

DOCKS AND HARBORS OPERATIONS MEETING MINUTES

May 21, 2025 at 5:00 PM

Port Director's Conference Room/Zoom Webinar



A. CALL TO ORDER by Ms. Smith at 5:00pm

B. ROLL CALL: James Becker, Tyler Emerson, Don Etheridge, Clayton Hamilton, Matt Leither, Nick Orr, Annette Smith and Debbie Hart.

Absent: Shem Sooter

Also in attendance: Carl Uchtyl- Port Director, Matthew Creswell- Harbormaster, Matthew Sill- Port Engineer, and Melody Musick- Administrative Officer.

C. PORT DIRECTOR REQUESTS FOR AGENDA CHANGES- none.

D. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – none.

E. APPROVAL OF MINUTES

1. April 16, 2025

Approved unanimously.

F. UNFINISHED BUSINESS

2. New Goldbelt Tram Lease

Presentation by Port Director: Mr. Uchtyl said that the Board was approached by the Goldbelt Tram a couple of months ago to renew their existing lease with Docks and Harbors that has 5 years left for another 35-year term as written in the current lease language. Goldbelt is in the process of securing funding to redo the foundation of the building. Goldbelt's intention is to forgo the remaining 5 year of the current lease term in order to secure a new lease which would allow for funding to be secured to make repairs to the current infrastructure. A new lease was drafted by the Law Department which is included in the agenda packet as well as a new appraisal for the tram site. The appraisal was received this week, which contained errors, an updated copy of the appraisal will be included in the upcoming Board meeting. The appraisal is on page 25 of the agenda packet, the value of the building and airway rights is approximately \$3,000,000. With Docks and Harbors leases a 9% assumed annual rate of the fair market value that would place the annual lease rate of this property at \$272,007.00. The past five-year annual lease value was assessed at \$203,976.00. The lease language is fairly standard for Docks and Harbors leases. Mr. Uchtyl said that he would like this lease to move through the Board approval process so that funding can be secured for Goldbelts planned repairs. Mr. Uchtyl said that Goldbelt representative are currently on vacation and did not provide comment regarding the new lease language or appraisal.

Committee Questions

Mr. Leither asked how much is the current annual lease rate?

Mr. Uchtyl said that it is currently \$272,007 annually.

Ms. Smith asked if the lease is only adjusted every five years so that Docks and Harbors does not capitalize on inflation every year?

Mr. Uchtyl said that according to CBJ code the annual lease value is reviewed every five years. Docks and Harbors has always interpreted the “review” language to mean reappraised. Mr. Uchtyl said that property value and inflation often move in parallel but not always, so an appraisal gives the best indication of fair market value.

Mr. Orr asked what the 9% is based off?

Mr. Uchtyl said that 8-10% is what is typically used for determining market rent. It does not have to be 9% but is what the Docks and Harbors term contract appraiser has indicated as fair market value.

Mr. Orr said that 30 years breaking 5% today, so if Docks and Harbors is using 9% that is a spread of 400 basis points, five years ago that would be a spread of 800 basis points which is significantly more. As the rate goes up Docks and Harbors is not being compensated that more over current trends, which is something for the Board to think about whether or not if 9% is a fair rate to use to come up with the lease value.

Mr. Uchtyl said that Mr. Orr makes a fair point, however, that Docks and Harbors is a government entity and that the Board does not have the leverage of a private enterprise to demand a set lease value. Mr. Uchtyl said that Docks and Harbors enters into lease agreements honest and transparent though public process, which doesn’t mean that Docks and Harbors could not have made more from a property.

Mr. Orr said that he understands the regulatory confines but would like the Board to consider whether or not 9% is a reasonable rate for this property lease.

Ms. Hart asked the Law department reviews the lease and lease appraisal rate to ensure compliance across the CBJ.

Mr. Uchtyl said that Law does not review the lease rate to determine fair market value. Mr. Uchtyl said that is common for land lease rents in Southeast Alaska are 8-10%

Mr. Etheridge said that the Assembly is the final determination on whether the lease rate is too high or too low since they issue the final approval. Mr. Etheridge said that in the past it has occurred where the Assembly sent back a lease for Docks and Harbors to review because of the lease rate being too low.

Mr. Leither asked Mr. Orr what would be a more appropriate interest rate, based on current trends?

Mr. Orr said that he would need to do additional research on commercial properties. Mr. Orr said that the Tram is a low-risk property.

Public Comment- none.

Committee Discussion & Action

Ms. Hart said that Mr. Orr will do additional research to prepare for next week’s Board meeting.

MOTION BY MS. SMITH TO RECOMMEND APPROVAL OF A NEW 35-YEAR LEASE WITH GOLDBELT INC FOR THE TRAM PROPERTY FOR \$272,007 ANNUALLY.

Motion approved unanimously.

G. NEW BUSINESS

H. ITEMS FOR INFORMATION/DISCUSSION

3. Downtown Douglas/West Juneau Area Plan

Presentation by Board Member Smith: Ms. Smith said that page 72 of the agenda packet contains the recommendation prepared by the Downtown Douglas/ West Juneau Committee. The area plan included in the packet is in draft form, nothing has been finalized. The comment period is open until May 21st, and the comment review meeting will be on June 4th. Ms. Smith said that she will be in attendance at the June 4th meeting and is willing to bring any feedback relayed from the Board. After the comments

have been reviewed the area plan will be reviewed by Planning and Zoning Committee. The Planning and Zoning Committee can either accept, amend, or reject the area plan. Ms. Smith met with the Chair of the Downtown Douglas/ West Juneau Committee and said that after the area plan has been approved and revised, she will work with the Douglas Advisory Committee to define specific projects. Ms. Smith said that there are not any currently defined projects that will involve Docks and Harbors. Two potential projects where landscaping at Douglas Harbor and paving the parking lot at Douglas Harbor.

Committee Discussion/Public Comment

Mr. Becker asked for the price of all the proposed work.

Ms. Smith said that no formal planning has occurred and therefore there are not any price estimates.

Mr. Hamilton asked who was on the Committee?

Ms. Hart said that on page 74 of the agenda packet contains the list of people involved and on the Committee.

Mr. Uchytel asked if the Ops Committee would like to take a formal stance and submit a letter to the Downtown Douglas/ West Juneau Committee or would the Committee like to submit comments for Ms. Smith to bring to the Committee? Mr. Uchytel said that he would like to go through a few items that he had flagged when reviewing the document. Mr. Uchytel referenced page 91 of the agenda packet which contain reference to Douglas Harbor. Mr. Uchytel asked the Board whether Douglas Harbor should be referenced as Mike Pusich Douglas Harbor since the area plan is a formal document. Mr. Uchytel said in reference to the tourism plan for the area, that he would like to receive more defined terms for "small scale tourism" in the area.

Ms. Smith said the Committee's vision for small scale tourism would be allowing the Jeep tours to operate in Downtown Douglas. Ms. Smith said that during the last area plan meeting the largest complaint received from the public was that they did not want to allow any tourism activity in the Downtown Douglas area.

Mr. Uchytel asked if the Board wants to communicate concerns related to the area plan? Mr. Uchytel referenced page 95 of the agenda packet which states to enhance the Douglas Harbor recreational and economic opportunities. The plan includes to install a public use dock at Douglas Harbor for recreational and commercial use opportunities. Mr. Uchytel said that he does not understand the area's intention with a commercial use dock at Douglas Harbor, and whether the Board should weigh in or not.

Ms. Smith said that the idea of the commercial use dock is nonspecific but would be developed for day use for the community, essentially a parking lot.

Ms. Hart suggested that the Board go round robin style to gather the type of feedback to deliver to the Downtown Douglas/ West Juneau Committee.

Mr. Hamilton said that is apposed to making a statement of support for the area plan.

Ms. Hart said that she would like to share the improvements that have been made to Douglas Harbor recently and share upcoming plans for Douglas Harbor.

Mr. Etheridge said that it is important to weigh in on the plan to communicate that Docks and Harbors cannot do everything due to funding constraints, and to share completed projects and future project plans with the Committee. Mr. Etheridge asked if Mr. Uchytel would draft a letter on behalf of the Board to be reviewed at next week's meeting.

Mr. Leither said that he would be in support of sending a letter to the Committee. Mr. Leither said that a lot of goals the area plan contains are projects that Docks and Harbors have considered but have been limited due to funding constraints.

Mr. Becker said that he has a boat at Douglas Harbor and that the parking lot is needing attention. Mr. Becker said that the breakwater has been used for repair day-use. Mr. Becker said that all that Docks and Harbors has done for Douglas Harbor should be included in the letter.

Mr. Orr agreed with Mr. Becker and said that he would appreciate clarity on the specifics and if they are asking Docks and Harbors to expand Douglas Harbor.

Mr. Becker asked if anyone knows what is going on with Mayflower Island, since it is owned by the federal government.

Mr. Uchytel said that Senator Stevens wrote into the conveyance that BLM conveyed the use of Mayflower Island to the Coast Guard, and when it became excess for the needs of the federal government it would be conveyed to the CBJ. Mr. Uchytel said that over the years there have been conversations about what to do with Mayflower Island, at the most recent Assembly planning retreat the Assembly made it a goal to transfer Mayflower Island to Douglas Indian Association. At the last Lands Housing and Economic Development meeting, the Lands Manager wrote a memo to advance the plan to convey Mayflower Island to Douglas Indian Association, which will come before the Assembly at the June meeting. Mr. Uchytel said that the Board could write to the Assembly to demonstrate the community desire to expand Douglas Harbor with the usage of Mayflower Island.

Ms. Smith said that she would not recommend writing a letter because there is nothing finalized with this plan and the Planning Commission could dismiss the proposal outright. Ms. Smith said if there are specific changes that the Board would like to make then they would need to be submitted tonight before the public comment period ends.

Mr. Emerson said that he would be in favor of sending a letter to express the ideas that are on the Docks and Harbors Capital Improvement List and ask the Committee to provide more concrete plans for the ideas they proposed for Douglas Harbor.

Ms. Hart said that it sounds like the Board is in favor of a letter to provide supplemental information related to Docks and Harbors involvement in Douglas.

Mr. Uchytel asked what the Board interprets the goal of expanding and enhancing live-a-board opportunities in Douglas Harbor. Does that mean expanding restroom facilities?

Ms. Hart said that she interprets that to mean improved parking, restrooms, and more lighting and security efforts.

Mr. Hamilton said that he has a couple boats in Douglas Harbor. Mr. Hamilton said that the bathroom situation in Douglas Harbor is third world. Mr. Hamilton said that there are 6-inch potholes in the main parking lot, which lowers the public perception of the facility.

Mr. Creswell said that the parking lot has received maintenance through Docks and Harbors partners, Seacon helped with the lot near the launch ramp. Mr. Creswell said that he has contacted Streets and Fleets to potentially help with re-grading the main lot. Mr. Creswell says the main lot needs to be cleared of cars and to have total re-grading, which is something that is a priority at this time.

Ms. Hart said that these plans for the parking lot should be shared with the area plan committee.

Mr. Leither asked how much it would cost to pave the parking lot.

Mr. Uchytel said that it would be close to \$3.5 million dollars.

Mr. Hamilton asked why Fleets can not be contracted to do the Douglas lot on an annual basis.

Mr. Creswell said that Fleets and Streets have a long list of deferred maintenance with a small crew that works around the clock. Mr. Creswell said that they help when they can, and he will reach out regarding a larger project.

Mr. Leither asked how much money is spent on annual maintenance for the Douglas Harbor parking lot.

Mr. Creswell said that all lot maintenance has been through agreements with other companies over the past couple of years to save money.

Mr. Hamilton asked Mr. Creswell to follow up with Streets and Fleets.

4. Seadrome Property Appraisal by Ramsey Appraisal Resource
Presentation by Port Director: Mr. Uchytel said that Goldbelt submitted for a secondary appraisal after receiving the directive from the Board to come back with an offer for the Seadrome parcels above the appraised fair market value. The appraised fair market value that Docks and Harbor received from Horan and Company was \$630,000 and the appraised fair market value received from Ramsey Appraisal Resource \$590,000. Mr. Uchytel said that the second appraisal provides a data point for the Board to review. Mr. Uchytel said that the Board can direct to receive another appraisal.

Committee Discussion/Public Comment

Mr. Orr said that the Board asked for Goldbelt to come back with an offer above the fair market value appraised by Horan and Company, and that is not what Goldbelt did. Mr. Orr said that he has reviewed the second appraisal and is impressed by the methods used by Ramsey Appraisal Services, especially given that there are parcels in Juneau being sold for over \$300 a square foot. Mr. Orr said that he does not agree with the secondary appraisal. Mr. Orr reviewed with the Committee similar land sales in the area and the sale prices.

Mr. Leither said that he agrees with Mr. Orr and that the Board should wait to receive an offer as directed at the last Board meeting. Mr. Leither said that he does not think the Board needs to sell the parcels if Goldbelt is unwilling to come back with a better offer.

Mr. Becker agreed with Mr. Orr and Mr. Leither.

Ms. Hart asked the Committee if Docks and Harbors should seek out a third appraisal.

Mr. Orr said that both appraisals have a lot of important omissions.

Mr. Leither asked if this is something that should be addressed by the Assembly?

Mr. Uchytel said that the Assembly members are aware of this and are engaging with the Law department.

Mr. Etheridge said that he does not think we should seek out another appraisal. Mr. Etheridge said the Assembly's reaction will be variable depending on public feedback. Mr. Etheridge said that the Board needs to communicate to Goldbelt the value of the property.

Mr. Emerson said that he agrees with Mr. Etheridge.

Mr. Hamilton said that he would like the Assembly Liaison Mr. Smith to weigh in on this topic.

Mr. Uchytel said that he will communicate this request on behalf of the Board to Mr. Smith. Mr. Uchytel said that there are no guarantees that Goldbelt will be ready to make an offer next week.

I. STAFF, COMMITTEE AND MEMBER REPORTS

Mr. Sill reported:

- Aurora Harbor Phase IV: Mr. Sill said that Western Marine Construction is under contract and are currently in the submittal phase. All steel and timber submittals have been reviewed. The process is moving forward well.
- Statter Harbor Phase IIID: Mr. Sill said that the Statter Harbor Phase IIID paving project was approved by the Assembly and Contracts are working to finalize the agreements.

- Aurora Harbor Drive Down Float: Mr. Sill said that Docks and Harbors is currently reviewing the two designs proposals submitted for the Aurora Harbor Drive Down Float, results will be posted soon.
- Taku Harbor Float Replacement: Mr. Sill said that bid opening for the project will open next week and that there have been a lot of interest from local contractors.
- Statter Harbor Re-Roof: Mr. Sill said the project is currently being advertised and a pre-bid meeting was held today. Assuming favorable bid results there will be a Special Board Meeting to approve the bids to go before the Assembly at the June 9th meeting.

J. BOARD ADMINISTRATIVE MATTERS

1. Next regular Board meeting - May 29, 2025
2. Next special Board meeting - June 5, 2025 (to approve bid results of June 4 for Statter Roof)
3. Next Operations-Planning Committee meeting - June 18, 2025

K. ADJOURNMENT at 6:18pm

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