

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
MINUTES**

February 6, 2017, 5:00 PM.
Municipal Building - Assembly Chambers

Special Joint Worksession with the Docks & Harbors Board

I. ROLL CALL

Deputy Mayor Jerry Nankervis called the meeting to order at 5:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Mary Becker, Maria Gladziszewski, Norton Gregory (teleconference), Loren Jones, Jesse Kiehl, Ken Koelsch, Jerry Nankervis, Beth Weldon, Debbie White (teleconference).

Assemblymembers Absent: None.

Docks and Harbors Board Members Present: Tom Donek, Chair; Weston Eiler, Bob Janes, Robert Mosher, David Seng, David Summers.

D&H Board Members Absent: John Bush, David Lowell, Budd Simpson.

Staff present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Laurie Sica, Municipal Clerk; Carl Uchtyl, Port Director; Gary Gillette, Port Engineer; David Borg, Harbormaster; Rob Steedle, Community Development Director; Bob Bartholomew, Finance Director; Laura Boyce, Senior Planner.

II. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved as amended by re-ordering the topics for discussion.

III. APPROVAL OF MINUTES

A. January 30, 2017 Committee of the Whole Minutes

Hearing no objection, the minutes of the January 30, 2017 Committee of the Whole meeting were approved with grammatical corrections.

IV. AGENDA TOPICS

A. Docks and Harbors Topics

Update on Docks and Harbors Capital Improvement Projects (CIP)

Mr. Uchtyl provided a presentation on Docks & Harbors CIP projects, opening with the D&H mission statement. The construction firm Manson will complete the Cruise Ship Dock Improvements project 16b and demobilize by mid-April. The large pontoon was put into place today. The 1% for Art LED lighted metal sculptures placed on bollards will be installed in July. The Statter Harbor launch ramp is 99.9% complete. The boat yard has been moved to the Auke Bay loading facility and the project is moving forward with design for the for-hire float. Money has been moved from the 16b project to this effort. If all goes well, construction will begin in the fall. Dredging will be needed and the spoils have been tested and are clean material. The Mike Pusich Douglas Boat Harbor is in the final stages of finishing the floats by March 31. Aurora Harbor Phase I was completed in 2015 and a bid is out for replacement of the E, F & G floats - the bids open on Wednesday.

Bob Janes asked how the boat houses in Phase II will be addressed in the Aurora Project. Mr. Uchtyl said

the issue will be how to move the private boat shelters in and around the project. There is a sequence of moving them that they believe is viable. Staff has tried to keep the boat shelter owners informed. There will be a meeting in May with the owners and staff will make contractors available to facilitate the movement.

Ms. Gladyszewski asked if there were standards regarding the boat shelters. Mr. Uchytel said no, they were built in the 1960's and some are more well maintained than others. There is room for two boats in each shelter and they sell half interests. He has had owners call him to say they don't know who owns the other half. They have to be moved and it is incumbent on the owners to move them and move them back. We are making provisions for restabilizing them when they are put back. They are private property. There are requirements on how the electrical work must be done.

Planning Efforts

Gary Gillette said two planning efforts are underway. One is for the area encompassing Norway Point to the Douglas Bridge. The other is updating the long range waterfront plan from Marine Park to Taku Dock.

Mr. Gillette presented material from a website: <http://juneauwaterfront.blogspot.com/> The project started with a public meeting in June 2015. The number one use people are in favor of is enhanced marine services. They are also interested in better access from Egan Drive, more shops, increased pedestrian access and zoning for mixed use for businesses, housing, and parking. The maritime economy makes up 12% of Juneau's overall economy. They now have some conceptual plans with a marine service yard, UAS facilities, a commercial fishing area with direct sales and fish net area, and moving the Yacht Club to a location near the Whale Sculpture. We looked at housing near the present Yacht Club site, but that idea fell out as it does not generate as much economy as the provision of marine services does. The current plan is to locate a boat maintenance and services yard where the Yacht Club is located now. Near UAS, the plan is for a mixed-use building with the Harbormaster Office and a retail complex with public restrooms, recycling, parking, a net shed, a drive down float, potential direct sales marketing, and a boat lift. There is consideration of moving the grid out from Harris Harbor to create more space for shops, such as a coffee shop, marine services, artists workshop, possible water taxi. We heard a lot about having some type of food service, and we have considered serving the need through food trucks. He talked about potential changes to the interior roads and walkways. This plan will give us direction for the future, and will help us find ways to fund that direction. To implement these, there are opportunities for grants, bonds, sales tax, and public / private partnership. The next opportunity for people to participate in planning will be on February 15 at 9 a.m., with another open studio planning meeting at the Yacht Club. The plan will go to the Docks and Harbor Board in March for approval and then we will work through the Manager's office to get it to the Assembly.

Mr. Gillette and Mr. Uchytel answered specific questions from the Assembly.

Mr. Gillette provided information about the "Urban Plan." The same consulting team has been selected to look at the area between Marine Park and the Taku Dock. Much of this was just rebuilt and we are not looking to make significant improvements, but the goal is to make enhancements for community use, bus staging, movement in and around the area, and find potential for building construction/food service and housing. We want to hear from people. Docks and Harbors has asked the Assembly to purchase the lots in the area for future harbor use - it is the only vacant property on the waterfront in the area. We have a number of people to move around and there have been many ideas discussed. We are thinking parking could be an interim use until a plan is created. Mr. Gillette said they hope to have a preferred plan by the end of the year.

Update on Operations and Regulations

Mr. Uchytel said in addition to planning and CIPS, they do many other things. They issued a contract for the Auke Bay Boat Yard to provide marine services in Auke Bay. They are trying to reopen the Harris Harbor bathrooms. The board is evaluating needed repairs at the Statter Harbor breakwater. They have plans to extend the boarding float in Amalga and these are just a handful of planning issues the board is addressing. He commended the board for going through the fees methodically and the Board is done with the dock fee reviews and is tackling the harbor fees. They have put effort into Alaska Clean Harbors for

certification in a nationwide program. He distributed brochures which they are distributing to their patrons. They are encouraging recycling. Regarding the North Douglas boat ramp, Mr. Uchytel said they have looked at bringing power to the site and it is expensive to light the area and expand the use - it has a deep drop-off which makes improvements difficult.

Mr. Nankervis asked about the feedback the Assembly was getting about liveaboards in the harbor. Mr. Uchytel provided the policy in Title 85 given from the Assembly to the Docks & Harbors Board to manage the harbor for vessels used for transportation on the water. Qualification for use of the harbor means that boats must have engines, operate, and move three times a year. Derelict means unqualified. Mr. Summers said that for two years, he lived on a houseboat in Aurora and he saw the challenges. Staff has tried to make this a liveable place. The harbors are not a solution for low-income housing. Some end up there with no ability to maintain their boats. This causes concerns for safety. The Harbormaster has done an exceptional job addressing this issue. Mr. Mosher said as a commercial fisherman, the harbor staff are doing an excellent job keeping the harbors clean and it is a business area, not a residential area, and it needs to be maintained as such. Mr. Kiehl said he was confused between derelicts and boats that people live on - what is the balancing act for a harbor that is not at full capacity. Mr. Uchytel said there are challenges in managing harbors. There are 165 people living aboard in Aurora Harbor, which is a larger population than Elfin Cove or Tenakee Springs. We have a waste issue with people pumping raw sewage into the harbors. Mr. Borg said he was trying to stress that vessels have to qualify, and as long as they do, they pay their fees, there is not a problem. He was not against liveaboards. It is a pretty basic standard to qualify as non-derelict. Owning a boat is a responsibility. Mr. Uchytel said there is an appeal process to a hearing officer, or to superior court, and he spoke about a vessel that was impounded. Staff needs to have tools to manage the harbors. Mr. Seng said that he has observed that the staff are addressing derelict boats in harbors, clean harbors, and those are discrete actions, programs and initiatives. They impact those who live in the harbors. There is not an effort to change liveaboard numbers and we saw pushback from the public on clean harbors. Some of the liveaboards do not feel that is an important issue and part of this is an education issue. It has gotten rolled into an overall "they are trying to kick people out of the harbor" and that is not the case. Ms. Becker asked about the qualifying features to have a liveaboard. Mr. Uchytel said there is a section of the code to address "non-moving vessels" from the time when there was not a lot of traffic and which addressed houseboats. Houseboats have to leave the harbor at least three times a year under their own power. We have vessels that have not moved in 7 years, and some don't have engines. Those are the ones we are asking to verify. Mr. Borg is addressing safe, clean and sanitary standards. There are boats with multiple honey buckets. Mr. Borg said the non-moving vessels are inside the main, and a few slips have power. The slip area needs to have boats that are moving. The non-compliant boats may be paying their moorage but they are not moving and they have active working vessels that want to be using the slips as a hub of transportation and there are non-moving sail boats that haven't moved in years. Mr. Borg said that only 12 of 39 non-moving vessels are liveaboards. Mr. Nankervis said dealing with derelict vessels is very important and referred to the boat that sank in the channel and the cost of cleaning that up.

Marine Park Lightering Float Removal

Mr. Uchytel said that Wings pilots have requested that the lightering float be removed as it causes an unsafe situation for planes getting to the gas pumps. It will be demolished in May. Construction of 16b included this effort. All lightering will happen at the port field office float - near the Customs building. No one should be surprised when it is removed. Mayor Koelsch asked if there was any study done for any other location. This moves all lightering back to the center of the docks and away from this end of town. It seems there is less congestion at this end of town and he discussed the loss of those passengers moving in this direction. Mr. Uchytel said there would only be 10 to 12 days of lightering due to the building of 16b. Mr. Summers understood the question as he runs a small business at this end of town. There will be an increase of passengers at this end of town by 178,000 potential passengers. Mr. Uchytel said he has worked with Wings, which has agreed to make their docks available for one-off events such as the One People Canoe arrival. Mr. Uchytel said they did not want to remove the infrastructure but they could not ignore when pilots said it was unsafe.

Auke Bay Marine Station Property

Mr. Watt reviewed the status of the project and options for moving forward. In April, Mr. Uchytel found out that the property would become available. The Docks and Harbors Board and the University had a very short time frame to respond. We submitted a joint letter to the federal government asking for more time, but that time was not granted. Distribution of the property has to fall under a sponsoring agency - the US Department of Education would be the sponsoring agency for UAS and the US Department of Transportation Maritime Administration (MARAD) would be the sponsoring agency for the CBJ Docks and Harbors Board. This is to receive the property at no cost. We have had sporadic conversations about how to work together. Both parties received letters from sponsoring agencies that both were eligible to receive the property at no cost. At this same time there were conversations about strategic pathways and the operations of the University. The timeline for GSA to make its decision on property control is May 1 when the Coast Guard vacates the site. A recent meeting set up through the JEDC development cluster was very well attended. Several assembly members were in attendance. There were a lot of questions from the educational, research side and some from harbor patrons. The question is what is the highest and best use for the community. D&H has given us a 50 year vision for the property. Any lack of specifics speaks to the time allowed. UAS may suffer the same criticism for the same reason. It feels like a "pick harbors or pick research / education" but it is an incredible opportunity for both. The question will be not if, but how, the two will cooperate. We have been drafting an MOU indicating the main lab building would be offered to UAS if Docks and Harbors is successful. He listed the ways that CBJ has worked to support the University, including in the 1970's, CBJ installed the sewage treatment plant, in the 1980's, CBJ extended the municipal water system. The Juneau School District and UAS have partnered with Marine tech, a land exchange allowed for university housing and also provided land for the joint use facility. We have CBJ students studying at UAS, we have cooperatively lobbied, CBJ provided the property for the new NOAA facility which also has the UAS fisheries program and freed up the site under discussion. CBJ has partnered on the Auke Lake trail, we have supported the school of education with \$1 million in funds through the Juneau Community Foundation. The Assembly provided lands to the home build partnership with JSD and UAS. There is a long history of cooperation that leads to the question of what to do with this piece of property which consists of 4 acres with several buildings (four of significant size), a small dock on tidelands owned by CBJ and a lease that runs another five years. For the Assembly to understand the process and their role, there are only three things the Assembly can do - the CBJ can pull its application (he did not recommend this), let the chips fall and let GSA decide (local control is best) or further explore an agreement with the University. There is a lot of detailed discussion that can be had and he referred the matter to the chair.

Mr. Nankervis asked to hear from the Docks and Harbors Board. Mr. Uchytel said that the board sees it is a valuable commodity for the harbors for the next half century and as the only way to expand the uses in the Auke Bay area. Chair Donek said that Statter Harbor is getting maxed out and as we are on the last phase of installing the "for-hire" float - this property would give us another access to the harbor. We have a quick plan for a vision of what we could do - this gives us a way for Statter Harbor to grow.

Ms. Gladyszewski asked why the option of working together is not possible - it seems the uses can be compatible. Mr. Eiler said there are two differences with the sponsoring agencies. Mr. Watt said there is a distinction, if the DOE gives the property to UAS, it has to be used solely for education programs for 30 years and then it would be conveyed fee simple to UAS. If MARAD gives the property to Docks and Harbors, it would be conveyed fee simple to Docks and Harbors, but there would be a "claw back" provision if they stopped using it. Under MARAD the use of the property can be for a broader economic purpose. People see this draft drawing by Docks and Harbors as a final design, but it is only a draft. The outside breakwater would put a lot of pressure on that piece of land, and he said there would be many versions of the plan under development.

Ms. Weldon asked if the buildings will remain in use by UAS or if successful, CBJ would be "kicking UAS out." Mr. Watt referred to a map and said that in any scenario the UAS wants the main building noted as A on the drawing. UAS has come up with a 50-year vision with ideas of what they can use the property for - the conflict comes at 50 years' time for both sharing both uses on the site - that is a lot of competition for a fairly small piece of uplands. The fish house is a wooden structure on wooden pilings and will have a ten year horizon before significant money is needed. There may be a little more time on the float and the piling, and it is accessed by a steep ramp and there will be discussion about lengthening that for safety. Buildings B & F would need funds. Building C, the Butler building, is a steel building the Coast Guard uses

for maintenance activities and is a low maintenance cost building that could be used for some time for a variety of uses. Building D is a climate-controlled archive building for specimen-type quality uses. Building E is a seawater filtration plant which goes with Building A.

Mr. Jones said if UAS get the conveyance, it is mostly exclusive for UAS use and in 50 years, there could be other harbor developments on the west side of Douglas or at North Douglas. In 50 years there can be a whole lot of other plans than just expansion of Statter Harbor.

Mr. Summers said he respected UAS and there has never been a time when there has not been a desire to work together. UAS as a tenant on the land would be an integral part of the process.

Mr. Nankervis discussed the timing of this discussion. Mr. Watt said GSA could make a decision at any time and GSA would like CBJ and UAS to make their decision easy for them. We let them know we were talking and we would be having this meeting, but GSA may not wait.

Ms. Becker asked if UAS was able to go into a joint relationship with CBJ - we know we can go into a joint partnership with them. Mr. Watt said the restrictions would come from the federal government. DOE requires an educational purpose and UAS would broadly argue what this means, and they may be successful. Docks and Harbors does not have an educational mission; however, NOAA does. MARAD is an economic generator, and UAS could fit into this.

Mr. Kiehl supported having a full discussion at this meeting but noted that it does take time to negotiate issues. If we think we can partner in a way that UAS can do its research and have a future expanded harbor, our staffs will want to work together over some time on specifics. He preferred giving staff direction to do this. We have the Assembly, the Docks and Harbors Board and Chancellor Rick Caulfield here to answer if this property can be used for both entities. He asked to hear from Chancellor Caulfield, and said he would like to hear about the upland needs for the Docks and Harbors. Ms. Gladyszewski echoed that request. No one wants to remove their application and the work together option seems to be the path to take.

UAS Chancellor Rick Caulfield said he was very open with continuing a discussion about a mutually beneficial arrangement. There is some concern about compatibility of uses. The main building has been used by UAS when renovating the Anderson building. We are familiar with the property. We would want to be assured for safety issues that when we have students walking around, it does not become just a transportation corridor. We would have to invest \$10 - 15 million or more into the buildings over time and not having a long-term interest in the property is a concern. 30 years goes by very quickly, so making investments required to utilize the property quickly and not having good control over the property fee simple is a concern. We are focusing on Juneau as a research facility and there are a lot of public / private discussions going on - Dr. Michael Stekkel is working on mariculture and there is a task force looking at some type of research facility for that site. He understood the needs of Statter Harbor - he has a boat there. What are the synergies - there are possibilities for Juneau and it would be short sighted to think of this only as a real estate transaction. We believe our vision is in line with the Juneau Economic Plan and the Auke Bay Area Plan. There are university districts that develop around universities in other communities and we believe we can be part of the development. '

Mr. Summers asked if there was any scenario in which the UAS would drop its application. Mr. Caulfield said yes, but that discussion would need to be thoroughly worked through. He was happy for the opportunity to clarify the information as it seemed there was a lot of misinformation floating around. They are open to a solution that will work for all.

Mr. Janes said he was a big proponent of UAS and we have an opportunity to put ourselves on the map and be an incredible place for people to come to Juneau to do research and go to school. When the board walked the site, we noted we would need a new dock and we don't need to get hung up on transportation issues. He was all for the University research potential up there and he applauds the application. We are in a crunch for budget and we have national potential for funding through UAS. With that in mind, he asked if there could be a plan that could come through the boards application that could provide an important acquisition for the University. He said he did not want Docks and Harbors to be a landlord there when it is

developing a new plan for the downtown site, and hopes an agreement with more flexibility under the Docks and Harbor's application can be found that could allow the University to do more with the site. Mr. Caulfield said it was not out of the realm of possibility if the questions can be addressed.

Ms. Weldon asked if the UA system would be supportive of this effort when the College of Fisheries is in Fairbanks. Mr. Caulfield said the UA President is on board with this and signed the application. UAS is not recognized as the University's lead for education. We are working collaboratively with UAF to bring a Bachelor of Fisheries to the UAS campus. She asked about the UA President getting a vote of no confidence. Mr. Caulfield said these were difficult times, and the President was listening to all the stakeholders and he was confident that he would continue to pay attention to concerns. The Board of Regents strongly supports this President and the strategic pathway process is difficult but extremely important to carry out.

Mr. Eiler asked if subdividing would be a potential solution and Mr. Caulfield said yes, that has been in preliminary discussion.

Mr. Jones asked what the next step would be - to quickly come to a joint solution or determine that it is not possible. Mr. Seng said that something needs to be done quickly due to the time clock of GSA. Mr. Nankervis said that this is the first presentation the Assembly has had since it approved the Docks and Harbors application. Generally with the CBJ proposal, UAS is in, and with the UAS proposal, maybe CBJ is in, so to get where we want to go, he thought the Assembly was ready to direct the manager to keep talking with UAS to reach a "win-win" solution. Hearing no objection, the Assembly asked if this could be done as expeditiously as possible.

Mr. Nankervis thanked the Docks and Harbors Board members for their service and dedication.

Mr. Watt provided Mr. Uchytel with the "highly-coveted" five year service pin and certificate. He said it was not an easy job and Mr. Uchytel has been a good and dutiful employee of the city.

V. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

None.

VI. ADJOURNMENT

There being no further business, the meeting adjourned at 7:35 p.m.

Submitted by Laurie Sica, Municipal Clerk