

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES

For Wednesday, March 22nd, 2023

CBJ Room 224 and via Zoom

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

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

Also Present – Carl Uchtyl – Port Director; Matthew Creswell – Harbormaster; Teena Larson – Administrative Officer; Matthew Sill – Port Engineer; Jeremy Norbryhn – Deputy Harbormaster; Scott Hinton – Port Operations Supervisor.

C. Port Director Requests for Agenda Changes – None

MOTION By MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

D. Public Participation on Non-Agenda Items – None

E. Approval of Minutes

1. February 13th, 2023 Meeting Minutes – Hearing no objections, the February 13th, 2023 minutes were approved as presented.

F. Unfinished Business

2. Hansen-Gress Property Appraisal & Non-Code Ordinance

Mr. Uchtyl said the documents start on page 12 of the packet. The building overlaps two parcels and they are requesting to purchase the piece owned by Docks & Harbors (D&H). Hansen-Gress is struggling to obtain building permits and the City and Borough of Juneau (CBJ) Law Department recommended we execute a lot consolidation. The property appraisal starts on page 16 of the packet. The appraised value is \$24.62 per square foot, or \$118,510 total.

Committee Questions

Ms. Smith asked if this appraisal included the large increase in property value everyone is facing right now?

Mr. Uchtyl said the way property is valued by an appraiser verses the way the CBJ Assessor values property is different.

Mr. Ridgway asked why the comparison property was a parking lot, when our piece of land is waterfront and valued less. He also wanted to know if staff has reviewed everything and if they had any concerns.

Public Comment – None

Committee Discussion/Action

Mr. Ridgway thought the property was valued a little low, but he recommended accepting the appraisal.

MOTION By MR. ETHERIDGE: TO RECOMMEND THE BOARD ACCEPT THE HANSEN-GRESS PROPERTY APPRAISAL AS PRESENTED AND ASK UNANIMOUS CONSENT.

Objection by Mr. Grant.

Roll Call Vote

Yeas: Mr. Becker, Mr. Etheridge, Ms. Hart, Mr. Larkin, Mr. Leither, and Mr. Ridgway.

Nays: Mr. Grant and Ms. Smith.

Motion carried, six (6) Yeas, two (2) Nays.

3. Goldbelt/Seadrome Property Exchange

Mr. Steven Sahlender, Vice President of Operations for Goldbelt, Inc. shared the proposal starting on page eighty-two of the packet. This proposal is for equal property exchange to optimize CBJ and Goldbelt, Inc. property. Goldbelt, Inc. would like to transfer the Seadrome Dock to D&H eventually.

Committee Questions

Mr. Grant asked how the values were established. He said he has concerns about the twenty-foot wide access point from the road. He does not think it is as useful and has changed from the original renderings. He also asked if Docks & Harbors wants a fuel tank on our property?

Mr. Uchytel said the fuel tank has been there for eight years. It would be nice to have it if D&H acquires the Seadrome Dock in the future. The reason the Seadrome Dock is not included with this land swap is the dock is Goldbelt's personal property and the appraisal was for real property.

Mr. Sahlender said the price is separated into three categories, tideland, slope and uplands. Each have a different value.

Mr. Ridgway asked why the land is valued so differently on page ninety-seven of the packet. He would like Goldbelt, Inc. to show the new land swap from the red and green diagram on page ninety-five.

Mr. Sahlender said Horan & Company came up with a value for the uplands, tidelands and slope. The square foot area of land swapped is in CBJ's favor because Goldbelt gets more tidelands, which is a lower value. Some of the concerns from the Board with the first renderings were about giving up so much waterfront property. The new land swap diagram on page ninety-seven in the packet lets D&H retain more tidelands and gives up more uplands. Goldbelt also decided to give D&H the fuel tank because they would be managing the Seadrome Dock.

Mr. Larkin asked how the revised property swap changes the original building plans.

Mr. Sahlender said there is not very much of a difference. Goldbelt might need to move the building back a bit from property lines.

Ms. Smith said she has concerns about the shape of the D&H property. She would like to see a more rectangular shape and wider road access.

Road access and easements were discussed at length.

Public Comment

Bob Janes – Juneau, Alaska

Mr. Janes thinks the access is a driveway verses city street. He believes driveway widths are legal at twenty feet. He thinks this is a well thought out plan and he hopes it moves forward without delay. Mr. Janes thinks the Goldbelt proposal will add to Juneau's waterfront beauty. This plan also supports continued parking at the site. He supports this project as it is addressed tonight.

Committee Discussion/Action

Mr. Ridgway thinks the presentation tonight is very different from the one we have seen previously. We do not have any plans so far for our property at this location. Goldbelt does have a plan for this property and he feels they always do a good job. He also wanted it on record that he works for the U.S. Coast Guard in case he needs to recuse himself from anything pertaining to his employer. He fears this is not enough land for us to do anything useful in the future.

Mr. Larkin was wondering if there was another piece of land they would be interested in swapping for the property at the Seadrome facility.

Mr. Etheridge said if we ever do end up with the small cruise ship infrastructure at the neighboring lot our property at the Seadrome facility will be great to have.

Mr. Uchytel said the U.S. Coast Guard will probably gain ownership of the NOAA property adjacent to this lot.

Mr. Grant has a conceptual problem with the idea there is a huge difference in value from the tidelands and uplands. The tidelands are lower in value but they are able to drive pilings and put a deck or building over the water. He liked the initial concept with greater access to our property and more useful land.

Ms. Hart asked about the Heat Street access and if that would connect to our property.

Mr. Uchytel said when we initially discussed the Heat Street access we thought we would be purchasing the adjacent NOAA property. Now it looks like that will be conveyed to the U.S. Coast Guard.

Ms. Hart asked if the access to and from our property will have covenants for access, allowing both CBJ and Goldbelt access.

Mr. Sill said there would be an access easement in the purchase agreement.

Mr. Etheridge asked if Docks & Harbors did purchase the property, what would be the approach to the dock?

Mr. Uchytel said the approach would probably remain the same but the dock would move out further.

Mr. Etheridge asked if the area for the new building will have fill or pilings?

Mr. Uchytel said it will likely be piles that Goldbelt would install, and maybe a new landing from that location. He talked about different possibilities but nothing has been finalized.

Mr. Grant suggested to change the boundaries so there is not a little strip of land of CBJ's at the entrance to the property.

Mr. Larkin said the easement issue into the property is a non-issue because today our property is land locked and we use the easement to get into our property currently.

Mr. Uchytel commented that because of the CBJ lift station right next to the proposed land swap in some ways this configuration could be valuable because it would consolidate CBJ lands together.

Mr. Ridgway asked where the actual location of the Goldbelt building would be?

Mr. Sahlender explained on the map where the building would be.

Discussion continued on different ideas for changing the lines of the land swap.

Mr. Larkin asked if there would be any problem if CBJ wanted to purchase more land?

Mr. Sahlender commented that Goldbelt did not want to hold this up and thought it would be better received without any money exchanging hands.

Mr. Grant did not want to move this forward to the full Board until there was a layout that everyone could agree to. This meeting is where everything should be decided and not at the full Board level.

Mr. Ridgway asked Mr. Sahlender if tabling this for a month will be an issue for Goldbelt?

Mr. Sahlender said he would work with Horan to come back with a proposed land swap per discussed tonight but he does not want to do that and then come back again and it is still not what CBJ wants.

Mr. Larkin commented that with Goldbelt building a big beautiful building, and CBJ still just has a dirt lot, what if we partnered with Goldbelt for one big project?

Mr. Ridgway wanted the Committee to write up questions and send to Mr. Uchytel. This is a big decision.

Mr. Etheridge suggested staff or Goldbelt talk to DOT to find out what part of the property is useable at the roadside.

MOTION By MR. ETHERIDGE: TO TABLE THIS MOTION AND BRING IT BACK TO THE NEXT OPERATIONS/PLANNING MEETING NEXT MONTH AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

G. New Business

4. Docks & Harbors Use Area – ABLF

Mr. Creswell said there is a new memo handed out tonight that the Board did not receive until tonight.

Committee Questions

Mr. Ridgway asked if it could be discussed tonight without it being in the packet?

Mr. Uchtyl said it can be read into the meeting or brought back next month.

Mr. Larkin commented that this could fit in the public comment period.

Mr. Creswell said staff received a request from Gastineau Guiding to apply for a permit to allow for pressure washing of unpainted bottoms of their boats. They are working with a consultant from ADEC to see if this would be allowed. There is a memo in the packet on pages 122 and 123 on the ABLF FAQ's. Gastineau Guiding is still working with their consultant and should have more information next week. The ask will be if the Board wants to allow a commercial operator to apply for a permit to conduct this activity at the Auke Bay Loading Facility and how that looks allowing a seasonal entity to do this pressure washing?

Mr. Uchtyl wanted to point out that he wrote the memo in February, before the Board meeting. It was going to be on that Board meeting in February but was requested to be pulled because Gastineau Guiding was working with a consultant and was going to have more information for this meeting. Now their consultant is not available again. He said he is told the consultant should provide information to the owners by the 25th of this month so staff should be able to update the next Board packet with the information provided by the consultant.

Mr. Ridgway asked, at the last Operations meeting, the Committee asked if CBJ Law was engaged in allowing a permit for pressure washing.

Mr. Uchtyl said that Mr. Brown from CBJ Law has taken a leave of absence and Ms. Lane from CBJ Law has not provided any information on this topic.

Mr. Ridgway asked Mr. Creswell his thoughts on all the multiple things going on at the ABLF and the Committee not have all the information needed to make a decision?

Mr. Creswell said this is a Board decision and not a staff decision. There are a lot of competing interests and this decision needs to be made in a public forum.

Committee Discussion/Action

MOTION By MR. ETHERIDGE: TO TABLE THIS TOPIC UNTIL WE GET THE INFORMATION WE HAVE BEEN ASKING FOR. AFTER ALL THE INFORMATION REQUESTED IS RECEIVED PUT IT BACK ON THE AGENDA.

Roll Call Vote

Yeas: Mr. Becker, Mr. Etheridge, Mr. Grant, Ms. Hart, Mr. Larkin, and Mr. Leither.

Nays: Mr. Ridgway

Abstain due to conflict of interest: Ms. Smith

Motion carried, six (6) Yeas, one (1) Nay.

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

Mr. Uchytel said on page 126 of the packet is the 2022 CPI which is 8.1%. On page 125 is the language in regulation tagged to the CPI adjustment. The language is such that the Board may take action to keep the fees the same as it was last year or increase it in an amount up to the CPI of the previous year. This reads, if the Board did nothing, the rate would automatically go up by 8.1%. On page 127 shows what the rates will be. On page 129 shows the fees for both Docks & Harbors that will be adjusted and the month. Mr. Uchytel commented he did not see the launch ramp permits on the list but he thought they would be retroactive to the first of the year.

Committee Questions

Mr. Ridgway asked if this included the ABLF work zone?

Mr. Creswell said it was under miscellaneous and did not think it would change.

Ms. Larson said she would look into it and pointed out that the launch ramp fees were under 05 CBJAC 20.060 on the list and the fee would be the same from January to July and July 1st it would increase by the CPI.

Public Comment – None

Committee Discussion/Action

Mr. Leither asked to add to the fee schedule under the 5% sales tax that fees are adjusted by the CPI which is part of our regulation.

Several Board members pointed out that there is no motion needed for this to move forward. However, Ms. Hart wanted to complete the action with a motion for public process.

MOTION By MS. HART: TO RECOMMEND THE BOARD ACCEPT THE FY22 CPI FROM ZERO TO 8.1% FOR APPICABLE FEES AND ASK UNANIMOUS CONSENT.

Mr. Ridgway objected and said it should be calendar year.

Mr. Grant objected that it should state just the 8.1%.

MOTION By MS. HART. TO RECOMMEND THE BOARD ACCEPT THE CY22 CPI OF 8.1% FOR APPLICABLE FEES AND ASK UNANIMOUS CONSENT.

Motion passed.

H. Items for Information/Discussion

6. Harbor Rate Increase – Community Outreach

Mr. Uchytel said on page 130 in the packet is the whitepaper that he drafted outlining our process. The check marked items on Page 131 of the packet shows what has been completed so far. He provided a power point presentation that he intends to share at a public outreach meeting and will be attached to these minutes. On April 4th, we start with an open house meeting at the Mendenhall Valley Library, and April 18th at the Yacht Club. In May, with that public input, the Board will take action on the 9% increase. There will be a break over the summer, in August staff will advertise what the Board is proposing to do. In September, the Board will hold a public hearing and send the Board's final recommendation to the Assembly in October. A possible increase could start January 2024. Mr. Uchytel asked for comments on the presentation from the Committee members.

Committee Discussion

Mr. Leither commented to remove "shareholders are not sensitive to rates".

Mr. Ridgway agreed and added to lead into the summarization of the rate study with, "We need more money in our fund balance". He said he has two pages of comments he will give to Mr. Uchytel in an email. Making a bigger point of the fact that the rates have not been raised since 2012 is an important point to make. Separating the two enterprises in the presentation is also good to point out.

Mr. Grant commented that it would be useful to show our rates compared to other harbors. That can be taken from the study.

Mr. Ridgway liked that Mr. Uchytel pointed out that we leverage the fund balance for grants.

Mr. Leither commented to use the replacement analysis from the study and replacement of our facilities is funded from our finances. He also commented that he is approving this increase mainly for maintenance of the current facilities and does not like all the additional projects added in the presentation.

Mr. Ridgway pointed out, with adding the additional projects, and if those projects are not completed in a few years, the patrons could come back and get upset with the Board when the fees were raised but additional projects were not completed.

Mr. Ridgway recommended to send the presentation to the Board members and the members provide comment to Mr. Uchytel. He also recommended to make the presentation available online so anyone would be able to see it. A suggestion was to send out on social media.

Mr. Uchytel said the presentation can be part of the minutes.

Ms. Smith commented that we have not raised fees for 12 years and we have to catch up.

Mr. Grant commented to start with, “we have not raised fees since 20??”, and that has led to an unsustainable financial situation for the enterprises. The Board commissioned the study, and this is what we got.

Mr. Larkin commented that the lead should be that the Board made a mistake and did not raise rates. This is our mistake and we are trying to figure out how to make it not hurt so bad.

Mr. Ridgway commented that the Board’s proposal is not in the presentation. During the outreach does the Committee want to discuss how the 9% increase is going to be implemented? Also, do we need to say this increase is not due to inflation?

Mr. Larkin recommended hearing from the public on how the 9% increase should be implemented.

Public Comment - None

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

Mr. Sill said we had our pre-bid conference and we have a lot of people looking at the project and that usually translates to better bids. However, everyone has been telling staff that our schedule is too aggressive. He said he called five different float manufactures and they all responded that no one could start on this until January 2024. In light of that, the bid opening was moved back to April 12th, with project completion May 27th, 2024. We are making progress but it is pushed back a little. To keep the momentum going, staff has decided to start on Aurora Harbor project phase IV, which will be the completion of the floats and the connection of the north end from the Yacht Club reinstalling the gangway. We are building the harbor based on need from the waitlist. In the coming month he will bring different concepts that shows different ways to lay out Aurora Harbor phase IV showing different configurations to accommodate our waitlist. Working off the waitlist, this means that we are putting in larger fingers to accommodate, 30’, 40’, and 50’ vessels. We will also work on modest improvements to connect everything.

He said the other item he is working on is the PIDP grant which is a MARAD grant. Staff applied for a PIDP Grant last year for a wide variety of improvements to the Fishermen’s Terminal facility. In the de-brief from that application, one of the risks for obtaining this grant was the ownership issue and the uncertainty relating to our lease. For this application, staff is pivoting to a smaller project for the Fisheries Terminal and found a location for a drive down float on our property. This has been talked about for several years and has been part of a larger plan. This will remove some of the uncertainty experienced in the application submitted last year. We have a consultant working on the PIDP application which is due late April.

Mr. Uchytel commented, with the Bid opening on April 12th, he is proposing to have a Special Board meeting on April 14th at noon to approve the bid award and it send it to the Assembly meeting on April 17th for final approval.

He said if we advance the phase IV concept far enough, he would like to take the opportunity to hold public meetings showing the concepts staff put together.

Committee Discussion

Mr. Ridgway asked if there was any consideration putting gates in phase IV?

Mr. Sill said this will be discussed a little later on the agenda.

Public Comment - None

8. Letters of Support – Army Corps of Engineers – Statter Harbor Breakwater Replacement.

Mr. Uchytel said on page 132 in the packet is a letter he sends out every year to the Alaska District in Anchorage telling them we have a project recapitalizing the Auke Bay Wave Attenuator. He tries to get local letters of support as well as from our Congressional Delegation. On page 136 in the packet he was able to get 28 letters of support which is up from 21 last year.

Committee Discussion

Mr. Ridgway asked if we get letters of support from the Coast Guard?

Mr. Uchytel said typically they will not send one. He said NOAA, and the Troopers do not write letters as well. Government agencies are unwilling or unable to write letters of support.

Public Comment - None

9. Board Letter – North Douglas Crossing

Mr. Uchytel said at the last Board meeting he was given direction to communicate to the Assembly and DOT regarding the study. In the packet is the wording he came up with to communicate Docks and Harbor position on the second crossing.

Committee Discussion

Mr. Grant commented that presently we are agnostic as to a preferred location but if we were to take a position would it at some point influence some of our infrastructure or some of our areas that we manage or are all the proposed locations outside of any impact on our facilities? Is there a reason we should not develop a position?

Mr. Uchytel said he crafted this letter from what he heard the Board wanted to say.

Mr. Ridgway confirmed the letter was written from Board direction.

Public Comment - None

10. CBJ Comp Plan – Use of Security Gates

Mr. Uchytel said at the last Board meeting, Mr. Tim Mosher spoke about a need for a drive down float and also a need for gated security at Harris Harbor. At a previous meeting security gates were discussed, however, in the comprehensive plan, which is to steer CBJ entities in a unified approach, to what things we should be doing, in Chapter V

it talks about Marine Uses and to evaluate methods of shore side security without using fencing or security gates on CBJ owned Docks & Harbors or recreational facilities used by residences or businesses. The Comprehensive Plan is a guiding principle and CDD is working to replace this plan. The level of detail is too much to have it a guiding document. If there is direction from the Board to install security gates staff could go through the process to get this approved. When the last Port Engineer looked into this he recalls the cost for a key fob activated gate to be around \$25,000. The gate would be open during the day and closed at night.

Committee Discussion

Ms. Smith commented that when the plan was put out there was not the problem with drugs as we have today.

Mr. Larkin totally agrees that the harbors needs security gates.

Mr. Ridgway recommended to move forward with a test gate. He asked where would be the best spot for a test gate?

Mr. Larkin commented that this is not just security but safety. There have been drunks wander down the dock and fall in the water.

Mr. Uchytel commented that it is not that we are doing nothing for security, we hired night time security.

Mr. Ridgway also pointed out that we installed cameras as well.

Public Comment - None

I. Staff and Member Reports

Mr. Uchytel said Mitch Faulk's project to build condominiums near Statter Harbor was rejected by the planning committee and he appealed it. The Assembly appointed Ms. Woll as the hearing officer for his appeal. The appeal has been stayed, and that means that the stay allows Mr. Faulk to try again and to make modification to his original plan.

Mr. Ridgway asked to remind the Committee the issue with his project.

Mr. Uchytel said his condo access would be through Docks & Harbors' parking lot.

Member Report -

Ms. Smith said she is having a second knee surgery and will not be able to attend meetings in person for awhile, but will try to attend as many as she can.

J. Harbormaster's Report –

Mr. Creswell reported –

- Staff is shifting gears prepping for summer.
- Some of the seasonal staff has already returned.
- We are continuing to hire seasonal employees.
- Next week staff will be sweeping the parking lots.
- The first cruise ship is in 25 days.

OPERATIONS/PLANNING COMMITTEE MEETING MINUTES (CONTINUED)

For Wednesday, March 22nd, 2023

- A boat sank Saturday in Aurora Harbor, staff showed up and the boat has been raised. The boat was insured and has now been taken to Trucano to be destroyed.

K. Committee Administrative Matters – The next Operations Planning meeting is Wednesday April 19th.

L. Adjournment – The meeting adjourned at 8:03pm.