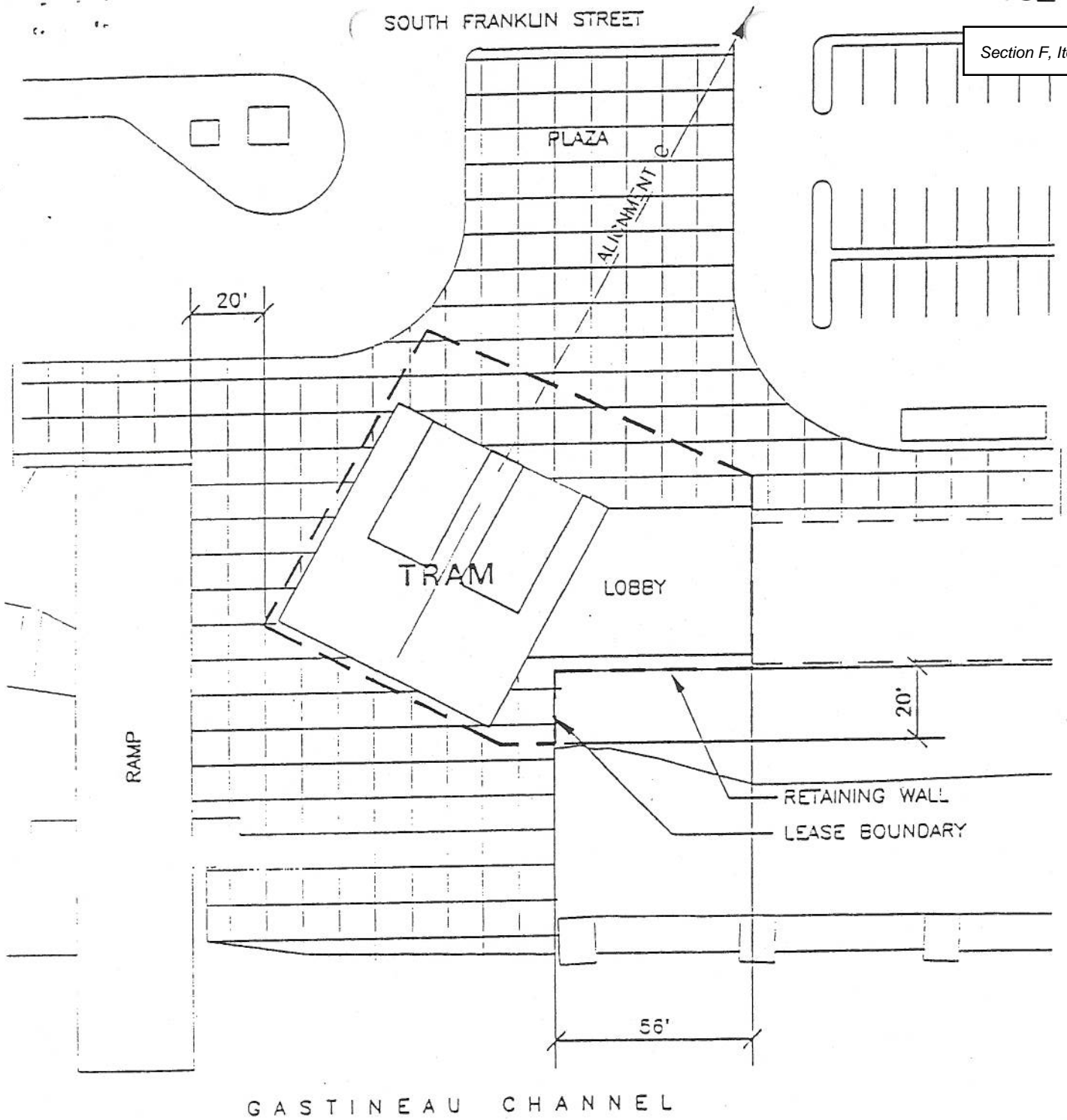
The foregoing instrument was acknowledged before me this 31st day of January, 1995, by Mark Palesh, City & Borough Manager of the City and Borough of Juneau.



Patricia A. Polley
Notary Public on and for the State of Alaska
My commission expires: 07-08-97

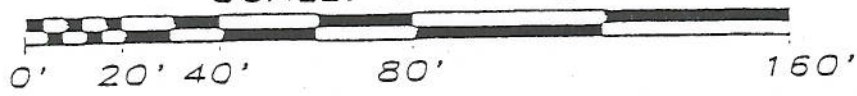
SOUTH FRANKLIN STREET

Section F, Item 2.



GASTINEAU CHANNEL

SCALE: 1" = 40'



APPROXIMATE AREA OF LEASE - 9980 SF

EXHIBIT A

MT. ROBERTS TRAM

Jensen/Douglas
Architects, Inc.
12/8/94

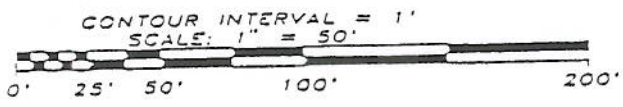
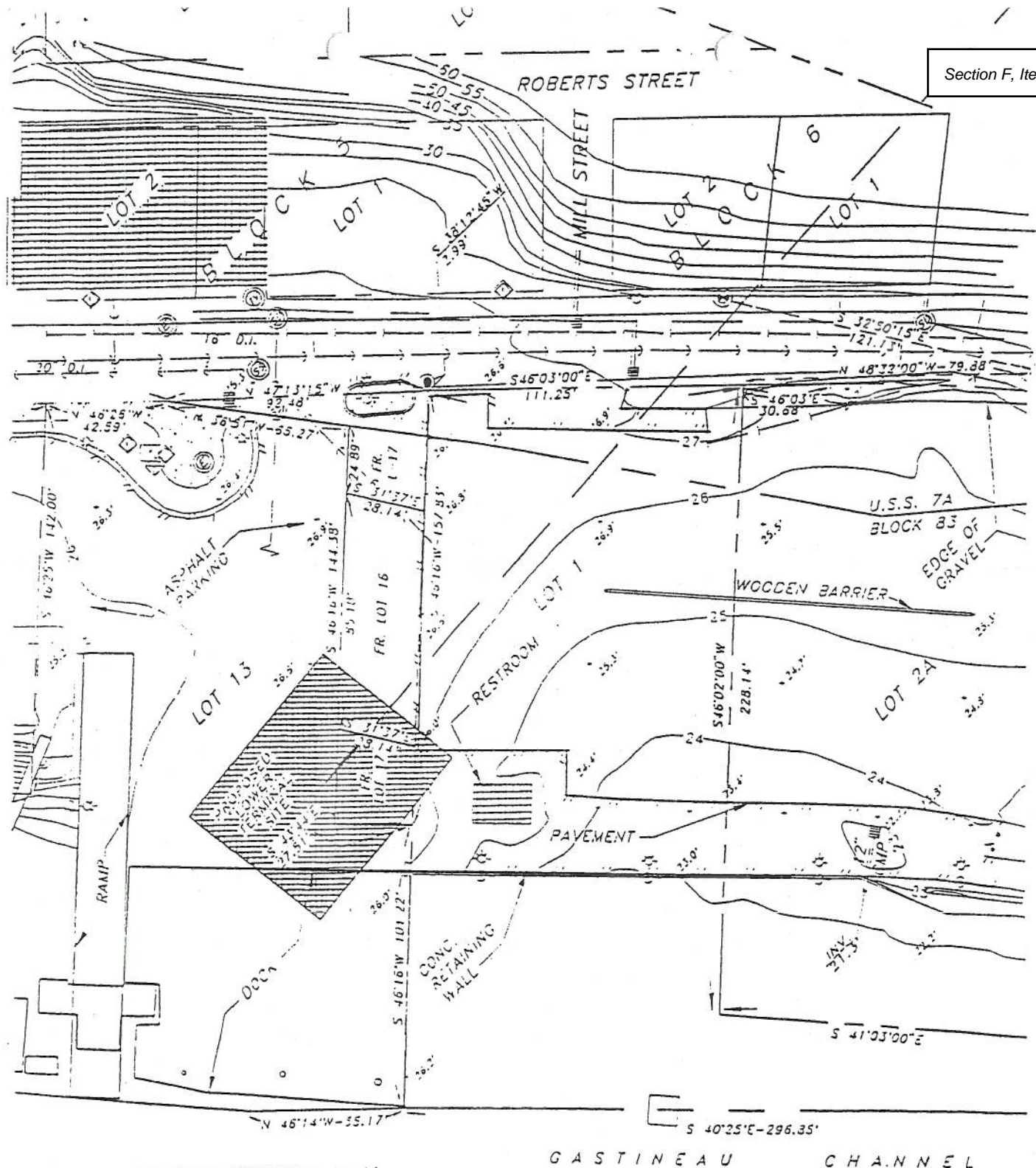


EXHIBIT B

MT. ROBERTS TRAM

Jensen/Douglas
 Architects, Inc.
 12/8/94

Section F, Item 2.

Recorded at the request of:

Mount Roberts Development Corporation
c/o David C. Crosby
318 4th Street
Juneau, Alaska 99801

Telephone:
(907) 586-6262

Return to:

Steve Gilbertson
Land and Resources Manager
City/Borough of Juneau
155 South Seward Street
Juneau, Alaska 99801

Telephone:
(907) 586-5252

95-004154
99.00

JUNEAU REC. DISTRICT
REQUESTED BY Wickwire, Greene,
Crosby, Brewster Seward

'95 JUN 30 AM 10 43

AMENDMENT TO LEASE

THIS IS AN AMENDMENT to that lease ("the Lease") entered into on January 31, 1995 between the City and Borough of Juneau, Alaska ("CBJ") and Mount Roberts Development Corporation.

WHEREAS, the Lessor and Lessee are in agreement that the lease should be amended to extend the period for payment of 1996 royalty rent;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. Amendment of Section. Section 6(b) of the Lease is amended to read:

(b) Lessee shall pay the Royalty Rent to Lessor on an annual basis no later than January 31 of the year following the calendar year for which Royalty Rent is due, provided that the payment for Royalty Rent accruing in 1996, may be made in six payments of \$10,000 plus interest on the unpaid balance at 8%, the first such payment due on January 31, 1997, and the remainder every six months thereafter, the last on July 31, 1999.

2. Lease Otherwise Unchanged. All provisions of the lease not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF the parties have affixed their signatures this 18 day of July, 1997.

LESSEE

[Signature] 7/18/97
Title: V. President date

LESSOR

[Signature] 7/10/97
David Palmer date
City & Borough Manager

Approved as to form:

[Signature]
John R. Corso
City & Borough Attorney

I:\AA\CD\TRAM\ROBERTS\AMEND3.WPD



Port of Juneau

155 Heritage Way • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

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

To: Docks & Harbors Board

Via: Docks & Harbors Operations-Planning Committee

Date: February 17th, 2025

Re: Finance Department Administrative Transfers & CIP Closeouts

This letter is to memorialize upcoming Finance Department administrative transfers to capital improvement projects. The actions are initiated by the Finance Department at the request of the Port Director. Item 1 was introduced at the February 3rd Assembly and is set for public hearing for March 3rd. Items 2, 3 and 4 will be introduced at the March 3rd Assembly Meeting. Item 5 requires no Board or Assembly action.

1. Statter Harbor Improvement Phase III (H51-108) will receive a \$3M transfer from the Docks Enterprise for the IIID project for curb, gutter, landscaping and paving.
2. Transfer of \$200K from the Downtown Waterfront Museum (2022 1% Sales Tax) to Aurora Harbor Improvement CIP (H51-125).
3. Transfer of approximately \$1.8M from Statter Harbor Improvement Phase III (H51-108) into newly created CIP H51-132 (Statter Harbor Wave Attenuator)
4. Transfer of \$63,864.03 from CIP H51-130 (Wayside Float Dredging) to H51-129 (Taku Harbor Improvements)
5. Close out of H51-130 Wayside Float Dredging.

The Port Director recommends the Board concur with transferring of funds to Aurora Harbor Improvement, Statter Harbor Wave Attenuator and Taku Harbor Improvement as outlined above in items 2, 3 & 4.

#

Encl:

- (1) An Ordinance Appropriating \$3,000,000 to the Statter Harbor Improvements Phase III Capital Improvement Project; Funding Provided by Docks Funds.
- (2) An Ordinance Transferring \$200,000 from CIP D23-060 Waterfront Museum to CIP H51-125 Aurora Harbor Improvements

Presented by: The Manager
Introduced: February 3, 2025
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2024-01(b)(AE)

An Ordinance Appropriating \$3,000,000 to the Statter Harbor Improvements Phase III Capital Improvement Project; Funding Provided by Docks Funds.

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

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

Section 2. Appropriation. There is appropriated to the Manager the sum of \$3,000,000 as funding for the Statter Harbor Phase III Capital Improvement Project (H51-108).

Section 3. Source of Funds

Docks Funds \$ 3,000,000

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

Adopted this _____ day of _____, 2025.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Ordinance 2024-01(b)(AH)
Manager's Report

An Ordinance Transferring \$200,000 from CIP D23-060 Waterfront Museum to CIP H51-125 Aurora Harbor Improvements.

This ordinance would transfer \$200,000 from the Waterfront Museum CIP to the Aurora Harbor Improvements CIP. The Harbors Enterprise has been awarded the Alaska Department of Transportation (ADOT) Harbor Facility grant for Aurora Harbor improvements, and began advertising for the \$9.5M project in February. To ensure the project has sufficient funding for upcoming construction, this request would transfer 1% Temporary Sales Tax from the Waterfront Museum CIP, which will retain sufficient funding for current project work. This funding will be returned to the Waterfront Museum CIP through the FY28 1% Temporary Sales Tax allocation.

This transfer of project funding is consistent with the intent of the 2022 1% Sales Tax initiative approved by voters in the October 4, 2022 municipal election.

The Docks and Harbors Board reviewed this request at the February 27, 2025 meeting.

The City Manager recommends this ordinance be introduced and set for public hearing at the next Assembly meeting.

Presented by: The Manager
Introduced: March 3, 2025
Drafted by: Finance

TRANSFER REQUEST FOR THE CITY AND BOROUGH OF JUNEAU,
ALASKA

SERIAL NUMBER T-2508

It is hereby ordered by the Assembly of the City and Borough of Juneau,
Alaska, that \$1,406,317 be transferred:

From: CIP

H51-108 Statter Harbor Improvements Phase III \$ (1,406,317)

To: CIP

H51-132 Statter Harbor Wave Attenuator \$ 1,406,317

The \$1,406,317 consists of:

General Funds \$ 1,406,317

Moved and Approved this _____ day of _____, 2025.

Katie Koester, City Manager

Attest:

Elizabeth J. McEwen, Municipal Clerk

Transfer T-2508
Manager's Report

A Transfer of \$1,406,317 from CIP H51-108 Statter Harbor Improvements Phase III to CIP H51-132 Statter Harbor Wave Attenuator.

This request would transfer \$1,406,317 of General Funds from the Statter Harbor Improvements Phase III CIP to the Statter Harbor Wave Attenuator CIP. These funds were obligated to the Statter Harbor Wave Attenuator CIP in Resolution 3065 as CBJ's cost share of the US Army Corps of Engineers Auke Bay Feasibility Study. This project will investigate the feasibility of installing a floating wave attenuator, among other navigation options, to protect public and private marine facilities from wind-driven waves and vessel wakes. These facilities serve a multitude of commercial and non-commercial users and include public and private moorage facilities, Juneau's most popular recreational launch ram facility, and only one of two marine fuel facilities between Juneau and Haines. This request will transfer the unspent balance of Phase III A-C stages of the project. Phase III D will be funded with Docks funds.

The Docks and Harbors Board reviewed this request at the February 27, 2025 meeting.

The Manager recommends approval of this transfer.



Port of Juneau

155 Heritage Way • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

From: Carl Uchytel
Port Director

To: Docks & Harbor Board

Via: Operations-Planning Committee

Date: February 17th, 2025

Re: POTENTIAL COMMERCIAL USE - AURORA HARBOR

Docks & Harbors staff recently received a request from a commercial excursion operator to operate daily jet ski tours out of Aurora Harbor. We have accommodated this operator since 2018 by providing weekly turnarounds of their excursions at Aurora Harbor through a commercial use permit. The company is currently offering on-line this summer: four daily tours of three hours in duration and up to 10 jet skis per tour. Since the company has begun advertising, time is of the essence in addressing concerns with the Docks & Harbors Board and the harbor community we serve.

After code review, the following are relevant to the discussion:

85.25.050 - Commercial operations.

No moorage space shall be sublet or rented to any firm or individual for the purpose of conducting any commercially oriented business enterprises at the facilities unless specifically authorized by the state and by the terms of the lease of the facilities from the state to the City and Borough, except that charter vessels, including aircraft, may pick up and discharge passengers at any space rented to such vessel or aircraft, but may not pick up or discharge cargo at any space or any other part of the facilities of the boat harbor, except as authorized by the port director pursuant to section [85.15.010](#).

05 CBJAC 01.030 - Permit required.

(a) No person may conduct commercial activities on docks and harbors department lands and facilities subject to these regulations except as authorized by a permit issued by the director. A permit under this chapter is not required for activities conducted under a permit issued pursuant to other chapters in this title.

(b) The director may issue a permit for commercial activities within a docks and harbors department land or facility as subject to such conditions as the director may impose and only upon a determination that the use as proposed:

- (1) Will not unreasonably impact the resources and facilities of the docks and harbors department;*
- (2) Will not endanger the public health, safety, and welfare; and*
- (3) Is not inconsistent with the docks and harbors department master plan and all subsidiary plans.*

(c) A permit may contain conditions reasonably required for the protection and use of the harbors department land or facility for which the permit is granted, including limitations as to time, area, equipment, user loading, traffic, parking, discharges, noise, and other factors.

(d) The director may deny a proposed use upon a reasonable determination that the use, alone or in combination with other uses, would exceed the carrying capacity of the area. The director shall determine the carrying capacity of an area taking into account the nature and extent of the use, the number of users, and the impacts likely to result from the use, including traffic, noise, public access, loading, the availability of parking and other factors. The director shall find that the carrying capacity of an area would be exceeded if it were more likely than not that the proposed use would unreasonably impact the resources and facilities of the docks and harbors department.

If the cumulative impact of proposed uses would exceed the carrying capacity of the area, the director shall not award any permits for that area until the following procedure is followed:

(1) The director shall notify all members of any group of applicants whose applications, taken together, propose uses in excess of the carrying capacity of an area. The notice shall identify the nature and extent of the impacts exceeding the carrying capacity, and shall invite the applicants to confer among themselves for the purpose of negotiating a resolution to the excess impacts issues.

(2) The applicants may re-submit their applications which shall be granted if the director finds that the excess impact issues have been resolved and the applications otherwise meet the requirements of this section. If excess use issues remain unresolved, the director shall grant permits by lottery to the extent that such uses do not exceed the carrying capacity of the area.

(e) A permit is transferable only with the permittee's entire business interest in activities conducted under the permit and only to a person who has successfully completed the permit application process. No credit will be given for any permit payments made by the previous holder of the permit.

05 CBJAC 10.020 - Prohibitions.

(a) A person shall not conduct any commercial activity within the downtown waterfront area except as authorized by a permit issued under this chapter by the director. Except as authorized by a permit, a person shall not within the downtown waterfront area:

- (1) Sell or offer to sell goods or services,
- (2) Construct, maintain, or use any structure, or
- (3) Use any loading zone.

(b) Solicitation, advertisement, sales, use of loading zones or any other commercial activities without a permit issued pursuant to this chapter is a violation of CBJ 85.25.090 (11).

(c) A person delinquent in the payment of fines, taxes, judgments or other monies owed to the city may not receive a permit.

(d) No permit may be issued or reissued to any person whose prior permit hereunder was revoked.

05 CBJAC 20.080 - Passenger-for-hire fee.

(a) Definition. The fee assessed to a person conducting commercial charter vessel activities at all facilities managed by the docks and harbors department.

(b) Relationship to other fees. This fee applies in addition to other fees set out in 05 CBJAC 020, except as follows:

- (1) A person paying moorage fees for reservations moorage at Statter Harbor as set out in 05 CBJAC 25.040 shall not be required to pay this fee;
- (2) A person paying freight use fees as set out in 05 CBJAC 20.070 shall not be required to pay this fee if the passengers are loaded at a launch ramp; and
- (3) A person conducting passenger-for-hire activities at the Douglas Boat Harbor Launch Ramps, North Douglas Launch Ramp, Amalga Harbor Launch Ramp, and Echo Cove Launch Ramp are assessed fees as set out 05 CBJAC 01 in lieu of this fee.

(c) Requirements. The owner of a vessel must apply to and obtain a permit from the harbormaster in order to conduct passenger-for-hire activities at all facilities managed by the docks and harbors

department. Applications are available at any of the docks and harbor department offices or online. The harbormaster is authorized to issue permits with reasonable conditions concerning insurance, operations, and the payment of fees.

(d) *Inspected vessel fees.* The harbormaster shall assess permit fees to the owner of a vessel engaged in passenger-for-hire activities that is regulated under Subchapter T and S of 40 CFR 33 as follows:

(1) *Calendar year permit:* \$671.39 per vessel plus \$1.94 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(2) *Each calendar year after 2022, a fee equal to the previous year's fee adjusted by the Consumer Price Index - Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the seasonal cruise vessel year (April 1 - November 1). The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.*

(3) *No charge for non-profit use when approved by the harbormaster on a case-by-case basis.*

(e) *Uninspected vessel fees.* The harbormaster shall assess permit fees to the owner of a vessel engaged in passenger-for-hire activities that is not regulated under Subchapter T and S of 40 CFR 33 (OUPV - operator of uninspected passenger vessels) as follows:

(1) *Calendar year permit:* \$202.20 per vessel plus \$1.94 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(2) *Each calendar year after 2022, a fee equal to the previous year's fee adjusted by the Consumer Price Index - Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the seasonal cruise vessel year (April 1 - November 1). The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.*

(3) *No charge for non-profit use when approved by the Harbormaster on a case-by case basis.*

My staff and I have always been very supportive of enterprises which drive economic development within the City & Borough. **However, after reviewing regulations, I am not willing to permit operations at our downtown harbors which will regularly support jet ski tours.** This is not to preclude the company from operating daily tours throughout Gastineau Channel using private facilities. My position is that impact from multiple daily tours operated out of Aurora Harbor is inconsistent with our established patrons and vision for our harbors.

#

Carl Uchytíl

From: carl.uchytíl@juneau.gov
Subject: FW: DOCKS & HARBORS REGULAR BOARD AGENDA FOR FEBRUARY 27TH

From: dangerouswaters@rocketmail.com <dangerouswaters@rocketmail.com>
Sent: Wednesday, February 26, 2025 5:52 PM
To: Carl Uchytíl <carl.uchytíl@juneau.gov>
Cc: Melody Musick <melody.musick@juneau.gov>; Matthew Creswell <matthew.creswell@juneau.gov>; Annie <nettiemoll@yahoo.com>
Subject: Re: DOCKS & HARBORS REGULAR BOARD AGENDA FOR FEBRUARY 27TH

EXTERNAL E-MAIL: BE CAUTIOUS WHEN OPENING FILES OR FOLLOWING LINKS

Carl,

Thank you, much appreciated.

I wanted to make sure to clarify our position of 'working with' docks and harbors to come up with the safest, most non-intrusive solution to the our request to run 3-hour watercraft tours out of downtown. Since our last meeting I have taken counsel from members of the board as well as local business owners who operate both on and off the water. I have spoken with commercial fishermen who sell their product on the dock, charter boat companies, float plane companies, commercial divers, and companies who run daily tours to Tracy Arm, all out of downtown. If these other commercial companies are able to operate commercially out of downtown I believe it to be an unfair application of CBJAC rules not to allow our company to run our business out of downtown as well.

Our company is very small, taking up only 30 feet of dock space and will not impact normal operations of docks and harbors. Our operations will not endanger the public health or welfare or cause any marine traffic disruptions. We have been operating in just about every Southeast Alaska harbor for the past eight years with zero accidents or safety violations. We have cooperated with the USCG for voluntary watercraft inspections and operated in a way respectful to all those on the water and at the docks. We are a proud member of both Tourism Best Management Practices, Travel Juneau and have received nothing but support for our new 3-Hour tour operations. We look forward to a quick resolution to approve the solution provided below.

SOLUTION

In speaking with business owners, members of docks and harbors as well as officers of the Juneau Yacht Club, we have found a solution to this conundrum. I am proposing to the board that Dangerous Water Adventures 3-Hour Tours operate out of Norway Point. Running our small operation out of Norway Point will not exceed the carrying capacity of the area, nor impede public access, loading, parking, or unreasonably impact the resources and facilities of docks and harbors. I have spoken with the gentlemen who coordinates the youth sailing program and he uses the channel side of the dock and we would be using the inside portion of the dock. We agreed we would not be in each others way if given this opportunity to share the dock. The inside portion of the dock is shallow and nearly unusable for any other boats at low tide but our company CAN work in shallow waters. This is revenue for docks and harbors that would not otherwise be generated from this dock unless our company paid to use it. Our operations begin May 12th and continue into September were as the sailing program is for a limited time over a six week period. There is ample parking and we are exploring options on renting use of the Juneau Yacht Club restroom facilities for our guests.

I look forward to tomorrow evening and approval of operating out of downtown.

Thank you,

Steven Moll
Adventure Guide
Dangerous Water Adventures
1-916-990-4713

Board Members,

- Please see link to Thursday's [\(2/27\) regular Boad meeting agenda](#) starting at 5 pm in the Port Office Conference Room and via Zoom.
- Please note that the Potential Commercial Tour out of Aurora Harbor is on the agenda as an action item.
- Please let me/Melody know if you are or will not be attending.

Thank you,
Carl



Carl Uchytel, P.E.
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02/25/2025

Carl Uchytel
Port Director
Docks and Harbors Board
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Juneau, AK 99801
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Dear Mr. Uchytel and Members of the Docks and Harbors Board,

I hope this letter finds you well. I am writing on behalf of Auk Ta Shaa to formally appeal for a Waterfront Vendor permit for the 2025 season. Regrettably, we acknowledge that we have missed the renewal deadline and have surpassed the official application period. We deeply regret this oversight and sincerely hope to seek your understanding and permission to submit our application despite the unusual timing.

Auk Ta Shaa has held a vendor permit for numerous past seasons, maintaining our status in compliance with all regulations and requirements. We have consistently demonstrated our commitment to upholding the standards of CBJ Docks and Harbors.

The Waterfront Vendor permit is critical to our company's operations. It not only impacts our ability to serve visitors and residents of Juneau but also affects our workforce, including three full-time seasonal jobs. We are the sole vendor of several unique tour products and hold long-standing sales partnerships with Juneau's major operators. Our annual acquisition of this critical permit not only results in the \$35,000 permit fee but also generates valuable sales tax revenue for the City and Borough of Juneau. The missed deadlines were a very unfortunate oversight, and we assure you it was never our intention to circumvent the application process, or the rules set forth.

We kindly and respectfully request the opportunity to apply for the Waterfront Vendor permit at this time. We are committed to upholding the standards expected by the Docks and Harbors Board and are eager to continue our partnership with your organization.

Thank you for considering our appeal. We believe that through collaboration and understanding, we can continue to play a vital role in our local waterfront community. I am available at your earliest convenience to discuss this matter further and answer any questions you may have.

Warm regards,

Seena Poopathi

Seena Poopathi

Vice President, Finance

Auk Ta Shaa

Seena@alaskatraveladventures.com

