

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING AGENDA
For Thursday, December 20th, 2018

- I. Call to Order** (5:00 p.m. in the CBJ Assembly Chambers)
- II. Roll** (Weston Eiler, Bob Janes, Mark Ridgway, David McCasland, Dan Blanchard, James Becker, Bob Wostmann, Budd Simpson and Don Etheridge).
- III. Approval of Agenda**

MOTION: TO APPROVE THE AGENDA AS PRESENTED.
- IV. Approval of November 29th, 2018 Board minutes.**
- V. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total time).
- VI. Consent Agenda - None**
- VII. Unfinished Business**

- 1. FY2020 Marine Passenger Fee – Request
Presentation by Port Engineer

Board Questions

Public Comment

Board Discussion/Action

MOTION: THAT BOARD APPROVED THE FY20 MARINE PASSENGER FEE REQUEST AS PRESENTED.

- 2. Yankee Cove Lease – Rental Adjustment Objection
Presentation by Port Director

Board Questions

Public Comment

Board Discussion/Action

MOTION: TO BE DETERMINED AT THE MEETING.

- VIII. New Business**

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1. Fund Transfers
Presentation by Port Engineer

Board Questions

Public Comment

Board Discussion/Action

MOTION: THAT THE DOCKS & HARBORS BOARD APPROVE THE FINANCIAL TRANSFER AND APPROPRIATION ORDINANCE OUTLINED IN THE MEMO OF 12/14/2018 AND RECOMMEND THE ASSEMBLY ADOPT THE SAME.

IX. Items for Information/Discussion - None

X. Committee and Member Reports

1. Operations/Planning Committee Meeting- Wednesday, December 12th, 2018
2. Member Reports
3. Assembly Lands Committee Liaison Report
4. Auke Bay Steering Committee Liaison Report

XI. Port Engineer's Report

XII. Harbormaster's Report

XIII. Port Director's Report

XIV. Assembly Liaison Report

XV. Board Administrative Matters

- a. Ops/Planning Committee Meeting – Wednesday, January 23, 2019 at 5:00pm
- b. Board Meeting – Thursday, January 31, 2019 at 5:00pm

XVI. Adjournment

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I. Call to Order.

Mr. Etheridge called the Regular Board Meeting to order at 5:00 p.m. in the Assembly Chambers

II. Roll Call.

The following members were present: Bob Janes, Mark Ridgway, David McCasland, James Becker, Bob Wostmann (Via telephone), Budd Simpson, and Don Etheridge.

Absent: Weston Eiler and Dan Blanchard

Also present were the following: Carl Uchtyl – Port Director, Gary Gillette-Port Engineer, David Borg- Harbormaster, Matt Creswell-Deputy Harbormaster, Scott Hinton – Port Operations Supervisor, Mary Becker – Assembly Liaison

III. Approval of Agenda.

Mr. Uchtyl asked to have two special orders of business following the approval of the minutes.

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

Motion was approved with no objection.

IV. Approval of October 25th, 2018 Board Minutes.

Hearing no objection, the October 25th, 2018 Regular Board Meeting Minutes were approved as presented.

Special Order of Business-Mr. Borg said it is with a heavy heart that I inform you Dennis Holloway passed away Tuesday evening. He retired from Docks & Harbors at the end of September because he was battling cancer. His family was all here to be with him and they came by the office today to meet us and see where he worked.

Special Order of Business – Mr. Uchtyl read a letter from Capital Brew Fest 2018 organizers. The letter was from the Rotary Club thanking Docks & Harbors for providing yellow fencing for the 7th Annual Capital Brew Fest held on September 22nd. All proceeds and donations raised go to promote and facilitate charitable works in Southeast Alaska.

V. Public Participation on Non-Agenda Items – None

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VI. Consent Agenda

- A. Public Requests for consent Agenda Changes – None
- B. Board Members Requests for Consent Agenda Changes – None
- C. Items for Action – None

1. Approval of the 2020-2025 Capital Improvement Project (CIP) List

RECOMMENDATION: TO APPROVE THE DOCKS & HARBORS 2020-2025 CAPITAL IMPROVEMENT PROJECT (CIP) LIST.

2. Annual Report to the Assembly

RECOMMENDATION: TO APPROVE THE ANNUAL REPORT TO THE ASSEMBLY.

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

Motion passed with no objection

VII. Unfinished Business-None

VIII. New Business

1. Docks Fund Transfer of \$2M into the Downtown Waterfront Improvement Project (Archipelago Project)

Mr. Simpson recused himself from this item.

Mr. McCasland also recused himself from this item.

Mr. Uchtyl said on Monday the 19th of November at the Committee of the Whole (COW) meeting, staff presented this project to the Assembly. The Project was brought forward so the Assembly would be prepared for the introduction on November 26th for the funding necessary to move forward with the public portion of the Archipelago project. Docks & Harbors needs to prove to the Assembly this is a good deal for the City and a good use of our precious resources. At the end of the COW there was an eight to one vote in favor to move forward. Horan & Company has been appraising the property based on appraisal instructions the City Manager and Docks & Harbors has provided. We did receive a draft appraisal from Horan & Company. Mr. Uchtyl said he will meet with Mr. Gillette, City Manager, and Bob Bartholomew to try to figure out a path forward. The draft appraisal shows this is favorable for the City and the Archipelago LLC representatives feel it is too favorable. He said he not sure how this will work out, but they are still working on negotiations. Staff still wants to advertise for rebar and steel pilings next week. Mr. Uchtyl said we still need to see how the

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appraisal and the PSA fit together. Staff received an updated PSA from the Deputy City Attorney which only has minor changes from the one he forwarded to all the Board members after the last Operations meeting. Everything has been approved to move forward but the issue now is the appraisal.

Board Questions

Mr. Ridgway asked if Archipelago LLC does see the appraisal overly beneficial to the City would that mean we need to go back and negotiate some more?

Mr. Uchytel said there is a potential for the City Manager to think this is a take it or leave it type proposition.

Mr. Uchytel said the Finance Director Bob Bartholomew has put together a funding scheme for the project which is on page 15 in the packet. This has been introduced to the Assembly to take action on December 17th. The Docks fund balance currently is \$4M.

Mr. Becker asked if the \$4M is already allocated or just sitting to be used.

Mr. Uchytel said it is just sitting to be used. However, the Finance Department wants Docks and Harbors fund balances to always have \$1M for emergency purposes.

Public Comment-None

Board Discussion/Action

Mr. Ridgway asked if there was any change since the Operations Committee meeting that there would be an issue with using Marine Passenger Fees for this project?

Mr. Etheridge said he spoke with people in the Industry and they said they saw no issues at this time.

Mr. Ridgway asked in Legal review of the PSA, and once the deal is made, is there any chance Archipelago can change their mind and not do their construction portion of this project?

Mr. Uchytel said he does not think there is anything in the PSA that mandates them to construct. There is language about what the intentions of both parties are, but not a penalty if they don't. He said both construction projects can stand alone. Once we build our portion, that will meet the needs of the cruise ship passengers.

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MOTION By MR. JANES: TO RECOMMEND THE CBJ ASSEMBLY APPROVE A TRANSFER OF \$2M FROM THE DOCK FUND TO THE DOWNTOWN WATERFRONT IMPROVEMENT PROJECT (ARCHIPELAGO PROJECT) AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

Mr. Simpson and Mr. McCasland wanted the record to show they abstained from voting on this topic.

IX. Items for Information/Discussion

1. Statter Harbor Phase IIIA – Delay

Mr. Uchytil said it was decided today that we will not be able to secure the necessary permit to move forward with the dredging, blasting, and wall this winter. We will continue to work on getting the permits and this is very frustrating for all.

Board Discussion/Public Comment

Mr. Janes asked if it was the pile driving or blasting that is the reason we are not able to get a permit?

Mr. Uchytil said the reason is that this project supports activity that some in the NOAA regulatory divisions are against. Meaning, they don't like whale watching charter vessels activity and they can slow the process for the infrastructure we want to build.

Mr. Janes commented that this last year, with the superior management at Auke Bay and the slightly changed boating habits with the new launch ramps, it went well and we should be fine for another year. He asked if there is another way to approach the Harbor project with a new development that wouldn't require excessive pile driving or blasting? Maybe modify the phase III project to be able to get a permit.

Mr. Uchytil said not that he knows of.

2. Port Seasonal Staffing Increase

Mr. Borg said we have done a lot with few staff for a long time but we are finally at our breaking point. He showed a power point presentation. He said five years ago we had a dock with yellow fences on it and two people at each end and all they did was move yellow fences around. We observed people and watched what they did and were minimally trained. What we do today is everything from water side security to parking lot enforcement and the list goes on. The Port crew are the first people

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cruise ship passengers see when they step off the ship. In 2014 and 2015 combined, we had 381 ships at the AS and CT docks and lightered 54 ships with a passenger count of \$709,000 people. In 2014 was the CSTSA parking lot improvement and the Port Director established an enforcement plan which included the paid parking lot. At that time we had 11 seasonal employees with four of them Officers. We would actually supplement people from the harbor at peak times to help out. In 2016 we added another 25,000 to 30,000 sq/ft of infrastructure which included the use of the inside of the CT float and the PFO float. That is when the Coast Guard showed up and said our FSP is wrong and we had a big surprise. One big change was from observing people coming and going to 100% ID check for everyone going on the boat. That year we had 209 ships and lightered 25 with a total of 392,000 cruise ship passengers. We also had a need to add more administrative staff because of the change to the reservation policy which doubled the vessels we put on the IVF. Another surprise in 2016 is when ADOT said Docks & Harbors was not allowed to block traffic without a permit. To obtain the permit we needed to have two staff trained for traffic control supervisor duties. In 2017 was when the cruise ship floats were completed, and we took on grey water operations which takes two people to hook the ship up and disconnect. We had 253 ships that year and lightered 10 with a passenger count of 473,000. The Marine Park Lightering float was removed and the lightering operations are now shifted to the PFO float. This was the year we realized we would need more people. We decided to take a Harbor Officer from Statter Harbor and replace with a Harbor Technician and move the Harbor Officer to the Port. Even with the Increase, we still supplemented with Aurora Harbor staff. In 2018, 244 ships came to our docks and 28 lightered with a passenger count of 532,712. Since the arrival of the Bliss, staff has learned the traffic control plan for the Columbia Lot will need to be change drastically for next year. He said Mr. Hinton will provide information on 2019 operations.

Mr. Hinton said in 2019 the Ovation will be arriving on Sundays at the AS dock and it is a little larger than the Bliss. There is the Carnival Legend on Saturdays with a short turn around time so this requires two people checking ID's so the passengers can get back on the ship for departure. The sister ship to the Bliss will also be coming next year which is the Joy. The Bliss arrives early and leaves about 2pm and then the Joy will pull in. This will increase our active traffic management from 10 am to 12:30 pm to 10 am to 5pm. Industry input at our end of the season meeting was about lot management, traffic concerns, and the

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congestion of our lots. In 2016/2017 the AS dock nearly tripled its passenger capacity, and when ships lighter, it requires more staff. Mr. Hinton showed a staff schedule and explained his scheduling challenges.

Mr. Borg said there is a definite increase in passenger counts to 2018 and overtime costs. Overtime is not a proper way to manage staff because sooner or later people snap. Seasonal Harbor Officers which is a .5 FTE, are paid at a range 15. With benefits, their pay is \$39,000. A Seasonal Harbor Technician which is also a .5 FTE is paid at a range 10. With benefits, their pay is \$28,000. We are asking to add one each to get us to where we need to be for now.

Board Discussion/Public Comment

Mr. Becker asked how many seasonal employees are at the Port currently?

Mr. Borg said at the Port we have 14.

Mr. Becker asked if he wanted to go to 16?

Mr. Borg said yes at the Port. We do have other seasonal staff at Statter Harbor.

Mr. Janes said it sounds like you are asking for a smaller amount of employees for the percentage increase in passenger. He asked if this was going to be enough employee's? The passenger counts are growing very fast.

Mr. Borg said this is the minimum. I don't want to ask for too much. One of the big feedback we receive from tour operators is our lot management which always takes a hit on the big heavy days. Our thought is to have another Harbor Officer and have that person assigned just to lot management. He said he is not sure of what is to come and the Coast Guard could show up again and say they want to change our way of doing business today, but he thinks this should be good for this year. The new security booths will also help in funneling everyone through a specific check point. If we need more employees we will be back again next year.

Mr. Ridgway asked if he looked at contracting some of the extra duties out?

Mr. Uchytel said our employees are MEBA represented and when we talk about outsourcing work we get some push back from the Union.

Mr. Borg said these are our duties. He said he would have a hard time contracting out lot management. The lead staff knows the tour operators and that helps to keep the drama down and take care of business.

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Mr. Ridgway said he was suggesting contracting out in addition to the additional staff.

Mr. Janes said he is in support of this request and suggests there may be a need for more.

Mr. Uchytel said with the more passengers there is more trash that Port staff picks up, and the need for more B-Zone enforcement at the Red Dog. We can make a strong argument we need more people. We came along way with our employees over the last four years.

3. FY20 Marine Passenger Fee Request

Mr. Gillette said in your packet starting on page 16 is our Marine Passenger Fee request for CBJ Marine Passenger Fees for 2017. This is a list of operations and projects that we sought money for in 2017. In December the City Manager will be asking the public and Departments for their FY20 funds wish list. He talked about each request.

- Area Wide Operations- we have been asking \$154,000 for many years, but with the extra staffing request that amount will increase. This also covers maintenance and operations.
- Page 18 in the packet is the request for the Port Customs building and Visitor Center maintenance. This covers janitorial services, trash, washing windows, and washing the buildings. The amount for this request will probably stay the same.
- CBJ Parks and Rec takes care of all our landscaping downtown and it costs Docks & Harbors \$45,000. We have been asking for Marine Passenger Fees for this but we have been unsuccessful so far.
- On Page 20 is the Weather and Current Monitoring System. This was installed as part of the Cruise Berth Project to give mariners more information as they approach the dock which was a condition of our conditional use permit. This request would be for annual operations and maintenance of that system. We will probably continue to ask that amount.
- Page 21 is the Franklin Dock Tug Support which happens a couple times a year. We will probably only ask \$10,000 this year.
- On page 22 is the corrosion project. This is a CIP which has been funded from the 16B project and is under contract. The project will start in January so we will not be asking for this again.
- The Visitor Center Kiosk we did receive \$150,000 for this project last year. Mr. Gillette said he is meeting with the Architect tomorrow to go over the 95% drawings and to have 100% drawings by the end of next week so it can go out to bid. As long as we get

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a good bid we will be able to get the old kiosk replaced by next May. We will not be asking for this again.

- The Cruise Ship Uplands Staging area is part of the Archipelago project so we will not ask for this.
- The Downtown Restrooms we did receive the \$500,000 which will go into the Archipelago project because the restroom will be added in that project.
- On page 26 we had a request for a TWIC Card reader, and we did receive this money, but the Coast Guard has put that on indefinite schedule so we no longer need it. However, we asked the City Manager to reprogram this \$170,000 to a CIP project to build two security check points. We think we will need more money to cover the construction of both so we will ask for additional funds for phase II.

He asked the Board to let staff know if there is anything from their perspective that should be addressed and added to this list.

Mr. Becker asked on Page 21 with the Tug Support, what is the wind velocity that they ask for tug support and what are the tides?

Mr. Gillette said there are the winds and currents and that is why we have the weather monitoring system so as a ship comes in a captain or pilot can make a call. The condition is if it is over 25 knots we would pay for it. It has been used every year a couple times.

Mr. Janes asked about the Area Wide Port Operations that Mr. Gillette was not certain if we have asked for an increase?

Mr. Gillette said we have not asked for an increase and it has been this amount for a number of years but with the need for more staff this will need to increase.

Mr. Janes recommended to increase this amount if needed.

Mr. Ridgway asked if the Marine Passenger Fees assist in mitigating the impacts of the Industry on locals living in Juneau? He said if locals access to the water downtown was somehow impacted by the Industry that it would allow Marine Passenger Fees to be used to mitigate that impact?

Mr. Gillette said generally he did not think so. How he understands it is it has to be targeted toward servicing the Industry.

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Mr. Uchytel said the Library was funded for their Fiber Optic to increase WIFI. There are creative ways to acquire some of the Marine Passenger Fee monies and it is not limited to governmental requests. If a citizen is impacted they could apply just the same as we apply. A few years ago Goldbelt received money to replace their gangway at the Seadrome dock.

Public Comment

Dennis Watson, Juneau, AK

He said he has not heard any discussion on the DOT major upgrade to Egan next spring. The project will go from Main street to 10th street and could have some major impacts on operations.

X. Committee and Board Member Reports

1. OPS/Planning Committee Meeting – Wednesday November 14th, 2018

Mr. Ridgway said the committee heard a summary on the Archipelago project.

2. Member Reports – None

3. Assembly Lands Committee Liaison Report – None

4. Auke Bay Steering Committee Liaison Report-

Mr. Gillette said they are doing a rezone proposal and he believes there is a public meeting on December 6th.

Mr. Janes said he will attend that meeting.

XI. Port Engineers Report – Mr. Gillette's report is in the packet

Mr. Gillette said he did want to talk about Aurora Harbor rebuild. We did hear from the Army Corps Of Engineers that they did receive funding for dredging and that will happen in the fall of 2019 which means staff would like to move forward with demolition so they can dredge that whole north section of the harbor. This would be similar to what we did in Douglas. We took out all the floats, they came in and dredged, then we came back and put the infrastructure back in. The demolition is the small portion but the rebuild is the \$4M that we have an ask in for a DOT grant.

Mr. Becker asked what staff is planning to do with the tailings from dredging?

Mr. Gillette said the Army Corps has a permit to put them in the channel. They are also going to do work on the breakwater. All the wood at the top of the breakwater will be all pulled out and they will be putting in new posts and new wood. They will also be doing minor dredging in Harris. The total of the work is around \$6M.

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XII. Harbormaster's Report

Mr. Borg reported;

- We worked with the Skookum yarder to put another anchor on the Lumberman. We received the anchor from DIPAC along with 80' of chain and about 200' of line. The anchor was hooked up to the bow and it held for about three or four days and the stern anchor floated in the 20' tides. The good news is our anchor held. It has moved a little but still out of the waterway. It was better to do something than nothing. We will continue to monitor it but we do not assume any responsibility.
- The Airport crew has been a huge help with helping us put the chains on our loader.
- The Docks & Harbors Christmas Party and Ugly Sweater Contest will be held December 8th at DIPAC thanks to Mr. Becker. It will be between 6 and 9pm.

Ms. Becker said there has been anchors put on the Lumberman. Nothing is holding and if it drifts into CBJ water will it then give the responsibility back to CBJ?

Mr. Borg said there was two anchors on it originally when the Lumberman was sitting outside the Harbor. One of the anchors broke lose. The one that stayed was on a short line and it drifted into shallower water and that was why it stayed for so long. The only additional anchor and the one that stayed is the one that we just put on it and that was on a much longer line. If it drifts to CBJ waters we will be responsible for it.

Mr. Ridgway asked if people were still on the Lumberman, and where did the anchor fail?

Mr. Borg said the moor was broke at the top and no one is living on it.

XIII. Port Director's Report

Mr. Uchytel reported;

- The Auke Bay Marine Station wave attenuator did not make the FY19 work plan. This will take another year of work.
- Our allocation of Raw Fish Tax was \$448,000 which is up 15% from previous years.
- We are anticipating Governor Walker will release a budget by tomorrow. We are hoping for full funding for the Harbor Grant Program for Aurora Harbor Phase III. He suspects Governor Elect Dunleavy will issue another budget by December 15th. We need \$4.5M in the Harbor Grant Program. With \$1M going to Angoon,

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Sitka \$1.5M and \$2M for us. If the Program has \$4.5M we are in good for Aurora phase III.

- We will hear back on the BUILD Grants no later than December 18th.
- The Thane Ore House was razed last Saturday and the Fire Department got good training out of it.
- He said he will be attending the Assembly retreat this Saturday.
- The RFP for the Small Cruise Ships is on the streets. There will be a pre-proposal conference on December 11th.
- Mr. Borg, Mr. Creswell, and himself gave a tour of the Auke Bay Marine Station to Ed Page from Alaska Marine Exchange to see if he was interested in leasing it. Mr. Uchytel said he has not heard back from him yet.

Mr. Simpson left the meeting at 6:33 pm.

XIV. Assembly Liaison Report-

Ms. Becker reported;

- The Archipelago issue has been front and center in so many Committees and the Assembly and it has high interest and positive feelings. The only thing she has heard from public and Assembly members is if we can use part of that dock in the winter don't we have to pay for it. She has been replying that Docks & Harbors will figure that out and if it is going to be used there will be public funds used.

Mr. Uchytel said he has been telling people when asked that we will use the development to the maximum extent possible allowed by the Judge Holland ruling.

- Ms. Becker said Ella and Alan Rodgers wants to do a land trade with CBJ. The Land Committee sent this to the Assembly with a positive vote. They have a small home on the water and they want to move uplands and trade CBJ the water property. A survey was completed by Horan & Company. They will get a lot more land but it won't be as valuable as the water front property.
- DOT has asked for two temporary, four permanent and one temporary construction easement for the Twin Lake culverts. This was sent to the Assembly with Lands approval. It will need to go to Parks & Rec first.
- There was a request from Thomas and Lisa Daugherty to purchase 530 sq/ft of CBJ land so they will be able to subdivide.
- CBJ is accepting donations for the Legislature bags.
- The Assembly retreat will be from 8am to 2pm on Saturday at the Hospital Board room.

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- XV. Board Administrative Matters
 - a. Operations/Planning Committee Meeting – Next meeting is Wednesday December 12th, 2018 at 5:00 p.m.
 - b. Board Meeting – Next meeting is Thursday December 20th, 2018 at 5:00 p.m.
- XVI. Adjournment

The regular Board Meeting adjourned at 6:39 p.m.

CBJ Docks and Harbors Board FY2020 Marine Passenger Fee Request

Area Wide Port Operations

Descriptions: CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the docks enterprise.

The Board has established a number of fees to generate revenues from users of the assets. The Board has calibrated these fees to assure the overall revenue generated by the enterprise equals the overall cost of running the enterprise.

Many of the uplands assets are used by entities which it is not possible, feasible, or acceptable to charge fees. As a result, users paying fees are subsidizing users that do not pay fees. The services provided to these users are area wide in nature benefiting the general public and cruise ship passengers of private docks. As part of this fee request, the Board identified services that are area wide in nature.

Board identified the following services:

1. Year round maintenance and monitoring of Marine Park.
2. Maintenance and operation of public parking at the Columbia Lot and seasonal public parking at the Steamship Wharf Plaza and the Visitor's Center Lot.
3. Maintenance and operation of unrestricted pedestrian access along the waterfront at the public docks.
4. Maintenance of tour operators Vendor Booths.
5. Maintenance and operation of shuttle drop-offs and pick-ups in the CBJ loading zone that are used by all cruise ship terminals in Juneau.
6. Providing area wide port security.
7. Billing and collecting CBJ area wide fees for all docks.

The Board reviewed its FY19 budget and apportioned expenses associated with these services. Based on its review, it estimates that about 9% of the annual docks budget is attributable to area wide services.

Marine Passenger Fee Funds Requested (FY20): \$225,000

Benefits: This approach is supported by the cruise ship industry since it is more equitable than raising dockage fees. This approach meets the intent of the marine passenger fee since the services benefit all cruise ship passengers, not just the passengers at the public docks. This approach allows the Docks and Harbors Board to direct part of the dock lease revenues to the much needed rebuild effort of the small boat harbors reducing the need for fee increases at the harbors.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

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Port-Customs and Visitor Center Buildings Maintenance Support

Project Descriptions: The Port-Customs and Visitor Center buildings are located on the downtown Juneau waterfront, an area that serves over one million cruise ship passengers each year. Docks and Harbors, an enterprise fund, is responsible for costs associated with operating the Port-Customs and Visitor Center Buildings. Expenses include all utilities (water, sewage, electrical, alarm monitoring) and facility support (parking lot, plaza, snow removal, janitorial and general maintenance). The two buildings comprise approximately 4450 square feet in area. Maintenance costs are estimated at \$2.50 per square foot per month equaling \$133,500.

Marine Passenger Fee Funds Requested (FY20): \$133,500

Project Review: The Port-Customs Building was completed in May 2011 with the Visitor Center completion in June 2012. The project which included the buildings, infill dock construction, covered shelters, landscaping and plaza cost approximately \$9M and was funded with Marine Passenger Fees. The Port-Customs Building is occupied by the US Customs and Border Protection (CBP) and Docks and Harbors staff. CBP claims to be exempt from any costs associated with their operations within a port. The Visitor Center Building is occupied by the Travel Juneau, a non-profit organization for the purpose of supporting cruise passenger inquiries. The Travel Juneau budget does not support maintenance of the building. This leaves the Docks enterprise funds fully exposed to the costs of maintaining and servicing these buildings.

Benefits: By establishing a Port-Customs and Visitor Center Buildings maintenance fund Docks & Harbors can effectively manage and maintain the properties entrusted under their responsibilities. Passenger fees were granted for this purpose in FY2013 through FY2019.

Maintenance and Operation Responsibility: CBJ Docks and Harbors is responsible for all ongoing maintenance and operating expenses of these two buildings and associated upland support facilities.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchtyl, CBJ Port Director 586-0292.

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CBJ Parks & Recreation Landscape Maintenance Services

Project Descriptions: Docks & Harbors managed property includes the downtown waterfront from the Taku Dock to Merchant's Wharf. The landscaping has been maintained by CBJ Parks & Recreation seasonal staff for several years out of the CBJ general fund. Flowers, flower pots, trees, shrubs and grass along Marine Park, Cruise Ship Terminal and Alaska Steamship waterfront are meticulously planted and groomed in an admirable fashion. Beginning in FY15, Docks & Harbors was directed to fund this maintenance out of the Docks Enterprise budget.

Marine Passenger Fee Funds Requested (FY20): \$45,000

Project Review: The requested amount has been developed by a CBJ Parks & Recreation algorithm based on requirements to propagate plant and maintain the vegetative cover, new seedlings, plants and flowers.

Project Time-Line: This project would be an interdepartmental transfer from Docks & Harbors to CBJ Parks & Recreation.

Maintenance and Operation Responsibility: Commencing in FY15, Docks & Harbors has been assigned sole responsibility for maintaining the greenery along the CBJ owned waterfront, including outside parking lot facilities.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2020 Marine Passenger Fee Request**

Weather/Current Monitoring System Operations & Maintenance

Project Descriptions: This funding would provide annual operations and maintenance for valuable real time weather and water current information to mariners that access the downtown Juneau waterfront including the four cruise berths (private and public) and the Taku Dock (serving Taku Fisheries). The system provides wind and current monitoring sensors at various locations to offer real time information for navigation purposes. The system disseminates via a phone app, internet, or other public media commonly available to mariners in the immediate area.

Construction of the system was phased beginning in 2014 with final completion in 2016 for full use by the 2017 cruise season. The requested funding would provide annual operations and maintenance of the system for continued assistance to mariners in the Juneau harbor.

Marine Passenger Fee Funds Requested (FY20): \$30,000

Project Review: The requested amount has been developed by Marine Exchange of Alaska based on projected annual and periodic operational expenses and anticipated maintenance of the system.

Project Time-Line: The system has been fully functional since the 2017 cruise ship season.

Maintenance and Operation Responsibility: Maintenance for operational costs (electricity, equipment calibration, etc.) would be the responsibility of Docks and Harbors through a contract with Marine Exchange of Alaska.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchtyl, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2020 Marine Passenger Fee Request**

Safety Guardrail Along Dock Face

Project Descriptions: The project would be located along the downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. The project consists of constructing a new guardrail along the face of the existing dock.

Marine Passenger Fee Funds Requested (FY20): \$2,000,000

Project Review: This project would construct a new pedestrian guardrail along the existing dock face from Marine Park to the South Berth approach dock. The existing dock face only features an eighteen inch bullrail at the edge. For pedestrian safety a forty two inch high guard rail would be constructed. The proposed guardrail would be designed in the same character as other guardrails along the seawalk.

Project Time-Line: This project would begin as soon as funding is allocated. The first step would be to design the guardrail and prepare construction bid documents. Upon award of a contract to the lowest qualified bidder construction would begin. The plan is to have the guardrail installed by spring 2020 provided full funding is obtained.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses. Maintenance and operations expenses for the guardrail would be minimal.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2020 Marine Passenger Fee Request**

Security Checkpoint Queuing Structures – Phase II

Project Description: The proposed security checkpoint queuing structures would be located at the top of the gangway to the floating berths to which the cruise ships breast. Recent upgraded Homeland Security protocol requires that CBJ Docks and Harbors staff monitor the flow of passengers as they return to the cruise ships. This check point is required at the top of the ramp to the floating berths thus two separate security locations need to be monitored on city owned berths.

Marine Passenger Fee Funds Requested (FY20): \$200,000

Project Review: The Port of Juneau staff is required to check cruise passenger identification cards as they return to the ships. This entails funneling literally hundreds of passengers through one checkpoint to review their credentials. The checkpoint queuing structures would accommodate an orderly and safe queuing approach to the cruise ship berths.

Project Time-Line: Phase I of this project is currently in design. The current funding is anticipated to construct one of the queuing structures thus the requested funds are for the second structure. If funding is available the second structure would be completed by spring 2020.

Maintenance and Operation Responsibility: CBJ Docks and Harbors would be responsible for maintenance and operating expenses of these two structures as part of the cruise berths facility.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2020 Marine Passenger Fee Request**

Electric EMS Response Vehicle

Project Description: Docks and Harbors in cooperation with CCFR have provided 132 Advanced Life Saving and Basic Life Saving (ALS/BLS) medical evacuations from vessels calling to the AS and CT over the past two years. While our infrastructure was designed for vehicle traffic, it has been determined that driving an ambulance to the ship through the congestion of 1000's of visitors on the sea walk is unsafe and adds valuable time to the medivac response. Current practice is to push a gurney from the parking lots down to the ship and then back to the ambulance. This is incredibly time consuming when in some cases minutes or even seconds count.

Marine Passenger Fees Requested (FY20): \$25,000

Project Review: This project would provide for a small electric EMS response vehicle to be pre-staged for when the ship calls for an ALS/BLS transport by CCFR. Docks and Harbors personnel would pre-position vehicle in the appropriate area for CCFR's arrival to the dock. CCFR would then load the gurney and respond to the ship to affect the medivac.

Project Time-Line: The EV would be purchased as soon as funding is allocated. Estimate is 3 months till delivery as each unit is made to order in the USA.

Maintenance and Responsibility: Docks and Harbors would maintain and operate the EV.

Project Contact: David Borg, CBJ Harbormaster and Port of Juneau Facility Security Officer 586-0919.

**CBJ Docks and Harbors Board
FY2020 Marine Passenger Fee Request**

FY2020 ADOPTED BUDGET FOR DOCKS

Descriptions: CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the docks enterprise. An alternative is for the Docks enterprise to be completely funded with Marine Passenger Fees.

Marine Passenger Fee Funds Requested (FY20): \$1,801,200

Benefits: This request places the entire Docks budget under a single funding source.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

November 6, 2018

Carl Uchytel
CBJ - Docks and Harbors
155 S. Seward Street
Juneau, AK 99801

Subject: Yankee Cove Development, LLC Tideland Lease

Dear Mr. Carl:

We look forward to working with CBJ – Docks and Harbors (CBJ) to sort out the details of our lease. We'd like to recap what has occurred over the last year and what triggered this path of discovery.

Please refer to the following timeline:

- May 17, 2017 – Coeur notification of legal discrepancies (incorrect ATS number and owner name) in our lease with CBJ.
- June 25, 2017 – CBJ hires Horan and Company to do new appraisal with incorrect parcel areas and correct ATS number.
- June 26, 2017 – Notification letter of Lease Correction and Rent review.
- October 12, 2017 – New appraisal complete with incorrect parcel areas and correct ATS number.
- Date unknown - Amendment #1 – with correct parcel areas and ATS number provided for signature.

The original lease contract is in order except for the incorrect ATS number, and the owner name. These items can be corrected via a simple amendment. It is unclear why a full appraisal for new areas within the corrected ATS was warranted.

Our contract states that every 5 years the "Lessee shall pay all appraisal costs associated with re-evaluating and adjusting the annual lease payments." The Scope of Work provided to Horan by CBJ has a significant error and cannot be used to assess the value or our documented lease. The "Project Issues" section of the Scope of Work states:

"In the lease, the ATS number is 1347 with parcel A consisting of 0.59 acres (25,912 sq ft) and parcel B consisting of 0.25 acres (10,874 sq ft). The new ATS number is 1677 with parcel A consisting of 2.77 acres and parcel B consisting of 0.84 acres."

The areas of parcel A and B within ATS 1677 should be the same as they were within ATS 1347. These areas, 0.59 acres and 0.25 acres, were negotiated to establish our original contract with CBJ in 2008 and are documented within the recorded CBJ Ordinance Lease.

Yankee Cove Development (YCD) paid for this recent appraisal because our contract says we are responsible to "... pay all appraisal costs associated with re-evaluating and making adjustments to the annual lease payments." Yet the appraisal was requested by CBJ with a Scope of Work written by CBJ that requested new areas be evaluated that are not part of the documented lease area. The level of effort required to fulfill the Scope of Work as written by

Mr Uchytel
CBJ – Docks and Harbors
November 6, 2018
Page 2 of 2

CBJ compared to what should have been done, that is, "re-evaluate and make adjustments" per the contract is not the same and the latter would have cost much less. YCD requests a full refund for the amount paid to Horan & Company so YCD can have a proper "re-evaluation" completed.

Thank you for your consideration in this matter.

Sincerely,
Yankee Cove Development, LLC



Marion Hobbs
Member
YCD LEASE.doc



Port of Juneau

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

From: *Carl J. Uchytel*
Carl Uchytel, Port Director
To: Docks & Harbors Board
Date: December 14th, 2018
Re: Funds Transfer Request

1. At the Docks & Harbors Operations-Planning Committee meeting on December 12th, I discussed several CIP projects which Docks & Harbors is in the process closing out and projects which would benefit with the transfer of capital funding. Some project funding are recommended for transfer to be consistent with the Judge Holland ruling. We are in the process of developing plans and specifications to award in January in order to have substantial completion for the 2019 summer season. These projects include:

a. Amalga Fish Cleaning Station. This would provide a new 75 ft x 12 ft fish cleaning float to the existing Amalga Harbor boarding float and would provide for a Private Aid to Navigation daymark to warn mariners of a rock hazard. The estimated construction cost is \$254K which does not include contingency or inspection services. The construction funds available by ADFG will be \$235K. The remaining funds must be provided by Docks & Harbors. This project is currently under design and applications for permits have been submitted. The goal is to have completed by mid-June.

b. Taku Harbor Repairs. This project has been successfully closed out with \$143K of Harbor Enterprise funds remaining in the CIP account. The repairs to Taku Harbor was funded with a 75-25 ADFG grant with the balance now available for Docks & Harbors needs.

c. New Visitor's Information Kiosk. This project would replace the deficient Visitor's Information Kiosk adjacent to the downtown parking garage. It has been planned to fund with Marine Passenger Fees but in view of the Judge Holland ruling, it would be appropriate to finance with Docks Fund Balance. The goal is to have this complete in early May for the Cruise Ship season. It is estimated \$200K is necessary to cover the construction award, contingency and construction inspection services.

d. Port of Juneau TWIC Card Readers. Funding for TWIC Card Readers, using FY19 MPF, was provided to Dock & Harbors to purchase devices for all four docks in Juneau. A recent decision from the US Coast Guard voided earlier requirements for TWIC Card Readers to be employed in SEAK.

e. Dock Security Stations. This would provide enhanced security check points for the two city owned cruise ship docks. We are currently in the process of designing the Security Station which will be similar to the Franklin Street Dock and AJ Dock. Our goal is to have in place in early May.

Action	Amount	From	To
Appropriation Ordinance	\$230,000.00	ADF&G Grant	H51-105 Amalga Fish Cleaning Station
Transfer (Balance in Account)	\$142,852.29	H51-109 Taku Harbor Repairs	H51-105 Amalga Fish Cleaning Station
Appropriation Ordinance	\$200,000.00	Docks Operations	H51-110 Visitor Information Kiosk
Appropriation Ordinance	\$170,000.00	TWIC Project in Operations Account	H51-122 Dock Security Stations
Transfer (Balance in Account)	\$130,260.88	H51-110 Visitor Information Kiosk	H51-122 Dock Security Stations

I recommend the Docks & Harbors Board approve the above transfers or appropriation ordinance and recommend the Assembly adopt the appropriate transfer or ordinance.

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PORT ENGINEER'S PROJECT STATUS REPORT

Gary Gillette, Port Engineer

Project	Status	Schedule	Contractor	Notes
Auke Bay Loading Facility - Phase II				
TIGER Grant Reporting - Annual	On-Going	Sept. 2019		Annual equipment depreciation report
Statter Master Plan Phase III				
CU Extension by Planning Commission	In Progress		Staff	
Phase III A - Blasting, Dredging, Retaining Wall				
Army Corps of Engineers Permit	In Progress		PND	
Incidental Harrasment Authorization	In Progress		PND	
Eagle Permit	In Progress		Staff	
Design - Bid Documents	In Progress		PND	
Construction Bid	Hold		TBB	
Construction	Hold	Fall 2019	TBD	Pending ACOE Permit
Phase III B - Float Installation				
Army Corps of Engineers Permit	In Progress		PND	
Incidental Harrasment Authorization	In Progress		PND	
Eagle Permit	In Progress		Staff	
Design - Bid Documents	In Progress		PND	
Construction Bid	Hold		TBB	
Construction	Hold	Winter 2020	TBD	Pending ACOE Permit
Phase III C - Uplands, Restrooms				
Eagle Permit	In Progress		Staff	
Design - Bid Documents	In Progress		PND	
Construction Bid	Hold		TBB	
Construction	Hold	Fall 2021	TBD	
Archipelago Property Procurement				
Funding	In Progress		Staff	Awaiting Assembly Approval
Purchase and Sale Agreement	In Progress		Staff	Awaiting Assembly Approval
Downtown Waterfront Improvements				
Geotech Report	In Progress		PND	Awaiting Final Report
Materials Procurement	In Progress	15-Jan-19	Staff & PND	Bids Due January 15, 2019
Funding Ordinance Hearing	In Progress	28-Jan-19	Staff	
Purchase and Sale Ordinance Hearing	In Progress	28-Jan-19	Staff	
Army Corps of Engineers Permit	In Progress		PND	Preparing Application
Incidental Harrasment Authorization	In Progress		PND	Preparing Submittal Document
65% Design Submittal	In Progress	3-Dec-18	PND	
D&H 65% Design Review	Hold	10-Dec-18	Staff	

PORT ENGINEER'S PROJECT STATUS REPORT

Gary Gillette, Port Engineer

95% Design Summittal	Hold	31-Jan-19	PND	
D&H 95% Design Review	Hold	7-Feb-19	Staff	
Final Bid Documents	Hold	7-Mar-19	PND	
Bid Opening	Hold	16-Apr-19	Staff	
D&H Board Approval	Hold			
Assembly Approval	Hold			
Notice to Proceed	Hold	7-May-19		
On-Site Construction	Hold	13-May-19	TBD	
Substantial Completion	Hold	24-Apr-20		
Final Completion	Hold	26-May-20		
Amalga Harbor Fish Cleaning Station				
Permitting	In Progress			ACOE Permit
Design	In Progress		PND	
Construction	Hold		TBD	Awaiting ADF&G Grant Documents
Aurora - Harris Harbors Dredging				
Dredging Activity	Hold	Fall 2019	ACOE	Awaiting final dates for work
Auke Bay Marine Station				
Subdivision	In Progress		Staff	Coordinate with UAS
Shared Costs with UAS	In Progress		Staff	Clarify with Nathan Leigh
Marine Park Sheet Wall Coating				
Construction	Hold		Purcell	Contractor on-site January 7, 2019
Contract Administration & Inspection	Hold		Tinnea	Pending Construction Schedule
ADOT Grant Application - Harris Anodes				
Anode Installation	Hold		Staff/PND	Awaiting Legislative Action in 2019
LRD-Norway Point Ocean Data Study				
Ocean Data Study	In Progress		PND	Added wind study under review
Statter Breakwater Safety Improvements				
Phase II	Hold			
Sewage Pump-Out Improvements				
Douglas Barge	In Progress		Staff	Awaiting materials
Statter Winterization	Hold		Staff	Seeking Funding
Harris Winterization	Hold		Staff	Seeking Funding
D&H Managed Lands - Surveys				
ASLS 2013-15 - Uplands at Tee Harbor	Hold	2020	TBD	
ATS 1682 -DIPAC-Channel Construction	Hold	2020	TBD	
ATS 1690-NPS Dock at Indian Point	In Progress	2019	TBD	Preparing RFP
ATS 1691 - Adjacent to ABMS	In Progress	2018	PDC	Awaiting Prelim Plat Comments
ATS 1692 - North Douglas Boat Ramp	In Progress	2019	PDC	Preliminary Plat comments
ATS 1693-DIPAC Wayside Park	Hold	11-Jul-05	TBD	

PORT ENGINEER'S PROJECT STATUS REPORT

Gary Gillette, Port Engineer

ATS 1694-Tee Harbor Submerged Lands	Hold	2020	TBD	
ATS 1707 - Cruise Berths	In Progress	2018	DOWL	Awaiting CDD Comments
Archipelago Lot Easement	In Progress		Staff	May be moot if CBJ purchases land
Visitor Information Kiosk				
Final Design	Complete		JYL	
Bid Opening	In Progress	8-Jan-19		Bids Due January 8, 2019
Construction	Hold		TBB	Building Complete by May 1, 2019
Wayside Park Float				
Dredging as Float Grounds Out	Hold			Awaiting Funding
U.S. DOT "BUILD" Grant Applications				
Marine Services Center	Hold		Staff	Did Not Receive Award
Fisheries Terminal	Hold		Staff	Did Not Receive Award
Auke Bay Transportation Link	Hold		Staff	Did Not Receive Award
N. Douglas Boat Launch Expansion Study				
Conceptual Design	In Progress		PND	
Aurora Harbor Re-Build - Phase III				
Phase IIIA - Demolition				
Design and Bid Documents	Hold		PND	Awaiting funding
Phase IIIB - Dredging				
Army Corps of Engineers	Hold	Fall 2019	ACOE	
Phase IIIC - Float Installation				
ADOT Grant Application	Hold		Staff/PND	Awaiting Legislative Action in 2019
Small Cruise Ship Moorage Study				
Request for Proposals	In Progress		TBD	Due January 24, 2019