

DOCKS AND HARBORS BOARD AGENDA

December 29, 2022 at 5:00 PM

City Hall Conf. Room 224/Zoom Webinar

<https://juneau.zoom.us> or 1-253-215-8782 Webinar ID: 822 0927 6272 Passcode: 509796

A. CALL TO ORDER: (5:00 p.m. in City Hall Room 224 & Zoom)

B. ROLL CALL: (James Becker, Paul Grant, Debbie Hart, David Larkin, Matthew Leither, Mark Ridgway, Annette Smith, Lacey Derr, and Don Etheridge)

C. PORT DIRECTOR REQUESTS FOR AGENDA CHANGES

MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED.

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

E. APPROVAL OF MINUTES

1. November 17th, 2022 Board Minutes

2. December 7th & 8th Board Retreat Minutes

F. CONSENT AGENDA

A. Public Request for Consent Agenda Changes

B. Board Members Requests for Consent Agenda Changes

C. Items for Action

3. Marine Passenger Fee Request

Presentation by the Harbormaster

RECOMMENDATION: TO FORWARD THE LIST OF PROPOSED FY24 MARINE PASSENGER FEES AS PRESENTED.

4. Six Year CIP

Presentation by the Harbormaster

RECOMMENDATION: TO FORWARD THE SIX YEAR CAPITAL IMPROVEMENT PROJECT (CIP) LIST AS PRESENTED.

5. Resolution in Support of Homeporting a Coast Guard Icebreaker in Juneau

Presentation by the Harbormaster

RECOMMENDATION: THAT THE ASSEMBLY ADOPT A RESOLUTION IN SUPPORT OF HOMEPORTING A COAST GUARD ICEBREAKER IN JUNEAU.

6. Recommendation for \$5M Revenue Bond for LTC Transformers

Presentation by the Harbormaster

RECOMMENDATION: TO FORWARD A REQUEST FOR A \$5M REVENUE BOND TO PROCURE LONG LEAD ITEMS NECESSARY FOR CBJ DOCK ELECTRIFICATION.

MOTION: TO APPROVE THE CONSENT AGENDA AS PRESENTED.

G. UNFINISHED BUSINESS - None

H. NEW BUSINESS - None

I. ITEMS FOR INFORMATION/DISCUSSION

7. FY23/FY24 Budget Process

Presentation by the Administrative Officer

Committee Discussion/Public Comment

8. CDD Request for Agency Review - Hansen/Gress Property

Presentation by the Harbormaster

Committee Discussion/Public Comment

J. COMMITTEE AND MEMBER REPORTS

1. Operations Committee Meeting Report
2. Assembly Lands Committee Liaison Report
3. Auke Bay Neighborhood Association Liaison Report
4. South Douglas/West Juneau Liaison Report
5. Members Reports

K. PORT ENGINEER'S REPORT

L. HARBORMASTER'S REPORT

M. PORT DIRECTOR'S REPORT

N. ASSEMBLY LIAISON REPORT

O. BOARD ADMINISTRATIVE MATTERS

- a. Ops/Planning Committee Meeting - Wednesday January 18th, 2023
- b. Board Meeting - Thursday January 26th, 2023

P. ADJOURNMENT

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

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, November 17th, 2022
 CBJ Room 224 and via Zoom Meeting

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

B. Roll Call – The following members attended in CBJ room 224 or via Zoom; James Becker, Paul Grant, Debbie Hart, David Larkin, Matthew Leither, Mark Ridgeway, Lacey Derr and Don Etheridge.

Absent – Annette Smith

Also in Attendance - Carl Uchytel – Port Director, Matthew Creswell – Harbormaster, Jeremy Norbryhn – Deputy Harbormaster, Teena Larson – Administrative Officer, Matthew Sill – Acting Port Engineer, Benjamin Brown – City Attorney, and Wade Bryson – Assembly Member

C. Port Director Request for Agenda Changes – Mr. Uchytel recommended to move the information items to after the approval of the meeting minutes.

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

Motion passed with no objections.

D. Public Participation on Non-Agenda Items – None

E. Approval of Minutes

1. October 27th, 2022 Regular Board Minutes – Hearing no objection the minutes were approved as presented.
2. November 9th, 2022 Special Board Minutes – Hearing no objection the minutes were approved as presented.

F. Items for Information/Discussion

3. Harbor Rate Study

Mr. Homan and Mr. Bruce gave a PowerPoint presentation on the HDR Port of Juneau – Docks & Harbors Rate Setting Project. The final report starts on page twenty-five in the packet. HDR conducted a thorough review of applicable documents related to current tariffs, facilities, users and Docks & Harbors (D&H) budget.

Key Findings

- Stakeholders are not likely sensitive to modest changes in rates.

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- D&H rates should be increased to ensure assets are maintained in a good state of repair.
- D&H should maintain a replacement reserve analysis and forward-looking capital plan.
- Based on the replacement reserve analysis conducted through this study, rates will need to be increased by nine percent.
- Rate increases could be less if D&H scaled back its capital investment program or reduced services.

Outreach User Group Participants

- Cruise Lines
- Charter Operators
- Recreation Boaters
- Launch Ramp Users
- Live-a-board Community
- Commercial Fishing

Replacement Reserve Analysis

- The total replacement value (in 2022 dollars) for all D&H facilities is estimated to be \$195M.
- The annual amount required to maintain D&H facilities in a state of good repair is \$1.9M beyond expenditures.

Board Discussion

Mr. Leither said nine percent of the \$4.25M Harbor Enterprises average revenue would only be \$380K, or less than half of what is needed to maintain the capital.

Mr. Homan said he used figures from Mr. Uchytel to find out what will be needed to keep assets in a state of good repair. There is a different variable cost for this forty-year analysis.

Mr. Bruce said they looked at the numbers for the three years before Covid, hopeful they would return to normal by next year.

Mr. Leither spoke about removing the “firewall” between the Docks Enterprise and Harbors Enterprise, combining the two into a single enterprise.

Mr. Homan said when they created the Replacement Reserve Analysis they combined the two enterprises as one.

Mr. Leither asked if we had control over the cruise ship rates.

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Mr. Uchytel said we do set those rates, but any increase would need to be approved by the City Assembly. He also said we have much less control over the head tax.

Mr. Grant asked for ideas to better index rate increases going forward.

Mr. Bruce said there are state and national agencies that offer GDP deflators. Consumer rate increases do not necessarily reflect what is happening with D&H facilities.

Mr. Grant asked about the difference between daily and long-term rates and the nine percent increase.

Mr. Bruce said he would do a nine percent rate increase across the board. He said D&H monthly rates are low and that should be looked at individually.

Mr. Grant asked if the nine percent only accounted for maintenance for current facilities, or if it includes future projects. He also asked why north Aurora Harbor was included in maintenance instead of a new facility.

Mr. Bruce said it only includes current assets.

Mr. Uchytel said some assumptions were made on longevity and the useful life of a facility.

Public Comment

Kirby Day – Juneau, Alaska

Mr. Day asked why the Docks Enterprise would get a nine percent increase to fund the shortfall from the Harbor Enterprise. The cruise ship docks are fairly new and the chance that we will need to replace them anytime soon is unlikely. He also said if they did need maintenance Marine Passenger Fees would likely pay for that. He believes the Harbors will need the bulk of replacement and maintenance.

Mr. Homan said at the end of the day it is up to the Board to decide where increases will be needed.

Mr. Larkin said the Assembly would look at an individual fund balance when making a decision. He would like the Assembly Finance Committee to look into any changes or merging of the two enterprises. He is worried there could be a negative impact or unforeseen consequence.

4. Site Characterization Workplan – 4400 Thane Road Property

Jason Ginter with NORTECH spoke about performing some site characterization work at the former Thane Ore House site. He will need to bring in an out-of-state driller and the work should start spring 2023. There is a test pit well on the property and the water

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sample showed traces of petroleum. Mr. Ginter is hoping this was an isolated contamination and they will not find more at other locations.

Mr. Uchytel said this property is owned by D&H and was leased to Central Council of Tlingit and Haida Indian Tribes of Alaska (CCTHITA) in 2017. There is also a portion of the property leased to AEL&P. AEL&P is subleasing their portion back to CCTHITA. Capital City Fire and Rescue (CCFR) used the old building in a controlled practice burn. While CCTHITA was digging test sites to install a septic tank, they noticed an odor of petroleum. They contacted the Alaska Department of Environmental Conservation (ADEC). D&H is contracted with NORTECH to help meet the ADEC obligations.

Board Discussion

Mr. Leither asked what the property was used for before the Thane Ore House restaurant.

Mr. Ginter said the Thane Ore House did have a few minor fuel spills over the years. The building had been on the site for over forty years before its controlled demolition by CCFR. There is a portion of the property that had been used for mining in the past and a portion of the bordering property is old mine tailings.

Mr. Grant asked for the history of D&H ownership of the property.

Mr. Uchytel said it was a transfer from the state of Alaska in 2001. We assumed the property and lease by the Thane Ore House and AEL&P. The Thane Ore House lease was cancelled for lack of payment.

Mr. Larkin asked how long the petroleum had been at the site.

Mr. Ginter said it looked to be old and was definitely not a fresh spill.

Mr. Uchytel said they did research to confirm CCFR did not use the same type of propellant during the controlled burn.

Mr. Becker asked how long this project will take.

Mr. Ginter said it should take six to eight weeks once on site.

Mr. Grant asked if there is any chance the State of Alaska could be partially responsible for the clean-up.

Mr. Uchytel said he has reached out to AEL&P and they are interested in collaborating with us to help with the clean-up.

Mr. Becker asked how this was affecting CCTHITA developing the property?

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Mr. Uchtyl said he has consulted with leadership at CCTHITA. They would like to be up and running by the summer of 2023. This contamination has set CCTHITA back and they are worried about the ramifications.

Mr. Ridgway asked how much revenue we receive for the leases and what our liability is if the contamination is significant. He also wonders if we are liable to CCTHITA for holding up their plans for the property.

Mr. Ginter said the area is tailings and if we were to look for heavy metals, we would find them. The ADEC is only interested in the petroleum factor and what they were originally called out to the site to inspect.

Mr. Brown said when the State of Alaska transferred tidelands to the City, it was implied that we would also assume all liability related to the property. He cannot offer an opinion on damages or liability incurred due to the lease with CCTHITA.

Mr. Uchtyl said the CCTHITA signed a 35-year lease and they will pay fair market value, or \$8K. CCTHITA also agreed to pay a head tax of \$1.30 per person that goes through the facility.

Public Comment – None

5. Board Strategic Retreat

Ms. Derr said the Board will meet on December 7th & 8th from 5:00 p.m. to 8:00 p.m. She feels the main topic will be reviewing the HDR study and rates.

Mr. Uchtyl said this will be a public meeting and will be available through Zoom.

Board Discussion – None

Public Comment – None

6. Aurora Phase III Project Update

Mr. Sill discussed the project, schedule and anticipated cost. He reviewed the plans starting on page forty-seven in the packet. He said he is working with R&M Consultants, Inc. to help with environmental permitting. PND Engineers, Inc. will help with structural plans and Morris Engineering Group will assist with the electrical portions of the project. This project is funded by a match grant, \$2M from the State of Alaska and \$2M from the City and Borough of Juneau. The overall contract will go out to bid in January 2023. There will be several 100 amp power pedestals available on this new float as well as 30/50 amp.

Board Discussion

Mr. Larkin asked if all of the new floats put in after this one would be the same design.

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Mr. Sill said yes and this first replacement float would hold all of the housing and power needed for the remaining floats.

Mr. Grant asked what would be involved to extending the float to the end, giving added side-tie options.

Mr. Sill said that could work, but \$4M would only get the main walk with no new stalls.

Public Comment – None

7. UAS Property Update

Mr. Uchytel, Mr. Etheridge, the Lands Manager and the City Manager met with UAS. The UAS Board of Regents is unwilling to sell the Fisherman's Terminal property to us. If we decide to move forward with a new 33-year lease, it will be at fair market value of \$230,400 a year. Mr. Uchytel believes it is too rich for us to maintain that price for a 33-year lease. We asked for consideration and were told if there is an educational benefit provided they may be able to reduce the price. The cranes, travel lift and pier are all in poor repair on this property. Our current lease will expire on May 4, 2023 and we do have the right to walk away from the property. If we do not sign a lease with them they will go out with a Request for Proposal (RFP) on the property. We might be able to get the property for much cheaper if we are the only bid, or only entity coming in with real money.

Mr. Etheridge said they might require a minimum bid of the fair market value of \$230K. We need to get clarification on this. The City Manager is looking into other things CBJ might be willing to offer to get the price down.

Mr. Becker asked if there was a professional appraisal on the land?

Ms. Derr said she is disappointed with UAS and how this process is going. She would like to walk away from it. She wonders if we could purchase the whole UAS property and enter into a partnership with the Marine Exchange and use it as our new Aurora Harbor office.

Mr. Etheridge said that is not an option now. They gave a timeframe of needing that technology space for the next 50 years.

Mr. Uchytel said UAS does not want to sell this piece of land because they are worried it would diminish the value of the other parcel next to it.

Mr. Leither asked what type of educational benefit would qualify for a price reduction.

Mr. Etheridge said they are open to anything at this point.

Mr. Grant asked what type of rent reduction an educational benefit would provide.

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Mr. Etheridge said he has heard from \$100K - \$175K reduction.

Mr. Uchytel asked the Board how much they are willing to pay to subsidize a boatyard and commercial fishing facility. We currently pay about \$9,500 per year to UAS.

Mr. Leither asked if the Auke Bay Loading Facility (ABLF) could replace the Fisherman's Terminal needs.

Mr. Creswell said the boatyard at the ABLF is currently full and has the ability to lift smaller vessels. We sold our sealift recently and have about \$225K to buy a new one. It is a small area and there is not room for expansion.

Mr. Bryson said the City Assembly was equally disappointed with the UAS negotiations. He feels if D&H walks away from this property and waits for the RFP there is no way anyone else will come up with \$240K per year for a 33-year lease. The Assembly appreciates there is not a lot of land for purchase for this purpose, but is supportive if some can be found.

Public Comment – None

G. Consent Agenda

- a. Public Requests for Consent Agenda Changes – None
- b. Board Members Request for Consent Agenda Changes – None
- c. Items for Action

8. Assembly Authority for Negotiated Land Sale

9. Legislative Priority List

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

Motion passed with no objection.

H. Unfinished Business – None

I. New Business

10. Docks & Harbors Annual Report to the Assembly

Mr. Uchytel said D&H is required to submit an annual report to the Assembly by November 30th each year. Starting on page eighteen of the packet is the draft of the report. Mr. Uchytel reviewed the budgeted numbers and estimated final budget.

Board Questions – None

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Public Comment – None

Board Discussion/Action

MOTION By MS. DERR: TO SUBMIT THE ANNUAL REPORT TO THE ASSEMBLY AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

J. Committee and Member Reports

a. Operations Committee Meeting Report – None

b. Assembly Land Committee Liaison Report

Ms. Derr said none of the land discussed recently is owned by D&H. One problem she is seeing regularly is shared access. She is worried about the condominium project at Statter Harbor and their request for shared access.

c. Auke Bay Neighborhood Association Liaison Report – None

d. South Douglas/West Juneau Liaison Report

Mr. Becker said they are going through a very involved process regarding future development of Douglas Island.

e. Member Reports

Mr. Grant has done an initial run-through on the bylaws project and sent some information to Mr. Uchytel.

Ms. Derr said there was a letter sent to the live-a-board community in Statter Harbor and there has been good feedback. They will meet with Ms. Derr and she will report back.

Mr. Grant said it concerns him as a Board member to be advocating for one user group. We do not do that for any other user group. He is concerned we are amplifying the voice of one group to the detriment of us and other groups.

K. Port Engineer's Report: Mr. Sill reported -

- Global Diving checked the entire length of the Statter Harbor Breakwater and fixed one broken rod. It was in much better shape than anticipated.
- D&H is signing a contract with Carver Construction to fix some sinking and trip hazards on the concrete near the Goldbelt Tram.
- Trucano Construction is on schedule with the Marine Park Deckover Project. They have successfully driven 5 ½ of the 17 piles needed. He is working with CBJ to bring their pipe inspection truck to inspect a 48 inch culvert that drains most of downtown Juneau. They need to confirm this ongoing work is not

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affecting anything. Mr. Sill has solicited a proposal from our term contractor to assist with the inspection process.

- The Statter Harbor Restroom Project is going well. Dawson Construction will be having their pre-construction meeting next week. They should be breaking ground in two weeks.

L. Harbormaster's Report: Mr. Creswell reported -

- We received a comment from a patron on the condition of the Statter Harbor public bathrooms. There is some truth to the complaint and they are in worse shape in the mornings before staff comes in to clean. The facility is 20+ years old and we are planning to do some minor repairs to help aesthetics.
- Our annual Christmas party is at Dipac on December 15th from 6-9 p.m.
- All winterization is complete.
- The Harbor Security Officer is doing a great job tagging abandoned vehicles. We have three going to disposal next week.
- Mr. Creswell issued 13 mandatory seaworthy notices to vessels in Douglas. All but three have scheduled or passed the trials.
- The new cameras in Harris Harbor and Statter Harbor were installed. One more is due to be installed with 360 degree rotation to cover the Harris Harbor restrooms.
- The Harris Harbor restrooms are locked from 11 p.m. to 5:00 a.m. due to continued vandalism.
- D&H is interviewing for a full-time Administrative Assistant at Aurora Harbor.
- We are bringing online a SMS messaging system that will allow us to text message automated notifications to our harbor patrons.

M. Port Director's Report: Mr. Uchtyl reported -

- Mr. Uchtyl will be on leave starting Monday, November 21, 2022.
- The next Assembly meeting has many D&H agenda items. We have regulation/ordinance changes, resolution in full support of our harbor grant program and a \$500K transfer from our fund balance to the Aurora Harbor project.
- The Assembly Committee of the Whole will be considering our Land Management Plan.
- The Port Engineer position is out for hire. This position is a senior member of the staff and Mr. Uchtyl welcomes any Board member that would like to participate in the process.
- Mr. Uchtyl and Ms. Hart will meet with government entities on December 5th at the Auke Bay Marine Station.
- Mr. Uchtyl has entered into a contract with Corvus Design to help with beautification along the Seawalk. This includes additional signage and seating from Marine Park to Taku Fisheries.
- There was a USS JUNEAU memorial ceremony on November 13, 2022. Mr. Uchtyl would like to improve/expand the current memorial on the Seawalk.

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- Mr. Uchtyl met with Goldbelt, Inc. and Horan & Company to discuss the proposed project at the Seadrome location.
- There was a vote last week that limits cruise ships carrying more than 1,000 people from entering Bar Harbor in Maine. Key West, Florida tried the same thing four years ago but the decision was overturned.
- Mr. Creswell is applying for a national security program that is run by the U.S. Coast Guard. They meet twice a year in Washington D.C. Mr. Uchtyl would like to write a letter on behalf of himself and the Board recommending Mr. Creswell.

N. Assembly Liaison Report: Mr. Bryson reported -

- He is excited to be the new Assembly Liaison for D&H.
- At the last Assembly Committee of the Whole meeting, they listened to a great presentation by Huna Totem about the proposed new cruise ship dock.
- There has not been a lot of support for North Douglas projects. If any Board member would like to share their opinion, please put it in a letter to the Assembly.
- Mr. Bryson said he is the Chair of the Public Works Land Committee. If you ever have any issue with ordinances or need anything please feel free to contact him.

O. Board Administrative Matters

- a. Docks & Harbors Board Strategic Retreat – December 7th & 8th, 2022
- b. Ops/Planning Committee Meeting – Wednesday, December 21st, 2022.
- c. Board Meeting – Thursday, December 29th, 2022
- d. Board members please let Mr. Uchtyl and Mrs. Larson know if you will be attending meetings. It is important to confirm the Board will have a quorum.

P. Adjournment – The meeting adjourned at 7:46 p.m.

DOCKS & HARBORS BOARD STRATEGIC RETREAT

Meeting Minutes

December 7th & 8th, 2022

CBJ Room 224 and via Zoom

- A. Call to Order** – Mr. Etheridge called the Board Retreat to order at 5:00 p.m. on December 7th and at 5:00 p.m. on December 8th in room 224 and via Zoom.
- B. Roll Call** – The following members attended in person in CBJ Room 224 or via Zoom: Paul Grant, Debbie Hart, Matthew Leither, Mark Ridgway, Annette Smith, Lacey Derr and Don Etheridge.

Absent – James Becker and David Larkin.

Also in Attendance – Carl Uchtyl – Port Director, Matthew Creswell – Harbormaster, Teena Larson – Administrative Officer and Benjamin Brown – City Attorney (December 7th).

- C. Port Director Request for Agenda Changes** – None
- D. Public Participation on Non-Agenda Items** – None
- E. Items for Information/Discussion**

1. Strategic Retreat
 - a. HDR Port of Juneau – Docks & Harbors Rate Setting Project.

The Board discussed the rate study and why there are two enterprises separating Docks business and Harbors business. Mr. Brown spoke about the legal implications of combining the two enterprises and why they were initially split in the budget. He said it would not be a legal problem to combine them but more of a political one. Mr. Uchtyl said he thought Docks & Harbors (D&H) has benefited by having the enterprises separate. It helps to see where expenditures go and how personnel costs are allocated. He said the challenge with this study is it combined everything, as if D&H was one company. It will be hard to separate them back out to see where increases are needed. The majority of revenue is already with the Harbor Enterprise. All Vender Booth Permits, Loading Zone Permits, parking, yacht revenue and lease revenue is going to the Harbor Enterprise. The only revenue going into the Dock Enterprise is lightering fees, port development fees and dockage for cruise ships. Mr. Etheridge said we never wanted the Harbors to financially support cruise ship docks. The Board's consensus was not to combine the two enterprises.

The Board discussed Marine Passenger Fees and how they are used per the settlement agreement. There was a lawsuit regarding how Marine Passenger Fees were used to build Overstreet Park. Cruise Lines International Association Alaska (CLIAA) settled the lawsuit with the City and Borough of Juneau in 2016. A large portion of the Marine Passenger Fees goes to the Juneau Police Department, Capital City Fire and Rescue, Parks & Recreation and the city's general fund. Mr. Uchytel said the Docks Enterprise typically receive \$400K a year from Marine Passenger Fees, which covers about 25% of the dock expenses. The Board also discussed the State of Alaska head tax.

Mr. Brown spoke about the insurance needed by D&H to cover spill liability and how boat owners are not required to obtain their own coverage. He has been working with the Risk Department and D&H pays a considerable amount for this coverage. Mr. Uchytel discussed the Vessel Disposal Fee charged to each boat owner that cannot provide proof of insurance. D&H receives about \$18K per year from this fee. The fee is meant to compel boat owners to purchase their own coverage and give us a small fund in case a vessel sinks or a spill occurs. Mr. Creswell said the U.S. Coast Guard or Department of Environmental Conservation usually provide assistance with spills and D&H normally does not receive a bill.

The HDR study suggested a nine percent increase on all fees to keep the infrastructure in a state of good repair. The Board discussed why the Docks Enterprise might not need as much of an increase as the Harbor Enterprise. Ms. Smith said even though the harbors are older and require the majority of repairs, when a cruise ship dock needs something repaired or replaced the cost would be significantly higher. Mr. Uchytel thinks the average age of the harbor infrastructure is twenty years old.

The Board discussed whether there was a better tool for rate adjustment other than the Alaska Consumer Price Index (CPI). The Board also discussed whether it might be best to phase-in rate increases over time. The Board would like to keep deferred maintenance costs and capital improvements separate. Mr. Uchytel reviewed the fund balances for Docks and Harbors. The nine percent increase would not support improvements, only keep infrastructure in a state of good repair.

Mr. Uchytel shared the budget and revenue streams for each of the enterprises going back ten years. He explained which revenue streams were consistent and which he expected to go up and down. Mr. Uchytel spoke about deferred maintenance and how the harbors are usually run until failure and then replaced. The maintenance needs are usually replacing a power pedestal or water spigot and other small repairs. The Assembly has been kind to Docks & Harbors over the last year. D&H received money from the 1% sales tax and money for multiple other projects.

The Board discussed the approach they want to take for public outreach to make sure community members are heard. They discussed public forums, mailers and town hall meetings. Fairness was discussed at great length about which rates will be increased. Ms. Derr discussed the Public Meetings Act and asked if the Board receives emails or correspondence from the public it is best to bring it to the Board for review and reply. The Board discussed the timeline for implementing the rate increases. Mr. Ridgway would like the public to understand that D&H is run by an empowered Board and is a fee based enterprise.

Mr. Grant would like a one-time rate increase of ten percent across the board for all rates. Nine percent would be just enough to keep the facilities in a state of good repair. Adding the additional one percent would give a cushion and help build the fund balances. Many of the grants we apply for require match money making a fund balance crucial. Mr. Grant thinks when the docks need to be replaced in thirty or forty years it will be a significant expense and we should have some money set aside for that. He thinks waiting twelve months to implement the rate increase would give plenty of time for users to prepare. The ten percent increase is a bare minimum needed and is incredibly fair. Mr. Grant also brought up the fact that Juneau has some of the lowest rates in the state of Alaska. He would like to see the public process wrapped up by early summer 2023.

Mr. Ridgway liked the nine percent across the board for all rates and users. He feels that is the fairest way to handle the information learned from the rate study. He would like to phase-in this rate increase over two years. Mr. Ridgway is interested in setting aside some money in a separate account for new infrastructure and improvements. When we add new infrastructure it also costs us more long-term for maintenance. Mr. Ridgway thinks the message is key and there needs to be a replacement analysis available for everyone to review. He would like to see D&H receive more Marine Passenger Fees to help offset costs. Cruise ship passengers contribute a large portion of the use at Statter Harbor with whale watching tours. Mr. Ridgway said we started this process a couple of years ago and with current inflation not increasing the rates has really come back to bite us. Docks & Harbors is seeing inflation just like everyone else. Many of our rates have not changed in a decade. He would like the message to be this increase is to maintain the infrastructure we already have.

Mr. Etheridge agrees we need to raise all rates across the board by nine percent. He said a year ago we were discussing doubling some rates, now we are only talking about raising them nine percent. He also said if we do a smaller rate increase to start, hoping to do another down the line it will never get done. He would like to see a one-time nine percent rate increase. Mr. Etheridge does not think this increase will be hard to get through the Assembly. He feels the increase is completely justified and it is easy to prove that. He would like this discussed at multiple Operations/Planning

Committee meetings and at Special Board meetings to make sure the public is made aware of the increases. Mr. Etheridge said the fund balances will be used to help us come up with match money for grants when replacement is needed for infrastructure.

Ms. Smith would like to see all rates increased nine percent. She also likes that the CPI was added to certain rates as a cost of living balancer. She supports the separate enterprises and thinks the Board has been flexible when money needs to be moved between the Enterprises. Ms. Smith does not think justifying the increase is a difficult task. Rate increases are needed and we have not raised most rates in many years. She does not like the idea of phasing-in the rate increases. The Board has wanted to make improvements to our Harbors by adding lights and gates, yet we do not have the money to make important improvements that would help with safety.

Mr. Leither is concerned the study shows a nine percent increase to keep all facilities in a state of good repair, but a huge majority of the added revenue will be spent on the Harbors. The Docks are newer so maintenance is not as much of an issue and there is less of them. He does not think the rate study shows enough granularity but he is happy it was completed. He is afraid the nine percent increase for the Harbors might not be enough. He said he thinks waiting a year to impose the increase is a smart idea. He is hopeful the CPI will also be lower by then. He acknowledged the Assembly has been generous but we cannot count on that continuing each year. We can only count on and spend what we take in. Even if we do have \$1M in our fund balance, one float could need replacement and that would be gone. The fund balance will never be enough to fund new projects.

Ms. Hart asked about the cost associated with Docks maintenance and if they do need a rate increase. Mr. Uchytel said there are always planks that need replacement due to tripping hazards. At some point, the Port Field Office and Visitor's Center will need new roofs. There are also costs associated with keeping the power and water functional. Ms. Hart brought up the idea of a phased approach to get feedback and share the rate study. She would like to see a five percent increase this year when rates change on July 1st. She likes the idea of keeping maintenance costs and improvement costs separate. The nine percent increase is significant but only for keeping things in a state of good repair. Ms. Hart asked if HDR would be on hand to answer questions regarding the rate study during the public process. Mr. Uchytel thinks it would cost additional money for them to go beyond updating this Board.

Ms. Derr had a hard time increasing all fees but has come to realize it is necessary. With dock electrification looming, there will be maintenance costs associated with its upkeep. We recently tried to get a rate increase through the Assembly for the Docks Enterprise but that was shot down. Now we have all the evidence to prove rate increases are needed. She would also like to see this rate increase phased-in over two years. The cruise ship rates were not raised last year with the rest of the rates. She is

comfortable increasing the Docks rates by nine percent. She feels the increase should happen on January 1st of 2024. That would give everyone time to prepare for the increases. She would like a narrative out to the community explaining the decision and giving them plenty of time to be heard. Ms. Derr said D&H money goes back into the Harbors, even though it is not always bright and shiny new things. She has noticed there is not the normal amount of maintenance happening like in previous years.

The Board discussed the last time rates were increased and the process getting it through the Assembly. Mr. Etheridge said the meeting was packed with patrons complaining about the increases. D&H manages \$440M in assets and barely has a million dollars in each enterprise fund balance.

The Board discussed when rates change per user group. The launch ramp permits are by calendar year and change by CPI in April. The yearly skiff fee is also set by calendar year. All harbor moorage changes by CPI at the beginning of the fiscal year on July 1st. D&H keeps rates associated with the cruise ships and tourism the same for the entire tour season. Ms. Larson said this is how it has always been and works well for admin staff. The only difficulty she sees is we do not know the CPI until February so for calendar year rates, they do not change until April. Ms. Larson feels it works well for budget purposes and she would like it to stay the same.

Ms. Smith also mentioned the Harris Harbor restrooms and their closure. It was due to needles being flushed and will be costly to repair. Mr. Creswell said it was needles, sanitary items and other foreign objects being flushed. These items caused the pumps to break and they need to be replaced. The Harris Harbor restrooms are on a key fob system. Some of the issues with the key fob system is if someone is inside the bathroom and has the deadbolt locked other users will come up and scan the fob trying to get in, yet they never get a chance to use the facility. This makes it incredibly difficult to figure out who has actually used the facility when damage occurs. Mr. Creswell ordered a 360 degree camera to help monitor the situation. He feels the restrooms have required twenty staff hours in the last two months. Ms. Smith would like to put out a statement showing the amount of money and staff time needed to keep the restrooms at Harris Harbor operational. She also wanted to know if we needed additional security for the harbors.

Mr. Ridgway is interested in a firewall that would keep money for maintenance and money for new projects separated. The increase in fees is not meant to be saved up to build new infrastructure but that is also needed.

Mr. Uchytel said it looks like D&H did very well in FY22, which we did. The balance will go down another \$200K for investments and \$500K for the Aurora

Harbor Phase III. In FY23, we expect the fund balance to be much smaller. D&H is responsible for \$440M in assets and has under \$1.5M in the fund balances today.

Ms. Derr would like to start on public outreach and adding the discussion to the next Operations/Planning Committee meeting agenda. She would also like to take the lead on drafting the Board's narrative for this process. At the upcoming Operations/Planning Committee meeting we can get the opinions of missing Board members Mr. Larkin and Mr. Becker. Mr. Grant spoke about the public process and asked how many people subscribe to the Tideline. Mr. Etheridge thought sharing it on the D&H Facebook page would be a great method to reach people. Ms. Larson spoke about the new SMS system allowing for opt-in text messaging. Ms. Derr would like the narrative completed and a formal motion by the January Regular Board meeting and it forwarded on for public process and outreach. Mr. Ridgway wanted to know the amount of additional revenue generated if we raised all rates by nine percent. Mr. Uchtyl said the only fees that wouldn't go up would be the tideland leases.

Mr. Uchtyl reviewed the legislative priorities list and the six-year CIP list. These will be on the agenda for the December Regular Board meeting.

Public Comment

Kirby Day – Juneau, Alaska

Mr. Day said his concern is the HDR study did not separate needs between the two enterprises. He has testified in prior Harbor Board meetings that he thinks you would be charging cruise ships a nine percent increase to offset the Harbor Enterprise needs. He believes the repair, maintenance and replacement costs needed for the Docks Enterprise would at least be partially covered by Marine Passenger Fees. He said he feels the Harbors would probably need closer to a twelve percent increase and Docks a four or five percent increase. He feels the state of the art cruise ship docks will not need significant repair or replacement for 50 years. He thinks the Board is on the right track. He realizes the difficult situation the Board is in and appreciates the hard work they are doing.

Martin Stepetin – Douglas, Alaska

Mr. Steptetin said he appreciates the conversation he has heard so far at the December 7th, 2022 meeting.

F. Staff Committee and Member Reports – None

G. Board Administrative Matters – Next Operations/Planning Committee meeting is on December 21st, 2022.

H. Adjournment –

The Strategic Retreat meeting adjourned on Wednesday, December 7th at 7:52 p.m.

The Strategic Retreat meeting adjourned on Thursday, December 8th at 7:35 p.m.



Port of Juneau

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

From: Carl Uchytel, P.E.
Port Director

To: Alexandra Pierce
Tourism Manager

Via: Docks & Harbors Board

Date: December 30th, 2022

Re: FY 2024 Marine Passenger Fee (MPF) Request

1. Attached for your consideration is a list of FY24 Marine Passenger Fee requests from Docks & Harbors. This list was discussed by the Docks & Harbors Operations-Planning Committee at its December 21st and approved at its December 29th, 2022 regular board meeting.
2. Docks & Harbors is very appreciative of the financial support received from the Assembly thorough this process. FY22 ended with strong cruise ship activity; however, the Docks Enterprise did transfer \$130,000 from the fund balance to meet necessary expenditures. Please know that the MPF generously provided to the Docks Enterprise provides approximately one-third of all revenue collected. With Docks fees largely unchanged since 2007, MPF has increasingly become more important to the financial health of this Enterprise.
3. Please contact me should you have questions at 586-0282.

#

Encl: (1) FY24 Docks & Harbors Marine Passenger Fee Request

Copy: City Manager
Parks & Recreation
Finance Department

CBJ Docks and Harbors Board
FY2024 Marine Passenger Fee Request

Section F, Item 3.

Area Wide Port Operations

Descriptions: CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the docks enterprise. The Board has established a number of fees to generate revenues from users of the assets. The Board has calibrated these fees to assure the overall revenue generated by the enterprise equals the overall cost of running the enterprise.

Many of the uplands assets are used by entities which it is not possible, feasible, or acceptable to charge fees. As a result, users paying fees are subsidizing users that do not pay fees. The services provided to these users are area wide in nature benefiting the general public and cruise ship passengers of private docks. As part of this fee request, the Board identified services that are area wide in nature.

Board identified the following services:

1. Year round maintenance and monitoring of Marine Park.
2. Maintenance and operation of public parking at the Columbia Lot and seasonal public parking at the Steamship Wharf Plaza and the Visitor's Center Lot.
3. Maintenance and operation of unrestricted pedestrian access along the waterfront at the public docks.
4. Year round maintenance and monitoring of Peratrovich Plaza.
5. Costs associated with landscape maintenance services throughout the Downtown Waterfront.
6. Providing area wide port security. Of note are new Coast Guard requirements to validate credentials of passengers and crew returning to the cruise ships. New security structures will provide greater efficiencies but the resultant will be greater staff responsibilities to meet facilities security plans. [Note an additional \$300K MPF request for "Port of Call" access control is included in this year's request.]
7. Billing and collecting CBJ area wide fees for all docks.
8. Maintenance & repairs of Visitor's Kiosk.

The Board reviewed its FY22 budget and apportioned expenses associated with these services. Based on its review, it estimates that about 20% of the annual docks budget is attributable to area wide services.

Marine Passenger Fee Funds Requested (FY24): \$275,000

Benefits: This approach is supported by the cruise ship industry since it is more equitable than raising dockage fees, although Docks & Harbors is considering fee increases. This approach meets the intent of the marine passenger fee since the services benefit all cruise ship passengers, not just the passengers at the public docks. This approach allows the Docks and Harbors Board to direct part of the dock lease revenues to the much needed rebuild effort of the small boat harbors reducing the need for fee increases at the harbors.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Teena Larson, Port Admin Officer or Carl Uchtyl, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2024 Marine Passenger Fee Request

Section F, Item 3.

Port-Customs and Visitor Center Buildings Maintenance Support

Project Descriptions: The Port-Customs and Visitor Center buildings are located on the downtown Juneau waterfront, an area that serves over one million cruise ship passengers each year. Docks and Harbors, an enterprise fund, is responsible for costs associated with operating the Port-Customs and Visitor Center Buildings. Expenses include all utilities (water, sewage, electrical, alarm monitoring) and facility support (parking lot, plaza, snow removal, janitorial and general maintenance). The two buildings comprise approximately 4450 square feet in area. Maintenance costs are estimated at \$2.66 per square foot per month equaling \$142,000.

Marine Passenger Fee Funds Requested (FY24): \$142,000

Project Review: The Port-Customs Building was completed in May 2011 with the Visitor Center completion in June 2012. The project which included the buildings, infill dock construction, covered shelters, landscaping and plaza cost approximately \$9M and was funded with Marine Passenger Fees. The Port-Customs Building is occupied by the US Customs and Border Protection (CBP) and Docks and Harbors staff. CBP claims to be exempt from any costs associated with their operations within a port. The Visitor Center Building is occupied by the Travel Juneau, a non-profit organization for the purpose of supporting cruise passenger inquiries. The Travel Juneau budget does not support maintenance of the building. This leaves the Docks enterprise funds fully exposed to the costs of maintaining and servicing these buildings.

Benefits: By establishing a Port-Customs and Visitor Center Buildings maintenance fund Docks & Harbors can effectively manage and maintain the properties entrusted under their responsibilities. Passenger fees were granted for this purpose in FY2013 through FY2020.

Maintenance and Operation Responsibility: CBJ Docks and Harbors is responsible for all ongoing maintenance and operating expenses of these two buildings and associated upland support facilities.

Project Contact: Matthew Sill, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2024 Marine Passenger Fee Request

Section F, Item 3.

Safety Rail along Dock Face

Project Descriptions: The project would be located along the downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. The project consists of constructing a new guardrail along the face of the existing dock.

Marine Passenger Fee Funds Requested (FY24): \$1,000,000

Project Review: This project would construct a new pedestrian guardrail along the existing dock face from Marine Park to the South Berth approach dock. The existing dock face only features an eighteen inch bullrail at the edge. For pedestrian safety a forty two inch high guard rail would be constructed. The proposed guardrail would be designed in the same character as other guardrails along the Seawalk.

Project Time-Line: This project would begin as soon as funding is allocated. The first step would be to design the guardrail and prepare construction bid documents. Upon award of a contract to the lowest qualified bidder construction would begin. The plan is to have the guardrail installed by spring 2024 provided full funding is obtained.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses. Maintenance and operations expenses for the guardrail would be minimal.

Project Contact: Matthew Sill, CBJ Port Engineer or Carl Uchtyl, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2024 Marine Passenger Fee Request

Section F, Item 3.

FY2024 ADOPTED BUDGET FOR DOCKS

Descriptions: CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the docks enterprise. An alternative is for the Docks enterprise to be completely funded with Marine Passenger Fees.

Marine Passenger Fee Funds Requested (FY24): \$2,200,000

Benefits: This request places the entire Docks budget under a single funding source.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Teena Larson, Administrative Officer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2024 Marine Passenger Fee Request

Section F, Item 3.

Additional Personnel for “Port of Call” Access Control

Description:

After two years of cruise ship inactivity due to the pandemic, CY2022 rebounded with 1.2M arriving passengers which was second highest record to 2019. The CY23 schedule calls for an equally busy season for the AS/CT Docks and at the PFO lightering dock. The 2020 Coast Guard requirements described below is a non-funded federal mandate that must met to remain compliant with our approved Federal Security Plan. Docks & Harbors has provided briefings to determining the financial resources necessary to meet this requirement.

On December 18th, 2020 Coast Guard Sector Juneau released a Marine Safety Information Bulletin clarifying the regulatory requirements for Maritime Transportation Security Act (MTSA) regulated facilities which receive large foreign passenger vessels (i.e. cruise ships). The Consolidated Cruise Ship Security final rule, published on March 19th, 2018 defined the differences between a “cruise ship terminal” and a “port of call”. The final rule also prompted a conversation between USCG Sector Juneau and SEAK industry stakeholders, including the Port of Juneau. Previously, SEAK industry stakeholders (including the Port of Juneau) interpreted Title 33, Code of Federal Regulations (CFR), Section 105.255(d)(4) as a list of documents which could serve as personal identification irrespective of criteria in 33 CFR 101.515. As such, facility security personnel (including the Port of Juneau) were allowing individuals with only a vessel boarding pass or room key to gain access to the secure area adjacent to the cruise vessel.

The resultant clarification in the MSIB is that, effective April 1st, 2021, facility security personnel must use a two-prong approach to ensure proper identification and valid purpose:

1. Check the personal identification meeting the criteria in 33 CFR 101.515; and,
2. Confirm the purpose for access by examining at least one document listed in 33 CFR 105.255(d)(4).

Although this may seem like a minor additional task to validate an ID with a boarding pass, we believe the impact will greatly impede the flow of passengers returning to their vessel. The above mentioned two-prong requirement will be similar to what one experiences at an airport TSA checkpoint. The extra time required to ensure each boarding pass matches the government issued ID has the potential to create delays when excess of 1000 passengers/hour attempt to embark their vessels during the waning time in Juneau. Additionally, passengers who do not have government issued ID will need to be escorted by port facility security to the vessel security officer which will only exasperate those waiting in the queuing line.

Marine Passenger Fee Funds Requested (FY24): \$300,000 (14 Part Time Limited Harbor Technicians)

Benefits: By funding an additional 14 PTL Harbor Technicians positions, Docks & Harbors will recruit seasonal employees who will augment the standing Docks security force enabling greater redundancy for properly checking credential in accordance with Coast Guard guidance.

Maintenance and Operation Responsibility: CBJ Docks & Harbors, as the facility manager for the AS and CT Docks, has uplands security requirements required under MTSA regulations.

Project Contact: Matt Creswell, CBJ Harbormaster or Carl Uchtyl, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2024 Marine Passenger Fee Request

Section F, Item 3.

Port of Juneau Harmonization

Description: The geographic area of Juneau Harbor (aka Port of Juneau) is posed for unprecedented capital investment from private, federal and local government interests. It should be a CBJ goal to ensure the entities involved do so collaboratively and with community mindfulness.

- a. Huna-Totem Corporation – has publicly announced plans to develop the NCL deeded property at the Sub-port.
- b. USCG – open source media articles have suggested the Coast Guard is considering Juneau as a potential homeport for a commercially available icebreaker.
- c. Goldbelt Inc. – has approached CBJ to secure property necessary to raze and construct a new Seadrome Building along the waterfront and adjoining to the future Seawalk.
- d. CBJ Small Cruise Ship Infrastructure – Docks & Harbors continues to pursue federal grant funding to expand moorage encourage small US flagged cruise ships to operate out of the downtown port.
- e. CBJ Dock Electrification – Docks & Harbors is actively working with AELP in procuring long lead items and planning efforts to electrify one of the two CBJ owned cruise ship docks in 2026.
- f. CBJ Seawalk & Marine Park – CBJ Engineering and Parks & Recreation are working in concert to expand the existing Seawalk and have recently selected a consultant to re-envision Marine Park.

Each project is with merit including the potential to enhance local economic prosperity and quality of life. However, if each organization executes in a silo, without proper waterfront coordination, it is probable that the sum of the individual projects will be less that what could be accomplished when efforts are synchronized.

Board identified the following services: The desired product is to secure waterfront engineering and planning consulting services to harmonize the individual projects consistent with the vision of the CBJ Assembly. The proposed waterfront consultant would be under the direction of Docks & Harbor in collaboratively working with the businesses/agencies listed above to provide studies, reports, engineering design & services, permitting, third party reviews, consultation with local utilities and presentations to local government officials.

Marine Passenger Fee Funds Requested (FY24): \$1M

Benefits: This approach is a force multiplier to all involved and best aligns the interests of the local community. An example, could be active and influential engagement with the Coast Guard and Huna-Totem for design/planning efforts for Seawalk extension through their respective controlled property. The individual organizations may not be motivated to consider the contiguous vision of a community desired Seawalk. Focused CBJ-led waterfront efforts to bridge the individual interests will pay dividends. Another example could be to leverage the CBJ/AELP partnership to advance the needs of entities requiring significant power requirements. These services could also be used to augment the navigational/environmental study needs most likely required by each of the entities who are contemplating infrastructure investment.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses of CBJ owned facilities and will use local Docks enterprise funds or future Marine Passengers Fees for these expenses.

Project Contact: Carl Uchtyl, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2024 Marine Passenger Fee Request

Section F, Item 3.

Purchase of Archipelago Property, LLC Uplands

Description: Purchase the upland property in private ownership adjoining Peratrovich Plaza. This 0.777 acre parcel is owned by Archipelago Property, LLC is assessed at \$9.9M. Docks & Harbors completed the [Marine Park to Taku Dock Urban Design Plan in 2018](#) which provided direction for expanding the use of the along the Juneau waterfront. This plan lead to a sophisticated land swap/sale with the private owner to achieve beneficial use.



Board identified the following: The Marine Park to Taku Dock Urban Design Plan envisioned the *terra firma* property to be developed with private capital for retail purchase. The plan was also a catalyst for identifying a future, undefined waterfront attraction on the wooden deck. The CBJ Manager has identified a project to relocate the Juneau-Douglas City Museum to the waterfront.

Marine Passenger Fee Funds Requested (FY24): \$10M

Benefits: Docks & Harbors believes the best use of the waterfront would be to purchase the uplands and develop the museum along Franklin Street. This would leave Peratrovich Plaza, including the Peratrovich mural, to have view planes protected along the Seawalk and to Juneau Harbor.

Maintenance and Operation Responsibility: As this is request is for property transaction only there is no maintenance and operational costs.

Project Contact: Carl Uchtyl, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2024 Marine Passenger Fee Request**

Section F, Item 3.

Lone Sailor Statue

Description: Alaska Pioneers (Igloo 6) are in the initial planning stages to erect a [Lone Sailor Statue](#) in Juneau. There are currently 17 Lone Sailor Statues around the world. Discussion with the Navy Memorial, which oversee the program, indicates that a sponsor would need to fundraise \$350,000 and provide a suitable location for display. The sailor is 7' 4" tall and made of bronze.



Marine Passenger Fee Funds Requested (FY24): \$100K

Benefits: This is a non-profit civic organization's efforts to bring art and vitality to Juneau. There is a connection to the USS JUNEAU and the Lone Sailor mission. The Lone Sailor is an iconic symbol of the Navy Memorial's mission to *Honor, Recognize, and Celebrate* the men and women of the Sea Services, past, present, and future; and to Inform the public about their service.

Maintenance and Operation Responsibility: Should a suitable location be found on CBJ property, the appropriate CBJ department could maintain the bronze statue. Else, the sponsoring organization could retain this responsibility.

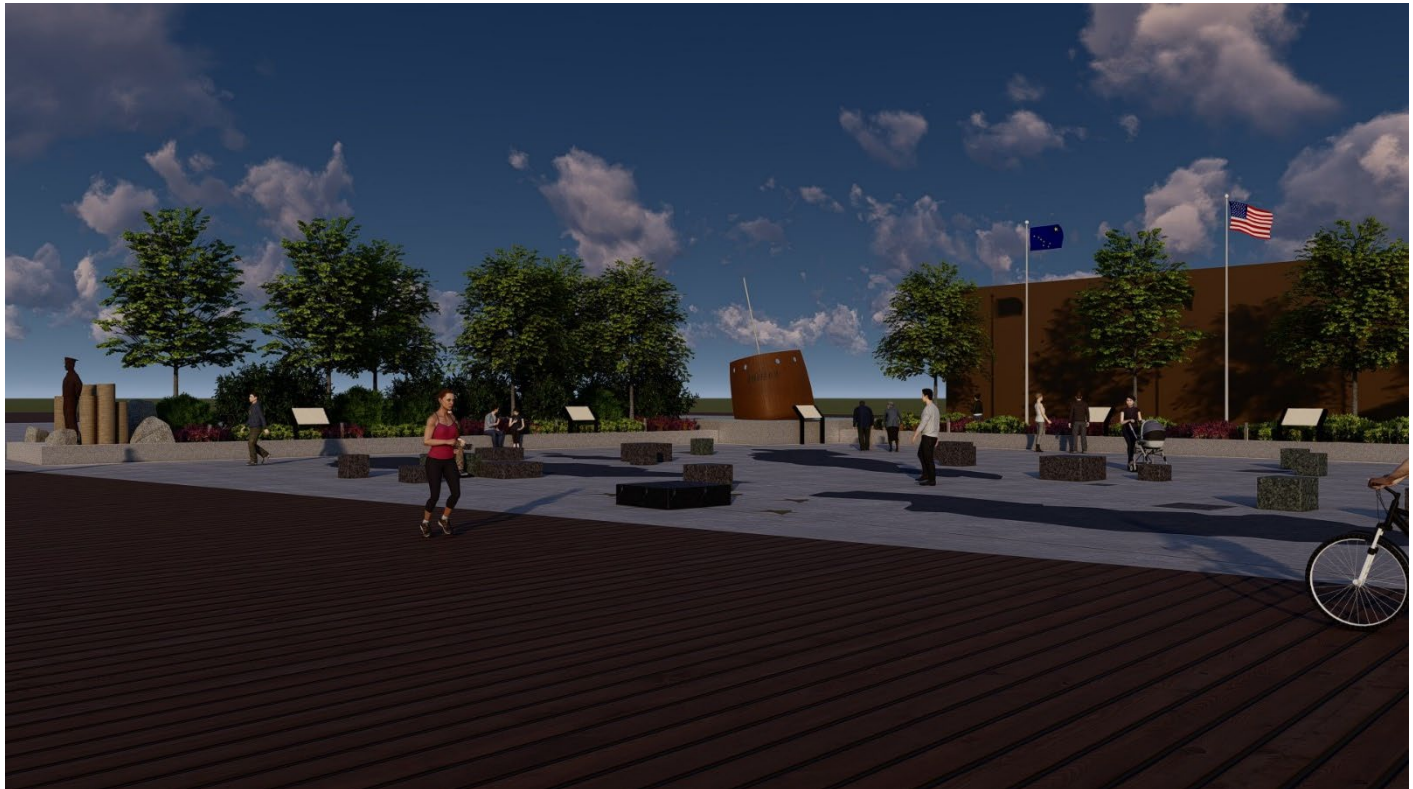
Project Contact: Carl Uchtyl, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2024 Marine Passenger Fee Request**

Section F, Item 3.

USS JUNEAU MEMORIAL - EXPANSION

Description: In the [Marine Park to Taku Dock Urban Design Plan in 2018](#) an option was explored to create a larger and more significant USS JUNEAU memorial along the Seawalk. The USS JUNEAU memorial is currently revered at its location; however, it lacks interpretive information on the Battle of Guadalcanal and the five Sullivan brothers. A well designed memorial could enhance the visitor experience and honor a local namesake.



Marine Passenger Fee Funds Requested (FY24): \$3M

Benefits: This project could expand the useable width of the Seawalk, provide an historical educational display and honor those in the sea going services.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses of CBJ owned facilities and will use local Docks enterprise funds or future Marine Passengers Fees for these expenses.

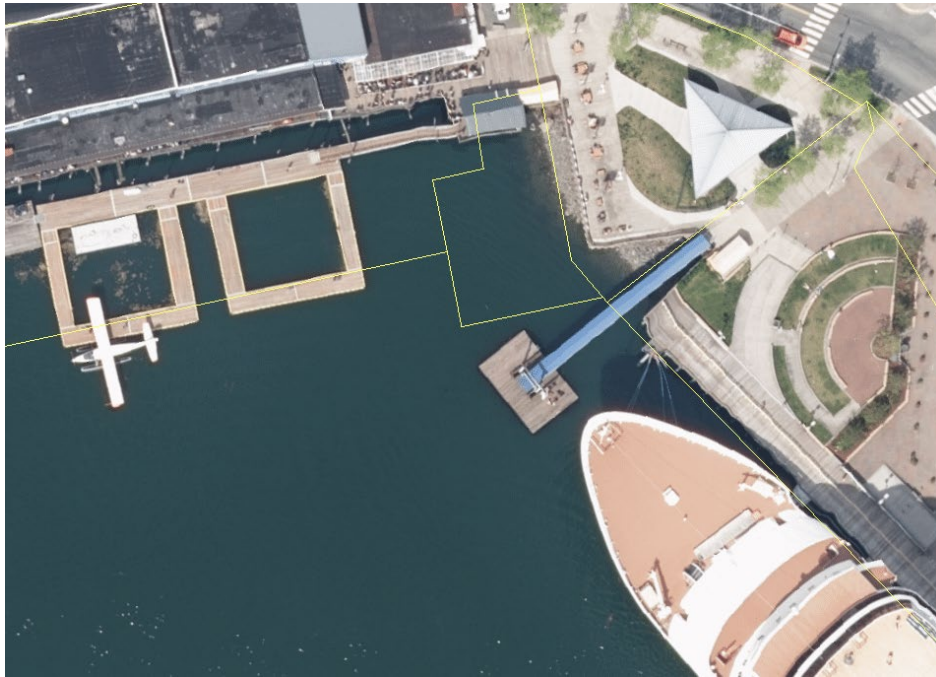
Project Contact: Carl Uchtyl, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2024 Marine Passenger Fee Request**

Section F, Item 3.

Reestablishment of Emergency Vessel Loading Float

Description: With the construction of the new downtown cruise ship docks, the former lightering float became a risk to the float planes and was removed.



Marine Passenger Fee Funds Requested (FY24): \$650K

Benefits: This project, at a yet to be determined location, would contribute to providing a secondary emergency vessel mooring location to offload cruise ship passenger in the result of a mishap.

Maintenance and Operation Responsibility: Docks & Harbors would be responsible for all ongoing maintenance and operating expenses for this CBJ owned facility and will use local Docks enterprise funds or future Marine Passengers Fees for expenses.

Project Contact: Carl Uchytel, CBJ Port Director 586-0292.

DEPARTMENT CAPITAL IMPROVEMENT PLAN 6 YEAR PRIORITIES

Department: Docks & Harbors

Date: _____

Compiled by: Carl UchytelPhone number: 586-0294

estimated project cost (nearest thousand dollars)

Project	Priority	FY24	FY25	FY26	FY27	FY28	Future
Taku Harbor Maintenance Repairs	1	\$1,500,000					
Wayside Park Dredging	2	\$750,000					
Cruise Ship Dock Safety Railing (Docks Enterprise)	3	\$1,200,000					
Aurora Harbor Office Replacement	4	\$1,500,000					
Cost Share w/ACOE - Statter Breakwater Feasibility Study	5	\$500,000					
Procurement of two LTC Transformers (CT/AS Docks)	6	\$5,000,000					
Shore Power at Cruise Ship Berth (Docks Enterprise)	7		\$20,000,000				
NOAA Dock Acquisition (Docks Enterprise)	8		\$3,000,000				
Aurora Harbor Phase IV	9		\$6,000,000				
Deck Over People's Wharf/USS JUNEAU Memorial (Docks)	10		\$4,500,000				
Small Cruise Ship Infrastructure (Docks Enterprise)	11			\$25,000,000			
North Douglas Boat Ramp Improvements	12			\$5,000,000			
Statter Harbor Passenger for Hire Phase IIID - Paving	13			\$3,300,000			
Douglas Harbor Uplands Improvements	14			\$5,000,000			
Juneau Fisheries Terminal	15						\$25,000,000
Douglas Harbor Uplands Improvements	16						\$5,000,000
Statter Harbor Shop/Garage/Storage Facility	17						\$1,500,000
Aurora Harbor Dredging - Tug Slips	18						\$350,000
Auke Bay Net Repair Float	19						\$500,000
Auke Bay Non-Motorized Coastal Transportation Link	20						\$12,500,000
Fish Sales Facility - Harris Harbor	21						\$1,000,000
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Totals:		\$10,450,000	\$33,500,000	\$38,300,000	\$0	\$0	\$45,850,000



RESOLUTION 30xx

A RESOLUTION OF THE CITY & BOROUGH OF JUNEAU SUPPORTING THE HOMEPORTING OF A COAST GUARD ICEBREAKER IN JUNEAU.

Whereas, the United States of America is an Arctic Nation, if not for Alaska; and

Whereas, the Alaska Congressional Delegation led by Senator Sullivan has recognized the dearth of US flagged icebreakers and has proposed to close this Arctic operational capability gap by homeporting US Coast Guard assets to the 49th State; and

Whereas, Policy 5.3 of the Comprehensive Plan of the City & Borough of Juneau calls “to work cooperatively with federal agencies to ensure that existing jobs stay in Juneau, and that agencies have access to the facilities and infrastructure required to support their mission in Juneau”; and

Whereas, Juneau has a demonstratively proven legacy support to the Coast Guard, and, in particular, proud to have provided a homeport to the USCG Cutter STORIS, USCGC PLANETREE, USCGC CAPE CARTER, USCGC LIBERTY and now the USCGC REEF SHARK; and

Whereas, Juneau as a maritime community is optimally situated in Southeast Alaska on Tlingit indigenous lands with reliable transportation modes; home to a regional hub for healthcare and home to the University of Alaska – Southeast campus; ample well-paying job opportunities; strong culture in the arts & humanities, and scores of outdoor recreation leading to a high quality of life; and

Whereas, Alaska’s Capital city is the host community for 300 Coast Guard personnel including the Coast Guard District 17th Commander as well as other federal agencies which would be synergistic to the needs of an Alaskan-based icebreaker.

~~**Whereas**, the City and Borough of Juneau has the capacity to meet the future business and amenities needs to support a larger Coast Guard footprint; and~~

Now therefore be it resolved that the City and Borough of Juneau Assembly welcomes the opportunity to support the US Coast Guard and the Alaska Congressional Delegation goal to expand Arctic capabilities by homeporting an icebreaker in Juneau.

Beth Weldon, Mayor

ATTEST:

Elizabeth McEwen

DRAFT



Port of Juneau

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

From: Carl J. Uchytel
Port Director

To: Assembly Finance Committee

Thru: (1) Docks & Harbor Board
(2) Finance Director
(3) City Manager

Date: December 16th, 2022

Re: REVENUE BOND REQUEST – CBJ DOCK ELECTRIFICATION

1. In the August 4th memo to the Assembly, a recommendation included pursuit of the CBJ docks electrification without specifying a single funding source. The memo referenced Resolution 2975(b) which appropriated \$2.64M from the State Marine Passenger fees to the Dock Electrification CIP. In November 2022, CBJ and AELP entered into a MOA for the procurement and installation of a load tap changer (LTC) transformer to replace the South Franklin Dock substation, which is a required precursor for construction at the CBJ owned docks at Alaska Steamship and Cruise Ship Terminal. Stated in the August 4th memo and again validated by AELP, the lead time to acquire the LTC transformers is upwards of three years.
2. Docks & Harbors applies for federal grant funding for dock electrification. We have been unsuccessful in the US DOT RAISE (Rebuilding America Infrastructure with Sustainability & Equity) grant in FY21 and in FY22 as well as the MARAD PIDP (Port Infrastructure Development Program) grant in FY22. The next deadline opportunity for submitting the FY23 RAISE is February 28th. The proposed language in the FY23 PIDP is not favorable for CBJ to submit a competitive grant application for dock electrification. The IRA (Inflation Reduction Act) does contain an EPA program aimed at reducing emissions at US ports. The NOFO (Notice of Funding Opportunity) for this program has not yet been promulgated.
3. Notwithstanding the pursuit of federal funding, CBJ does have resources available to advance the Assembly goal for CBJ dock electrification *post haste*. The August 4th memo outlined and recommended selling revenue bonds in January 2023 as a strategy to cash flow the project. However, because of the long lead items and the anticipated high rate of interest due to a volatile securities market, it is recommended that only \$5M in revenue bonds be sold at this time (vice the \$20M outlined in the memo). This will enable CBJ to procure the long lead LTC transformers necessary for installation in support of the AS and CT Docks.
4. **I request that the Assembly approve the selling of \$5M in revenue bonds to facilitate the procurement and installation of two LTC transformers for the CBJ owned docks.** Furthermore, I request that the repayment of the revenue bonds be made from the Port Development Fee (currently \$3 per cruise ship passenger). The Port Development fund balance is fiscally stable and the use of this funding mechanism is appropriate for this purpose. Within the next three years, unless we are successful with federal grants or other funding opportunities arise, another request for revenue bonds will be made to the Assembly for Alaska Steamship Dock construction.

#

Enclosure: CBJ Dock Electrification Memo dated August 4th, 2022



Port of Juneau

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

From: *Carl J. Uchytel*
Port Director

To: City & Borough Assembly

Via: (1) Docks & Harbors Board
(2) City Manager

Date: August 4th, 2022

Re: CBJ DOCK ELECTRIFICATION

1. Docks & Harbors has completed a thorough review of the design efforts necessary to electrify the two CBJ owned cruise ship docks. The enclosed report revalidates the 2016 Shore Tie Power Feasibility Study, advances design options and provides cost estimates to add electrical service to the Cruise Ship Terminal (CT) Dock and the Alaska Steamship (AS) Dock. Significant consultation with the local electrical utility company (AELP) along with other Juneau partners, stakeholders and community members have provided input leading to a proposed way forward included in this memo.
2. At its May 16th, 2022 meeting, the Assembly provided direction to pursue an initiative referred to as the Alaska, British Columbia, and Washington Maritime Green Corridor. This collaborative effort, led by ports, industry, governments, and non-governmental organizations, will explore a maritime green corridor aimed at accelerating the deployment of zero emission ships and operations in the Pacific Northwest. Advancing the CBJ plans to expand shore power to visiting cruise ships would segue appropriately into the Green Corridor stated goal of net-zero emissions by 2050.
3. In providing context to years of efforts to develop the waterfront including community planning goals and milestones, the following is offered:
 - 2001 Franklin Street Dock commissioning of electrical shore-side power
 - 2004 Adoption of the Long Range Waterfront Plan (LRWP)
 - 2010 Adoption of Resolution 2542 approving CBJ Cruise Ship Design Concept (aka 16B)
 - 2011 Adoption of Resolution 2593 approving Juneau Climate Action & Implementation Plan
 - 2013 Adoption of Ordinance 2013-26 Comprehensive Plan of the City & Borough of Juneau
 - 2015 Award of \$54M Cruise Ship Docks Improvement Project
 - 2016 Completion & commissioning of Cruise Ship Terminal Dock
 - 2016 Cruise Ship Berths Shore Tie Power Study Feasibility Report
 - 2017 Completion & commissioning of Alaska Steamship Dock
 - 2018 Adoption of Resolution 2808 approving Juneau Renewable Energy Strategy
 - 2022 Completion of Juneau Cruise Ship Dock Electrification Study

With the exception of the 2004 LRWP, which is silent on cruise ship shore power, numerous sustainability plans noted above have identified a community priority to reduce cruise ship emissions. The iterative process in planning, designing and construction of the new CBJ owned cruise ship docks resulted in the installation of conduit under Franklin Street and electrical vaults pierside. These elements were purposely deployed to facilitate future construction without impacting the street and to ease the installation of copper conductors from proposed hillside locations. Since construction at the CT and AS Docks, the execution of dock electrification has been limited by local funding, concurrence of sufficient power from the power utility, and vessel limitations to receiving shore power. In conducting enclosed study, it appears there is an alignment of commitment from CBJ, AELP and CLIA-Alaska with investing in electrical shore-power infrastructure in the Port of Juneau.

4. One significant revelation from the study includes (page 43):

Based upon historical precipitation existing hydroelectric generating capacity, and electrical demand, AEL&P projects they will be capable of offering electrical energy to the CBJ cruise ship docks only 25% of the time it is requested. It is expected this will improve over time as the firm load increases, requiring the construction of additional hydroelectric power plants. Such construction will likely facilitate additional capacity for interruptible loads.

This information is flagged not to dissuade moving forward with dock electrification but only to manage expectations that shore power connections for cruise vessels is reliant upon several systems working together to successfully execute. As an aside, in consulting with AELP, the reservoir water levels have been sufficient that they could provide power to both AS and CT Docks for the 2022 season.

5. With support provided by Juneau Commission on Sustainability (JCOS), Docks & Harbors has submitted several grant applications to secure federal funding for docks electrification. Each of the submitted grant applications was for \$25M with a commitment from the Assembly that \$4.9M would be local match. Those grants include:
- \$25M FY21 RAISE (Rebuilding American Infrastructure with Sustainability & Equity) – submitted in July 2021 was informed in January 2022 that we were unsuccessful;
 - \$25M FY22 RAISE (Rebuilding American Infrastructure with Sustainability & Equity) – submitted in April 2022 with an anticipation of notice of awards in October 2022;
 - \$25M FY22 PIDP (Port Infrastructure Development Program) – submitted in May 2022 with an anticipation of notice of awards in October 2022

As part of the IIJA (Infrastructure Investment & Jobs Acts), the Biden Administration has provided numerous, but highly, competitive federal grants. Docks & Harbors, working with our federal lobbyists, evaluates each grant as an opportunity to meet Juneau’s waterfront needs. It is important to note that federal grants are typically very prescriptive in what projects can be considered. For example, early versions of the FY22 PIDP Notice of Funding Opportunity (NOFO) only allowed “freight ports” to apply. Our Congressional Delegation was able to secure a language change enabling a “passenger port” to apply; however, most likely this variance will not be available for the Port of Juneau in future NOFOs. It is also plausible that the recently announced “Inflation Reduction Act” as part of the draft Senate’s Reconciliation bill would provide additional opportunities for port electrification funding but our success would still be speculative for planning purposes.

6. Resolution 2975(b), which includes the FY23 CIP priorities, provides \$2.64M for Dock Electrification leveraging State Marine Passenger Fees. Under this appropriation, we propose \$1.64M to fund a new transformer with an integral Load Tap Changer (LTC) at the South Franklin Dock (SFD) substation. The lack of an LTC on the transformer at the SFD substation will make it virtually impossible to successfully provide shore power at additional docks in Juneau. Refreshing the 20-year old equipment with current technology will significantly improve the flexibility of the SFD substation to meet the voltage levels required by the cruise ships and ultimately allow cruise ships which are currently connecting to be on shore power for a longer period of time. Unfortunately, LTC transformers are long lead items and the estimated timeline to procure is approximately three years.
7. Docks & Harbors recommends the Assembly adopt a plan to facilitate future dock electrification grant applications, but commit to moving forward using locally controlled passenger fees to fund one CBJ-owned dock. The analysis

of cruise vessel use and the historic review of available power from the utility would suggest that electrifying the AS Dock would support the short term goals of the community. Committing to local funding of one CBJ-owned dock will streamline the construction process, allow for fiscal planning while continuing to seek outside grants, provide for other waterfront priorities and incrementally encourage the cruise industry to transition all vessels to be capable of accepting shore power. The following schedule is proposed:

- a. November 2022 – Docks & Harbors executes contract agreement with AELP to secure new LTC transformer for South Franklin Street substation;
 - b. January 2023 - CBJ Finance Department secures \$20M in Revenue Bonds for Docks Electrification Phase I (dubbed AS+) which would provide two LTC transformers for each of the CBJ Docks but would only make ready the AS Dock for ship connection;
 - c. January 2024 – Award Alternative Procurement Method contract (i.e. Design-Build) to connect from the AELP provided uplands substation and installation of: conductors, new power deployment float at AS Dock, switchgear on the power deployment floats, submarine cable to the power deployment floats;
 - d. Fall 2025 – AELP receives new LTC transformer and installs for 2026 cruise season at the SFD;
 - e. January 2026 – CBJ receives two new LTC transformers for AELP installation
 - f. Summer 2026 – Alaska Steamship Dock on-line to provide shore power to available cruise vessels.
8. Throughout the above timeframe, Docks & Harbors will continue to seek grant funding for CT Dock electrification. If these efforts are unsuccessful other financing options will be considered once the AS Dock is complete. The existing bond debt which funded the new CBJ owned cruise ship docks, Seawalk expansion, the parking lot uplands is currently \$18.2M, with \$2.0M of dedicated Port Development Fee on an annual basis. The largest portion of this debt will be retired in 2035, and a remaining smaller portion will be retired in 2039. It is reasonable to assume the \$20M of new revenue bonds proposed in CY23 can be assumed in the existing fiscal environment. Fees associated with connecting cruise ships to the improved infrastructure will be addressed outside this memo.
9. Although there are many details to resolve in the near term, the consensus is that shore power connection at the City owned docks can proceed in appropriate manner with direction to pursue local funding from committed future passenger fees.

Recommendations:

- A. Direct purchase of Load Tap Changer Transformer for use by South Franklin Dock.
- B. Approve project scope and schedule.
- C. Request preparation of Revenue Bond.

#

Encl: 2022 Juneau Cruise Ship Dock Electrification Study

Docks & Harbors - Docks**OVERVIEW**

		FY23		FY24	
	FY22 Actuals	Amended Budget	Projected Actuals	Approved Budget	Revised Budget
EXPENDITURES					
Personnel Services	\$ 1,061,900	1,383,700	1,359,500	1,313,000	1,428,500
Commodities and Services	710,800	982,000	1,029,500	976,800	1,070,800
Capital Outlay	-	-	-	-	-
Support to:					
Marine Passenger Fee	-	-	-	-	-
Capital Projects	-	-	-	-	-
Total Expenditures	1,772,700	2,365,700	2,389,000	2,289,800	2,499,300
FUNDING SOURCES					
Interdepartmental Charges	15,100	15,100	15,100	15,100	40,200
Charges for Services	1,177,600	1,730,000	1,780,000	1,760,000	1,800,000
Licenses, Permits, and Fees	-	-	-	-	-
Rentals and Leases	1,500	-	-	-	-
Investment and Interest Income/(Loss)	(39,400)	21,300	24,300	21,300	67,100
Support from:					
Pandemic Response	-	-	-	-	-
Marine Passenger Fees	448,500	717,000	717,000	717,000	717,000
Port Development Fees	-	-	-	-	-
State Marine Passenger Fees	-	-	-	-	-
Capital Projects	-	-	-	-	-
Total Funding Sources	1,603,300	2,483,400	2,536,400	2,513,400	2,624,300
FUND BALANCE					
Beginning of Period	1,819,200	1,649,800	1,649,800	1,797,200	2,020,800
Increase (Decrease) in Fund Balance	(169,400)	117,700	147,400	223,600	125,000
End of Period Fund Balance	\$ 1,649,800	1,767,500	1,797,200	2,020,800	2,145,800
STAFFING	13.74	19.20	19.20	19.20	19.24

Docks & Harbors - Harbors**OVERVIEW**

		FY23		FY24	
	FY22 Actuals	Amended Budget	Projected Actuals	Approved Budget	Revised Budget
EXPENDITURES					
Personnel Services	\$ 1,774,400	2,001,200	2,023,300	1,909,200	2,108,600
Commodities and Services	1,560,300	2,053,200	2,188,400	2,061,900	2,300,800
Capital Outlay	-	-	-	-	-
Debt Service	665,900	740,900	686,600	741,700	683,600
Support to:					
Capital Projects	-	-	-	-	-
Total Expenditures	4,000,600	4,795,300	4,898,300	4,712,800	5,093,000
FUNDING SOURCES					
Charges for Services	3,262,800	3,415,000	3,425,000	3,425,000	3,705,000
Licenses, Permits, and Fees	308,000	350,000	310,000	350,000	360,000
Rentals and Leases	898,700	860,000	900,000	870,000	900,000
State Shared Revenue	292,900	350,000	463,300	350,000	350,000
Federal Revenue	23,800	-	-	-	-
Fines and Forfeitures	11,300	10,000	10,000	10,000	10,000
Investment and Interest Income/(Loss)	(131,000)	27,600	46,300	27,600	107,700
Support from:					
Pandemic Response	116,500	-	-	-	-
Capital Projects	-	-	-	-	-
Total Funding Sources	4,783,000	5,012,600	5,154,600	5,032,600	5,432,700
FUND BALANCE					
Debt Reserve					
Beginning Reserve Balance	791,900	791,900	791,900	791,900	791,900
Increase (Decrease) in Reserve	-	-	-	-	-
End of Period Reserve	\$ 791,900	791,900	791,900	791,900	791,900
Available Fund Balance					
Beginning of Period	642,500	1,424,900	1,424,900	1,681,200	2,001,000
Increase (Decrease) in Fund Balance	782,400	217,300	256,300	319,800	339,700
End of Period Available	\$ 1,424,900	1,642,200	1,681,200	2,001,000	2,340,700
STAFFING	16.33	16.83	16.83	16.83	17.45



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COMMUNITY DEVELOPMENT DEPARTMENT - REQUEST FOR AGENCY COMMENT

DEPARTMENT:

STAFF PERSON/TITLE:

DATE:

APPLICANT: 1000 Harbor Way LLC

TYPE OF APPLICATION: PAD22-04 CBJ Property Acquisition and Disposal Review

PROJECT DESCRIPTION:

LEGAL DESCRIPTION: Lease Tidelands Addition BL 5, ATS 3 FR Tidelands Addition BL

PARCEL NUMBER(S): 1C060K510041, 1C100K830032

PHYSICAL ADDRESS: 1000 Harbor Way

SPECIFIC QUESTIONS FROM PLANNER:

AGENCY COMMENTS:

AGENCY COMMENTS (CONTINUED):



TIDELANDS ADDITION BL 5 & LEASE TIDELANDS ADDITION BL 5 LOT CONSOLIDATION

Section 1, Item 8.



Why is this property consolidation important?

As a community, we all want to see this building improved. The property line issue will impact this project and all future building permits for the property, and now is the time to correct improper building practices that allowed the building to be initially built.



Could HG pursue a variance?

Unfortunately, no.

“

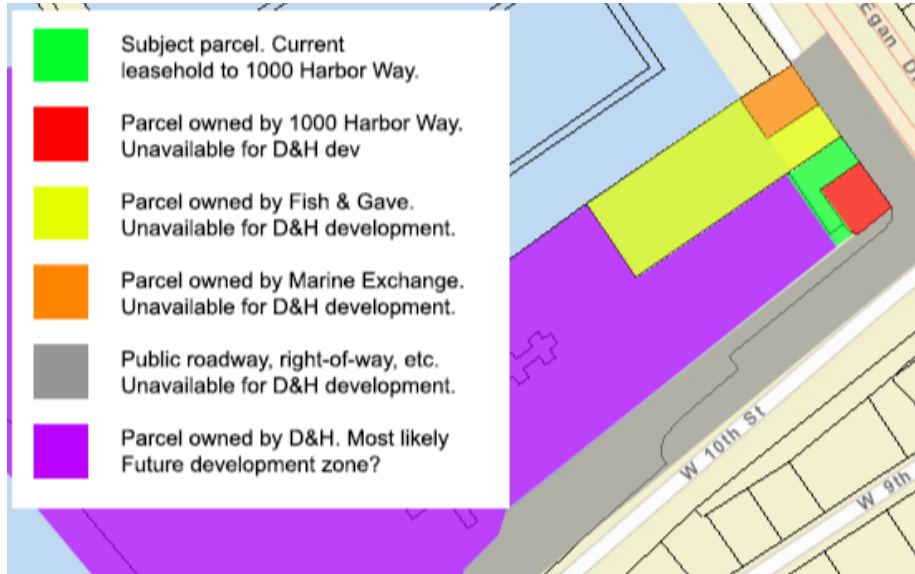
In general, the Planning Commission does not have authority to grant a variance for a building that crosses a property line, **especially in this circumstance**. In other words, a building cannot cross a property line. CBJC 49.15.110 & 49.15.120. For argument sake, assume the Planning Commission grants a variance that burdens CBJ property (i.e. D&H managed property). That variance would be a nullity because the **Assembly would also need to agree to sell that chunk of property** (via a lot line adjustment, CBJC 49.15.401(a)(4), assuming the resulting lots are compliant with Title 49) at which time there is no need for a variance because the property line would shift.

-Robert Palmer, City Attorney

”

Can D&H deny this request?

Yes, of course!



But why? The parcel is locked up in a lease for 58 more years.

- How does being a landlord for 58 years further the D&H mission?
- Is this all about D&H development options in the year 2080?

D&H development options in 58 years

Section I, Item 8.



Private land and/or setback,
unavailable for CBJ use.



Available for CBJ development
in all scenarios.

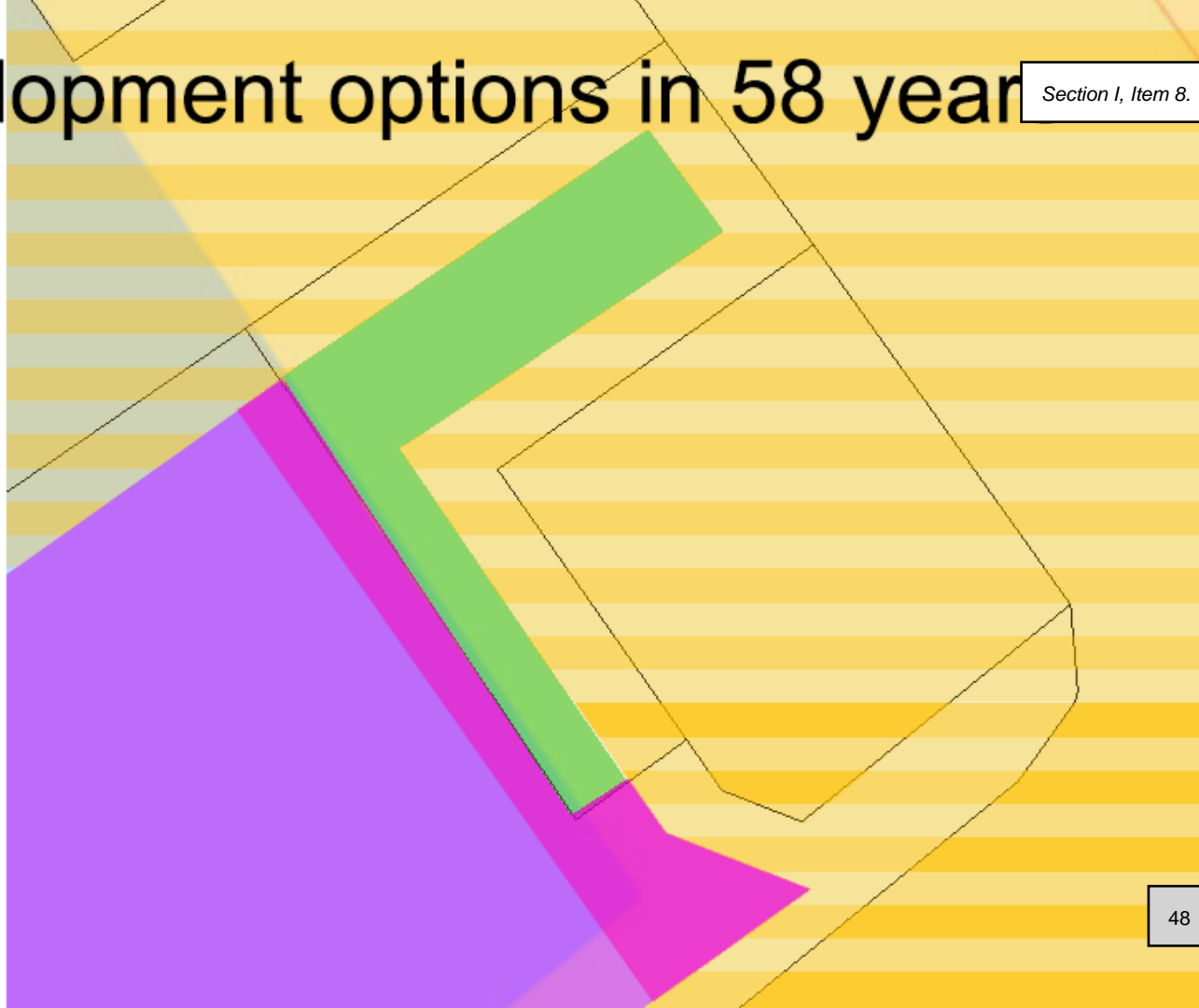
*This all comes down to possible D&H
use of ~16 feet of tidelands in 58 years.*



Current leasehold parcel less
setbacks. ~9 feet of tidelands.



Additional footprint requested
to conform piles and future deck.
7 more feet of tidelands.



A Development Opportunity for D&H

Today, D&H has no access to develop on this location for 58 years.

- HG is willing to write in an easement for a future D&H development. This will fit into the masterplanning efforts by CBJ to continue the seawalk.
- HG is willing to write in first right of refusal on consolidated parcel of land.
- This transaction gives D&H more real options



Our Proposal

The Lands committee does not need specifics today. This will come back to negotiation before it goes to the assembly. A simple motion will move this forward.

“

A motion of support for disposing of City property to Hansen Gress.

”

CBJ DOCKS & HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, August 25, 2022
City Hall Room 224 and via Zoom

- A. CALL TO ORDER:** Mr. Etheridge called the August 25th meeting to order at 5:55 p.m. in City Hall Room 224 and via Zoom.
- B. ROLL CALL:** The following members were in attendance in City Hall Room 224 or via Zoom; James Becker, Paul Grant, Matthew Leither, Mark Ridgway, Annette Smith, Lacey Derr and Don Etheridge.

Members Absent: Debbie Hart and David Larkin

Also present: Christine Woll – Assembly Member, Carl Uchytel – Port Director, Matthew Creswell – Harbormaster, Erich Schaal – Port Engineer, Benjamin Brown – CBJ Attorney and Nichole Benedict – Administrative Assistant.

- C. PORT DIRECTOR REQUESTS FOR AGENDA CHANGES** – None

- D. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS**

Kirby Day – Juneau, Alaska

Mr. Day spoke on behalf of Tourism Best Management Practices (TBMP). He was at the Operations/Planning meeting last week and heard some concerns and complaints after the Golden North Salmon Derby. Normally we have an opportunity to get all of the whale watching and sport fishing captains together prior to the derby weekend. With the very busy cruise ship calendar there was not a good time to get everyone together. They decided to gather the minutes from the last meeting in 2019 and send those out to everyone. They sent out reminders about the increase in traffic and to please be respectful of sport fisherman. He has sent out more correspondence letting everyone know we have about a month left of this tourism season and please take the time to remind captains to be diligent and committed to what has been agreed to. We need everyone to be mindful of wakes coming in and out of Statter Harbor and proper zones for entering and leaving Statter Harbor.

- E. APPROVAL OF JULY 28TH, 2022 MINUTES**

Hearing no objection, the July 28th Board minutes were approved as presented.

- F. CONSENT AGENDA**

2. A. Public Requests for Consent Agenda Changes – None

- B. Board Members Request for Consent Agenda Changes

Mr. Ridgway spoke about the recommendation and asked to amend the wording. He feels it is not our place to advance efforts, it is our job to do what is best for the Docks & Harbors Enterprises. He does not like the phrase “to advance Goldbelt’s efforts” and would like the recommendation to be amended as follows.

RECOMMENDATION: TO DIRECT STAFF TO INITIATE AN APPRAISAL AND ESTABLISH A PROCESS TO COORDINATE DOCKS & HARBORS INTERESTS WITH GOLDBELTS EFFORTS TO DEVELOP THE SEADROME PROPERTY.

Mr. Grant agreed with Mr. Ridgway and said the new wording for the recommendation is appropriate.

Public Comment – None

Board Discussion

Mr. Grant said Mr. Ridgway makes an important point that we are not here to advance projects, we are here to protect Docks & Harbors interests.

Mr. Becker agreed with the change of wording.

MOTION by Mr. Ridgway to direct staff to initiate an appraisal and establish a process to coordinate Docks & Harbors interests with Goldbelt's efforts to develop the Seadrome property and ask unanimous consent.

The motion passed with no objections.

G. UNFINISHED BUSINESS

3. Hansen-Gress Building Changes

Shannon Crossley with NorthWind Architects, LLC presented a PowerPoint presentation found on page 53 of the packet. Ms. Crossley shared a sketch showing the building and property line. A building permit cannot be issued to do any renovation work to the outside of the building because it would cross a property line owned by Docks & Harbors. The property is in a prominent location and they would like to beautify the building to align with more development down the way. She said she believes these two parcels were always meant to be together and for whatever reason it has not happened up until now.

Board Questions:

Mr. Ridgway asked questions about page 58 in the packet and to explain what Docks & Harbors owns and what is being requested in the sale.

Ms. Crossley said there are mere inches from the outside of the building to the property line on the waterside. She said the parcel in front of the building is Docks & Harbors owned tidelands.

Mr. Ridgway asked if the Planning Commission could offer a variance. He would like to know if the deck and awning are included with the current renovations.

Ms. Crossley said the deck and awning are being looked at for future renovations and have not been added to the current project.

Mr. Leither asked if they had filed a formal application with the Planning Commission to receive a variance.

Ms. Crossley said no, they have not requested a variance or filed for a building permit yet.

Mr. Leither said he is not a planning or zoning expert. If we decide not to sell you the land you will need to receive a variance to move ahead.

Ms. Crossley said if Docks & Harbors decides not to sell the property the building owner would not be able to make any improvements to the building, maybe siding and new windows only. She said no variance will ever exists to build over property lines.

Mr. Ridgway asked about a revised property appraisal with both lots as one.

Ms. Crossley said they had to install a deck for the scaffolding to sit on to replace the siding of the building. She was hoping they could leave the deck in place and put on a railing and make it a proper deck. With the current property line they will need to make the deck temporary and tear it down once the siding is complete.

Mr. Gress said a deck sounds luxurious but it is really necessary to do any type of work to that side of the building. From a maintenance side of things this building is very difficult to deal with. There are also some issues with the pilings and this request is also about cleaning up the area.

Mr. Uchytel said the yearly lease for this property is approximately \$6,000. The most recent appraisal for the property was \$73,000.

Mr. Ridgway asked if there are any current development plans that this sale would impact.

Mr. Schaal said he is not aware of anything that would be affected with combining these pieces of land.

Mr. Gress said the current building is valued at \$380k and the property is valued at \$483K.

Mr. Becker said selling tidelands is a big deal especially for the City Assembly. He would like to see this sale work out and thinks they would do a good job on the project.

Mr. Uchytel said the Lands Committee meets in September and will discuss this property.

Ms. Smith asked if there are any other projects in the works where we will be giving up land. She mentioned the Goldbelt land swap at the Seadrome Property.

Mr. Uchytel said he expects a tideland lease request from Juneau Tours in Statter Harbor. At one time the Marine Exchange of Alaska came to us and was looking for property to expand their operations.

Mr. Schaal said we did this exact type of deal with the Archipelago Lot. We took four parcels of land and combined them into two lots and sold some of the property.

Public Comments – None

Board Discussion/Action

Ms. Derr said a variance cannot be granted over property lines. If they were to build something on our property we would be responsible for the property tax for the structure. A public-private partnership is something that is huge and done frequently. The sale of CBJ land to provide further access to our resources is well within the realm of what CBJ does. She knows it is hard to give up tidelands, but in this case it would hinder anyone that owns this building from doing necessary work.

Mr. Leither said if the property line is inconvenient for the building owner it is not our responsibility. They decided to purchase the building knowing what would be their property and what would be owned by Docks & Harbors.

Mr. Ridgway said he agreed with Mr. Leither. It is not our job to help their property, buyer beware. He believes they knew this would be an issue and purchased the building and land anyways. He is concerned for the building and it falling into the sea if they cannot make the necessary repairs over the 50 year lease. He would like the appraisal to be done to show the value of both lots as one.

MOTION by Mr. Grant: Whereas the sale of tidelands under the control of the Docks and Harbors Board is contrary to the public policy of the City and Borough of Juneau (CBJ) (CBJ 85.02.063 (b)(4)); and

Whereas the public policy of the CBJ favors the leasing of tidelands for water related purposes (CBJ 85.02.063 (b)(4)); and

Whereas the Hansen/Gress organization (the Developer) has requested to purchase a portion of CBJ tidelands for purposes of performing necessary rehabilitation of a building which sits partially on leased CBJ tidelands and partially on privately owned land; and

Whereas it appears that many, if not all, of the Developer's objectives could be accomplished by the leasing of additional tidelands combined with the granting of variances, conditional use permits, or other conditional permissions by the CBJ Planning Commission; and

Whereas such an arrangement would be consistent with the public policy of the CBJ;

Now, therefore, the Docks and Harbors Board finds as follows:

1. The Developer's request to purchase CBJ tidelands is denied;
2. The Developer should exhaust all possible avenues through application to the Juneau Planning Commission to achieve the necessary permissions to further its development objectives;
3. The CBJ Planning Commission is requested to look favorably on any application filed by the developer which is consistent with the conceptual drawings submitted to the Docks and Harbors Board, but which does not involve the sale of CBJ tidelands;

4. If requested by the Developer, staff is directed to enter into negotiations for a lease of additional CBJ property which is sufficient to meet the projects requirements, as well as any future CBJ needs for access or passage across the developer's property. Any lease negotiated between the parties is subject to the approval of the Docks and Harbors Board.

Ms. Derr objected to the motion. She feels the motion is incredibly restrictive when we already have a lot of the answers. She does not want to deny this request.

Roll Call Vote:

James Becker – No
Paul Grant – Yes
Matthew Leither – Yes
Mark Ridgway – No
Annette Smith – No
Lacey Derr – No
Don Etheridge – Yes

Yes – 3

No – 4

Motion failed

Motion by Mr. Grant to table this discussion until after the Assembly Lands Committee can meet.

Ms. Derr objected to tabling the discussion.

Roll Call Vote:

James Becker – No
Paul Grant – Yes
Matthew Leither – Yes
Mark Ridgway – Yes
Annette Smith – No
Lacey Derr – No
Don Etheridge – Yes

Yes – 4

No – 3

Motion failed

Ms. Woll said the Assembly appreciates getting a recommendation from the Board on this issue. If there is action from the Lands Committee it will be sent to the Assembly. There is still some time and she welcomes members and staff to be present and voice opinions on this proposal at those meetings.

Mr. Ridgway asked if Ms. Woll had an opinion on selling tidelands and what the Assembly might do.

Ms. Woll said she has no idea how the Assembly will vote on this issue and she is not ready to decide how she will vote yet. She takes the “should not” verbiage seriously, but obviously there is multiple considerations here.

Mr. Uchytel said the Board can recommend one way or the other. The City Attorney knows what is in this proposal and has weighed-in that for them to move forward - a sale is necessary.

Mr. Grant said he disagrees. They might not be able to get everything they want, but there is a lot they can do.

MOTION by Annette Smith to advance the Hansen-Gress proposal that includes easements for future Docks & Harbors development as well as first right of refusal on the consolidated land and building sale as well as the evaluation of property by Docks & Harbors contracted appraiser that assumes the property as a single lot.

Roll Call Vote:

James Becker – Y

Paul Grant – N

Matthew Leither – N

Mark Ridgway – Y

Annette Smith – Y

Lacey Derr – Y

Don Etheridge – Y

Yes – 5

No – 2

Motion passed.

H. NEW BUSINESS – None

I. ITEMS FOR INFORMATION/DISCUSSION

4. UAS Property Conveyance

Mr. Uchytel share a presentation starting on page 61 in the packet. He and Mr. Etheridge met with the University of Alaska Land Management. After they discussed our proposal with the management team they decided retaining the property was in their best interest. They will continue to lease the property to Docks & Harbors for the appraised \$230K a year. The yearly lease for the last 35 years was about \$10K-\$15K. The University has brought up the potential for a reduction in the lease if we can show an educational benefit to the university. He believes the reduction would be pennies on the dollar and not significant. He is not sure if the Assembly will allow the \$2M set aside for purchasing the land to be used to pay the new higher lease terms. There is considerable overhead incurred regardless if we lease or buy the

property. The boatyard equipment and travel lift is well past its useful life. We will also need a new pier build. We are using original cranes on the dock and paid \$30K last year to rebuild one and the other is on its last leg. We have sub-lessees on the property and collect \$2,800 from Maritime Hydraulics, \$29K from Juneau Marine Services and \$4,400 from Nordic Tug Charters.

Board Discussion

Mr. Becker does not want to give up on trying to get them to sell the property.

Mr. Uchytel said the University thinks selling this piece of land will devalue the 5.3 acres with the vocational technology building. They have a fiduciary responsibility to do what is best for the university.

Mr. Leither said he understands why they do not want to sell it. He asked if there another area we can put a boat yard and what would this land be used for if not leased or sold to us.

Mr. Etheridge mentioned the recent NCL property sale and they might be thinking what this entire parcel could potentially be worth someday. He would like the Board to come to a consensus if it is worth reentering into a lease that will cost us three or four times the price of the property.

Mr. Grant asked what would happen if we ended our lease and had them work directly with our lessee to see what they could get without our involvement. Maybe we can take that \$2M and find something else that could work long-term.

Ms. Derr spoke about University's money troubles years ago when we first started talking about the purchase of land. Now after CARES funding, their income has increased and they might not need to sell the property. She is also interested in alternatives and mentioned Douglas Harbor as one. She spoke about the recent vessel that hit a log and was taking on water over the derby weekend. They went straight to the downtown haul-out at 5 a.m. and were immediately met with staff to get the vessel out of the water. This type of facility is incredibly important to the community.

Mr. Ridgway agrees with the sentiment. The long-term lease would be expensive but a boatyard is a vital services. He likes the idea of looking at other options.

Mr. Grant asked about the EPA regulations of the boatyard. He would like to know if we get tasked with making the facility EPA compliant as the landlord. He is concerned about our exposure. He would like to know if we able to do a year-to-year lease so we can keep the boatyard going.

Mr. Uchytel said when we first signed the lease the EPA regulations were almost nonexistent. There are going to be contaminants with this type of work. There is a risk with leasing and purchasing the property. There is a five acre fill zone by Norway Point that has potential for a boatyard. In 2016 it was estimated to be a \$30M project. We have also looked at the Little Rock Dump as a potential site, at roughly a \$30M project cost.

Mr. Becker said pollution is an issue with the boatyard and they are currently trying to deal with that. He knows we cannot throw our hands up and walk away. There are not enough places like this one to accommodate boat haul outs. He also asked if we are currently accepting money for planning efforts at that location.

Mr. Uchytel said we did not receive the RAISE Grant and we are still waiting to hear about a PIDP Grant for developing the site.

Mr. Ridgway would like to look at two options. A short term lease and alternate site options for a boatyard and haul-out.

Mr. Leither asked if the university is willing to do a short-term lease with us.

Mr. Etheridge said they are willing to negotiate. They told us there might be options to reduce the price but they want a long-term lease. Our Board needs to come up with ideas and then bring them before the University of Alaska Board to see how they will feel.

Mr. Grant would like to see what the economics are of this. He would like to see what would happen if we walked away. Currently we are subsidizing the boatyard and the hydraulic shop.

Mr. Etheridge said he has heard the hydraulic shop already has another location in mind if the lease rate increases.

Mr. Ridgway said a lot of commercial vessels are leaving Juneau for locations with lower moorage rates. He asked how it is working so far with us subsidizing an industry for boat storage. He would like to see plans and asked if we really want to be a landlord.

Mr. Grant would like a legal review of what our environmental liability would be if we decided to enter into a long-term lease.

Mr. Uchytel said he thinks the environmental issues are going to be significant. The cranes on the property are also shot, what we are doing is providing a service to the community. The value isn't financial from the boatyard, it is to the commercial fishing fleet that can now be hauled out or use the cranes to change out their gear.

Mr. Leither asked if we thought about having our own boatyard and managing it. He wonders what kind of revenue that could offer.

Mr. Uchytel said the boatyard and hydraulics leases expired with our lease with the University of Alaska.

Ms. Smith brought up the question if it is fair for our harbor patrons to subsidize these private businesses.

Mr. Grant wonders how it will be received if CBJ is completing with other private business in town.

Mr. Leither said if the private businesses could afford the lease price this wouldn't be an issue. Unfortunately, they can't afford the maintenance, upkeep or lease cost.

Mr. Schaal thinks we would lose money to operate our own boatyard. We have already shown we do not want to run a boatyard at the Auke Bay Loading Facility. Docks & Harbors has paid very minimal rates for the last 35 years for this lease. The University is probably considering that.

Mr. Becker said the reason the lease was so minimal was because CBJ gave the university \$500K back in the day.

Mr. Ridgway said whatever decision we make it will most likely need to be a short-term one. He does not feel we are ready to get into a 35 year lease for \$233K.

Mr. Leither asked about the Auke Bay Loading Facility and why that wasn't an option.

Mr. Schaal said we had some extra TIGER money and bought the Sea-Lift. Our staff was running the boatyard but we were having difficulty filling it. The Board made the decision to put it up for lease.

Mr. Uchytel said he does not hear a consensus on how the Board would like to move forward. All he has heard so far is the Board would like to hear more options.

Mr. Ridgway would like to direct staff to continue conversations with the university. We should probably let them know about these discussions and ideas by the Board.

Mr. Leither needs more information before he can make a decision. He needs to know more about the financials and available lease terms.

Mr. Uchytel asked if the 33 year lease was off the table would the Board consider a short-term lease.

Mr. Ridgway said he wants to know if it is an option on the table. If a shorter lease is not an option it might be time to let our tenants know we might not be able to provide that property because of the high cost.

Mr. Uchytel said we received a one-year extension with existing conditions. This memo was to put the options forward and what they include. We are unable to have an executive session to discuss this like the University can.

Ms. Smith said if we walk away that is not stopping the boatyard, it is just stopping us from being the middle man.

Mr. Uchytel said Mr. Schaal leaves in a month. There are many other projects going on and we are designing the north-end of Aurora. Because of the level of effort, a short-term lease is probably not our best option.

Mr. Leither said he feels this is a year-long conversation needed through many meetings. This will not be solved tonight. He thinks Juneau needs a boatyard and is not willing to sign off on a 33 year lease.

Mr. Etheridge said the current lease is only good until May 2023.

Mr. Grant said a five year lease will cost Docks & Harbors \$1.25M.

Public Comment

Dennis Watson – Juneau, Alaska

Mr. Watson feels the only option is a short-term lease. He said Docks & Harbors does not have the money coming in that would make up the lease cost. There is a lot of liability on the table here and he would like to have that discussed in an executive session and not with the public. The property owner has not done much in the way of improvements over the last 28 years. He would like to see the Board members come together and have a discussion that does not go off track like they did tonight. He said the Board only meets twelve times a year and they always go this way.

~~5. Open Meetings Act, Motions & By Laws Presentation by Port Director~~

J. STAFF, COMMITTEE AND MEMBER REPORTS

Ms. Derr asked if there had been changes to the regulation to allow storage on fingers. Some of the commercial fishing community has been asking her why they are not allowed to put locking boxes on their fingers when so many are using fingers for storage. If there has been no change to this regulation, can we please start enforcing it and asking people using the dock for storage to remove their items?

Mr. Creswell said there is no change and harbor patrons are not allowed to store personal belongings on the docks or fingers. He will plan to walk the docks soon and see who is doing this and manage the issue.

K. PORT ENGINEER'S REPORT

- Mr. Schaal said he has handed in his resignation and has accepted a position with the City of Wasilla as the Public Works Director. His last day will be on September 23rd.

L. HARBORMASTER'S REPORT

- Mr. Creswell said the Golden North Salmon Derby was slow fishing.
- Last weekend was the king crab opener and was easily four times busier than the derby. It was complete chaos for 96 hours. Staff was incredibly busy and he tried a different way to use the launch ramp. It worked overall with only three complaints.

- The Army Divers are in town and doing work for us. They have been out at Statter Harbor for the last four days trying to raise the sunken vessel the ANGELA K. While trying to raise the vessel the mast and poles were ripped off and it was left down in 100 feet of water.
- Staff built and installed a new fish cleaning station at the North Douglas Boat Launch Ramp.
- Staff is currently 50% complete with replacing the concrete on the Fisherman's Terminal Float.
- Mr. Scott Hinton, Port Operations Supervisor has also given his resignation and accepted a position with the State of Alaska Department of Environmental Conservation. His last day will be September 11th.
- We are currently still trying to hire Port and administrative staff.
- The last cruise ship on our docks will be on October 17th.
- He issued thirteen notices at Douglas Harbor requiring sea trials. Three have already passed the trials leaving ten left. A few extensions were given for ongoing work and he will stay on top of that.
- There are currently three boats in the impound process.

Mr. Grant asked if there was different sea trial requirements for houseboats.

Mr. Creswell said float houses are in the non-moving vessel zones and sea trials are not required.

Ms. Derr asked if the impounds were live-a-boards or general moorage in the harbor.

Mr. Creswell said one is a live-a-board.

M. PORT DIRECTOR'S REPORT

- Mr. Uchytel said staff went to Taku Harbor and did some work replacing hinges.
- Huna Totem is now the new owner of the Subport property. He has been meeting with interested parties regarding the purchase. CBJ does not own all the tidelands there and Docks & Harbors is only meeting as a consultant.
- Mr. Uchytel will be on leave from September 3rd – 12th.

N. ASSEMBLY LIAISON REPORT

- They had a Committee of the Whole meeting a few weeks ago and discussed dock electrification. Mr. Uchytel made some recommendations and the Assembly accepted the proposal. They are preparing a revenue bond to fund electrification of one of the docks.
- The Assembly officially approved the 1% sales tax list that included \$6.5M for harbor projects. This will be on the ballot in October 2022.

O. BOARD ADMINISTRATIVE MATTERS

- The next Operations/Planning Committee meeting is on Wednesday, September 21st.
- The next full Board meeting is on Thursday, September 29th.

- There is a new format being used for the agenda packets. This is a requirement by the City Clerk and they will be in this format going forward. If anyone would like to see something changed or added to the agenda please let Mr. Uchytel know.

P. ADJOURNMENT - The meeting adjourned at 8:32 p.m.