

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, January 28th, 2021

Zoom Meeting

I. Call to Order – Mr. Etheridge called the Regular Board Meeting to order at 5:00 p.m. via Zoom.

II. Roll Call - The following members were present via zoom or in person: Lacey Derr, James Houck, David Larkin, Mark Ridgway, Bob Wostmann, James Becker, and Don Etheridge.

Also present: Carl Uchtyl – Port Director, Matthew Creswell – Harbormaster, Erich Schaal – Port Engineer, and Teena Larson – Administrative Officer.

Absent: Chris Dimond and Annette Smith.

III. Approval of Agenda

Mr. Uchtyl requested to add an information item on the status of our vendor booth sales.

MOTION By MR. RIDGWAY: TO APPROVE THE AGENDA AS AMENDED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Approval of December 17th, 2020 Regular Board minutes.

Hearing no objection, the December 17th, 2020 minutes were approved as presented.

V. Public Participation on Non-Agenda Items - None

VI. Consent Agenda – None

VII. Unfinished Business

1. Regulation Change to 05 CBJAC 10.010 – “B Zone” Vehicle Description

Mr. Uchtyl said this proposed regulation change redefines the definition of a B-Zone vehicle from a vehicle carrying 18 or less passengers to a overall length of 27 feet. The reason for this change is for the new development at the Archipelago staging lot. Staff received an autoturn analysis that showed a 27’ vehicle is the largest size vehicle that can maneuver in this lot. This change has been discussed with the transportation companies. He is asking for approval from the Board to move forward with this regulation change. This will be publically noticed and there will be a public hearing at the Regular Board meeting on February 25th. This will go to the Assembly for final approval.

Mr. Uchtyl said this lot was built for the airporter size vehicles. That is not congruent with the definition of the B-Zone today. The airporter size vehicles carry more than 18 passengers. Staff is trying to make the regulation consistent with the attended purpose of this lot.

Committee Questions

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Mr. Larkin commented that there is nothing in this regulation that prohibits private vehicles from using this lot.

Mr. Uchytel said that is covered under violation of a posted notice.

Public Comment -None

Committee Discussion/Action

MOTION By MR. RIDGWAY: TO PROCEED WITH A REGULATION CHANGE REDEFINING “B ZONE” VEHICLES TO 27 FEET OVERALL FROM VEHICLES WITH LESS THAN 18 PASSENGERS AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

VIII. New Business

1. FY21 & FY22 Budget Submission

Mr. Uchytel said staff received the budget overview from the CBJ Finance Department which shows the proposed budget for the remainder of FY21 and the FY22 budget that begins on July 1st for Docks and Harbors. Mr. Uchytel pointed out that staff will work with the Finance Department to fix the FTE's for the staffing for Docks and Harbors.

FY21 Docks Highlights –

- Only revenue to date \$448,500 from MPF (Projected FY21 Revenue was over \$2M)
- Only five seasonal Dock Employees (out of 18) brought back to CY20 for maintenance
- Numerous waterfront maintenance projects were completed with in-house seasonal Dock employees
 - LUMBERMAN demolition clean-up and preparation
 - Concrete sealant of floating docks
- Depending on cruise ship visits May/June, a minimum of \$900K from Docks Fund Balance will be required to balance FY21 Docks Budget
- Completion of Downtown Waterfront Improvement Project (\$12.5M CIP)

FY22 Docks Summary

- CY21 Cruise Ship Season remains uncertain
- Docks Enterprise will judiciously bring back seasonal employees to meet the CY21 Cruise Ship needs
- Last earned revenue from October 2019

FY21 Harbors Summary

- Despite no CY20 cruise ship related Harbors revenue, Enterprise exceeded expenditures by \$614,500 ending FY20
- Only 3 of 5 seasonal Harbor Employees brought back in CY20 for operations
- Completion of \$4.1M Statter Harbor Improvements Phase IIIA (Dredging)
- Award of \$4.3M Statter Harbor Improvements Phase IIIB (For Hire Floats)
 - Completion anticipated NLT June 7th

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- Demolition of North End of Aurora Harbor Floats using in-house seasonal employees
- Deputy Harbormaster position has remained vacant through most of FY21
- Expecting to operate in the Black at the end of FY21

FY22 Harbors Summary

- Maintaining status quo for expenditures
- Diminished tourism related revenue will reduce opportunities to advance needs to the community
- Expiring lease with UA at Juneau Fisheries Terminal (in between Harris & Aurora Harbors) may require new \$100K + annual lease payment.
- Potential \$18K annual Encroachment Permit being requested by ADOT for Auke Bay Loading Facility
- Anticipating operations without draw on Harbors Fund Balance

Committee Questions

Mr. Ridgway recommended some changes to the Docks & Harbors highlights. In terms of describing the Docks, the discussion of the presentation began using the term “very problematic” and the last line of the highlight is our last revenue was from October of 2019. He suggested to clarify up front that the budget is looking problematic and we have not had any income in Docks since October 2019, and then mention the MPF funding. In speaking in terms of the Harbors highlighting, it is important that we don’t anticipate drawing from the Harbor fund balance, if we do anticipate taking funds from the Docks balance he would consider that being the second line of information under Docks. The third comment, is it worth mentioning especially in the Harbor summary in addition to how we judiciously used Harbor employees, in both Docks & Harbors the Board did a lot of many small things to encourage economics, we helped people with their permits, and we approved delayed payments on Harbor fees. This would be important because despite this help, Harbors still operated in the black. This would be a positive message to forward onto the Assembly regarding our fiscal discipline. Also worth mentioning of the Dock highlights we definitely took a hit on our revenue sources trying to spread the pain.

Mr. Uchtyl said the comments are well taken and when we get ready for the Assembly we will take those into account.

Mr. Houck asked if he could have an update on the Lumberman and when the University comes up with their new numbers is it a given we just have to pay that or could we refuse and move our property line?

Mr. Uchtyl said some of the seasonals that were brought back this last summer were instrumental in cleaning up the Lumberman. Staff could say Docks and Harbor is into well over \$100K in the cleaning efforts for the Lumberman.

Mr. Houck said that is important to note that we were not able to plan for but were able to deal with in a very efficient manner. He suggested to refer to other derelict vessels that it has cost much more than that.

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Mr. Uchytel said he believes the best way forward is to enter into a purchase agreement with UAS. Horan & Company is conducting the appraisal for UAS and we will receive a fair and ethical appraisal. Docks & Harbors does not own the land between our two most critical downtown harbors. He has made it known to UAS that we would like to consider purchasing the property if given the opportunity. He does not believe Docks & Harbors can walk away from this property.

Mr. Houck said he would support the purchase as long as it is at a fair price.

Public Comment - None

Committee Discussion/Action

Mr. Wostmann said the tentative numbers for the remainder of the current fiscal year and the start of the next fiscal year is based on having 50% of the 2019 cruise ships. This is uncertain at this time and it is likely we will need to reconvene and relook at these numbers once we get closer to the season. Another comment that may work with UAS is to go into a lease purchase agreement. This may offer a way to get there without financing the entire amount up front.

MOTION By MR. WOSTMANN: TO APPROVE THE FY21 AMENDED AND FY22 BUDGETS AND FORWARD TO THE ASSEMBLY FOR ADOPTION AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

2. Project Prioritization for State of Alaska – Infrastructure Bond Consideration

Mr. Schaal said at the Operations meeting, there was discussion on the brand new Governors Bond package. Staff wanted to be pre-emptive and use the two meetings we had to hear from the Board what the top priorities were they wanted to share with the rest of the City and the Assembly for when they ask for Juneau's request list as the bond package comes together. Staff put together the top seven projects and brought it to the Operations meeting for discussion. They went over all the projects explaining the thought process for all the projects and the reasoning for the ranking. Staff asked the Board to review the project list and we would send a doodle poll for the Board members to pick the top two projects they wanted to submit. Mr. Schaal said seven of the nine Board members voted and he showed the doodle poll results which showed Aurora Phase III was chosen six times, the North Douglas expansion concept was selected five times, and the Fisherman's Terminal concept was selected twice. The results give staff the direction we needed.

Mr. Uchytel said this was a non-binding poll and he offered more time for discussion. After the meeting tonight he will send a memo to the Public Works & Facilities Director who will bring this to the Assembly Public Works & Facilities Committee on Monday. He just wanted to make sure the two projects with the most votes were what the Board wanted to move forward.

Committee Questions

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Mr. Ridgway said in terms of the projects, does staff see an opportunity in the presentation to tell how the specific project will help stabilize our economy and will our revenue numbers be brought into the presentation?

Mr. Schaal said we will be hitting all the bullet points as staff receives more direction from the bond specifics.

Mr. Ridgway asked if the Board members would be given the opportunity to review the bond application and make comments or will that not happen?

Mr. Schaal said we are unsure of the timeline but staff would like to be able to bring it back to the Board for review.

Mr. Uchytel said he just knows the Public Works & Facilities Director needs a list by Monday. There could possibly be discussion at the Committee of the Whole meeting with the Board on this topic. He said with Mr. Ridgway quoting the economic recovery, the Aurora Harbor Phase III project is a good project for the Harbor, but it probably will not do that much for Juneau as a whole. The project is a \$7M with approximately 40% of that being spent in Seattle. This project would not employ very many Juneauites. The marine construction projects are expensive, but the materials come from down south.

Mr. Ridgway said he would put the North Douglas expansion ranked first. This project may be better for broader economic benefit and maybe able to be done in phases. If this is one of the projects, would staff put that in the presentation as part of the discussion at both the City level and if it goes further?

Mr. Schaal said we would make that case if we saw either of our projects rise to the top of the Assembly's list. In the North Douglas project, we show the new launch ramp away from the existing launch ramp so you can start work and have less of an impact on the facility as construction starts. However, we have not gone down the permitting process yet, and that may be a challenge, but this project could be scalable.

Public Comment

Dennis Watson, Juneau, AK

Mr. Watson said the North Douglas Launch ramp expansion is a great idea but wrong timing. By the time Harbors gets a permit and to get the \$20M grant with the promise this will be developed he does not believe that will work. There is still the requirement to hear from the neighbors and see what they will object to. There is a lot to do for this project and it will take a long time. He understands that the intent for this money is to use it quickly to get in the hands of people. Mr. Watson asked how many slips can fit in the Aurora Phase III project?

Mr. Uchytel said the North end of Aurora has not been fully designed for the market forces yet. There is a small waiting list for downtown but all between 40 and 100 foot vessel.

Mr. Watson said there was a lot of boats until you took the floats out. He believes there were close to 60 slips and take that times the revenue when all the slips are filled. That in

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the long term is much better for the economy than the North Douglas launch ramp when the only revenue is the launch ramp permits at \$95.00 annually.

Committee Discussion/Action

Mr. Ridgway said there was good discussion on this topic at the Operation Committee meeting on how this process will play out in terms of the Legislature. He said there were guesses on how the funds would be distributed but it could be around \$7M per district. Staff presented the Committee members with this information before deciding on projects. He said he is seeing a significant change in the use at Aurora from our users with boats that are much smaller and a lot more trailerable boats. He said he is not sure if the North end of Aurora had 60 slips how soon they would be filled up. He has heard from multiple long time users of the North Douglas ramp exclusive users and they pay the same ramp fees as everyone else in town and it is the only ramp that has not had any improvements in a very long time. He said he will speak in favor of the North Douglas launch ramp project despite of the permitting issues and that it has not gone through the public process yet. It is used by a variety of people and he believes there is a potential for Fish & Game supplemental funding. It is used by kayak tours, biking tours, many other users, and also by our customers.

MOTION By MR. RIDGWAY: TO FORWARD DOCKS & HARBORS PROJECT PRIORITIZATION LIST TO THE ASSEMBLY PUBLIC WORKS & FACILITIES COMMITTEE FOR THEIR CONSIDERATION AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

IX. Items for Information/Discussion

1. Small Cruise Ship Infrastructure Master Plan – Final Report

Mr. Schaal said in the packet is the final report compiled by PND consisting of Corvus Design, North Wind Architects, and McDowell Group efforts. This has been about a year and a half in the making and has been discussed in several meetings. We are a turn around port where visitors embark or disembark in Juneau. We looked at all options for a small cruise ship dock location. The industry has indicated they want to be downtown. The focus for the industry was for vessels under 275'. Staff looked at the need by going back and looking at how many vessels were turned away due to no space. This master plan will meet the market requests.

Mr. Uchtyl said we will share this at the Assembly Committee of the Whole meeting next week. The design team will provide a 10 minute overview of the project and be available to answer questions. After staff hears input from the Assembly, we will need to come back and maybe in February have the Board adopt this master plan.

Committee Discussion/Public Comment

Mr. Ridgway asked if this plan has been coordinated with the adjacent stake holders, NOAA and the Coast Guard, and how much of this plan is planned with Norwegian Cruise Lines (NCL) that if NCL changes their plan it would affect ours.

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Mr. Schaal said staff has been interactive with the neighbors so we have met with NOAA several times and Mr. Uchytel has had a waterfront working group with all of the stake holders along the waterfront to hear their thoughts and concerns. There are a lot more discussions that need to happen before NOAA can share access to their facility. In regards to coordination with NCL, we have attended all their public meetings and invited ourselves in on the process and have been very communicative.

Mr. Wostmann asked how many times the public has had opportunities to review and comment on this plan and how many more meetings are anticipated for the public to review and comment? He said he noticed reading the report today that there have been statements from the cruise lines with numbers based off 2019 and estimates for 2020 and he wanted to know if that should be updated with what we know now providing fresher data in the report?

Mr. Schaal said we have had stake holder meetings, at least four Board meeting discussions and we put together a webinar that was recorded and staff sent out a request for comment. We continue to have open conversations with our stake holders and are proactive with public comments. In regards to updating the report, it makes sense to have a date stamp on it for when it was completed and the plan going forward might be related to the soft restart of the cruise season. This plan is a good plan as we monitor the rebound of the industry. We know what the industry was doing when we started this process and as we watch it rebound we can continue to talk with the Board and decided when it has rebound sufficiently to move forward with whatever the Board wants to from this study. He does not recommend to move on what came out of this study tomorrow because we do not know what the next year will look like but if we see a steady growth in the next few years we could decide that the study needs to be amended at that time and develop a plan to move forward.

Mr. Wostmann asked looking into the future, is there a future public meeting separately noticed specifically for this plan. He believes not very many public are paying attention to the published agenda of the Docks & Harbors Board.

Mr. Schaal said at this time, the presentation to the Assembly and bringing it back to the Board for adoption is the only two additional meetings planned. However, he believes there has been more public participation than normal because of the parallel to the NCL development.

Mr. Wostmann asked Mr. Schaal to elaborate on the public outreach received.

Mr. Schaal said it has to do with the research that people are doing for NCL, but they wanted to know specifically the interface between the Coast Guard and NOAA vessels. The interested people are looking at development all along the waterfront and looking at what NCL is proposing and how it relates to our project.

Mr. Ridgway asked if land purchase, easements, or leasing is a major component to this plan, and who are the property owners involved?

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Mr. Schaal said the major players are Goldbelt, NOAA, and the Coast Guard. He is not sure of the avenue to formalize an agreement with NOAA other than our discussion on their need for a new facility and we are trying to work with them.

Mr. Ridgway asked how critical is Goldbelt to this plan?

Mr. Schaal said they are very interested in working with us and being a small cruise nexus.

Ms. Alicia Hughes-Skandijs asked if the webinar for the public was just a presentation for the public?

Mr. Schaal said yes and it was sent out in the regular media channels. People were able to chime in and ask questions from the consultant team and staff.

Mr. Uchytel said the biggest detractors have been notified and fully aware of this project.

Public Comment-

Mr. Steve Sahlender, Juneau, AK (Goldbelt)

Mr. Sahlender said Goldbelt has been tracking this and is very excited and flexible. They are looking forward to the opportunity to make this happen.

Mr. Etheridge said he did listen to the webinars and listened to the comments. There was a lot of question but we had a lot of positive feedback and not a strong desention during the meetings. The people liked the idea to move off South Franklin Street. He believes this will be a win win if we can get this moving forward and this is not the final hearing.

Mr. Ridgway suggested to emphasize the portion of the plan that is moving existing passengers from one area to another instead of a potential increase. He also commented that if staff had an opportunity to add in the presentation how these public facilities and NOAA's public lands could be potentially used by others with the utilitarian needs of these facilities.

2. Joint Meeting with Assembly - Preparation

Mr. Uchytel said he wanted to remind everyone that Monday February 1st is the Committee of the Whole meeting with the Assembly. It will have four items on their agenda. First being the joint meeting with the Docks & Harbors Board. They will hear the Small Cruise Ship Berth study from our consultants. Then they will discuss the CBJ process for the consideration of the NCL proposal and Fireworks will be the last item.

Committee Discussion/Public Comment

Mr. Etheridge said from the Mayors office the Assembly wanted to discuss the Small Cruise Ship plan and the Docks & Harbors annual report. He said he had a discussion with staff and the topics they brought forward to talk about is the UAS property purchase, the ABLF DOT right of way easement, and abandoned cars in our harbor areas. Mr. Etheridge asked the Board members for other topics to be discussed at the joint meeting. No other member spoke up to add additional topics. He will forward this to the Mayor's office for the meeting on Monday at 6:00pm.

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3. Vendor Booths –

Mr. Uchytel said these are the permits that we issue annually that have a minimum bid of \$30,000 per year which allows them to use three different booths in three different locations. In regulation, on the first of December the Port Director notifies the public on how many permits are available. Typically we have 11 permits but as a management perspective we like to have only nine permits. In December, he said he indicated there will be nine available. Four of the nine that had remaining years to renew their permit indicated they want to come back. With that, we have only five additional permits available to be permitted and could be purchased by the companies that their permits expired. These permits have multi year options which gives the companies the opportunity to plan accordingly. In a regular year, we ask the companies that are renewing their permit to provide their permit payment by the first of February. If there are more companies than permits, we will then hold an outcry auction. Last year we issued permits for nine booths and in May, when we found there was not going to be a cruise season, we refunded their money. This year with the uncertainty, staff would like to delay any action on the issue of permits until the cruise lines give an indication when they will start. There is no exact regulation guidance on when the permits should be issued.

Mr. Wostmann agreed to wait before issuing any permits and he suggest to bring this back to the Board when there is more known about when the cruise ships are coming back and see if the \$30,000 fee is appropriate or if there should be a discount based on the size of the season.

Mr. Larkin asked if the permits are only purchased on an annual basis or could it be a monthly thing? If COVID changes, they are not stuck for a whole year. Could that be looked at?

Mr. Uchytel said that is something the Board has the authority to make those changes.

X. Committee and Member Reports

1. Operations/Planning Committee Meeting- Thursday, January 20th, 2021

Mr. Ridgway reported the Committee discussed and moved to the full Board:

- The Budget
- B-Zone Regulation change – This required a roll call vote with four yes and one no. The By-Laws were checked and determined the motion passed.

2. Member Reports

Mr. Etheridge said he and Mr. Uchytel met with CBJ Legal a couple of weeks ago and it was determined that if someone buys a vessel for one dollar and there is debt owed on the boat, the debt transfers with the boat. The debt goes with the boat and not the person.

3. Assembly Lands Committee Liaison Report - None

4. Auke Bay Steering Committee Liaison Report – Mr. Wostmann said nothing to report.

XI. Port Engineer's Report – Mr. Schaal said his report is in the packet.

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Mr. Schaal reported;

- The dredging in Harris Harbor performed by Western Marine for the Army Corps is going well. They have pulled the piles and removed the finger floats on one float and are currently dredging that area. They should be complete by the middle of February.
- Staff asked Western Marine to dredge a pocket between the Harris Harbor mainwalk and the bathrooms on the bank because we are going to be installing the new sewer pump out which will be good for our new sewer lines to have more depth to be protected from freezing weather. The new pump is in town and staff is working on a design to get the new sewer line down the bank which will be connected this spring.
- Aurora will be dredged sometime in April with completion mid-May.
- Statter Harbor phase III(B) – Trucano Construction is just about ready to start drilling and socketing the piles they drove. The cold weather has caused a couple days of delay but staff hopes they will make drilling progress tomorrow. Staff is pleased with the progress so far.

XII. Harbormaster's Report –

Mr. Creswell reported;

- No major issues with the cold at this time.
- Harbors purchased a replacement truck for one of our older trucks and this is in service now.
- Had a substantial hydraulic leak in a crane at the Fisherman's Terminal Dock and that crane has been taken out of service. Staff is working to rehab the entire crane while it is taken apart.
- The commercial crab season will start soon so the boom truck has been positioned in the cranes place and staff will be available to help the commercial fisherman if there is a need to load pots.
- There is a significant drop in crime due to the effort of Mr. Etheridge with his night time patrols.
- The posting for the Deputy Harbormaster position closes tomorrow afternoon. Staff is hoping to begin interviews for that position next Thursday.

XIII. Port Director's Report - Mr. Uchtyl said he had nothing more to report.

XIV. Assembly Liaison Report

Ms. Alicia Hughes-Skadijs reported;

- Public Health provided an update Monday on the vaccine roll out strategies. Since then the Assembly received the numbers on the next allotment. There will be another public event and those details are posted on the City website.
- There was a lot of time spent talking about the process for appointing the initial members of our Systematic Racism Review Committee.
- Dealt with junk cars that have been an issue on River road
- She thanked Mr. Etheridge for the Harbor patrols to help keep the crime down.

XV. Board Administrative Matters

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- a. Joint Assembly/Board Meeting – Monday, February 1st at 6:00 pm
- b. Finance Sub-Committee Meeting – TBD
- c. Ops/Planning Committee Meeting – Wednesday, February 17th at 5:00pm
- d. Board Meeting – Thursday, February 25th at 5:00pm

XVI. Adjournment – The Regular Board Meeting adjourned at 6:47 p.m.