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

July 13, 2015, 6:00 PM.
City Hall Assembly Chambers

Assembly Worksession - No Public Testimony

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. **June 22, 2015 Committee of the Whole Meeting**

IV. AGENDA TOPICS

A. **Electrification of 16b - Dock project**

B. **Utility Advisory Board Annual Report**

C. **Parks and Recreation Department Update**

D. **Effect of Waterfront Industrial to Industrial Rezone Request on Proposed Marina Development**

V. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

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

June 22, 2015, 6:00 PM.
City Hall Assembly Chambers

Assembly Worksession - No Public Testimony

I. ROLL CALL

Deputy Mayor Mary Becker called the meeting to order at 6:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Mary Becker, Karen Crane, Maria Gladziszewski, Loren Jones, Jesse Kiehl, Jerry Nankervis (Telephonic 6:25 p.m.- 9:25 p.m.), Merrill Sanford, and Debbie White.

Assemblymembers Absent: Kate Troll

Staff present: Kim Kiefer, City Manager; Amy Mead, City Attorney, Rob Steedle, Deputy City Manager; Laurie Sica, Municipal Clerk; Bryce Johnson, Police Chief; David Campbell, Lieutenant, JPD; Rorie Watt; Engineering/Public Works Director; Marlene Love, Transit Operations Supervisor; Robert Palmer; Assistant Attorney; Hal Hart, Community Development Director; Beth McKibben, Planning Manager; Laura Boyce, Senior Planner; Jean Hodges, Assistant Controller; Patricia DeLaBruere, Airport Manager; Ken Nichols, Airport Engineer; Catherine Fritz, Airport Architect; Mark Miller, Superintendent, Juneau School District.

Others Present: Airport Board Members Jerry Godkin, David Epstein, Mal Menzies, Joe Heueisen.

II. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved as presented.

III. APPROVAL OF MINUTES

A. June 1, 2015 Committee of the Whole Minutes

Hearing no objection, the minutes of the June 1, 2015 Committee of the Whole meeting were approved.

IV. AGENDA TOPICS

A. 2014 Juneau Police Department Annual Report

Chief Johnson thanked the Assembly for its support in many areas. He and Lt. Campbell were present to provide the Juneau Police Department's 2014 annual report, including statistics on police activity and the breakdown of the types of responses made by the department.

He said the second hand store ordinance was in place for over a year and they made 11 recoveries of jewelry, 6 of electronics and 5 of firearms. He said the ordinance was the reason why they could clear a case approximately twice a month. It was proving to be a useful tool. Mayor Sanford asked how the businesses were responding to the code requirements. Chief Johnson said only one business was having a difficult time coming into compliance but they were not enforcing the code upon any businesses yet. Leads on-line have helped significantly as well. Mr. Jones related a personal experience about stolen property recovery through implementation of the ordinance.

Chief Johnson spoke about new canine officer "Buddy," a certified drug dog, still undergoing training.

He spoke about staffing levels and there are six vacancies in sworn officers, 6 are in training and three are being sworn-in on July 6. Dispatch is finally fully staffed and there were 4 in training. It took a year to train an officer and their challenge is retention. He spoke about the stretch still with airport coverage and the upcoming July 4 activities. Mr. Jones asked about succession planning and he said there was a good mix of stratification of ages, with fewer mid-range officers and JPD generally saw resignations after 5 - 6 years of service, as there were lots of job openings nationally and Juneau was a good place for training.

Future opportunities included training for a Crisis Intervention Team which included national best practices. He anticipated a move towards body cameras as a way to improve everyone's behavior. Nationally the use of force and complaints go down. Ms. Crane asked if there was any resistance from the staff and he said two years ago, there was, but the climate had changed significantly. JPD officers were not worried about their actions as they were doing the right thing. He said JPD had been the only accredited agency in Alaska but the accreditation agency was no longer in existence, so they were investigating another agency. Mayor Sanford said the Assembly supported accreditation and was eager to help where needed to ensure that happened.

Ms. Crane said DUI has gone down significantly over the past few years and asked for an explanation. Chief Johnson said it was probably due to a reduction in traffic stops and the need to assign officers to calls. He did not think it was related to any reduction in drinking. Chief Johnson anticipated the need to address the situation when adding marijuana to the factors of DUI. Domestic violence calls were the priority over traffic stops.

Ms. Gladziszewski asked about the clearance rates for rape crimes. He said he spoke to AWARE and together determined that there are not more crimes but there were more being reported. The cases were not the easiest to clear even thought there was good investigation work going on.

Ms. Becker said she was surprised by the value of heroin. Chief Johnson said it was up and it was addiction driven. People generally started with prescription medicine, then moved to heroin. He said Juneau was a hub and they were doing interdictions at the Post Office and it has helped to be at the airport.

Ms. Becker thanked Chief Johnson and the entire department for their efforts. He said the airport had been significantly more work than he anticipated and the officers were challenged in their work hours.

B. **Juneau School District Major Maintenance Funding**

Ms. Kiefer noted two items added to the red folder: an overview of bond deb and mill rate status from Finance Director Bob Bartholomew and an attachment to the school district's request that was left out of the packet outlining $2.62 million in deferred maintenance and minor capital projects. Ms. Kiefer said that the target of bond debt should not exceed $222 Million, and CBJ was currently at $204 million. Mr. Bartholomew's memo recommended waiting 1-2 years for additional bonding, especially GO bonds. The finance department was anticipating an eventual mill rate reduction in FY17-18 and the Assembly would have more options at that time to consider.

Supt. Miller said that when the state put a five year moratorium on school bonding, it changed the landscape for funding school maintenance. We put the idea of a full renovation of Marie Drake on hold and he reviewed the list of items on the deferred maintenance list. He said a few areas of major concern were the bleachers and shot clock at JDHS, and a single wall underground 5000 gallon fuel storage tank that was not monitored. Those were the type of things that kept school superintendents up at night.

Mr. Watt said there had been a good period of state supported school construction and through that period there was an opportunity to use leftover funds for smaller projects. CBJ now found itself in a situation with no mechanism to fund deferred maintenance for the smaller things. Mr. Watt said the school district was now a department like all others in the city that were seeking maintenance funds. The list of projects was the tip of the iceberg.

Mayor Sanford said that the Assembly had been asking for asset management information, including for the schools, and many of the items at the schools had been fixed. CBJ needed a good program to be able to see what the needs are and if the Assembly did not have that information it was difficult to set priorities. The list was needed to create the CIP list, to prioritize for sales tax funding and for other uses. He would support funding to get moving on this.

Mr. Watt said that the district was previously able to hire a facilities planner, but as the big projects tapered off, that position was eliminated. The Dept. of Education would agree to use additional bond funds to do an assessment of a facility and projects were flushed out for the Assembly and the voters. The Dept. of Education restricted the use of residual bonds and became less lenient to use bonds in ways they previously had, and therefore they lost a year on Marie Drake. Staff was scraping money from bond interest for planning but the plan was completed just when the legislature placed the moratorium. The district had a nominal plan for big projects but not overall. The resources they had were put into teaching. This was an abrupt change to the funding patterns from the state.

Ms. Kiefersaid the Dr. Means, Mr. Miller and she met about six weeks ago and discussed that it would take about $250,000 to take a good look at the school district needs so that when the state started funding again those priorities would be established and ready to be addressed. It would take a few years to get that project going as they did not have the staff to do this. The money they were seeking for maintenance could be spread over a few years to get the $1.3 or $1.5. We could take part of tobacco tax, say $650,000 and include it in CIPs for special projects. She said staff could bring back proposals at the July 30 Finance Committee meeting.

Mr. Kiehl thanked Mr. Miller and Mr. Watt for bringing the concerns forward and he understood the changed environment. For at least the next five years, it would be a new world and CBJ needed to have this conversation. 100% funding would need to come from the local taxpayers' pockets. The start should be bare necessities projects. The approach may need to be more collaborative with CBJ and JSD.

Ms. Crane said CBJ had lost staff and the Assembly couldn't transfer the responsibility for these facilities to the engineering department. Mr. Watt said that CBJ engineering staff typically did this work, and that the work had been charged to the job, so it was business as usual.

Ms. Gladziszewski said she also had a concern about the database of information and asked when was the facilities position ended. Mr. Watt said that the district had enormous pressures in its operational budget for teaching positions. He said the condition surveys for JSD facilities were historical as the renovations were made. There was information for Marie Drake and there were items that could be done there, as well as at Mendenhall River Elementary, and DZ Middle School, even though relatively new, it would need a next 20-year look. The list before the Assembly came from both JSD and Engineering staff because the board recognized that the Assembly needed to see the types of projects requiring funding. Ms. Gladziszewski asked how the priorities could be set. Mr. Watt said that the relationship needs to be defined on who was going to set the priorities since the funding would come completely from the CBJ. Ms. Gladziszewski said an overall facility picture was needed. Mr. Watt said he thought there needed to be separation between funds for schools and for other CBJ facilities. He would not mix the two categories. Each program, when successful, got funds through the CIP, including the enterprise boards, streets, etc. If facility maintenance were mixed there would be conflict between programs.

Ms. Becker said the JSD needed to provide the priorities for facilities. Mr. Watt said that the funding that the Assembly could provide to JSD should be broad to be able to roll with changes.

Ms. Becker said safety and health issues were primary, and she assumed the district would prioritize that way.

Mr. Miller said that school districts were good at routine maintenance and cleanliness, but their priority was educating children. They had an outside firm review the oil tank situation, and that was not the area of expertise for the school staff. They need more facts for a master facilities plan regarding the changing population in the community. A future planning effort needed to go along with a prioritization for maintenance process.

Mr. Jones understood the interest in segregating funds but in the near term how could the Assembly deal with this until the 2017-18 sales tax funds may become available. Mayor Sanford said that led back to building and facility asset management.

Ms. Becker asked if efforts towards buying asset management programs should take precedence over the oil storage tank problem.

Mr. Kiehl supported asking the voters for additional funds for school maintenance. He wanted to set some direction for funding this at this meeting. Ms. Becker agreed that the needs were there.

Ms. Kiefer said the proposal from the school was for $1.3 million. She spoke about the schedule to get a question on the ballot and suggested drafting an ordinance to put this on the ballot with introduction on July 10, discussion at the Finance Committee on July 30, and then action in August.

Mr. Jones said under the old funding scenario, it would have likely been two years to replace the oil tank. There was no plan to do this immediately. He was not sure there was a crisis that existed that required the Assembly to come up with an immediate solution and put it forward to the voters on the ballot.

Mr. Kiehl said the amount of funding that was used to make accellerated bond payments could have been used for these type of repairs, but that was no longer available and this was why CBJ was in this situation.

Ms. Crane said that there may be other 1% projects that were not ready to be used and she mentioned the BRH CAMU project. The Assembly should look at all of the options. Ms. Kiefer said she planned to bring those type of options to the Assembly Finance Committee on July 30.

Mayor Sanford wanted to hear all of the options. Ms. Kiefer said the concern was the tight deadline for the election, and asked for direction for drafting to get this in motion.

MOTION, by Sanford, to draft an ordinance for introduction on July 20 for funding school maintenance projects at $1.3 million. Hearing no objection, it is so ordered.

C. **Airport General Obligation Bonds**

Patricia DeLabruere presented the Assembly with a request from the Airport Board for $10.15 million in the form of a GO Bond for airport improvements. She spoke to a presentation that gave an update of the current operations at the airport and outlined the projects yet to be funded. She said approximately 1 Million people travelled through the airport in a year, and there were 950 direct jobs in operations at the airport, in addition to construction jobs. The $6.4 million in operating revenues from rates and fees at the airport were sufficient to maintain operations at reasonable rates for tenants, but were not sufficient to finance large capital projects without help from CBJ. CBJ benefited through sales taxes, business personal property taxes and property tax from airport tenants.

She spoke about the terminal renovation project, and the next Phase II is the oldest area which needs complete renovation or tear down. Part A is the north wing where the small air carriers are and it must be completely torn down due to code issues and can not be just renovated. The $14.1 million cost would include a variety of funding sources, and she was requesting $3.75 M in a 2015 GO Bond request. Part B was the "Knuckle" phase and was in the future and was not being addressed at this time.

The snow removal equipment facility now dated back to 1962 and much of the equipment did not fully fit in to the building. We were not ordering new equipment until they had a place to put it. The new facility was only subject to 73% of FAA funding, some part was ineligible, and this was a $4.2 million request in the proposed GO bond.

Ms. Crane said she understood this building was needed and she thought this was already fully funded but that was before relocation. She did not understand that Juneau had to pay back the FAA, and she asked about the cost to redesign at a new site. Was the value of the original site worth the cost of redesign? Ms. D. said access and prime property would be lost at the old location. The proposed relocation of the SREF was actually to the original planned location for the SREF building that was somehow changed during the long EIS process. The amount of real estate lost to the runway safety area mitigation on the west end for the creek restoration was a huge determiner for rethinking the location. When the Board mentioned relocating back to the west end, tenants whole-heartedly supported this move due to the lost land and the prime property that it would take up on the east end. The long-term look was the main objective. They had one tenant looking at a large portion, plus several others looking at the east end. Not one of them would consider the west end which limited their size and had no public access. She said the staff took a longlook and worked with the FAA on a complete analysis which could be found on the Airport's website:
http://www.juneau.org/airport/projects/sitedesign.php

Ken Nichols said they had to do a detailed economic analysis of the site for FAA and it made complete economic sense to go to the northwest site. Based on the duration of the leases and the revenue it would make up for the cost. He spoke about potential development that had been discussed and proposed.

Catherine Fritz said that an analysis was done for the FAA regarding the highest and best use of the land and this was hotly debated between the airport and FAA. The airport had limited revenue opportunity due to the location in the wetlands and that property could not be developed. The areas of land we do have are limited. Her opinion was that the decision to locate the SREF in the NE quadrant had been a political decision, because the NW quadrant was part of the original EIS. She said it was the best long term decision for the airport to relocate the facility, based on many factors, most importantly the economic factor of the potential tenants and revenue to be derived.

Ms. Fritz said there was not much that could be done to change the design of the facility to reduce costs at this point. The board went through this analysis. The space for archives could be taken away, and there was a meeting room, but that was the only training room. The FAA said the Airport needed all of the functional pieces, but was not allowed to pay for all of them them. They had not spent any money on redesign of any components until the funding could be lined out.

Ms. DeLaBruere spoke about the improvements needed to Alex Holden Way. $2.2 million was spent on a band aid approach in May but long term roadway reconstruction was needed. This had been on the CBJ CIP list for a long time. There were public access rights to this road.

She showed a chart of capital funding from 2007 - 2014 and the source of the funding. There is another $61 million of eligible projects for FAA funding and another $4 million for other projects. This is an incredible amount of funding and it is all coming due.

Ms. Becker thanked the staff for their report.

Ms. Crane said she was not willing to move forward this at this time and she wanted to look at all requests at the same time to know what we are looking at putting forward to the voters.

Mayor Sanford concurred and said CBJ was close to the cap on bond debt an the Finance Department had suggested that CBJ wait one year. Ms. White agreed.

Hearing no objection, Ms. Becker said the Assembly would discuss the matter with Mr. Bartholomew at the upcoming Finance Committee meeting.

D. **Capital Transit Update**

Mr. Watt said he knew that last year was a frustrating year regarding transit issues and he had spent significant time on this issue since moving into his new position. He was hoping for a good interactive process with the Assembly. He outlined his report, provided statistics on bus use, and said they had made significant progress with DOT and were building bus shelters. The facility renovation project was in preliminary design and was estimated at $6.3 million, which included electronic fare boxes. They would have a project soon and it would need to be phased. CBJ has an award winning transit system but has not been able to adapt because it had gone too long without making any changes, so it has been an inflexible system. The changes desired add to the stress on the system. The 2014 plan was adopted, had some good information, but was not able to be implemented. We tried to move too fast on relocating the hub to the skate park and that was a false start. We decided to be driver centric in our approach. He said the Assembly wants to be able to incrementally adjust the system, and the drivers see what they called an "empty refrigerator," with no resources to make that happen. Mr. Watt said there was a comprehensive system analysis and there were many good things noted. There was an idea that the transit operators didn't want to change the system, and that was not true, they just didn't want to change it to make it worse. The system was so tight that when one route got messed up it rippled in to the entire system. The drivers had kept the existing route structure by working at shaving time when they could. They were doing this in loyalty to the other drivers and customers. If more minutes were added to the system this left the drivers without a break. Some of the early efforts tried to reroute back loop service. We met with the driver work group, the consultant, Mr. Goldrich, and it was a good process, and there were several options that they couldn't make work. We have tonight an option derived from the driver's experience, which he outlined. We can get the goal of Riverside service, serving Dimond Park, without upsetting the apple cart.

Ms. Crane asked about reduced service to Davis Avenue and the effect. Mr. Watt said traffic was the problem at the hours that service was reduced and riders there would not be happy. A person would be able to get to the bus but just not make the trip in and out. Introduction of more pedestrian movement was a cause for concern.

Mr. Jones discussed pedestrian behavior. Mr. Watt said the entire Old Glacier Highway corridor through Lemon Creek was a real problem and CBJ needed to push DOT to do the proposed improvement project, and if they didn't, the he said the CBJ should consider putting a light at Davis.

Mr. Watt said the best part about the proposed changes was that they came at no cost and worked within the existing budget. He said it was a good plan, it needed to be rolled out to the public for input.

Discussion continued with questions and answers from Assemblymembers.

Ms. Crane said this was the best plan so far and was thankful for the work that went into it. Mr. Watt said that it was thanks to the drivers as they wrote the plan.

Mr. Watt spoke about proposed changes in technology and transit would implement automated passenger counting to get real time data to measure ridership and route timing. He pushed the consultant for an answer about electronic fare boxes and was told they generate only 10% more revenue. The fee structure and the policy on free rides was a big topic and needed to be reviewed. If we give people a ride on caravan for free and we charge for the bus, this sets up a problem.

Mr. Watt spoke about Park and Ride and the potential of looking at church parking lots during the week, also the new parking area at Statter Harbor. Nugget Mall was difficult with timing in the system as a hub, and we talked to the Mendenhall Mall about increasing the presence with the mall - they don't want us on the mall road, but they have property for sale - if we move there as an anchor, we have all new opportunities. He showed a diagram of a lot next to Tesoro and said this would be a good valley hub in the long run. The lot was assessed at $550,000 and he asked for permission to obtain an appraisal to determine the possibility of a potential purchase.

Mr. Kiehl said he did not object but would like to see how the proposed changes work before we start investing in a new transit point. Mr. Watt said he understood and the new changes would be implemented October 1. If you do a transit center at this location you would need a whole new transit plan and it would give you maximum flexibility. It would be a long process but there would be so many more options. Ms. White agreed with Mr. Kiehl.

Ms. Gladziszewski asked about park and ride and how many spots are they looking at. Mr. Watt said he was not sure but could gauge it by setting up a pilot project.

Ms. Crane spoke in favor of obtaining an appraisal. Ms. White estimated a commercial appraisal to range in cost from $5,000 - $60,000.

Hearing no objection, the Assembly agreed to an appraisal of the property at a cap of a $6,000 investment.

Mr. Watt said that many people were encouraging the system to invest in electric buses. There was a plan to purchase four new buses and he strongly discouraged the purchase of electric buses, saying it was not the right time.

Mr. Watt said the Human Services Transportation Plan would come before the Assembly in August.

E. **Title 49 Land Use Code - Revisions Proposed by the Planning Commission regarding Subdivisions**

Ms. Boyce said she was available to answer questions only or to provide a presentation.

Mr. Jones said his main concern was lowering the standard for roads and the potential for increased costs to the city in the future due to a need to provide for Local Improvement Districts for those roads. If the purpose was to increase affordable houses, those homes would have familites with children that would want services such as sidewalks and paved streets. He still had concerns about the remote subdivisions.

Mr. Kiehl said he had concerns and questions about privately maintained access roads in rights of way.

Ms. Boyce said the staff would like to have the applicant pay for the notification required and that should be added to the code.

Ms. Mead said an important issue for the Assembly to consider in the ordinance was that the street standards that were required would be tied to the ADT (Average Daily Trips) standards. Gravel roads would be allowed, except for in the valley, if the trips generated would be under 250 ADT in the minor subdivision with 13 or fewer lots. Prior to the accessory apartment ordinance, this worked, because both a single family home and accessory apartments were measured the same way with an average of 9.57 trips per day each, and 250 was the top ADT for a minor subdivision. With the new accessory apartment ordinance, it reduced the number of parking spots required from 2 to 1 for the apartment and a definition was added saying that the apartment was subordinate to the use. So now for the purpose of calculating ADT, the accessory apartment could no longer use the same ADT (9.57) for the main home. If using the streets standards table, the 250 ADT is actually 16 or 17 lots, which no longer matches with the language of the private access. The subdivision review committee was aware of this but was concerned about making changes so late in the discussion. Ms. Mead said it was an inconsistency in the code. The

Assembly needed to fix this by either removing the limitation for private access ways only in minor subdivisions from the code, or in the table setting up the street standards, the ADT is changed so that it is not 0-250 or whatever the 13 lots would generate, assuming that there could potentially be an accessory apartment on each lot. Ms. Becker asked to get a written explanation of the issue.

Hearing no objection, the Committee requested that the ordinance be removed from the public hearing scheduled for June 29, and recommended scheduling another Committee of the Whole meeting on July 27 to discuss this ordinance, with an anticipated public hearing at the August 10 regular Assembly meeting.

V. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

None.

VI. ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 10 p.m.

Submitted by Laurie Sica, Municipal Clerk

MEMORANDUM

CITY AND BOROUGH OF JUNEAU
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TO: Mary Becker, Chair
Committee of the Whole

FROM: Kimberly A. Kiefer
City Manager

DATE: July 9, 2015

SUBJECT: 16b Electrification Information

There have many questions regarding electrification of the 16b project. In an attempt to make sure we all have the same information, I have asked the following people to attend Monday's COW meeting:

Kirby Day and the Shore Power Director, Holland America Group
Tim McLeod, AELP
Duff Mitchell, Juneau Hydropower
Carl Uchytil, CBJ Port Director
Gary Gillette, CBJ Port Engineer

Each organization will have 10 minutes to provide information and then there will be time for questions. Included in the packet is information from Docks and Harbors and Juneau Hydropower.

Juneau Cruise Ship Docks
Electrical Systems

Conceptual Design **February 2011**

Shore Power:

Existing Shore Power Facility, South Franklin Dock (Princess Cruises): The existing shore power facility at the South Franklin Dock was placed in operation in 2001 for Princess Cruises. The facility is configured with a substation on the mountainside above the dock, adjacent to the two 69 KV transmission lines routed from the Thane Substation to distribution substations in downtown Juneau. A transformer at this substation provides either 11.2 KV or 6.6 KV power to the shore power stations dependent on the vessel requirements. The power is transmitted through underground cables to a switch at the dock where the cables become large, flexible mining type cables laid in cable trays up and onto the festooning system where the cables are suspended to the ship. The system is capable of supporting a 16.25 MVA[1] load.

The energy consumption for each ship visit has been recorded since the beginning of operations on 10 July 2001. The energy consumed varies from year-to-year dependent primarily on the amount of energy available from AEL&P. AEL&P provides this energy to Princess Cruises on a "non-firm" rate[2]. The energy consumed is graphically illustrated over the past ten year period – see Attachment A. The average consumption over the past nine years[3] was 4,107 MWh[4], while last year (2010) 4,266 MWh was consumed.

Last year, AEL&P began recording the load demand at the South Franklin Dock. Six different vessels visited Juneau and demanded peak loads varying from 7.24 MW (Sea Princess) to 10.6 MW (Diamond Princess). Most of the loads were between 8 and 10 MW – see Attachment B.

The vessels' connection to shore power requires cooperative coordination between the AEL&P staff and the vessel crew. This involves synchronizing the generators on the ships to the utility frequency and voltage before closing the switch allowing connection, and then removing operation of the vessel's generators. Vessel departure involves a reverse procedure. The connection of the vessel is monitored with protective relays and interlocks which open the vessel's connection with any problematic conditions.

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[1] MVA = Mega Volt-Amperes, a measure of apparent power.

[2] AEL&P utilizes this rate structure allowing them to provide excess energy to specific customers when it is available. These customers utilize this energy in lieu of producing electricity with their own generators. With this rate structure, AEL&P is not required to maintain additional standby generators supporting "firm" capacity as stipulated by the regulatory commission.

[3] The first year (2001) was not a full year, thus the consumption for that year was not included in the average.

[4] MWh = Mega Watt hours, a measure of real energy.

Figure 1 - South Franklin Dock Shore Power

Future Shore Power Facilities, Downtown Docks: AEL&P officials state that they currently lack capacity to support additional “non-firm” shore power facilities. When the second phase of the Dorothy Lake facility is constructed, their capacity will be improved with likely allowance for additional shore power facilities.

When implemented, the shore power facilities should be constructed at both docks. As illustrated in the site drawings, the ships will be moored stern-to-stern. From recent meetings with the cruise ship agencies, it was learned that the vessels are configured with their shore tie connections near their sterns, on one side or the other, but not on both sides.

The new shore tie facilities will involve the construction of a new substation on the mountainside, south of Gastineau Avenue. Again, this substation will be close to the 69KV transmission lines, located on land owned by an AEL&P sister company. It is probable that it will utilize two transformers, allowing selection of either 6.6KV or 11.2KV power to the each dock. The feeders from the substation will be parallel to the shoreline where they will separate direction to the individual docks.

The feeders from the dock will traverse down the transfer bridges to the floating docks. The cables will pass within the docks to the ends to the most strategic location for connecting to the vessels. The cables will terminate on a festooning type of structure allowing the cables with connectors to be suspended and swung out to the vessel.

The feeders on shore will utilize single conductors with 15KV rated insulation. These conductors typically utilize large strands with little flexibility. Before crossing from the stationary dock to the floating docks, the conductors will probably have to change to a finely-stranded type with much greater flexibility. And these cables will probably be a mine type cable encompassing the conductors for all three phases. The transition from one conductor type to the other will occur at a control switch or a pedestal type junction. This detail will be better studied during design.

Figure 2 - Shore Tie Connectors

When energy becomes available, the first phase of the facility to be constructed may be adequate to just power one shore tie. In this case, the system will be configured with a single transformer at the substation and a single feeder[5] to a switch at the shore. The switch will be configured to select the dock to be powered as well as provide synchronizing control.

Figure 3 - Shore tie Cable Festoon

When it is determined that an adequate supply of energy is available to serve to shore ties simultaneously, the second transformer will be installed in the substation with a second feeder similar to the first installed to the switch at the shore. The switch bank will be reconfigured such that each switch individually controls synchronization to the associated dock. The cables from the switches to the festoons and connectors on the floating docks will remain the same.

With the understanding that excess energy is unavailable for the shore power facilities at this time, it is prudent to only install the required raceways, manholes, and vaults. The raceways constructed in duct banks will be installed from the hillside above South Franklin Street down to the shore line, first crossing beneath the street and then transitioning beneath the new

[5] Four sets of conduits with three conductors.

parking area to the new portion of dock where the old ferry transfer bridge was once located. One or two manholes will be located on the shore side of South Franklin Street to provide access to install new cables. The duct bank will terminate in a vault at the shore with ten ducts stubbed through the retaining wall at the shore. There will be ten, 6 inch diameter raceways in the duct bank for the entire route.

Installing the infrastructure at this time will minimize future disturbances to the new uplands area. Along with the installation of an infrastructure on shore, some raceways, or support structures for raceways will be installed on the transfer bridges and within the floating docks.

Attachment C illustrates the layout of the shore power system. It defines the portion to be installed initially, and the portion, or portions, to be installed in the future.

Facility Power:

A power distribution system will be installed for both floating docks to support lighting, capstans, pumps, small vessel shore tie equipment, and miscellaneous equipment. The system will be powered at 480 volts, wye connected three phase.

The system will involve the installation of a feeder from shore to each floating dock. The feeders will terminate in distribution panels constructed for a marine environment with stainless steel enclosures and hardware. Step-down transformers will provide reduced voltage power (208Y/120 volt, three phase) to a second panel for small loads and maintenance receptacles.

The feeder to the dock will be a mining type cable (Type W). The circuits on the floating dock will be single conductors installed in Hot-Dipped Galvanized Steel Conduit. Connections to vibrating or shifting equipment will be flexible cable, either Type W or a type of SO.

All boxes will be cast metal suitable for a marine environment. Cabinets will be stainless steel with drip shields, gaskets, and stainless steel hardware. All support structures and materials will be stainless steel or Hot-Dipped Galvanized Steel.

The system will be metered a single point on shore with separate circuit protection for the feeder to each floating dock.

Grounding:

A grounding system will be installed to support both the medium voltage shore power facilities and the low voltage distribution system. It will incorporate bare copper conductors installed in the duct banks, ground rod type electrodes in the manholes and vaults, and insulated conductors beneath the stationary docks.

Grounding conductors will be incorporated into the feeders from the shore meter/load center to the distribution panels on the floating docks. Ground bars will be incorporated into the distribution panels with bonding to the floating docks and equipment. Additionally, sea water ground rod electrodes will be installed and bonded to the same distribution panel ground buses.

The grounding system on the floating docks will be constructed to allow integration to the medium voltage ground grid component of the shore power facility in the future.

Lighting:

Luminaires will be installed to illuminate the transfer bridges, gangways, catwalks, dolphins, and the floating docks. The luminaires will all utilize LED type lamps with night-time and motion sensing control. The lighting will only operate during night-time hours. The motion sensors will control the illumination levels from a partial output to full output when human activity is recognized within their sensing area. All luminaires will be manufactured with glare control features.

The luminaires on the transfer bridge will be small fixtures mounted beneath canopies where provided, to protect pedestrians. The illumination of the vehicle lane will be small fixtures mounted to the rails.

The luminaires on the floating dock will be area lights mounted to posts 15 to 20 feet in height, mounted along the shore side of the dock.

The luminaires on the catwalks and dolphins will be small fixtures mounted to the rails, not obstructing movement or line handling.

Navigational lighting will be installed as required.

Surveillance Cameras:

Surveillance cameras will be installed to observe problematic activities on the floating docks, catwalks and dolphins, and on the transfer bridges. The cameras will utilize Ethernet technology with wireless communications to a central DVR[6] and monitor.

The cameras will be small and relatively inconspicuous with fixed lenses. Some cameras will also have infrared capability for night time observations. The cameras will be mounted to poles supporting area luminaires.

The DVR may be installed in the Downtown Library with connection to the CBJ network. The DVR may be programmed to collect images at designated intervals from specific cameras, or in video streams during specific times as initiated by camera motion sensing. The DVR will include storage capacity for a minimum of 30 days of images and video. It will have the capability of automatically erasing images and video stored for more than 30 days.

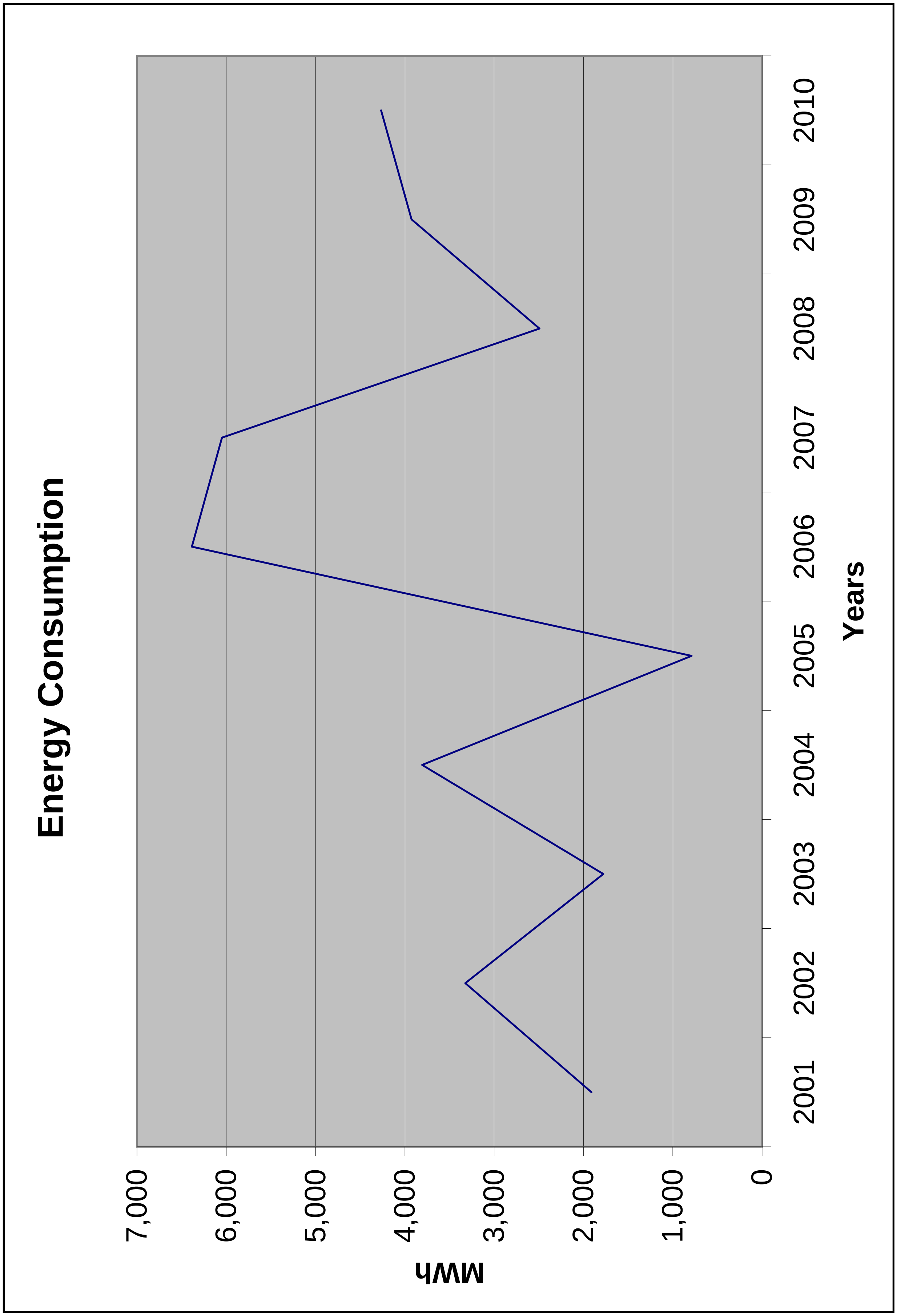
[6] DVR = Digital Video Recorder

Applicable Codes:

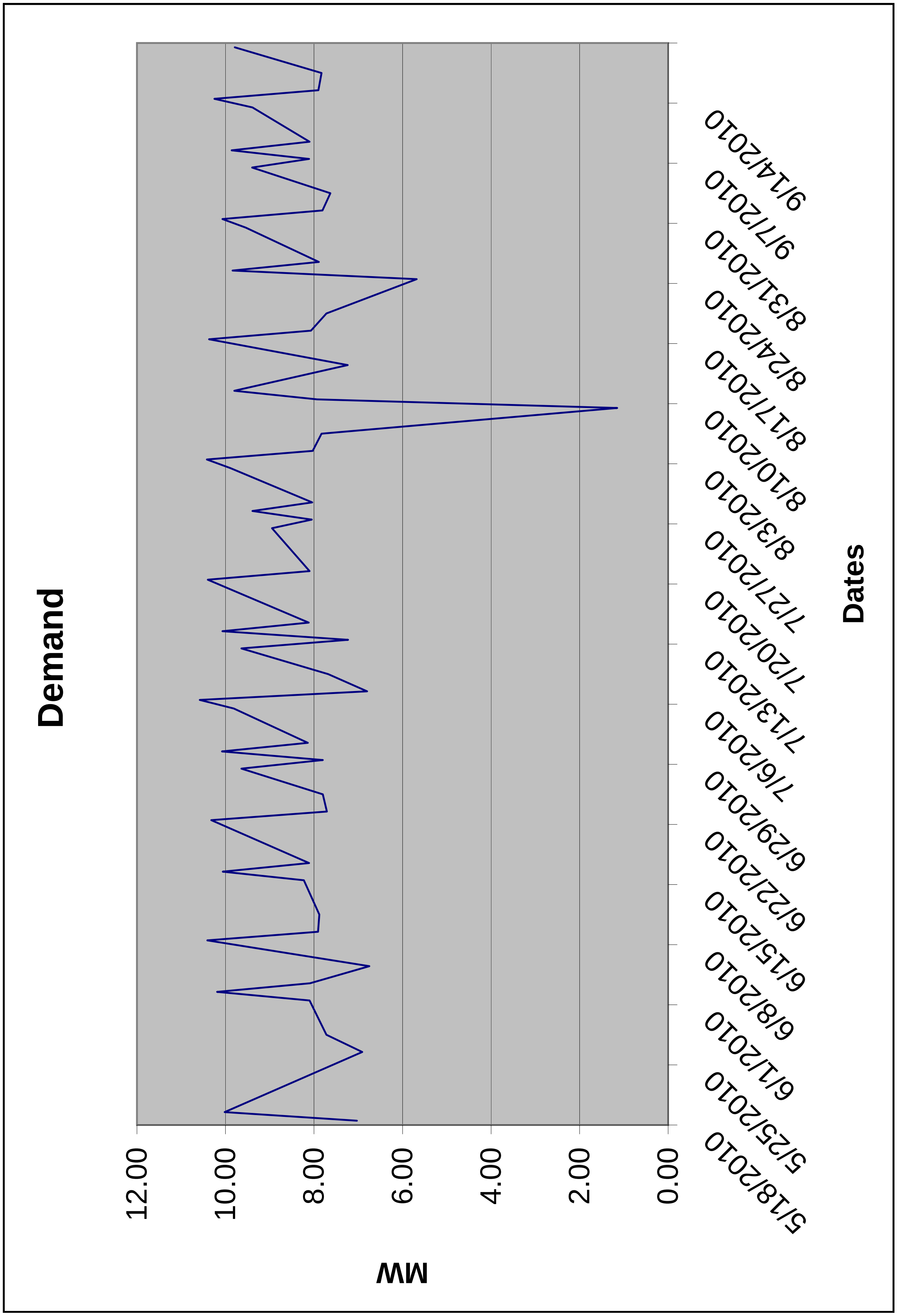
Shore Power Facilities – National Electrical Safety Code and National Electrical Code

Low Voltage Distribution Facilities – National Electrical Code

Lighting – Illuminating Engineers Society of North America



Attachment A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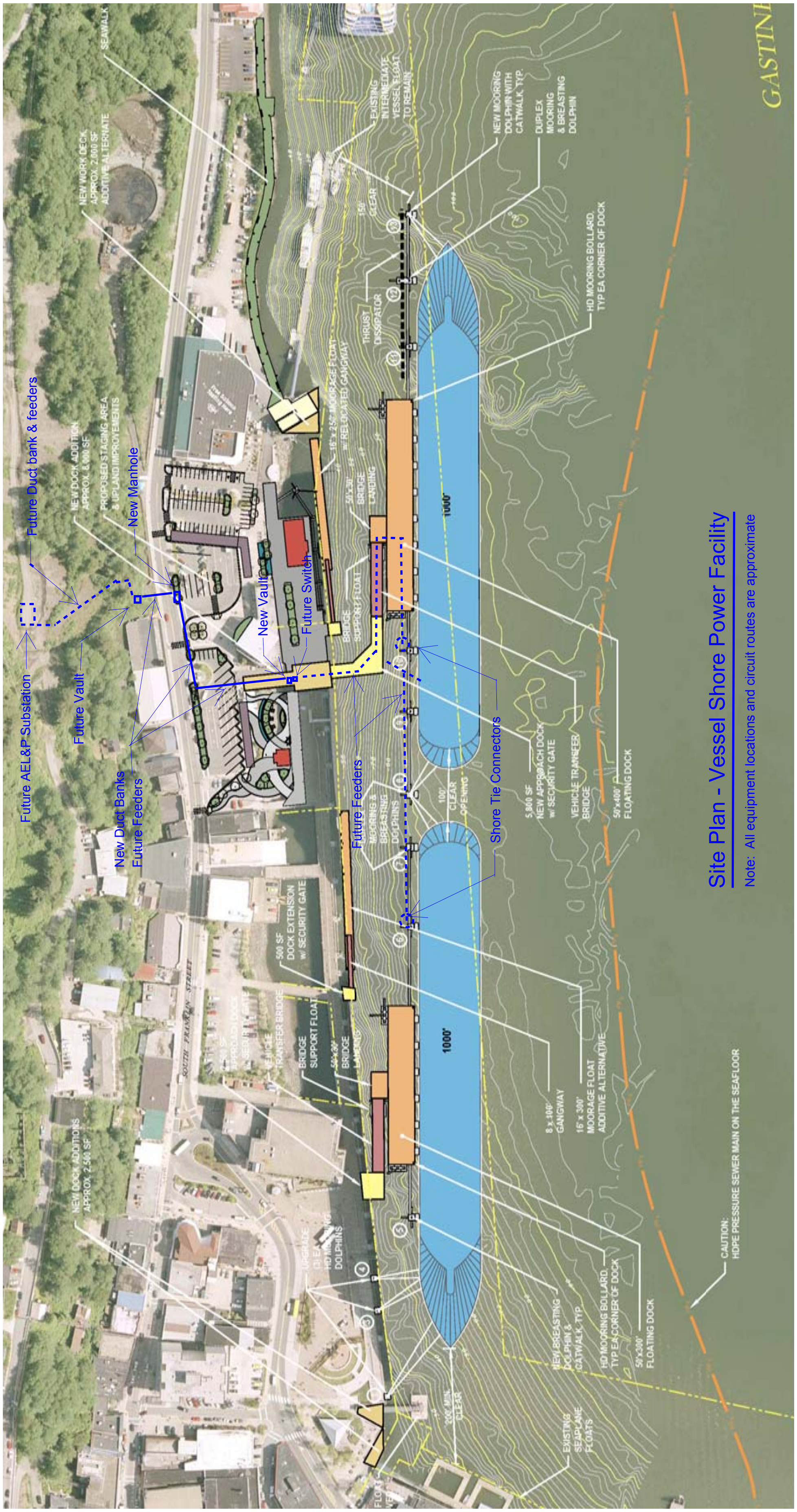
Dates



Attachment C

NORTH BERTH AND SOUTH BERTH
SITE PLAN

PND ENGINEERS, INC.
9360 Glacier Highway Ste 100
Juneau, Alaska 99801
Phone: 907-586-2093
Fax: 907-586-2099
www.pnd-anc.com

DESIGN: PND CHECKED: CRS
DRAWN: PJD APPROVED: CRS
SCALE: SCALE IN FEET 0 40 80 FT.
DATE: 8/1/13

CITY & BOROUGH OF JUNEAU, ALASKA
DOCKS AND HARBORS
PORT OF JUNEAU CRUISE SHIP BERTHS

SHEET TITLE: SITE PLAN

PN&D PROJECT NO.: 102050.02 DWG. FILE:

SHEET 1 OF 1

Ships Shore Power Ready

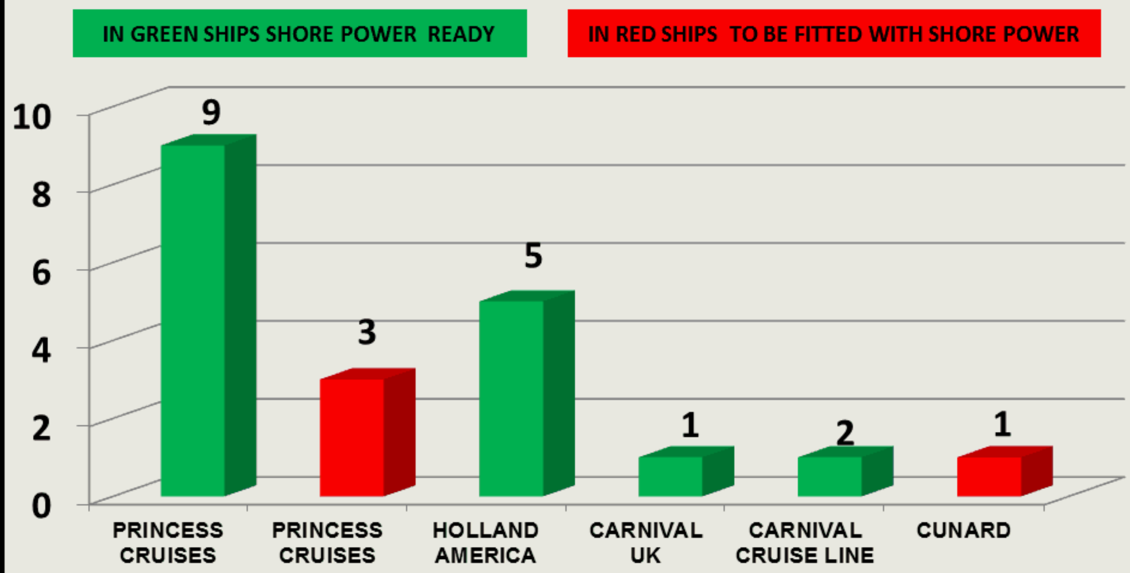
- Sun Princess, 6.6kv, 60Hz, 8Mwh **(2001 retrofit)**
- Dawn Princess, 6.6kv, 60Hz, 8Mwh **(2001 retrofit)**
- Sea Princess, 6.6kv, 60Hz, 8Mwh **(2001 retrofit)**
- Star Princess, 6.6kv, 60Hz, 11Mwh **(2002 New Build)**
- Coral Princess, 11kv, 60Hz, 9Mwh **(2002 New Build)**
- Island Princess, 11kv, 60Hz, 9Mwh **(2003 New Build)**
- Diamond Princess, 11kv, 60Hz, 11Mwh **(2004 New Build)**
- Sapphire Princess, 11kv, 60Hz, 11 Mwh **(2004 New Build)**
- Golden Princess, 6.6kv, 60Hz, 11Mwh **(2006 retrofit)**
- Grand Princess, 6.6kv, 60Hz, 12Mwh **(2013 retrofit)**
- Royal Princess, 11kv, 60Hz, 14Mwh **(2013 New Build)**

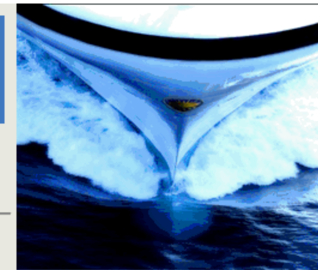
Ships to be retrofitted in 2014

- Regal Princess, 11kv, 60Hz, 12Mwh **(2014 New Build)**
- Caribbean Princess, 6.6kv, 60Hz, 12Mwh **(2014 retrofit)**
- Crown Princess, 11kv, 60Hz, 12Mwh **(2014 retrofit)**
- Ruby Princess, 11kv, 60Hz, 12Mwh **(2014 retrofit)**

Ships to be retrofitted in 2015 •Emerald Princess, 11kv, 60Hz, 12Mwh **(2015 retrofit)**

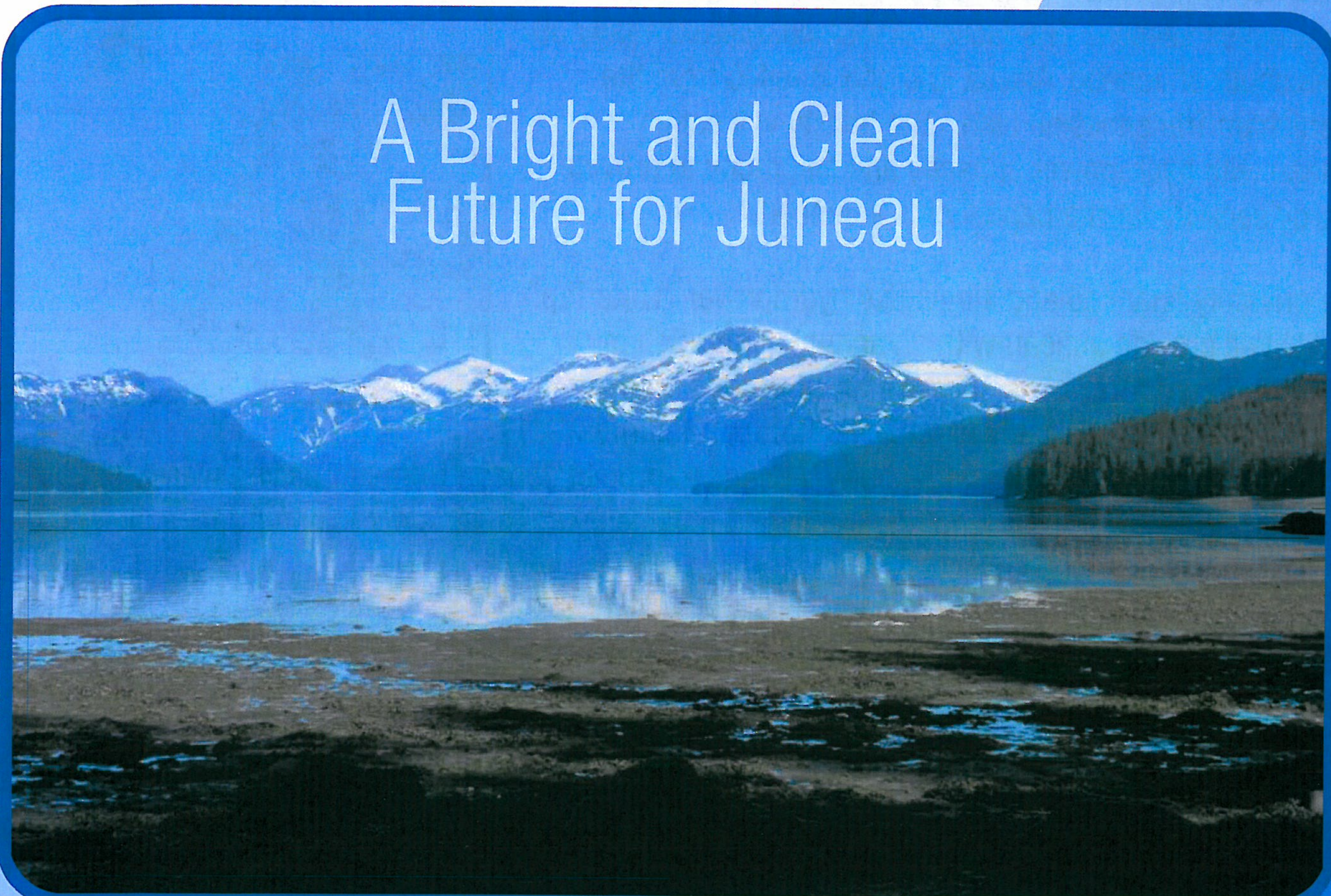
CARNIVAL CORPORATION SHIPS WITH SHORE POWER





Juneau Hydropower Inc.

SWEETHEART LAKE HYDROELECTRIC FACILITY

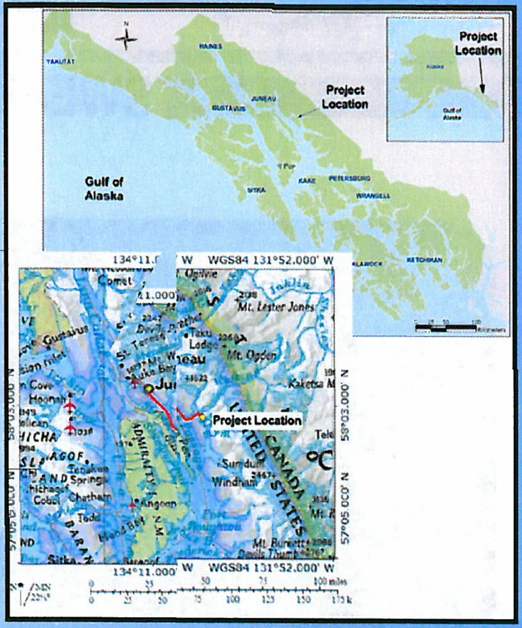


Providing Clean Power & Energy Security for Juneau

COMING SOON

PROJECT DESCRIPTION

FERC Project No. 13563-003



The Sweetheart Lake Hydroelectric Creek Facility has filed and the Federal Energy Regulatory Commission (FERC) has accepted Juneau Hydropower's license application. The project is now in the Environmental Impact Statement Process with construction expected to proceed in the 2016 construction season. The facility is located approximately 30 miles south of Juneau, Alaska and only 8 miles from the Snettisham Transmission Line. The facility will supply Juneau with hydropower capacity and electricity to provide energy security for the capital city of Juneau.

The privately financed and innovative hydropower "Lake Tap" facility will provide Juneau with an annual generation of **116,000 Megawatt hours, increasing Juneau's energy capacity by 25%.** This power will heat homes, electrify cruise ships, and supply industrial energy needs to protect Juneau from increasing diesel fuel cost volatility and inflation, providing affordable and reliable hydropower electricity for Juneau well into the next century.

The project has been meticulously planned to respect and enhance Juneau's environmental and community values. The project's road will primarily be built on State of Alaska land. The project's tunnel will also be the construction conduit to the dam site, negating the need for a road or further incursion on the Tongass Roadless Rule. The Sweetheart Lake Hydroelectric Facility will provide new recreational infrastructure and fishery enhancements for the Juneau community while protecting and enhancing the Sweetheart Creek personal use sockeye fishery. Planned construction in 2016 will create up to 85 jobs in Juneau while providing energy security for Juneau for decades.

For more info, contact:

Duff W. Mitchell
Managing Director

Juneau Hydropower, Inc.
PO Box 22775
Juneau, AK 99802
907-789-2775

www.juneauhydro.com

FEATURES

Installed Capacity	19.8 MW
Estimated Average Annual Energy	116,000 MWh
Turbine Type/Number	Francis/3
Elevation Drop-Head	600 ft
Dam Size	111 ft high x 278 ft wide
Power Tunnel (Diameter/Length)	15 ft / 9,621 ft
Usable Storage Capacity	94,069 acre feet

Lynn Canal Transmission Corporation

CONNECTING SOUTHEAST ALASKANS

Action Plan: A New Alaska non-profit corporation formed in 2014 to electrically link Juneau, the Kensington Mine, and Skagway with a 69 kV transmission line, and a 12.47 kV underbuild for currently unconnected customers north of Juneau.
Construction to be funded via private financing and loan funding
$22m AIDEA loan financing

Lynn Canal Transmission Corporation Board Member Entities

AP&T · COEUR MINING · Juneau Hydropower Inc.

Phase I: Juneau // Echo Cove // Kensington
Construction: \$25m (2012 cost estimate by Dryden & LaRue, Inc.). Proposing private financing loan funding, with intent to use State of Alaska loan programs. Est. 35 miles.

Future Phase II: Kensington // Haines-Skagway
Cost TBD following Phase I. 69kV line, which would seek to follow any future Juneau Access Highway Route between Kensington and Haines, if possible. Est. 30 miles.

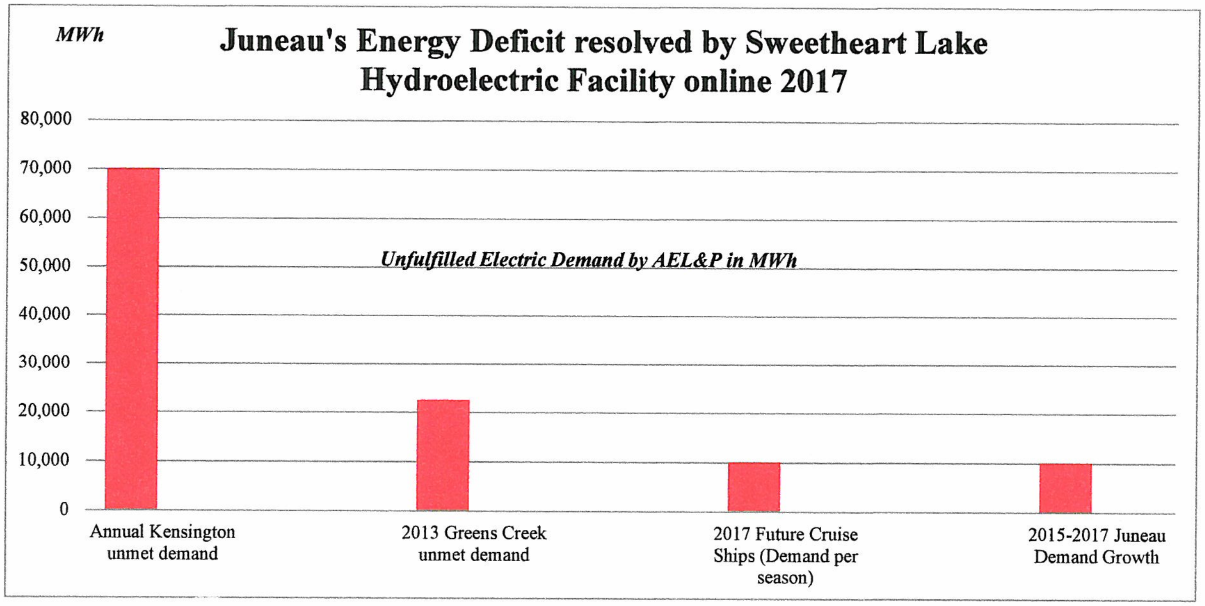
Open Access Benefits:
Phase I: 12.47 kV line electrifies off-grid properties north of Juneau, sets the stage for new economic and property development, increases property value and municipal property tax revenues, allows Kensington Mine to utilize more affordable renewable energy, reducing diesel dependency and improve mine life, economics, and job tenure. **Future Phase II**: Optimizes use of existing and future assets by creating ability to wheel power between Juneau and Haines/Skagway service areas. Increased safety and reliability. Maximizes economic benefits of existing hydropower projects and local utilities.

Diverse, Existing Community Support:
Aligns with City and Borough of Juneau Resolution 2632: A Resolution Expressing Assembly Support for the Extension of Electrical Power Along the Veterans Memorial Highway.
Coeur Mining (Kensington), Grand Portage Resources, Alaska Native Brotherhood/ANS, IBEW, Goldbelt, Inc., SE Alaska Seiners, Alaska Power & Telephone, Echo Ranch, Juneau Hydropower, and more.
Aligns with State of Alaska "Roads to Resources" and renewable energy public policy, and SE Conference "Lines to Mines" Resolution 13-10.

Governance Structure: Non-profit; uncompensated Board of Directors, non-discriminatory "open access" for uniform tariff; maintenance performed via contract; no paid managers, executive directors, or staff.

CONTACT: DUFF MITCHELL, LCTC EXEC. DIR (907) 723-2481

Unfullfilled Demand	Energy Demand MWh
Annual Kensington unı	70,000
2013 Greens Creek unı	22,500
2017 Future Cruise Shi	10,000
2015-2017 Juneau Den	10,000
	112,500



CITY & BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

To: Deputy Mayor Becker
Chair, Assembly Committee of the Whole

From: CBJ Utility Advisory Board

Date: July 8, 2015

Re: FY 15 Annual Report of Utility Advisory Board

This memo constitutes the CBJ Utility Advisory Board's (UAB's) annual report for Fiscal Year 2015 (FY 15).

Background

The Water and Wastewater Utilities did not have a rate increase from 1991 to 2003. The Utilities were in a precarious financial position as a result of this long period with no rate increases. A rate study completed in 2003 recommended an immediate rate increase of 19% for water and 39% for wastewater and recommended additional specific rate increases over the next 10 years. The Assembly approved the 19% and 39%, increases and due to the public outcry from this "rate shock", the Mayor empanelled an Ad Hoc Utility Advisory Board (UAB) in February 2004. Made up of 7 members of the public, the group was tasked with advising the mayor and Assembly on Water and Wastewater Utility issues, including rates, and making recommendations regarding the advisability of a permanent Advisory Board. The Ad Hoc UAB presented their report in December, 2004, recommending, among other things, establishment of a permanent Utility Advisory Board.

A permanent Utility Advisory Board was created by CBJ Resolution 2299 in February, 2005, with 7 members of the public, 6 of whom served on the Ad Hoc UAB. Since its establishment, the UAB has continued to advise the Mayor and Assembly on Utility issues in accordance with the original resolution.

The UAB considers infrastructure, operations, and the funding needs of the Water and Wastewater Utilities.

Over the past year, the following actions and utility improvements took place:

1. Following recommendations of the UAB, on January 1, 2015 <u>and</u> on July 1, 2015 the CBJ did and will raise water and sewer rates by 6.5 and 8%. By Ordinance, the rates will again raise by these percentages on July 1, 2016, 2017 and 2018.

   As tasked the UAB advised the Assembly on these rate increases. Consistent with the adopted rate study and implementation plan, the Assembly adopted <u>Ordinance 2014-36 concerning Water and Wastewater rates</u> which provides partial funding for a long list of maintenance needs. Both the wastewater and water systems are aging and have needs for significant capital expenditures.

2. Biosolids Management and Disposal Project

   Consistent with Assembly direction, Engineering and Public Works staff has expended limited funding while developing their recommended biosolids drier option. The UAB is investigating available options to be able to make a recommendation to the Assembly later this summer.

   Starting in January, the UAB has met 7 times to thoroughly review CBJ's options for biosolids disposal, including composting, plasma gasification, incineration, drying to a class A soil additive, drying and using the dried waste as fuel, land filling, and continued shipment of the bio-hazardous materials presently employeed. Regardless of the solution chosen, the biosolids solution will be the costliest capital project funded by new rate structure. Given that, the UAB is in the process of vetting the information that staff has provided directly or through consultants to the Assembly. The current disposal method exposes the City to high operations costs (currently $2.2M/Year) and unacceptable uncertainty. The ongoing shipping of biosolids in containers to a disposal facility in Oregon continues to be an economic drain on the Utility and poses significant risks to the CBJ. The shipping logistics of this material continues to be a point of exposure to the utility as transportation of this material has posed numerous problems. Also, the interstate shipping and disposal of this material is in no way assured for the long term. It is the Utilities highest priority to implement a permanent solution to this municipal problem.

3. LCB Wellfield Project

A project to upgrade production capacity at the Last Chance Basin wellfield is currently underway and expected to be completed this summer. As part of the ongoing project major improvements are being made to the electrical, control, stand by power, and production systems. This project will ensure high quality high volume water from the well field for many years to come.

This project has been funded by utility reserves, marine passenger fees and grants from the State of Alaska. The increased production will also allow a stable supply of water to cruise ships that visit our port.

4. Salmon Creek Filtration Improvements project

The Salmon Creek Filtration project will be constructed beginning this fall to bring CBJ in compliance with the EPA mandated Long Term Treatment 2 (LT2) rule for surface water sources. When complete the new filtration plant will allow a continuous supply of water from Salmon Creek to the community. Currently, Salmon Creek is an interruptible water supply that must be taken off line when the water supply becomes cloudy. The new filtration system will allow Salmon Creek to operate regardless of source water turbidity. Bids were opened and local firm North Pacific Erectors submitted the low bid of just under $4M.

The two water supply projects together ensure the long term supply of high quality potable water to the community for years to come.

5. Departmental Reorganizations

To achieve operational efficiencies, in January, the Manager and the Assembly merged the Engineering and Public Works Departments. Subsequently, the Department Director has re-organized the water and wastewater utilities to achieve additional functional and financial efficiencies. That process is ongoing.

Conclusion:

For years the City did not raise utility rates and as a result infrastructure maintenance was deprioritized and the City fell substantially behind in its ability to perform necessary repairs and upgrades. To rectify that problem, the Assembly created the UAB to advise it on Utility finances and operations. Following the UAB's recommendations, the Assembly raised utility rates to begin to provide necessary funding for preventative maintenance, operations and capital improvements.

MEMORANDUM

CITY/BOROUGH OF JUNEAU
155 South Seward Street, Juneau, Alaska 99801

To: Mary Becker, Chair, CBJ Assembly Committee of the Whole

From: Kirk Duncan

Date: July 1, 2015

Re: Updating the Assembly on Developments within the Parks and Recreation Department

For the past six months, Parks and Recreation senior staff have been conducting an internal review of how the department operates, and have outlined some areas where we feel that we can make improvements.

Our plan for improvement is based on several elements. The first step will be to increase participation in our facilities. We all agree that we need to create consistent operations with schedules that residents can understand, and are working to make improvements in our schedule format. We are also purchasing a new Point of Sale (POS) system, which will allow us to actively capture user information. We will use this information to reach out to our users through electronic newsletters and social media, learn about what they like in our facilities, and generate information on other activities and programs that our users would like to see. Our goal is to improve cost recovery and increase revenue, and developing schedules that are easy to understand, adding programs that interest members of our community and running our current activities well will help us to get more residents into our recreation facilities.

The second step is to enhance the services we offer to the youth of the community. We have been asked to take over the After School Program (Body and Mind or BAM). We will also be researching summer activities for youth in Juneau. Our plan is to hold a Summer Activities in Juneau fair at Centennial Hall next spring. All organizations that provide summer activities for youth will be welcome to set up a booth at our event, and parents can attend this fair and learn about all the different summer activities available to our youth in Juneau. By working cooperatively with all these groups, Parks and Recreation will determine where gaps in activities may exist, and can look to fill those gaps. We are also researching the possibility of providing summer youth employment through our Parks and Landscape divisions, similar to the YEP program in Anchorage. By engaging in these youth activities, we hope to have a very positive impact on young people and keep the youth of our community heading in the right direction.

The third step to improvements at Parks and Recreation is developing a more businesslike approach to how we run operations. We plan to research industry suggestions on maximizing revenue and how to create new and innovative programs to grow revenue. We will also reprioritize some of our resources to allow for implementation of an asset management program for the entire department, and specifically for the Building Maintenance division.

At the beginning of the year, we created an online user feedback survey for the aquatics facilities and for Treadwell Ice Arena. The pools had an 86% positive response rate and Treadwell had a 92% positive response rate. We learned that, for the most part, people enjoy using these facilities; we just need to get more people into the facilities in order to improve our revenue and cost recoveries.

Working with the Parks and Recreation Advisory Committee (PRAC), the Aquatics Board and the Treadwell Advisory Board, a fees and charges policy will be established, using fees and charges policies from Seattle, Boise and, Bellingham and a few other cities to guide us in developing our own fees and charges policy. We will also be looking at implementing a department-wide sign standard and reviewing how we develop partnerships and sponsorships in our facilities. The Parks and Recreation department will also work with the PRAC, the Aquatics Board and the Treadwell Advisory Board to develop realistic and attainable cost recovery goals.

The Parks and Recreation Department is very excited to assume control of the Eagle Valley Center near Amalga Harbor, and to develop this asset to its full potential. We will be working with user groups to determine exactly how best to use the facility for the greatest community good.

In looking at future planning for the department, as guiding principles we will be using what the National Recreation and Park Association calls the *concept of the 3 pillars*.

HEALTH & WELLNESS Health and Wellness

The programs and facilities provided by Parks and Recreation promote wellness and constructive activity for citizens from 2 to 92. We are essential partners in a healthy community.

Conservation

Parks protect open space, connect children to nature, and provide education and programming to support everything from healthy physical activity and good sportsmanship, to responsible and sustainable use of our natural areas.

Social Equity

Public parks and recreation should be available to everyone in the community. Parks and Recreation is committed to making our services accessible to all, and reaching out to underserved members of our community, especially youth.

We will use these guiding principles and will communicate with other successful Parks and Recreation organizations in Alaska and the Pacific Northwest to continue to enhance the services we offer to the residents of Juneau.

This is a brief highlight of the Parks and Recreation departmental changes. I look forward to your questions when we meet on July 13th.

DOWL

Office Locations

ALASKA
Anchorage
Juneau
Fairbanks
Ketchikan
Kodiak
Palmer

ARIZONA
Tempe
Tucson

COLORADO
Golden
Gunnison
Montrose

MONTANA
Billings
Bozeman
Butte
Great Falls
Helena
Miles City

NORTH DAKOTA
Dickinson

OREGON
Bend

WASHINGTON
Redmond
Seattle

WYOMING
Gillette
Lander
Laramie
Sheridan

MEMORANDUM

TO: Kirk Duncan, Parks and Recreation Director
City and Borough of Juneau

FROM: Irene Gallion, Senior Project Manager
DOWL

DATE: June 26, 2015

SUBJECT: Facility Surveys, interim summary

This memo summarizes customer satisfaction survey interim results for the Treadwell Ice Arena (Treadwell) and for the City and Borough of Juneau Pools (pools). These surveys respond to recommendations in the *Final Report: Review of Parks and Recreation Department* (December 2014) to assess customer satisfaction and to develop an outreach plan (Creating Service Delivery Efficiencies, recommendations 7 and 8, beginning on page 17).

One pool survey was provided for both Dimond Park Aquatic Center and Augustus Brown Pool patrons. Of the 96 people responded to the pool survey, 52% were from Dimond Park and 48% from Augustus Brown. 83 people responded to the Treadwell survey.

Six qualitative questions on satisfaction and facility condition were consistent between the two surveys. These questions asked about overall experience and perception, cleanliness, facility maintenance and upkeep, equipment condition, schedules, and value for the money. There were 1016 responses that expressed a positive or negative position on these issues. Keep in mind that each respondent had the opportunity to answer questions on each of these topics, so provided multiple responses.

Results were positive. 86% of pool responses were positive, with 60% either “excellent,” “good” or “strongly agree.” 92% of Treadwell responses were positive, with 78% either “excellent,” “good” or “strongly agree” (Table 1). Schedules garnered the lowest degree of satisfaction for this question set, with 74% positive responses for the pool and 68% positive responses for Treadwell. Of note, 80% of pool respondents and 93% of Treadwell respondents felt they got a good value for the money they spent (Table 2).

Respondents were asked about staff personal qualities. In general, staff were perceived as friendly, knowledgeable and responsive. While outgoingness and timeliness were the least recognized qualities, Treadwell staff were recognized to have these traits by 54% of respondents (Table 3).

Respondents were asked how they preferred to be notified of happenings and events at the facilities. Pool patrons prefer postings at the facility, website postings and facebook postings. Treadwell patrons preferred an e mail list, website postings, and posting at the facility.

Respondents were given the opportunity to sign up for an e mail list, and to have someone contact them directly regarding the concerns they've expressed in the survey. Five pool respondents and five Treadwell respondents have asked to be contacted. Contact information was passed on to facility managers on June 18, 2015.

The remaining questions on each survey tended to be specific to the facility, and were designed to provide staff feedback on successful programs and possible enhancements. Pool respondents most commonly participated in using the showers, open swim and lap swim, and would like to see expanded swim lesson opportunities for adults and children. Treadwell respondents most commonly participated in open skate, JDIA Youth Hockey, and pond hockey. Their ideas for additional services were very diverse, ranging from age-segregated events to expanded open skate options to themed skates.

SURVEY BACKGROUND AND CONSIDERATIONS

This survey was designed to assess customer satisfaction and trend information – it is not statistically relevant due to small sample size and sampling methodology. Patrons were given the opportunity to respond to a survey on line, or to fill out a paper version of the survey. Parks and Recreation staff would enter paper responses into the on-line survey. The qualitative response analysis and demographics information may have slight errors due to rounding, and results may not add up to exactly 100%.

Survey results may over-represent women and people between the ages of 20-54 years of age. According to the 2010 Census, females make up 49% of Juneau's population, but they were 79% of pool respondents and 66% of Treadwell respondents. People from 20-39 years of age make up 25% of Juneau's population, but 44% of pool respondents. People from 40-54 years of age make up 25% of Juneau's population but 63% of Treadwell respondents (Table 4).

Below is a comparison of 2010 Census Tract data and respondents to the surveys. Boundaries for the valley, Auke Bay and "out the road" vary slightly between the census and surveys. None the less, the results can give us an idea of populations that are not represented in the survey. Lemon Creek, Auke Bay and "out the road" appear to be under-represented in our results (Table 4).

Where do you live?	Census	Pools	Treadwell
Douglas Island	18%	18%	36%
Downtown	11%	24%	10%
Lemon Creek	15%	8%	5%
Valley	40%	39%	37%
Auke Bay and out the road	16%	8%	10%

The Treadwell survey was open for 78 days, the pools survey was open for 60. Treadwell was at the end of their season, and the pools were experiencing some shut downs for maintenance.

Identical surveys are currently open for both facilities, and will remain so until this time next year, when we will compare results and determine how facility changes have impacted user sentiment.

ATTACHMENTS:

- Tables
  - Table 1: Summary of Qualitative Question Response
  - Table 2: Qualitative Question Analysis
  - Table 3: Staff Personal Qualities
  - Table 4: Demographics
- Survey: Pools
- Survey: Treadwell
- Survey Monkey Survey Results: Juneau Pools
- Survey Monkey Survey Results: Treadwell Ice Arena

TABLES

Table 1: Summary of Qualitative Question Response

Total qualitiative responses	1016		
	+	-	Excellent, good, strongly agree
Pools, %	86%	14%	60%
# of respondents	436	70	305
Treadwell, %	92%	8%	78%
# of respondents	471	39	398

Table 2: Qualitative Question Analysis

Overall experience	**Excellent**	**Good**	**Satisfactory**	**Needs Improvement**	**Positive**	**Negative**
Pools, %	34%	41%	16%	6%	91%	6%
# of respondents	24	29	11	6	64	6
Treadwell, %	56%	37%	4%	3%	97%	3%
# of respondents	41	27	3	2	71	2
Overall perception						
Pools, %	33%	36%	14%	18%	83%	18%
# of respondents	24	27	10	13	61	13
Treadwell, %	49%	40%	5%	5%	94%	5%
# of respondents	36	29	4	4	69	4
Cleanliness						
Pools, %	27%	44%	19%	11%	90%	11%
# of respondents	20	33	14	8	67	8
Treadwell, %	68%	26%	4%	1%	98%	1%
# of respondents	50	19	3	1	72	1
Facility maintenance and upkeep						
Pools, %	22%	39%	24%	15%	85%	15%
# of respondents	16	29	18	11	63	11
Treadwell, %	66%	30%	4%	0%	100%	0%
# of respondents	48	22	3	0	73	0
Equipment condition						
Pools, %	19%	51%	25%	6%	95%	6%
# of respondents	13	35	17	4	65	4
Treadwell, %	39%	44%	13%	4%	96%	4%
# of respondents	27	31	9	3	67	3

Schedules		Excellent	Good	Satisfactory	Fair	Poor	NA	Positive	Negative
Pools,	%	14%	23%	37%	9%	14%	4%	74%	23%
	# of respondents	11	18	29	7	11	3	58	18
Treadwell,	%	15%	36%	17%	20%	12%	0	68%	32%
	# of respondents	11	27	13	15	9	0	51	24
Good value		Strongly agree	Agree	Disagree	Strongly disagree	NA			
Pools,	%	36%	44%	8%	6%	6%		80%	14%
	# of respondents	26	32	6	4	4		58	10
Treadwell,	%	41%	52%	4%	3%	0%		93%	7%
	# of respondents	30	38	3	2	0		68	5

Summary percentages are derived from the number of respondents. Respondents who chose not to answer the question or selected "not applicable" are not included in summary results.

Percentages and respondent numbers in the Question Analysis tables come from the Survey Monkey Analysis. Rounding may result in percentages that do not add to 100%.

In development of the summary table, green cells were considered positive answers, and pink cells were considered negative answers.

Table 3: Staff Personal Qualities

The percentages below represent the percentage of respondents who felt various staff had these attributes. The light orange highlights the two lowest scoring personal qualities for each position.

	Friendly		Outgoing		Knowledgeable		Timely		Responsive		Not Applicable	
	Pool	TIA	Pool	TIA	Pool	TIA	Pool	TIA	Pool	TIA	Pool	TIA
Front Desk Staff	80%	93%	36%	49%	48%	61%	38%	51%	59%	67%	11%	1%
Lifeguard	65%		28%		41%		31%		55%		15%	
Zamboni Driver		59%		25%		46%		44%		35%		23%
Instructors	41%	74%	25%	54%	36%	69%	28%	52%	26%	56%	52%	20%
Manager	16%	74%	12%	51%	9%	63%	7%	52%	12%	52%	83%	22%
Staff in General	74%	91%	32%	54%	39%	70%	33%	54%	56%	64%	12%	3%

Table 4: DEMOGRAPHICS

	Census	Pool	Treadwell
Gender			
Male	51%	21%	34%
Female	49%	79%	66%
Age			
20 years of age and younger	26%	5%	1%
20-39 years of age	26%	44%	33%
40-54 years of age	25%	22%	63%
55 years of age and older	23%	29%	4%
Where do you live?	Census	Pool	Treadwell
Douglas Island	18%	18%	36%
Downtown	11%	24%	10%
Lemon Creek	15%	8%	5%
Valley	40%	39%	37%
Auke Bay and out the road	16%	8%	10%
Other		2%	1%
	100%	99%	99%
Organized event?			
Yes		0	0%
No		100%	100%

Community Development

City & Borough of Juneau • Community Development

155 S. Seward Street • Juneau, AK 99801

DATE: July 8, 2015

TO: Mary Becker, Chair
Assembly Committee of the Whole

FROM: Teri Camery, Senior Planner
Community Development Department

SUBJECT: Response to Assembly questions regarding the effect of the rezone request from Waterfront Industrial to Industrial on Mr. Lockwood's marina development

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At the June 11, 2015 Special Assembly meeting regarding the protest of the Planning Commission's denial of AME2015 0002, Assembly members requested information regarding the effect of the CBJ Engineering and Public Works Department's rezone request on Mr. Lockwood's lease and proposed development, adjacent to the site. In response to that request, CDD staff have provided the following information:

Status of Mr. Lockwood's Lease with CBJ Docks and Harbors

Mr. Lockwood was originally issued a lease from CBJ Docks and Harbors in November 2007, with the stated purpose of developing and operating "a full-scale harbor marina complex, together with uplands commercial-related facilities, a public park, and all of the related amenities necessary for the operation of these facilities and improvements." The lease stipulated that the lessee was to submit a survey plat of the leased area to the CBJ within 24 months. That plat has not been submitted, and the CBJ may terminate the lease due to this default. Additionally, the lease would expire within 36 months if all permits were not in place, with the option for the applicant to request an extension. In October 2012 the CBJ Docks and Harbors Board voted to extend the lease for two years. In October 2014 the applicant again requested a second extension, and the Board voted to extend the lease for one year. The October 30, 2014 letter from Docks and Harbors to Mr. Lockwood states that Mr. Lockwood has until October 31, 2015 "to secure all permits necessary to develop a harbor marine complex with associated upland amenities." (Attachment 1, lease documents)

Mr. Lockwood's proposal and the effect of a zone change from Waterfront Industrial to Industrial zoning

In July 2014, CDD held a Conditional Use Permit pre-application meeting with Mr. Lockwood. According to the meeting notes and application materials, Mr. Lockwood's plans include a phased marina project that includes moorage; marine merchandise and equipment services; parks and open space; and 75 multi-family residential units. The facility is designed for "mega-yachts" and includes 112 slips for vessels 90-250 feet long. An email record of a meeting with Mr. Lockwood on December 2014 stated that Mr. Lockwood expected to turn in a revised Conditional Use application in February 2015. No application has been received to date.

A marina is allowed with a Conditional Use Permit in both the Waterfront Industrial and Industrial zoning districts (per CBJ Title 49 Table of Permissible Uses category 10.500, moorage). Sales of marine merchandise and equipment are also allowed with a Conditional Use Permit in Waterfront Industrial and Industrial (TPU category 2.130, marine merchandise and equipment). Boat repair and maintenance is allowed in Waterfront Industrial and Industrial with departmental approval (category 9.450, typically a building permit). Parks and open space are allowed in all zones.

Multi-family residential is not allowed in either the Waterfront Industrial or Industrial zoning districts. This part of the development would require a zone change. It's not clear whether the area meets the two-acre minimum threshold. However it is clear that the zone change would not conform with the 2013 Comprehensive Plan designation for the area, which is Waterfront Commercial Industrial. WCI is defined in the Comprehensive Plan as "*land to be used for water-dependent heavy commercial and industrial uses such as marine transportation terminals, large or small boat marinas, boat repair, shipyards, marine freight handling areas, fish buying and processing plants, ice plants, marine hatcheries, and marine parks."* This comprehensive plan designation supports the proposed marine development, but does not support housing. Only caretaker units associated with specific marine businesses would be allowed.

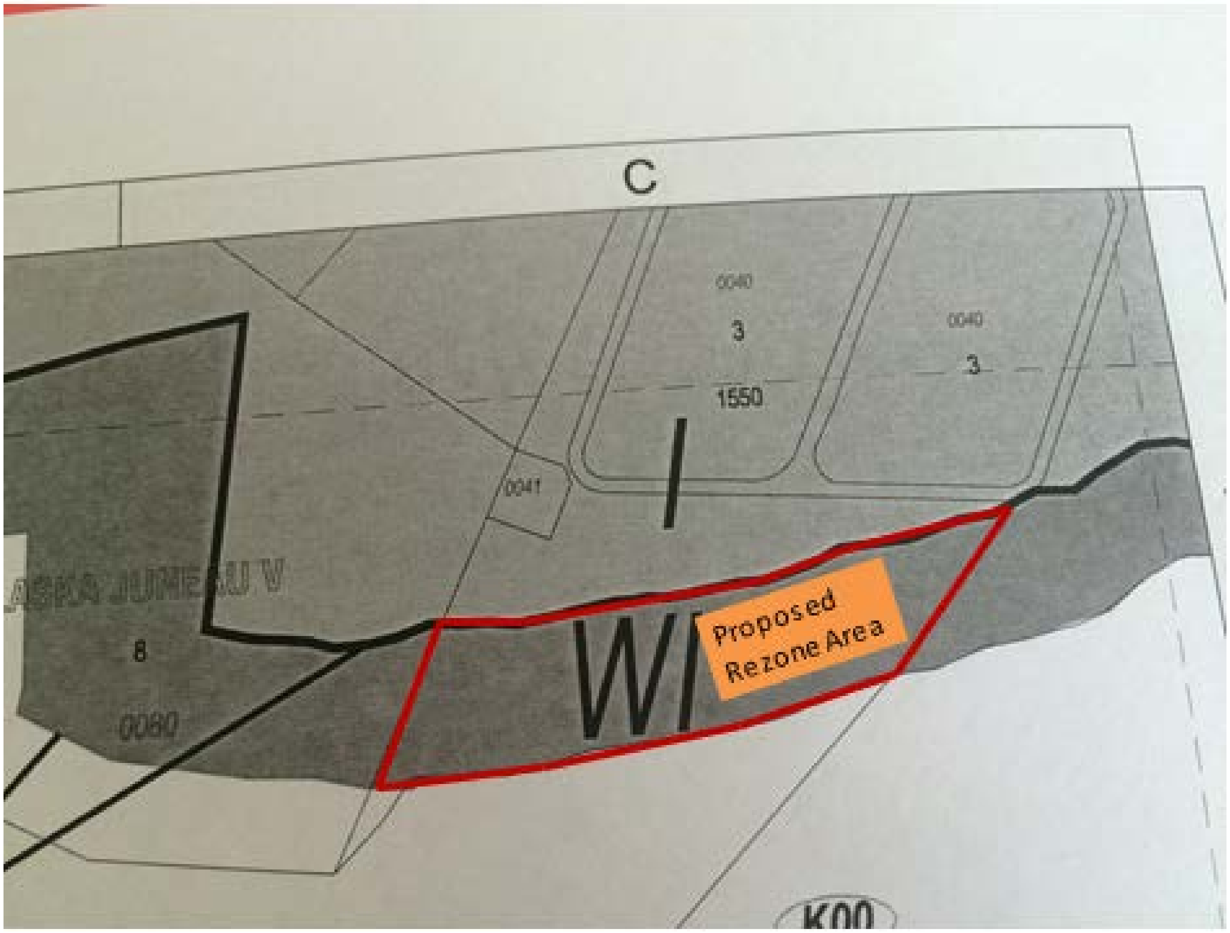
The only use category in which the change from Waterfront Industrial to Industrial could make a difference is "marine commercial facilities including fisheries support, commercial freight, passenger traffic" (Table of Permissible Uses 9.600). This use category is allowed with a Conditional Use Permit in the Waterfront Industrial zone, but is not allowed through any permit process in the Industrial zone. Mr. Lockwood's proposed development has not been classified under this category because the marina's intended use is for moorage of private "mega-yachts," not for commercial use. For comparison, public facilities such as Statter Harbor, Douglas Harbor, Aurora and Harris Harbors, and the Auke Bay Loading Facility have been categorized as marine facilities because these facilities accommodate fisheries, tourism, and other commercial uses. These public commercial uses are typically incompatible with private marina developments designed for luxury yachts.

To preserve all Waterfront Industrial development options for the site, including the possibility of a marine commercial facility, the Assembly could consider re-zoning only the portion of the property that

CBJ Engineering and Public Works most wants to develop, while leaving Mr. Lockwood's leased area out of the re-zone. The change from Waterfront Industrial to Industrial would affect only the outlined area below:

The zone change line is angled because the Waterfront Industrial area to be changed is 100 feet set back from the Mean High Water line, which meanders.

Here is how the zone change would appear on the CBJ Zoning Map:



CBJ Zoning Map and Comprehensive Plan Map history

The project area has been zoned Waterfront Industrial since 1987, and was zoned Industrial prior to this time. CDD staff have not found records regarding the rationale for the change to Waterfront Industrial. The 2013, 2008, and 1995 Juneau Comprehensive Plans have all designated the area as Waterfront Commercial Industrial.

Long Range Waterfront Plan

The 2004 Long Range Waterfront Plan, which is incorporated into the 2013 Comprehensive Plan, designates the future vision for Mr. Lockwood's project area as "Light/Intensive Maritime Activity." The line for this designation cuts through the CBJ property labeled as Public Works. "Light/intensive maritime activity" is further explained as follows: "Carefully planned, the Little Rock Dump may provide an additional waterfront park and recreation area. Varying degrees of light marine activities should be considered to activate the area and create economic viability. Redevelopment should consider this area as a waterfront gateway to Juneau.” A change from Waterfront Industrial to Industrial does not conflict with this designation.

Conclusion

CDD concludes that the proposed zone change from Waterfront Industrial to Industrial will have negligible effect on Mr. Lockwood’s proposed development. Mr. Lockwood’s proposed marina and related uses are allowed with a Conditional Use Permit in either zone, while the proposed multi-family residential use is prohibited in both zones. The only use which would be eliminated by the zone change is a marine commercial facility, which has not been proposed and is likely incompatible with a luxury yacht marina.

To preserve all future development options for the lease area, the Assembly may wish to consider re-zoning only the section of the lot that CBJ Engineering and Public Works wants to develop, as shown in the previous images.

Attachments

Attachment 1 - CBJ and Lockwood Lease 2007, 2012, 2014
Attachment 2 - Page 31 of Long Range Waterfront Master Plan

ALASKA 2007-007294-0
Recording Dist: 101 - Juneau
12/10/2007 3:30 PM Pages: 1 of 22

CC

THIS COVER SHEET HAS BEEN ADDED TO THIS DOCUMENT TO PROVIDE SPACE FOR THE RECORDING DATA. THIS COVER SHEET APPEARS AS THE FIRST PAGE OF THE DOCUMENT IN THE OFFICIAL PUBLIC RECORD.

DO NOT DETACH

August 23, 2001

ATTACHMENT 1

JUNEAU PORT DEVELOPMENT TIDELANDS LEASE 2007

PART I. PARTIES. This Lease is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, hereafter "City," and Juneau Port Development, LLC, hereafter "Lessee."

PART II. LEASE ADMINISTRATION. All communications about this Lease shall be directed as follows, and any reliance on a communication with a person other than that listed below is at the party's own risk.

CITY:

Attn: John M. Stone, P.E.
Port Director
City and Borough of Juneau

155 S. Seward Street
Juneau, Alaska 99801
Phone: (907) 586-0494
Fax: (907) 463-2606

LESSEE:

Juneau Port Development, LLC
Howard H. Lockwood, Manager
Lessee

P.O. Box 20734
Juneau, Alaska 99802
Phone: (907) 209-4250
Fax: (907) 463-3055

STATE RECORDER:
PLEASE RETURN TO JOHN M. STONE AT ABOVE LISTED ADDRESS

PART III. LEASE DESCRIPTION. This Lease is identified as the Juneau Port Development Tidelands Lease 2007. The following appendices are attached hereto and are considered a part of this Lease as well as anything incorporated by reference or attached to those appendices.

Appendix A: Property Description & Additional Lease Provisions
Appendix B: Lease Provisions Required by CBJ Chapter 53.20
Appendix C: Standard Provisions

If in conflict, the order of precedence shall be: this document, Appendix A, then B, and then C.

PART IV. LEASE EXECUTION. City and Lessee agree and sign below. This Lease is not effective until signed by City.

CITY:

Date: NOV 14, 2007

By: John M. Stone

Authorized Representative
John M. Stone
Port Director

LESSEE:

Date: Nov 14, 2007

By: [signature]

Juneau Port Development, LLC
Howard H. Lockwood, Manager
Lessee

2 of 22
2007-007947-0

ATTACHMENT 1

CITY ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

This is to certify that on the 14th day of November, 2007, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared John M. Stone to me known to be the Port Director of the City and Borough of Juneau, Alaska, a municipal corporation which executed the above and foregoing instrument, who on oath stated that he was duly authorized to execute said instrument on behalf of said corporation; who acknowledged to me that he signed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

Laurie J. Sica
Notary Public in and for the State of Alaska
My Commission Expires: 11/14/2007

STATE OF ALASKA
OFFICIAL SEAL
Laurie J. Sica
NOTARY PUBLIC
My Commission Expires 1/14/08

LESSEE ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 14th day of November, 2007, before me, the undersigned, duly commissioned and sworn, personally appeared Howard H. Lockwood to me known to be the identical individual described in and who executed the foregoing instrument as Lessee; who on oath stated that he was duly authorized to execute said instrument on behalf of Juneau Port Development, LLC; who acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

Laurie J. Sica
Notary Public in and for the State of Alaska
My Commission Expires: 11/14/2007

STATE OF ALASKA
OFFICIAL SEAL
Laurie J. Sica
NOTARY PUBLIC
My Commission Expires 1/14/08

Public Works Review: ______, Public Works Department

Risk Management Review: Tim Allen, Risk Manager

Approved as to Form: ______, Law Department

APPENDIX A:
PROPERTY DESCRIPTION & ADDITIONAL LEASE PROVISIONS

1. DESCRIPTION OF PROPERTY

The property subject to this Lease is referred to as "the Leased Premises" or "the Property." The Leased Premises are as follows:

(a) The premises comprised of filled and unfilled tidelands described as a portion of Alaska Tidelands Survey 556A as depicted on Exhibit A and shown generally on Exhibit B, exclusive of any recorded easements and any easements needed by the City and Borough of Juneau for its operations and activities at the Juneau Wastewater Treatment Plant, which plant is located on the northwest portion of the Leased Premises at 1540 Thane Road. City agrees to provide Lessee with a description of the easements on and over the Leased Premises that City needs for its operations and activities at the Juneau Wastewater Treatment Plant not later than 12 months after the effective date of this Lease; those easements shall be attached to and incorporated by this reference into this Lease.

(b) Lessee agrees to allow City to continue to use the area known as the "Little Rock Dump" shown on Exhibit A, or any portion of that area, for its operations and storage uses until such time as Lessee begins construction within that area; provided that areas within the "Little Rock Dump" that are not used by Lessee as part of its development shall remain under the direction and control of City.

(c) Lessee agrees to provide City with a survey plat showing the exact boundaries and a legal description of the Leased Premises, including all recorded easements within the Leased Premises, and all easements identified by City as needed by City for its operations and activities at the Juneau Wastewater Treatment Plant. Lessee will provide this survey plat and legal description to City no later than 24 months after the effective date of this Lease. The survey plat shall also show the boundaries and area of Lessee's proposed development and public use areas. Upon acceptance of the survey plat and legal description by City as satisfactory, this survey plat and legal description shall replace the survey contained in Exhibit A to this Lease; a Revised Exhibit A with the new survey plat and legal description of the Leased Premises shall be attached to this Lease and this Lease shall be amended accordingly.

2. AUTHORITY

This Lease is entered into pursuant to the authority of CBJ 85.02.060(a)(5) and CBJ Chapter 53.20; and Ordinance 2007- 43 enacted by the Assembly on August 20, 2007, and effective on September 20, 2007.

3. TERM AND RENEWAL OPTION

(a) The term of this Lease shall be for an initial period of 35 years, commencing on the effective date of this Lease, unless sooner terminated as provided herein. The effective date of this Lease shall be the date this Lease is signed by City.

(b) City grants Lessee an option to renew this Lease for one successive period of 35 years. Lessee shall exercise this option, if at all, by written notice given to City during the first six months of the last year of the underlying Lease term, provided City may deny renewal of this Lease for good cause shown. "Good cause" must relate to acts and omissions under this Lease.

4. LEASE PAYMENTS AND ADJUSTMENTS

(a) Lessee agrees to pay City annual Lease payments for the Leased Premises. A qualified appraiser shall establish the annual Lease payment and the appraisal shall consider the values of comparable land in the same or similar areas. When establishing the Lease payment, the appraiser shall not include the value of improvements made by Lessee pursuant to this Lease. The appraiser shall also take into consideration encumbrances that existed upon the Leased Premises on the effective date of the Lease, such as mineral claims, environmental contamination, and access issues. The appraiser shall not value areas of the Leased Premises that are not developable or that are made available for public use under this Lease, such as waterfront parks and seawalks. Lessee agrees to pay for all appraisal costs required to establish the annual Lease payment under this subsection.

(b) Lessee shall submit the initial appraisal to City before the harbor facility to be constructed by Lessee on the Leased Premises is opened for occupancy. The first annual Lease payment will be due to City one year after the date the harbor facility is opened for occupancy. The first Lease payment will be calculated to include retroactive annual Lease payments beginning with the effective date of this Lease through one year after the date the harbor facility is opened for occupancy. Subsequent annual Lease payments shall be due at the end of the calendar year (December 31) following the year the first annual Lease payment is due. City agrees to offset the Lease payments under this section with credits that are approved under Appendix B, Section 3(23) of this Lease.

(c) Lessee agrees to a review and adjustment by the Port Director of the annual Lease payment to City not less often than every fifth year of the Lease term, beginning with the Lease payment due after completion of each review period. Any changes or adjustments shall be based primarily upon an appraisal that considers the values of comparable land in the same or similar areas. The appraisal shall not include the value of improvements made by Lessee pursuant to this Lease, except that the value of any improvements credited against payments shall be included in the appraisal as necessary to grant credits approved under Appendix B, Section 3(23) of this Lease. Lessee may protest the adjustment to City, and if denied wholly or in part, Lessee may appeal to the City Docks & Harbors Board. Lessee agrees to pay for all appraisal costs required to establish the Lease payment adjustments under this subsection.

5. AUTHORIZED USE OF LEASED PREMISES

(a) Lessee agrees to use the Leased Premises to plan, design, engineer, permit, finance, construct, sub-lease, and operate a full-scale harbor marina complex, together with uplands commercial marine-related facilities, a public park, and all of the related amenities necessary for the operation of these facilities and improvements.

(b) Lessee shall be responsible for obtaining all necessary permits and approvals that may be necessary for Lessee's development of the Leased Premises.

(c) Lessee agrees to obtain and have in place the permits and approvals necessary to start construction of the harbor facilities and amenities listed in subsection (a) of this Section 5 within 36 months after the effective date of this Lease. The site plan, conceptual design, cost estimates, and construction plan and schedule for the development of the Leased Premises will be presented to the Port Director and the City Docks & Harbor Board for review and approval prior to the commencement of any construction, unless otherwise agreed in writing by the parties. If Lessee does not have the permits in place within 36 months after the effective date of this Lease, the Lease shall terminate; provided, Lessee may request in writing to the Port Director that City extend the 36-month planning and permitting period if Lessee makes a showing satisfactory to

City that it has pursued the planning and permitting for its development of the harbor facilities on the Leased Premises with all due diligence and cannot meet this 36-month deadline for reasons beyond its control. Any extension to this 36-month period must be approved in writing by the Port Director.

(d) Lessee agrees to complete construction and commence operation of the harbor facilities and amenities within 48 months after Lessee has been issued all the permits and approvals necessary to start construction. If Lessee does not complete construction and commence operation within this 48 month period, the Lease shall terminate; provided, Lessee may request in writing to the Port Director that City extend this 48-month period if Lessee makes a showing satisfactory to City that it will complete construction and commence operation of the harbor facilities and amenities with all due diligence and cannot meet this 48-month deadline for reasons beyond its control. The time period of any such extension shall be decided by the Docks and Harbors Board; any extension must be in writing by City.

(e) The Leased Premises shall be used only for purposes within the scope of Lessee's lease proposal and the terms of this Lease, and in conformity with the City and Borough Code, and all applicable State and Federal laws and regulations. Use or development of the Leased Premises for other than the authorized uses shall constitute a violation of this Lease and subject the Lease to cancellation at any time. Lessee acknowledges that the Leased Premises adjoin the Juneau Wastewater Treatment Plant and that the Treatment Plant does and will cause the release of malodorous vapors. Lessee agrees to hold City harmless from any and all effects resulting from or caused by any and all such releases. This indemnification provision is in addition to the hold harmless and indemnification provision set out in Appendix C, Section 9, of this Lease, which also applies to this Lease.

6. ENVIRONMENTAL MATTERS

(a) Lessee's Responsibility for Environmental Laws. Lessee shall, at its own expense, comply with all existing and hereafter enacted environmental responsibility laws, hereafter "Environmental Laws." Lessee shall, at its own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority, hereafter "Authority," under the Environmental Laws. Should the Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of any spills or discharges of or contamination by Hazardous Materials, as hereafter defined, or other materials, on the Leased Premises that occur during the term of the Lease, or arise out of or in connection with Lessee's use or occupancy of the Leased Premises and occur during the term of the Lease, then Lessee shall, at its own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. Lessee's obligations under this section shall arise if there is any event or occurrence on the Leased Premises during the term of the Lease or arising out of or in connection with the Lessee's use or occupancy of the Leased Premises that requires compliance with the Environmental Laws. At no expense to City, Lessee shall promptly provide all information requested by City for preparation of affidavits or other documents required by City to determine the applicability of the Environmental Laws to the Lease, and shall sign the affidavits promptly when requested to do so by City.

(b) Indemnification by Lessee. Lessee shall indemnify, defend and hold harmless City from all fines, suits, procedures, claims, liabilities, and actions of any kind arising out of or in any way connected with any spills or discharges of or contamination by Hazardous Materials on the Leased Premises that occur during the term of the Lease or arise out of or in connection with Lessee's use or occupancy of the Leased Premises; and from all fines, suits, procedures, claims, liabilities, and actions of any kind arising out of Lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spills or discharges or contamination that occur during the term of the Lease or arise out of or in connection with Lessee's use or occupancy of the Leased Premises, unless such contamination was placed upon the Leased Premises by City or City's action, prior to the signing of this Lease. This indemnification provision is in addition to the hold harmless and indemnification provision set out in Appendix C, Section 9, of this Lease, which also applies to this Lease.

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

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

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

(f) "Environmental Laws" Defined. For purposes of the Lease, "Environmental Laws" is defined to include all City, State, and Federal laws or regulations, whether currently in existence or hereafter enacted, that govern (1) the existence, clean-up, or remedy of contamination on property; (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination; (3) the control of hazardous waste; or (4) the use, generation, transport, treatment, removal, or recovery of Hazardous Material.

(g) "Hazardous Material" Defined. For purposes of the Lease, "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by the City and Borough of Juneau, Alaska, the State of Alaska, or the United States government. It is any substance which at any time shall be listed as "hazardous" or "toxic" or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Environmental Laws. The term "Hazardous Material" shall also include, without limitation, raw materials, building components, the products of any manufacturing or other activities on the Leased Premises, wastes, petroleum, oil, and source, special nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 301 1, *et seq*., as amended).

(h) Pre - Construction Audits. Lessee shall responsible for engaging a qualified contractor(s) to conduct any and all pre-construction environmental audits that may be necessary to secure the permits and approvals for its planned development of the harbor facilities and amenities on the Leased Premises. All pre-construction audits required for the permitting process must be completed by Lessee prior to the commencement of any construction. The cost of environmental audits shall be paid by Lessee. The results of all environmental audits shall be made available to employees or agents of City as designated by the Port Director.

(i) Modification of Leased Premises Possible. It is recognized by the parties that the portion of the Leased Premises known as the Old Garbage Dump near Snowslide Creek was used as a material waste dump by the City and Borough of Juneau during the late 1940's, the 1950's, and the 1960's, and sewerage sludge deposit site by the City and Borough of Juneau sewer disposal system. Further, the cove area west towards the current Juneau Wastewater Treatment Plant was used for many years as an "old boat bone yard." Lessee intends to review all available options for the satisfactory clean-up and reclamation of the Little Rock Dump portion of the Leased Premises. In the event this planned clean-up and reclamation is not approved by the applicable Federal and State agencies, and by City, then Lessee, at its sole discretion, may remove the unacceptable portion of the Leased Premises from the development plan without liability or responsibility to Lessee to conduct clean-up and reclamation of that portion, and continue with the project; removal of the unacceptable portion of the Leased Premises from the development plan, if any, shall have no affect on the amount of the next annual Lease payment due or subsequent Lease payment adjustments.

(j) Costs and Expenses Incurred by Lessee. All costs and expenses incurred by Lessee as a result of fulfilling the environmental remediation requirements of City, State, or Federal agencies for all pre-construction environmental audits necessary for the permitting process and construction monitoring, together with the collection, clean-up, and proper removal and disposal of the contaminated and undesirable material that is known to exist in or upon the Leased Premises, will be eligible for lease rental credit as provided in Appendix B, Section 3(23) of this Lease.

7. SPECIAL CONDITIONS REGARDING THE LEASED PREMISES

(a) At any time after the first 36 months of this Lease, City or the City Docks & Harbors Board may, at City's discretion and at its cost and expense, undertake planning, designing, permitting, financing, and construction of any improvement or facility within the Leased Premises. Any such work by City will be planned to fit into Lessee's work schedule and development plans for the Leased Premises.

(b) Lessee's planning, design, construction, and development of any improvement or facility within the Leased Premises must be in accordance with all applicable City and Borough Code provisions and all City, State, and Federal permitting and approval requirements, and must be compatible with the Long Range Waterfront Development Plan.

(c) Lessee represents that the Leased Premises is covered by valid existing mining claims described as WAST 1-5 ADL 517981 through ADL 517985, which claims are governed by Alaska Statutes, AS 38.05.185 through AS 38.05.275. City agrees that, as between City and Lessee, it is permissible for Lessee to remove and dispose of specific materials in accordance with these mining claims and the applicable Alaska Statutes. The parties further agree that upon expiration of this Lease, Lessee will assign to City all of Lessee's rights remaining under these mining claims.

8. INSURANCE

(a) Commercial General Liability Insurance. Lessee shall maintain at all times during this Lease commercial general liability insurance in the amounts of $1,000,000 per occurrence and $2,000,000 general aggregate. The insurance policy shall name City as an "Additional Insured" and shall contain a clause that the insurer will not cancel or change the insurance without first giving City 31-days' prior written notice. Lessee will provide evidence of this insurance to City in a form acceptable to the City's Risk Management office.

(b) Property Insurance. Lessee acknowledges that City carries no fire or other casualty insurance on the Leased Premises or the improvements located on the Leased Premises, and that it is Lessee's obligation to obtain adequate insurance coverage for protection of Lessee's buildings, fixtures, facilities, or other improvements, or personal property, located or to be developed and located on the Leased Premises by Lessee, and adequate insurance to cover debris removal.

APPENDIX B:
LEASE PROVISIONS REQUIRED BY CBJ CHAPTER 53.20

1. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES.

As required by CBJ 53.20.160, it shall be the responsibility of Lessee to properly locate Lessee's improvements on the Leased Premises and failure to so locate shall render Lessee's liable as provided by law.

2. APPROVAL OF OTHER AUTHORITIES.

As required by CBJ 53.20.180, the issuance by City of leases, including this Lease, under the provisions of CBJ Title 53 does not relieve Lessee of responsibility for obtaining licenses, permits, or approvals as may be required by City or by duly authorized State or Federal agencies.

3. TERMS AND CONDITIONS OF LEASES REQUIRED BY CBJ 53.20.190.

As required by CBJ 53.20.190, the following terms and conditions govern all leases and are incorporated into this Lease unless modified by the Assembly by ordinance or resolution for this specific Lease. Modifications of the provisions of this Appendix B applicable to this specific Lease, if any, must specifically modify such provisions and be supported by the relevant ordinance or resolution to be effective.

(1) Lease Utilization. The Leased Premises shall be utilized only for purposes within the scope of the application and the terms of the Lease, and in conformity with the provisions of City and Borough Code, and applicable State and Federal laws and regulations. Utilization or development of the Leased Premises for other than the allowed uses shall constitute a violation of the Lease and subject the Lease to cancellation at any time.

(2) Adjustment of Rental. See Appendix A, Section 4, regarding Adjustment of Rental.

(3) Subleasing. As authorized by Ordinance 2007-43, Lessee may sublease the Leased Premises or any part of the Leased Premises; provided, that Lessee must first obtain the prior written consent of City. Subleases shall be in writing and be subject to the terms and conditions of the original Lease; all terms, conditions, and covenants of the underlying Lease that may be made to apply to the sublease are hereby incorporated into the sublease.

(4) **Assignment**. Lessee may assign its rights and obligations under this Lease; provided that the proposed assignment shall be approved by City prior to any assignment. The assignee shall be subject to all of the provisions of the Lease. All terms, conditions, and covenants of the underlying Lease that may be made applicable to the assignment are hereby incorporated into the assignment.

(5) **Modification**. The Lease may be modified only by an agreement in writing signed by all parties in interest or their successor in interest.

(6) **Cancellation and Forfeiture**.

(A) The Lease, if in good standing, may be canceled in whole or in part, at any time, upon mutual written agreement by Lessee and City.

(B) City may cancel the Lease if it is used for any unlawful purpose.

(C) If Lessee shall default in the performance or observance of any of the Lease terms, covenants or stipulations thereto, or of the regulations now or hereafter in force, or any of the provisions of this code, and should the default continue for thirty calendar days after service of written notice by City without remedy by Lessee of the conditions warranting default, City may subject Lessee to appropriate legal action including, but not limited to, forfeiture of the Lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.

(D) Failure to make substantial use of the land, consistent with the proposed use, within one year shall in the discretion of City with the approval of the Assembly constitute grounds for cancellation.

(7) **Notice or Demand**. Any notice or demand, which under the terms of a lease or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address of record. However, either party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.

(8) Rights of Mortgagee or Lienholder. In the event of cancellation or forfeiture of a lease for cause, the holder of a properly recorded mortgage, conditional assignment or collateral assignment will have the option to acquire the lease for the unexpired term thereof, subject to the same terms and conditions as in the original lease.

(9) Entry and Reentry. In the event that the Lease should be terminated as hereinbefore provided, or by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by Lessee during the term, City or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of the lands or such thereof, and remove all persons and property there from either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefor. No reentry by City shall be deemed an acceptance of a surrender of the Lease.

(10) Release. In the event that the Lease should be terminated as herein provided, or by summary proceedings, or otherwise, City may offer the lands for lease or other appropriate disposal pursuant to the provisions of City and Borough Code.

(11) Forfeiture of Rental. In the event that the Lease should be terminated because of any breach by Lessee, as herein provided, the annual rental payment last made by Lessee shall be forfeited and retained by City as partial or total damages for the breach.

(12) Written Waiver. The receipt of rent by City with knowledge of any breach of the Lease by Lessee or of any default on the part of Lessee in observance or performance of any of the conditions or covenants of the Lease, shall not be deemed a waiver of any provision of the Lease. No failure on the part of City to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by City unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same in the event of any subsequent breach or default. The receipt, by City, of any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by City of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term therein demised, or destroy, or in any manner impair the efficacy of any such notice or termination as may have been given thereunder by City to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by City.

(13) **Expiration of Lease**. Unless the Lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender and yield up unto City all of the Leased Premises on the last day of the term of the Lease.

(14) **Renewal Preference**. Any renewal preference granted Lessee is a privilege, and is neither a right nor bargained for consideration. The lease renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the designated official.

(15) **Removal or Reversion of Improvements upon Termination of Lease**. Improvements owned by Lessee shall within sixty calendar days after the termination of the Lease be removed by Lessee; provided, such removal will not cause injury or damage to the lands or improvements demised; and further provided, that City may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by Lessee may, with the consent of City, be sold to the succeeding Lessee. All periods of time granted Lessee to remove improvements are subject to Lessee's paying to City pro rata lease rentals for the period.

(A) If any improvements and/or chattels not owned by City and having an appraised value in excess of five thousand dollars as determined by the assessor are not removed within the time allowed, such improvements and/or chattels shall upon due notice to Lessee, be sold at public sale under the direction of City. The proceeds of the sale shall inure to Lessee preceding if Lessee placed such improvements and/or chattels on the lands, after deducting for City rents due and owing and expenses incurred in making such sale. Such rights to the proceeds of the sale shall expire one year from the date of such sale. If no bids acceptable to the Port Director are received, title to such improvements and/or chattels shall vest in City.

(B) If any improvements and/or chattels having an appraised value of five thousand dollars or less, as determined by the assessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, City.

(16) Rental for Improvements or Chattels not Removed. Any improvements and/or chattels belonging to Lessee or placed on the Lease during Lessee's tenure with or without his permission and remaining upon the premises after the termination date of the Lease shall entitle City to charge Lessee a reasonable rent therefor.

(17) Compliance with Regulations and Code. Lessee shall comply with all regulations, rules, and the Code of the City and Borough of Juneau, and with all State and Federal laws, regulations, and as the Code or any such laws, regulations or rules may affect the activity upon or associated with the Leased Premises.

(18) Condition of Premises. Lessee shall keep the Leased Premises in neat, clean, sanitary and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or uncontrolled grass, brush or other fire on the Leased Premises. Lessee shall not undertake any activity that causes or increases a sloughing off or loss of surface materials of the Leased Premises.

(19) Inspection. Lessee shall allow an authorized representative of City to enter the Leased Premises for inspection at any reasonable time.

(20) Use of Material. Lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the Leased Premises may be used. In addition, as authorized by Ordinance 2007- 43 and as provided in Appendix A, Section 7(c), of this Lease, the parties are aware that the Leased Premises is covered by valid existing mining claims described as WAST 1-5 ADL 517981 through ADL 517985, which claims are governed by Alaska Statutes, AS 38.05.185 through AS 38.05.275. City agrees that, as between City and Lessee, it is permissible for Lessee to remove and dispose of specific materials in accordance with these mining claims and the applicable Alaska Statutes.

(21) Rights-of-Way. City expressly reserves the right to grant easements or rights-of-way across the Leased Premises if it is determined in the best interest of City to do so. If City grants an easement or right-of-way across any of the Leased Premises, Lessee shall be entitled to damages for all Lessee-owned improvements or crops destroyed or damaged. Damages shall be limited to improvements and crops only, and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate Lessee for loss of use.

(22) **Warranty**. City does not warrant by its classification or leasing of land that the land is ideally suited for the use authorized under the classification or Lease and no guaranty is given or implied that it shall be profitable to employ land to said use.

(23) **Lease Rental Credit**. When authorized in writing by City prior to the commencement of any work, Lessee may be granted credit against current or future rent; provided the work accomplished on or off the Leased Premises results in increased valuation of the Leased Premises or other City-owned lands. The authorization may stipulate type of work, standards of construction, and the maximum allowable credit for each phase of the specific project. The credit will be based upon appraised value of such improvements or the actual costs of work performed. Title to improvements or chattels credited against rent under this section shall vest immediately and be in City and shall not be removed by Lessee upon termination of this Lease.

APPENDIX C: STANDARD PROVISIONS

(1) **Holding Over**. If Lessee holds over beyond the expiration of the term of this Lease and the term has not been extended or renewed in writing, such holding over will be a tenancy from month-to-month only.

(2) **Interest on Late Payments**. Should any installment of rent or other charges provided for under the terms of this Lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.

(3) **Taxes, Assessments, and Liens**. During the term of this Lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills for the Leased Premises and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, against the Leased Premises or the improvements placed thereon.

(4) **Easements**. Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements.

(5) **Encumbrance of Parcel**. Lessee shall not encumber or cloud City's title to the Leased Premises or enter into any lease, easement, or other obligation of City's title without the prior written consent of City; and any such act or omission, without the prior written consent of City, shall be void against City and may be considered a breach of this Lease.

(6) **Valid Existing Rights**. This Lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this Lease. As authorized by Ordinance 2007- 43, and as provided in Appendix A, Section 7(c) of this Lease, the parties agree that upon expiration of this Lease, Lessee will assign to City all of Lessee's rights remaining under the valid existing mining claims described as WAST 1-5 ADL 517981 through ADL 517985.

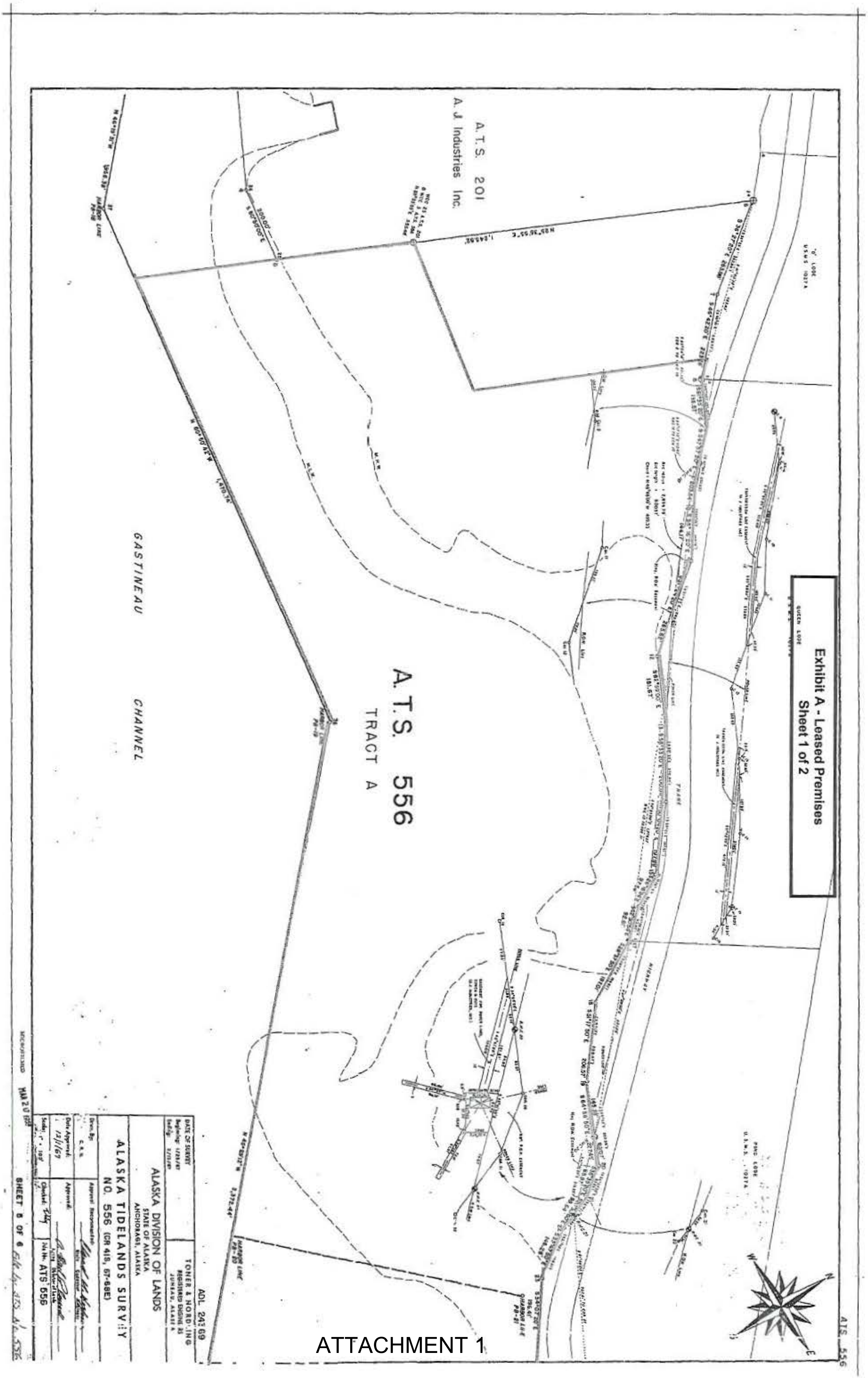
(7) **State Discrimination Laws**. Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska law prohibiting discrimination, particularly Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited). In the event of Lessee's failure to comply any of the above non-discrimination covenants, City shall have the right to terminate the Lease.

(8) Unsafe Use. Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

(9) Hold Harmless. Lessee agrees to defend, indemnify, and save City, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of the use and occupancy of the Leased Premises by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, and without limitation as to any damages resulting from settlement, judgment, or verdict, and includes the award of any attorneys fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice to City of any action, claim, or lawsuit. City shall notify Lessee in a timely manner of the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and may be waived where Lessee has actual notice. This agreement applies, and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against City.

(10) Successors. This Lease shall be binding on the successors, administrators, executors, heirs, and assigns of Lessee and City.

(11) Choice of Law; Venue. This Lease shall be governed by the law of the State of Alaska. Venue shall be in the State of Alaska, First Judicial District at Juneau.



ATTACHMENT 1

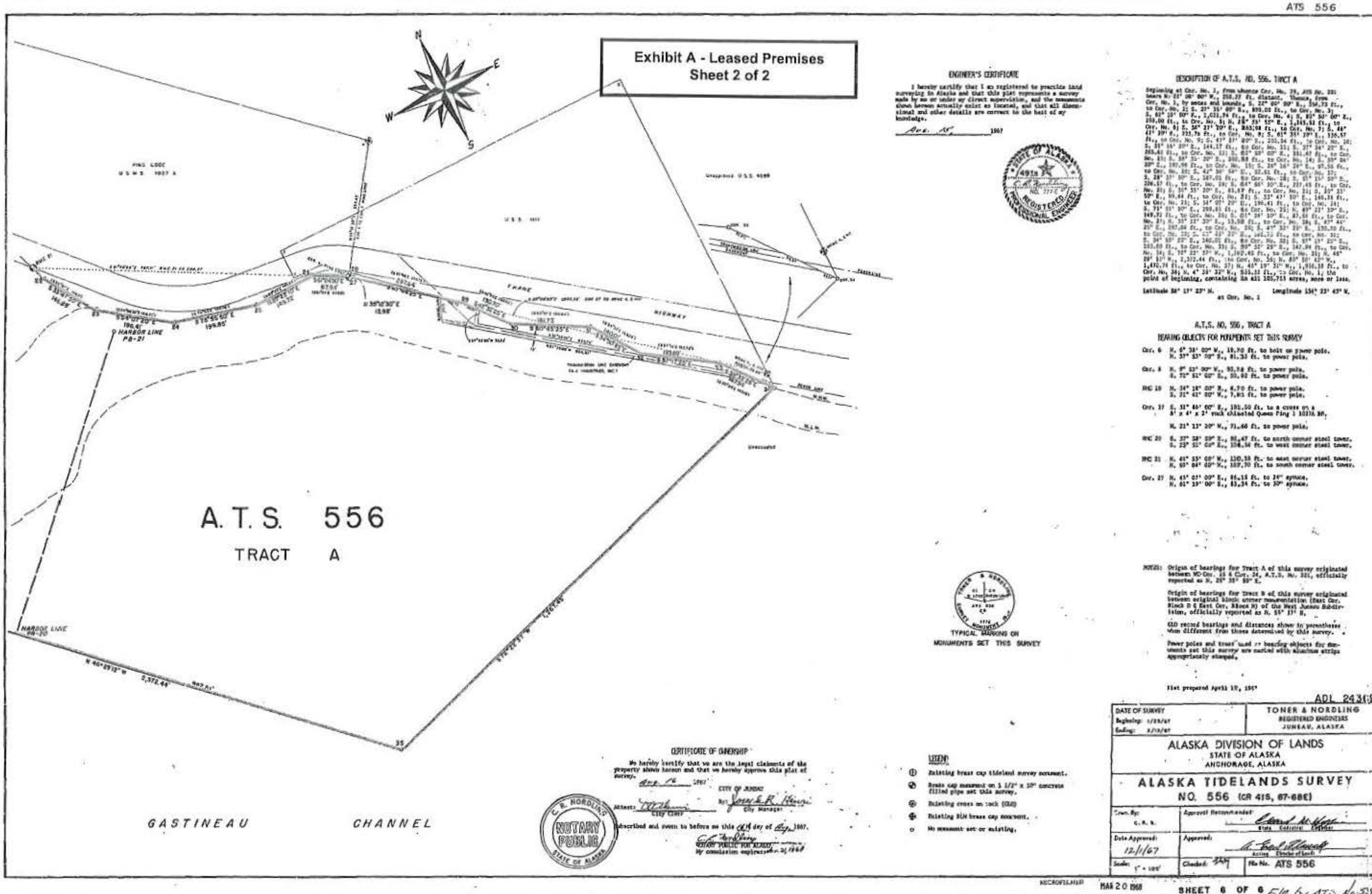


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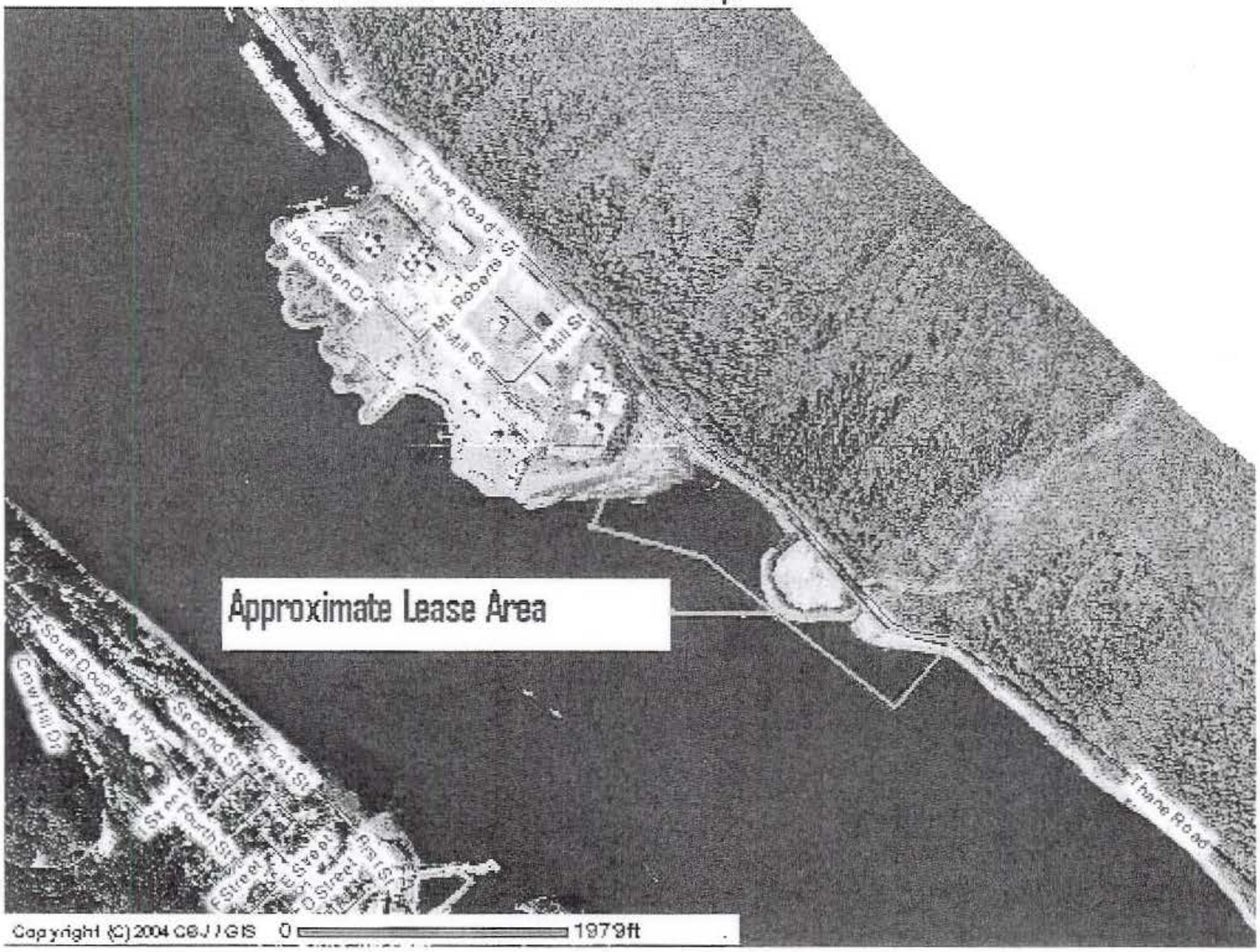
Exhibit B - Leased Area Map



ATTACHMENT 1

Port of Juneau

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

October 29th, 2012

Juneau Port Development LLC
PO Box 20734
Juneau, AK 99808

RE: Two Year Extension under Paragraph 5(c) of Appendix A of the Lease

At its regular meeting of October 25, 2012, the Docks & Harbors Board granted a two year extension under paragraph 5(c) of Appendix A of the lease between Juneau Port Development LLC and the City and Borough of Juneau for the purpose of providing additional time to obtain permits for your proposed development. The Board was clear in stating additional extensions would not be considered under the terms of the lease.

I have also enclosed documentation resolving the potential conflict between Juneau Port Development and CBJ Engineering, including ADOT requirements for an avalanche camera installation.

Please feel free to contact me with any questions.

Sincerely,

Carl Uchytil, P.E.
Port Director

Encl: (1) Your letter of October 11, 2012
(2) CBJ Engineering letter of October 12, 2012

Copy: Mr. James Clark, Esq.
Mr. Rorie Watt, PE
Heather Marlow
Mr. Greg Patz, ADOT

City & Borough of Juneau
Alaska's Capital City

City and Borough of Juneau
Engineering Department
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-0800 Facsimile: 463-2606

DATE: 10/12/12

TO: Carl Uchytil, Port Director
CBJ Docks & Harbors

FROM: D. Rorie Watt Director
Engineering Department

RE: CBJ Proposed Snow Storage at Rock Dump

I am happy to report that the potential conflicts between the CBJ's proposed snow storage site and the proposed Juneau Port Development project have been resolved. Please see the attached memorandum dated 10/11/12 from Howard Lockwood, Manager of the Juneau Port Development project.

As such, with regards to the snow storage project, I have no objection to the two year lease extension that has been requested by Juneau Port Development, LLC.

Since the snow storage facility would be constructed on lands managed by Docks & Harbors, I still think it makes sense to provide the Board with an update at it's regularly scheduled meeting on October 25th.

Thank you for your assistance on this matter.

cc: Howard Lockwood, Manager, Juneau Port Development, LLC

JUNEAU PORT DEVELOPMENT LLC
P.O. BOX 20734
JUNEAU, ALASKA 99802
PHONE (907) 209-4250
FAX (907) 463-3055
juneau_port_dev@hotmail.com

Mr. Rorie Watt
Director, Engineering CBJ
Engineering Department
155 S. Seward St.
Juneau, Alaska 99801

October 11, 2012

Dear Rorie;

Thanks for meeting with my attorney yesterday regarding my September 27, 2012 letter to Carl Uchytil requesting that, pursuant to Paragraph 5 (c), the 2007 Lease between the City and Borough of Juneau (CBJ) and Juneau Port Development LLC be extended for two years.

I agree with the conclusions of that meeting that the snow removal facility desired by the CBJ and the camera pole desired by the State DOT can be placed at the Little Rock Dump pursuant to Paragraph 7 (a) of the Lease.

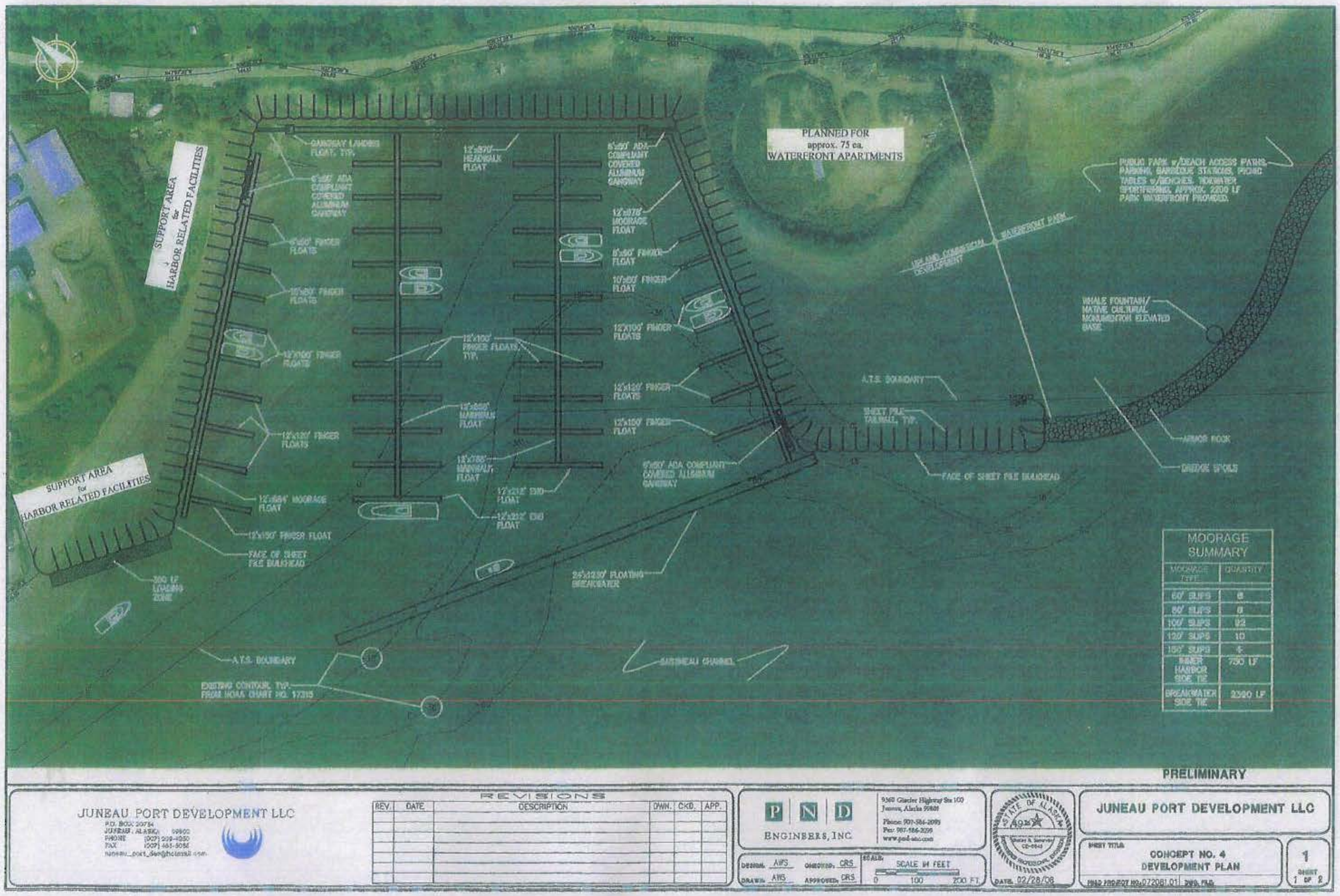
I appreciate the fact that you agreed that the last sentence of Paragraph 7 (a) of the Lease would allow me to proceed with my full development plan for the Marina. (See attached plan). Assuming that the Juneau Port Development LLC obtains construction permits and financing for the project, the snow removal facility would be modified as necessary to allow the Marina to be constructed in accordance with the attached plan.

Likewise the 170 sq.ft. easement for DOT's camera pole would be placed at a mutually convenient place on the Little Rock Dump with the understanding that, pursuant to the last sentence of Paragraph 7 (a), it would not interfere with construction of the Marina in accordance with the attached plan.

Since the provisions of the existing Lease are sufficient to support installation of the snow removal facility and the camera pole subject to the conditions described above, no change is needed in the CBJ Ordinance approving the Lease. I would appreciate it if you would inform the Docks and Harbors Board that your Department has no objection to the Lease extension that I have requested.

Yours truly,

Howard H. Lockwood
Manager



ATTACHMENT 1

Port of Juneau

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

October 30th, 2014

Juneau Port Development, LLC
PO Box 20734
Juneau, AK 99801

Dear Mr. Lockwood,

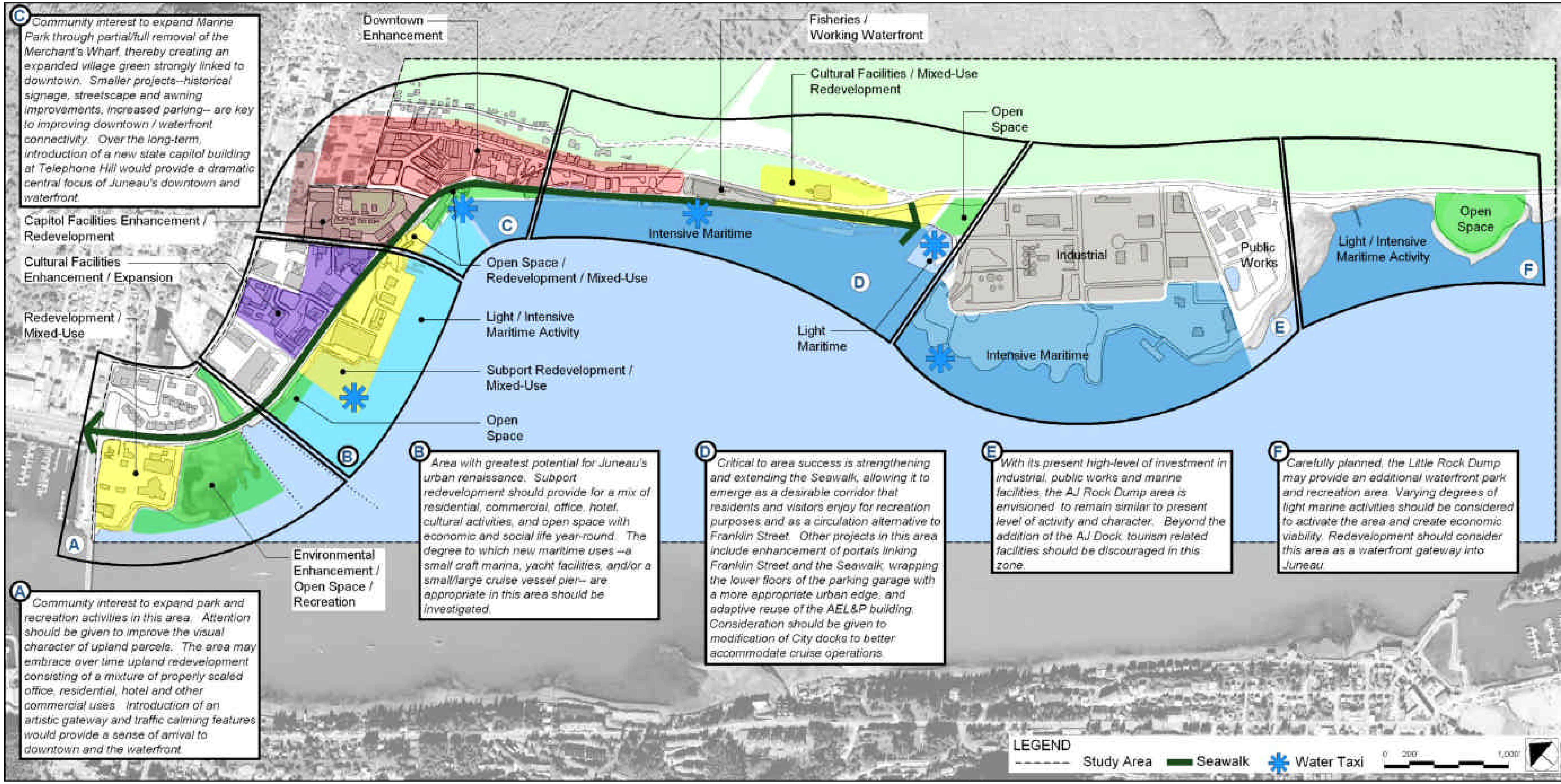
At the October 30th, 2014 regular Docks & Harbors Board meeting, by a vote of 4-3, the Board extended your lease one year. In accordance with the terms of the lease, you now have until October 31st, 2015 to secure all permits necessary to develop a harbor marine complex with associated upland amenities.

Sincerely,

Carl Uchytil, PE
Port Director

Copy: Docks & Harbors Board
CBJ Manager
CBJ Community Development Department
CBJ Law
CBJ Engineering

Figure 21: Concepts Organization Plan



ATTACHMENT 2