CBJ DOCKS & HARBORS BOARD
FINANCE MEETING AGENDA
For Thursday, June 23rd, 2016

I. **Call to Order** (5:00 p.m. in City Hall Conference Room 224)

II. **Roll Call** (Tom Donek, Weston Eiler, Tim Mosher, Tom Zaruba, and David Lowell)

III. **Approval of Agenda**

MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED

IV. **Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total)

V. **Approval of March 24th, 2016 Finance Committee Meeting Minutes**

VI. **Consent Agenda -** None

VII. **Unfinished Business-** None

VIII. **New Business**

1. Aurora Harbor Phase 2 – Design Fee
   Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO ACCEPT PND ENGINEERS PROPOSAL FOR TBD TO PROVIDE ENGINEERING SERVICES FOR THE AURORA HARBOR PHASE II PROJECT.

2. Andrew's Marina Lease
   Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO APPROVE A NEW 35-YEAR LEASE WITH ANDREW'S MARINA FOR ATS 33 FOR $5,549.50 ANNUALLY.

3. Notice of Intended Sale of Boat Shelter AG-29 by Mr. Louis Bandirola
   Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO WAIVE DOCKS & HARBORS' RIGHT OF FIRST REFUSAL ALLOWING Mr. LOUIS BANDIROLA TO SELL HIS BOAT SHELTER ON THE OPEN MARKET.

IX. Items for Information/Discussion

1. Prohibition of Tarps in the Harbor from May 15th through September 15th
   Presentation by the Port Director

Committee Discussion/Public Comment

2. Norway Point to Bridge Park Land Use Master Plan (Results of Public Meeting)
   Presentation by the Port Director

Committee Discussion/Public Comment

3. Moored Vessels on Docks & Harbors Submerged Lands
   Presentation by the Port Director

Committee Discussion/Public Comment

4. ABLF Boatyard Improvements Update
   Presentation by the Port Director

Committee Discussion/Public Comment

5. Fourth of July Yacht Club Event
   Presentation by the Port Director

Committee Discussion/Public Comment

X. Staff & Member Reports

XI. Committee Administrative Matters

1. Next Finance Committee Meeting- **Thursday, July 21st, 2016.**

XII. Adjournment

CBJ DOCKS & HARBORS BOARD
<u>FINANCE MEETING MINUTES</u>
For Thursday, March 24th, 2016

I. **Call to Order** Mr. Tom Zaruba called the Finance Committee Meeting to order at 5:05 p.m. in City Hall Conference Room 224.

II. **Roll Call** The following members were present: Tom Donek, Weston Eiler, and Tom Zaruba. Also Present: Carl Uchytil- Port Director; John Bush- Board Member; Drew Green- Cruise Line Agencies; Megan Costello- Attorney, Hoffman & Blasco

III. **Approval of Agenda**
MOTION: BY MR. TOM DONEK TO APPROVE THE AGENDA AS PRESENTED AND ASKED UNANIMOUS CONSENT.
Motion passed with no objections.

IV. **Public Participation on Non-Agenda Items** – None

V. **Approval of February 18th, 2016 Finance Committee Meeting Minutes**
MOTION: BY MR. TOM DONEK TO APPROVE THE FEBRUARY 18, 2016 MEETING MINUTES AS PRESENTED AND ASKED UNANIMOUS CONSENT.
Motion passed with no objections.

VI. **Consent Agenda -** None

VII. **Unfinished Business**
1. Enforcement Regulation for User Fee Collection (Passenger for Hire Non-Payment Issue)
Presentation by the Port Director

Mr. Uchytil presented a staff recommended proposed regulation change for the Passenger For Hire Charters. The regulation change would allow staff to enforce user fee collections and have consequences for non-compliant companies. We worked with CBJ law to put it into legally sufficient language for the proposed changes. It went to the full board last month and was sent back through the committees for further review. The proposed changes will penalize the companies who do not provide their monthly passenger reporting and payments on time. This will allow staff to revoke their permits until they are compliant. We discussed a late payment fee but that was not something the board chose to do at this time. If the board approves this new version we will follow the process of posting for 21 days in the newspaper, arrange a meeting for public hearing, and then take to the Assembly for final approval.

Committee Questions - None

Public Comment - None

Committee Discussion/Action –None

MOTION: BY MR. WESTON EILER TO RECOMMEND TO THE FULL BOARD TO APPROVE THE RECOMMENDED CHANGES FOR THE PASSENGER FOR HIRE ENFORCEMENT REGULATION AND ASKED UNANIMOUS CONSENT.
Motion passed with no objections.

VIII. New Business

1. CPI Adjustment for Moorage Fees <u>during</u> FY17
   Presentation by the Port Director

Mr. Uchytil presented the CPI chart for review. The regulation requires automatic moorage increase each year based on the Consumer Price Index from Anchorage unless the Board takes action to keep the fees the same as the previous year. The recommendation from previous committees is to waive the automatic adjustment for this fiscal year of July 1, 2016 – June 30, 2017. The CPI adjustment this year would be half of a percent.

Committee Questions
Mr. Donek stated that if we would apply it for our rates, because of the regulation requiring rates to be rounded to the nearest nickel we would end up only increasing the Statter Harbor Monthly rate and not the Downtown Monthly Rate. This would create even a bigger price difference.

Public Comment
Mr. Dennis Watson – Juneau, AK
Mr. Watson stated he wanted to thank the board for considering not increasing the rates. He also stated he wanted to go on record about the 60% difference from downtown and Statter Harbor is unacceptable in the public's eyes.

Committee Discussion/Action
Mr. Donek stated that items # 1-4 in new business section all went through the CIP committee as one item and we broke them up because the regulations are all separate. We will hear the same logic for the next three items.

MOTION: BY MR. ZARUBA TO RECOMMEND THAT THE BOARD EXERCISES ITS OPTION TO NOT ALLOW MOORAGE FEES TO ADJUST BY THE CPI FOR THE PERIOD OF JULY 2016 THROUGH JUNE 2017 AND ASK UNANIMOUS CONSENT.
Motion passed with no objections.

2. CPI Adjustment for Moorage Fees <u>following</u> FY17
   Presentation by the Port Director

Mr. Uchytil stated in regulation the monthly moorage rates for both downtown and Statter are written to be adjusted to the nearest nickel when applying the CPI percentage. Currently downtown is $4.25 per foot per month at Statter is $7.15 per foot per month. When applying the smaller percentages of 1 – 3 % the higher rate at Statter is going to continue to rise creating a bigger price difference because of the required rounding of the rates. The recommendation is to adjust the downtown rate at the CPI and if it requires a $0.05 increase then we adjust Statter by the same $0.05 this will eliminate the difference between the two becoming greater. This would be a regulation change. My concern about that is if we continue with smaller inflation percentages we may end up trapped that we never make any increase because the percentage is always so small it never rounds to the nearest five cents.

Committee Questions - None

Public Comment
Paul Swanson – Juneau, AK
Mr. Swanson stated he agrees with the decision. I don't agree with the current price difference but it will continue to get worse. I also disagree with the harbors charging another boat to use my stall when I pull it for the winter and I still have to pay year round.

Committee Discussion/Action
Mr. Zaruba asked why Statter Harbor is higher than Downtown Harbors. It doesn't seem right.

Mr. Uchytil answered it is less than Fisherman's Bend and Tee Harbor. It is commensurate with what the DeHart rates were. From the business side, people are willing to pay the fees and it is market driven.

Mr. Donek asked if there is a waitlist for Statter.

Mr. Uchytil answered yes it will be years for patrons to get a stall from the waitlist.

Mr. Zaruba said maybe we should address that in the future.

MOTION: BY MR. DONEK TO RECOMMEND THAT THE BOARD FOR SUBSEQUENT CPI ADJUSTMENTS ADJUSTS AURORA, HARRIS, AND DOUGLAS FEES BY THE APPLICABLE CPI PERCENTAGE AND ADJUST STATTER FEES BY THE DOLLAR AMOUNT APPLIED TO THE DOWNTOWN HARBORS AND ASK UNANIMOUS CONSENT.
Motion passed with no objections.

3. Moorage Discounts for Advance Payment
Presentation by the Port Director
Mr. Uchytil stated this came up at the Harbor Fee Review committee and also went through the CIP Committee that right now the Annual rate paid on July 1, 2016 allows for a 5% discount. The committees want to increase the discount as an incentive for patrons to pay ahead and also create a discount for paying 6 months ahead. There would be two billing cycles.

Committee Questions - None

Public Comment
Paul Swanson – Juneau, AK
Mr. Swanson asked about paying for 6 months and still getting a 5% discount then pays the second 6 months and gets another discount.

Mr. Uchytil answered that is the new proposal to give 5% discount for two different 6 month installments and a bigger discount of 10% if patrons pay 12 months ahead.

Committee Discussion/Action – None.

MOTION: BY MR. WESTON EILER TO RECOMMEND THAT THE BOARD ALLOW A 10% DISCOUNT ON 12 MONTH ADVANCE PAYMENT FOR PAYMENTS MADE FOR THE FY MOORAGE BEFORE JULY 1ST AND 5% DISCOUNT ON 6 MONTH ADVANCE PAYMENTS FOR PAYMENTS MADE BEFORE JULY 1ST FOR JULY 1-DECEMBER 31ST MOORAGE AND FOR PAYMENTS MADE BEFORE JANUARY 1ST FOR JANUARY 1-JUNE 30TH MOORAGE AND ASK UNANIMOUS CONSENT.
Motion passed with no objections.

4. IVF/Reservation Moorage Rates
   Presentation by the Port Director

Mr. Uchytil presented the Harbor Rate Sheet for review. He stated the reduced rate for the annual skiff rate if approved will be up for action at the March Board Meeting. If nothing else changes we will keep the daily and monthly rates the same. The annual and bi-annual discounts if approved will be added to the rate sheet. We just want to confirm the IVF reservation rates will also remain the same.

Committee Questions - None

Public Comment - None

Committee Discussion/Action - None

MOTION: BY MR. TOM DONEK TO RECOMMEND THAT THE BOARD LEAVES THE IVF/RESERVATION RATES UNCHANGED AND ASK UNANIMOUS CONSENT.
Motion passed with no objections.

5. Andrew's Marina New Lease Application
   Presentation by the Port Director

Mr. Uchytil presented the appraisal from Horan & Co who is Docks & Harbors' term contractor for appraisals for the 1.20 acre tideland lease that Andrew's Marina/Fisherman's Bend has. The tideland lease which is a 55 year lease is up for renewal. They have the right of first refusal. The lease was reevaluated by doing an appraisal and the recommended increase is from $5,300.00 a year to $5,549.50 for the annual lease rent. The new lease will be for 35 years.

Committee Questions - None

Public Comment
Ms. Megan Costello – Attorney, Hoffman & Blasco

Ms. Megan Costello stated she wanted to introduce herself, she is the Attorney for Andrew's Marina and she is here on behalf of the owners who could not be here and they do not have any comments on the renewal.

Committee Discussion/Action
Mr. Zaruba asked if they are happy with the renewal.

Ms. Costello answered they are accepting it.

Mr. Donek asked what the current construction is at Andrews Marina. It does not appear to affect the tidelands portion.

Ms. Costello stated I do not have any answers for you today.

Mr. Eiler asked if the tideland lease for Andrew's Marina fits in for our overall long-term plan for the area.

Mr. Uchytil answered that at one time the State managed almost all of the tideland leases. In 2001 the state starting dispersing the leases to the applicable cities to manage. We received this lease in 2001. Under our ordinances we can only issue 35 year leases with preferential renewal opportunities.

MOTION: BY MR. WESTON EILER TO RECOMMEND TO THE FULL BOARD TO APPROVE THE NEW LEASE AND ASKED UNANIMOUS CONSENT.
Motion passed with no objections.

6. Nordic Tug (Alaska Memories) Sublease Application
Presentation by the Port Director
Mr. Uchytil stated the University owns the land near Aurora Harbor Office & the Fisherman's Terminal Dock. They lease this land to us and then we have a sub-lease with Nordic Tug Co. for a structure that they have in that same area. We also have sub-leases with Maritime Hydralics & Harri's Commercial Marine. The original lease was for 5 years with an option to renew every 3 years. We are at the point now to do the first 3 year renewal. Our vision for that area is in the beginning stages of a Master Plan that would not include their structure. We would want to renew for 3 years and advise them to plan on finding alternate arrangements after that. We may be able to accommodate them but it is too soon to tell. The sub-lease rent is based on 10% of assessed value which is about $4,300.00 a year.

Committee Questions
Mr. Zaruba asked if the assessed value has changed from the beginning.

Mr. Uchytil answered he does not know.

Mr. Zaruba asked if it is going to be based on the current assessed value.

Mr. Uchytil answered yes.

Public Comment - None

Committee Discussion/Action
Mr. Donek stated we had a lot of discussion in the CIP/OPS meeting.

Mr. Zaruba asked what was included in that discussion.

Mr. Donek answered that it was decided the sub-lease renewal was acceptable but we were confused on how this sub-lease came to exist.

Mr. Uchytil stated he was not pleased with the process and how this came to be prior to his employment. The structure was created prior to having a written and signed sub-lease. We required them to go through the permitting process to ensure they were compliant and they completed everything we asked.

Mr. Zaruba asked if they moved off the area would the University own the structure.

Mr. Uchytil answered he is not sure if we would own it or the university.

MOTION: BY MR. WESTON EILER TO APPROVE THE SUBLEASE EXTENSION FOR 3 YEARS AND FORWARD TO THE FULL BOARD FOR APPROVAL AND ASKED UNANIMOUS CONSENT.
Motion passed with no objections.

7. Taku Harbor Piling Repair
Presentation by the Port Director
Mr. Uchytil stated we have a pile jacking issue at Taku Harbor. We are not sure of the source that is causing the problem. We had PND go out and do an inspection and received a short report. We will meet with PND and Mr. Donek to go over the report and look for a solution. The initial estimate for repairs of $112,000 would recap some of the pipes and some welding although it would not solve it permenantly.

Committee Questions
Mr. Zaruba asked about the meeting with PND.

Mr. Donek answered that he was not convinced that the cause of the problems was rain water that PND had stated in their report. Mr. Donek asked if Fish & Game would help with these repairs.

Mr. Uchytil asked why would they.

Mr. Donek answered when I was employed with Fish & Game this is something we would assist with financially so we should reach out to them.

Public Comment
Dennis Watson – Juneau, AK
Mr. Watson stated that he agrees with Mr. Donek on not being sure what the actual cause may be and he attended a previous meeting a long time ago regarding this issue on the casing splitting and caps popping off and there may be more to it.

Committee Discussion/Action
Mr. Zaruba stated Mr. Uchytil and Mr. Donek should have the meeting with PND and then bring this back to the committees.

Mr. Donek stated we should also contact Fish & Game.

MOTION: None.

IX. Items for Information/Discussion- None

X. Staff & Member Reports
Mr. Uchytil stated all is well with 16B project and the Stattter Harbor Project. We awarded the contract for Douglas Harbor to Trucano Construction. They will start construction in September. We still have a chance for some future grant money.

Mr. Zaruba asked if all the projects are on time and on budget.

Mr. Uchytil answered yes for sure on the 16B Cruise Ship dock. The Statter Harbor Project has a challenging contractor and we are holdig them to a very strict adhearance.

Mr. Zaruba asked who the contractor is.

Mr. Uchytil answered Miller Construction.

Mr. Donek asked if all the material that is stocked up all over the parking lot is for our project.

Mr. Uchytil answered he assumes so but he has not been out there recently.

Mr. Uchytil stated we have not closed out the Aurora Harbor Phase I project yet because we are disputing a $48,000 charge. There was an issue with the poly-tub floats. They ordered off the drawings but they did not provide a submittal to us prior to ordering therefore we did not sign off on the final specifications. They were given multiple options to sell back to the manufacturer for a portion of the sale price and they declined. We will offer 15% portion of the $48,000.

XI. Committee Administrative Matters
1. Next Finance Committee Meeting- **Thursday, April 21st, 2016.**

XII. Adjournment
The Finance Committee Meeting adjourned at 5:48pm.

After Recording Please Return to:
City and Borough of Juneau
Attn: Carl Uchytil, P.E., Port Director
155 S. Seward Street
Juneau, AK 99801

LEASE FOR ATS 33

PART 1. PARTIES. This lease is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, hereafter "CBJ" or "City" and Andrew's Marina, Inc., a corporation organized under the laws of the State of Alaska (with its principal place of business in Juneau, Alaska), a, 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.

CBJ:
City and Borough of Juneau
Attn: Carl Uchytil, P.E.
155 S. Seward Street
Juneau, AK 99801
Phone: (907) 586-0292
Fax: (907) 586-0295
Email: Carl.Uchytil@juneau.org

Lessee:
Andrew's Marina, Inc.
Attn: Sharon Andrew
P.O. Box 210256
Auke Bay, AK 99821
Phone: (907) 789-7312

PART III. LEASE DESCRIPTION. The following appendices are attached hereto and are considered to be part of this lease agreement 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, B, and then C.

PART IV. PRIOR LEASE AGREEMENTS SUPERSEDED. This lease agreement supersedes and replaces any lease agreement for Alaska Tidelands Survey No. 33 and ADL 2480, entered into between the State of Alaska and a predecessor lessee on April 25, 1961, and any amendments to, or assignments of, that lease agreement.

PART V. LEASE EXECUTION. CBJ and Lessee agree and sign below. This lease is not effective until signed by the CBJ.

Lessee:

Date: ________________________	Date: ________________________________
By: ________________________ Troy Andrew President, Andrew's Marina, Inc.	By:________________________________ Sharon Andrew Secretary, Andrew's Marina, Inc.

LESSEE ACKNOWLEDGMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

This is to certify that on the ____ day of ____________________, 2016, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **Troy Andrew, President**, and **Sharon Andrew, Secretary, of Andrew's Marina, Inc.**, to me known to be the identical individuals described in and who executed the foregoing instrument for and on behalf of Andrew's Marina, Inc., as Lessee, which executed the above and foregoing instrument; who on oath stated that s/he was duly authorized to execute said instrument; who acknowledged to me that s/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.

____
Notary Public in and for the State of Alaska
My Commission Expires: _______________

CBJ:

Date: ____________________________________

By: ____________________________________
Carl Uchytil
CBJ Port Director

CBJ ACKNOWLEDGMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

This is to certify that on the ____ day of __________________, 2016, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **Carl Uchytil**, to me known to be the Port Director of the City and Borough of Juneau, Alaska, a municipal corporation which executed the above foregoing instrument, who on oath stated that he was duly authorized to executive said instrument on behalf of said corporation; who acknowledged to that 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.

____
Notary Public in and for the State of Alaska
My Commission Expires: ______________

Risk Management Review: ____, 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 generally referred to as "the Leased Premises" or "the Property." The Leased Premises subject to this lease is also known as Fishermen's Bend. The Leased Premises are described as follows:

> Alaska Tidelands Survey No. 33, according to the plat filed in the Juneau Recording District on January 11, 2001, as Plat #2001-6, containing 1.247 acres, more or less.

The Leased Premises, depicted on Plat 2001-6 are subject to any legally enforceable encumbrances. A copy of Plat 2001-6 is attached as Exhibit A.

2. AUTHORITY

This lease is entered into pursuant to the authority of CBJ Code Section 85.02.060(a)(5) and CBJ Chapter 53.20; and CBJ Ordinance No. 2016-____, adopted by the City and Borough of Juneau Assembly on ____________, 2016 and effective 30 days thereafter.

3. TERM

The parties agree that it was their intent to enter into this lease arrangement for the 35 year period starting April 26, 2016. Accordingly, the parties agree and intend that this lease shall be interpreted as having the effective date be retroactive to April 26, 2016. The parties agree and consent to being bound by the terms of this agreement as if it had been entered into as of April 26, 2016.

The term of the lease is 35 years and shall remain in effect until April 25, 2051, unless sooner terminated.

4. LEASE PAYMENTS AND ADJUSTMENTS

a) The annual rent for the first year of the lease, April 26, 2016 – April 25, 2017, shall be **$5,549.50.** Lessee shall pay the CBJ a monthly payment of four hundred and sixty-two dollars and forty-six cents ($462.46). Payments shall be made to City and Borough, 155 S. Seward Street Juneau, AK 99801 and reference D&H Lease ATS 33**.**

b) Lessee shall pay CBJ without demand, deduction or offset the monthly rental in advance or on the first (1st) day of each month during the Lease. Payments for any partial month at the beginning or end of the Lease term shall be prorated.

c) The first monthly payment of $462.46 shall be paid on or before August 1, 2016.

d) For the 95 day period from April 26, 2016, until August 1, 2016, the prorated rent ($15.20 per day) shall be one thousand four hundred and forty-four dollars and thirty-nine cents ($1,444.39). If Lessee has not paid the $1,444.39 for the lease period prior to

August 1, 2016, the Lessee shall pay the City the required lump sum amount. Lessee has paid the City ___________for the leased period prior to August 1, 2016. The Lessee shall pay a one-time catch up payment to the City in the amount of ___________, which is due within sixty days from the date this lease is executed.

e) CBJ's acceptance of less than the full amount of any payment due from Lessee shall not be deemed an accord and satisfaction or compromise of such payment unless CBJ specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which CBJ claims.

f) Beginning with the first year (2021) after the initial five-year period of the term, the Port Director will re-evaluate and adjust the annual lease payment for the Leased Premises for the next five-year period of this lease, and then every five years thereafter, pursuant to Appendix B, Section 3(b) of this lease, CBJ 53.20.190(2), CBJ 85.02.060(a)(5), and the Docks and Harbors lease administration regulations, 05 CBJAC Chapter 50. The new annual lease payment amount shall be paid retroactively to the beginning of that lease payment adjustment period. Lessee shall pay all appraisal costs associated with re-evaluating and making adjustments to the annual lease payment.

5. AUTHORIZED USE OF PREMISES

Lessee is authorized to use the Leased Premises for a small boat moorage. Should Lessee wish to further development the Leased Premises, Lessee shall be required to obtain approval of its development plans from the CBJ Docks and Harbors Board prior to any further development of the Leased Premises or improvements. Lessee shall be responsible for obtaining all necessary permits and approvals for Lessee's development of the Leased Premises.

6. TAXES

Lessee is hereby on notice that this lease may make all or a portion of the Leased Premises taxable. Lessee shall pay all taxes, assessments, liens and license fees levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, by reason of Lessee's use of the Leased Premises.

7. UTILITIES AND SERVICES

If the Lessee wants utilities or services provided to the Leased Premises, the Lessee shall furnish and pay, at Lessee's sole expense the desired utilities and services (including but not limited to power, water, waste water, trash, janitorial, telephone, internet, and cable).

8. INSURANCE

Lessee shall provide a certification of proper insurance coverage to the CBJ. Lessee has secured and agrees to keep and maintain in full force and effect, at its own expense, the insurance approved by CBJ Risk Management as outlined below. All insurance required under this contract shall name the CBJ as an additional insured, except with respect to Workers Compensation policies. At least 30 days prior to the cancellation, non-renewal or reduction in the amount of coverage, Lessee shall provide written notice to the CBJ's Risk Management. The

Lessee's insurance shall be primary and any insurance maintained by the CBJ shall be non-contributory. Failure of CBJ to demand such certificate or other evidence of full compliance with these insurance requirements or failure of CBJ to identify a deficiency from evidence that is provided shall not be construed as a waiver of the obligation of the Contractor to maintain the insurance required by this contract.

Commercial General Liability Insurance. Lessee shall maintain in full force and effect, at its own expense, 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 CBJ as an "Additional Insured" and shall require that the insurance company give prior written notice consistent with the terms of the policy, to the CBJ's Risk Management Officer prior to any cancellation, non-renewal, or reduction in the amount of coverage. If the Lessee maintains higher limits than shown below, the CBJ shall be entitled to coverage for the higher limits maintained by the Lessee.

Comprehensive Automobile Liability Insurance. The coverage shall include all owned, hired, and non-owned vehicles to a one million dollar ($1,000,000.00) combined single limit coverage. **The CBJ shall be named as additional insured on this policy.**

Workers Compensation Insurance. As required by Alaska Statute (AS 23.30), the Lessee must maintain Workers Compensation Insurance to protect the Lessee from any claims or damages for any personal injury or death which may arise from services performed on the Leased Premises. This requirement applies to the Lessee's firm, any subcontractors or assignees, and anyone directly or indirectly employed to perform work by the Lessee on the Leased Premises. The Lessee must notify the CBJ as well as the State Division of Workers Compensation immediately when changes in the Lessee's business operation affect the Lessee's insurance status. Statutory limits apply to Workers Compensation Insurance. The policy must include employer's liability coverage of one hundred thousand dollars ($100,000.00) per injury and illness, and five hundred thousand dollars ($500,000.00) policy limits. Lessee also agrees to provide evidence of Longshore and Harbor Worker's Insurance and Jones Act coverage if applicable to the Lessee's use of the Leased Premises. **The policy shall be endorsed to waive subrogation rights against the CBJ.**

Property Insurance. Lessee acknowledges that CBJ carries no fire or other casualty insurance on the Lease Premises or improvements located thereon belonging to Lessee, and that it is the Lessee's obligation to obtain adequate insurance for protection of Lessee's buildings, fixtures, or other improvements, or personal property located on the Leased Premises, and adequate insurance to cover debris removal.

APPENDIX B: LEASE PROVISIONS REQUIRED BY CBJ CHAPTER 53.20 and CBJ CHAPTER 50

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 Lease 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 CBJ of leases, including this lease, under the provisions of CBJ Title 53 does not relieve Lessees of responsibility for obtaining licenses, permits, or approvals as may be required by CBJ 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.

(a) **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 CBJ 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.

(b) **Adjustment of Rental.** Lessee agrees to a review and adjustment of the annual rental payment by the Port Director not less often than every fifth year of the lease term beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the land, to which the CBJ has right or title, excluding landfill placed upon the land by Lessee, except that the value of any improvements credited against rentals shall be included in the value.

(i) **Delays in setting rents.** Delays in setting or adjusting lease rents due to the appraisal process shall not change the effective date of the lease rent change. In the case of renewals, the new rent shall apply retroactively to the date the lease expired. In the case of rent adjustments during a lease, the new rent shall apply retroactively to the date of rent adjustment as set out in the lease.

(ii) **Adjustment Dispute Resolution.** Should the Lessee disagree with the lease rent adjustment proposed by the Port Director, the Lessee shall pay for an appraisal and have the appraisal undertaken in accordance with the requirements set out in 05 CBJAC 50.050. In the event the Docks and Harbors Board disagrees with an appraisal, and the Board cannot reach an agreement with the lessee on the lease rent adjustment, the Board shall pay for an additional appraisal and have the appraisal undertaken in accordance with the requirements set out in 05 CBJAC 50.050. The Board shall establish the lease rent adjustment based on this additional appraisal. In the event the Lessee disagrees with the lease rent adjustment, the lessee may appeal to the Assembly. The decision of the Assembly shall be final.

(c) **Subleasing.** Lessee may sublease Leased Premises or any part thereof leased to Lessee hereunder; provided, that the proposed sub-lessee shall first apply to CBJ for a permit therefore; and further provided, that the improvements on the Leased Premises are the substantial reason for the sublease. Leases not having improvements thereon shall not be sublet. 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.

(d) **Assignment.** Lessee may assign its rights and obligations under this lease; provided that the proposed assignment shall be approved by CBJ 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.

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

(f) **Cancellation and Forfeiture.**

(i) The lease, if in good standing, may be cancelled in whole or in part, at any time, upon mutual written agreement by Lessee and CBJ.

(ii) CBJ may cancel the lease if it is used for any unlawful purpose.

(iii) 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 service of written notice by City without remedy by Lessee of the conditions warranting default, CBJ 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.

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

(g) **Notice or Demand.** Any notice or demand, which under 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.

(h) **Rights of Mortgage 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.

(i) **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, CBJ or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of lands or such thereof, and remove all personals 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 CBJ shall be deemed an acceptance of a surrender of the lease.

(j) **Lease.** In the event that the lease should be terminated as herein provided, or by summary proceedings, or otherwise, CBJ may offer the lands for lease or other appropriate disposal pursuant to the provisions of CBJ code.

(k) **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 CBJ as partial or total damages for the breach.

(l) **Written Waiver.** The receipt of rent by CBJ 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 the CBJ to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by CBJ unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of CBJ to enforce the same in the event of any subsequent breach or default. The receipt, by CBJ, of any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by CBJ 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 CBJ to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by CBJ.

(m) **Expiration of Lease.** Unless the lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender and yield up to the City all of the leased land on the last day of the term of the lease.

(n) **Renewal Preference.** Any renewal preference granted to 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.

(o) **Removal or Reversion of Improvement 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 CBJ may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by Lessee may, with the consent of CBJ, be sold to the succeeding Lessee. All periods of time granted Lessee to remove improvements is subject to Lessee's paying the CBJ pro rata lease rentals for the period.

(i) If any improvements and/or chattels not owned by CBJ 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 on the lands, after deducting for CBJ rents due and owning and expenses incurred in making such sale. Such rights to 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 CBJ.

(ii) 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, CBJ.

(p) **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 CBJ to charge Lessee a reasonable rent therefor.

(q) **Compliance with Regulations Code.** Lessee shall comply with all regulations, rules, and the code of the City and Borough of Juneau, and with all state and federal regulations, rules and laws as the code or any such rules, regulations or laws may affect the activity upon or associated with the leased land.

(r) **Condition of Premises.** Lessee shall keep the premises of the lease 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 lands. Lessee shall not undertake any activity that causes or increases a sloughing off or loss of surface materials of the leased land.

(s) **Inspection.** Lessee shall allow an authorized representative of CBJ to enter the lease land for inspection at any reasonable time.

(t) **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 materials valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved by the CBJ.

(u) **Rights-of-Way.** CBJ expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the CBJ to do so. If CBJ grants an easement or right-of-way across the leased land, 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.

(v) **Warranty.** CBJ 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.

(w) **Lease Rental Credit.** When authorized in writing by CBJ 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 area results in increased valuation of the leased or other city and borough-owned lands. The authorization may stipulate type of work, standards of construction and the maximum allowable credit for the specific project. Title to improvements or chattels credited against rent under this section shall vest immediately and be in CBJ and shall not be removed by Lessee upon termination of the 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 CBJ's title to the Leased Premises or enter into any lease, easement, or other obligation of CBJ's title without the prior written consent of the CBJ; and any such act or omission, without the prior written consent of CBJ, shall be void against CBJ 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.

(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, CBJ 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.

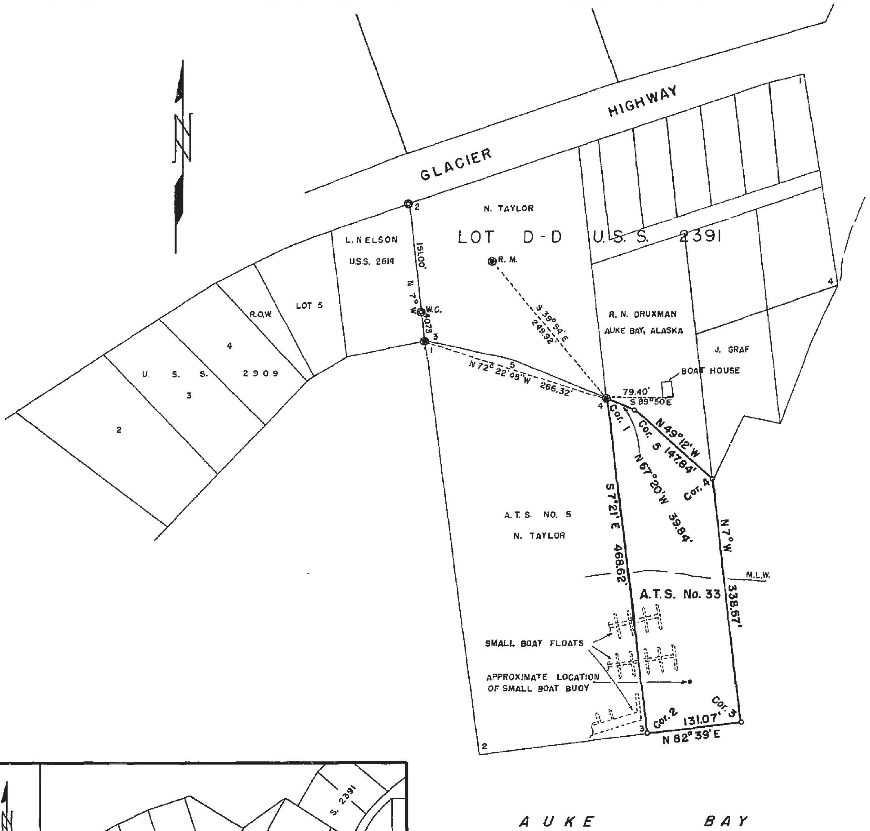
(9) **Hold Harmless.** Lessee agrees to defend, indemnify, and save CBJ, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of or related to the use and occupancy of the Leased Premises by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, costs, expense, or

damages resulting from settlement, judgment or verdict, and includes the award of any costs and attorneys fees even if in excess of Alaska Civil Rules 79 or 82. This indemnification agreement applies to the fullest extent permitted by law and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against CBJ relating to this lease. The obligations of Lessee arise immediately upon actual or constructive notice of any action, claim, or lawsuit. CBJ 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 the Lessee has actual notice.

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

(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.

ATS 33



ENGINEER'S CERTIFICATE

I hereby certify that I am registered to practice land surveying in Alaska and that this plat represents a survey made by me or under my direct supervision, and the monuments shown hereon actually exist as located, and that all dimensional and other details are correct to the best of my knowledge.

Feb. 28, 1961

Registration No. 777-E

STATE OF ALASKA
49TH
C. R. Nordling
NO. 777-E
REGISTERED
PROFESSIONAL ENGINEER

DESCRIPTION

Beginning at corner No. 1, a 3 in. brass cap on a $1\frac{1}{2}$ in. by 30 in. concrete filled pipe, set flush with the ground surface, identical with corner No. 4, Alaska Tidelands Survey No. 5 (CR40S65E).

Thence from corner No. 1, by metes and bounds,

S. 7° 21' E., 468.62 ft., to corner No. 2;
N. 82° 39' E., 131.07 ft., to corner No. 3;
N. 7° W., 338.57 ft., to corner No. 4;
N. 49° 12' W., 147.84 ft., to corner No. 5;
N. 67° 20' W., 39.84 ft., to corner No. 1,
the place of beginning.

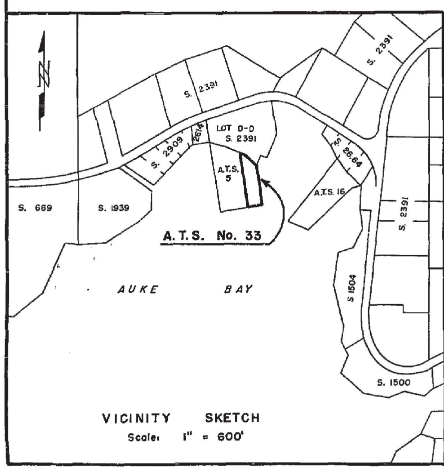
Latitude 58° 23' N. Longitude 134° 39' W.

At Corner No. 1

Area: 1.247 Acres

Tideland Lease Applicant: Robert N. Druxman, Auke Bay, Alaska

ADL 02480



VICINITY SKETCH
Scale: 1" = 600'

LEGEND

- Indicates existing brass cap monument (BLM).
- Indicates existing brass cap monument (Alaska Tidelands Survey).
- No monument set.

NOTE:
Bearings established from existing monuments in Lot D-D, U. S. Survey No. 2391. (Corner No. 2, and W. C., Corner No. 3, M. C.)

DATE OF SURVEY: Beginning: January 6, 1961 Ending:	TONER & NORDLING REGISTERED ENGINEERS JUNEAU, ALASKA

ALASKA DIVISION OF LANDS
STATE OF ALASKA
ANCHORAGE, ALASKA

ALASKA TIDELANDS SURVEY
NO. 33 (CR40S65E)

Drwn. By: C.R.N.	Approved: [signature]	
Date Approved: 3-13-61	Approved: [signature] Director of Lands	
Scale: 1" = 100'	Checked: DJ	File No. ATS 33

Please file by ATS No 33

13

Port of Juneau

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

From: Port Director

To: Docks & Harbors Board

Date: June 17th, 2016

Re: BOAT SHELTER – FOR SALE

1. In accordance with 05 CBJAC 40.020, Louis Bandirola has provided notice of his intention to sell Boat Shelter G29 in Aurora Harbor (provided that his boat, the Shirley B, is sold independently). Docks & Harbors has the first right of refusal to purchase these structures at fair market value.

2. The applicable "Boat shelter sales" regulation states:

   05 CBJAC 40.020(f) - Boat shelter sales. Reserved moorage status within a boat shelter may transfer between the seller and buyer of a boat shelter. In order to transfer the reserved moorage status within a boat shelter, the owner of a boat shelter shall inform the Port Director of the owner's desire to sell a shelter before offering the shelter for sale to the general public. The Docks and Harbors Board has the first right of refusal to purchase the shelter at fair market value. If the Board does not exercise its first right of refusal within 30 days after notice, the owner may offer the shelter for sale to the general public. If the owner sells the shelter without informing the Port Director and allowing the Docks and Harbors Board its first right of refusal, the reserved moorage within the shelter will not transfer to the buyer. This subsection does not allow an inappropriately sized vessel to be assigned reserved moorage space within a boat shelter.

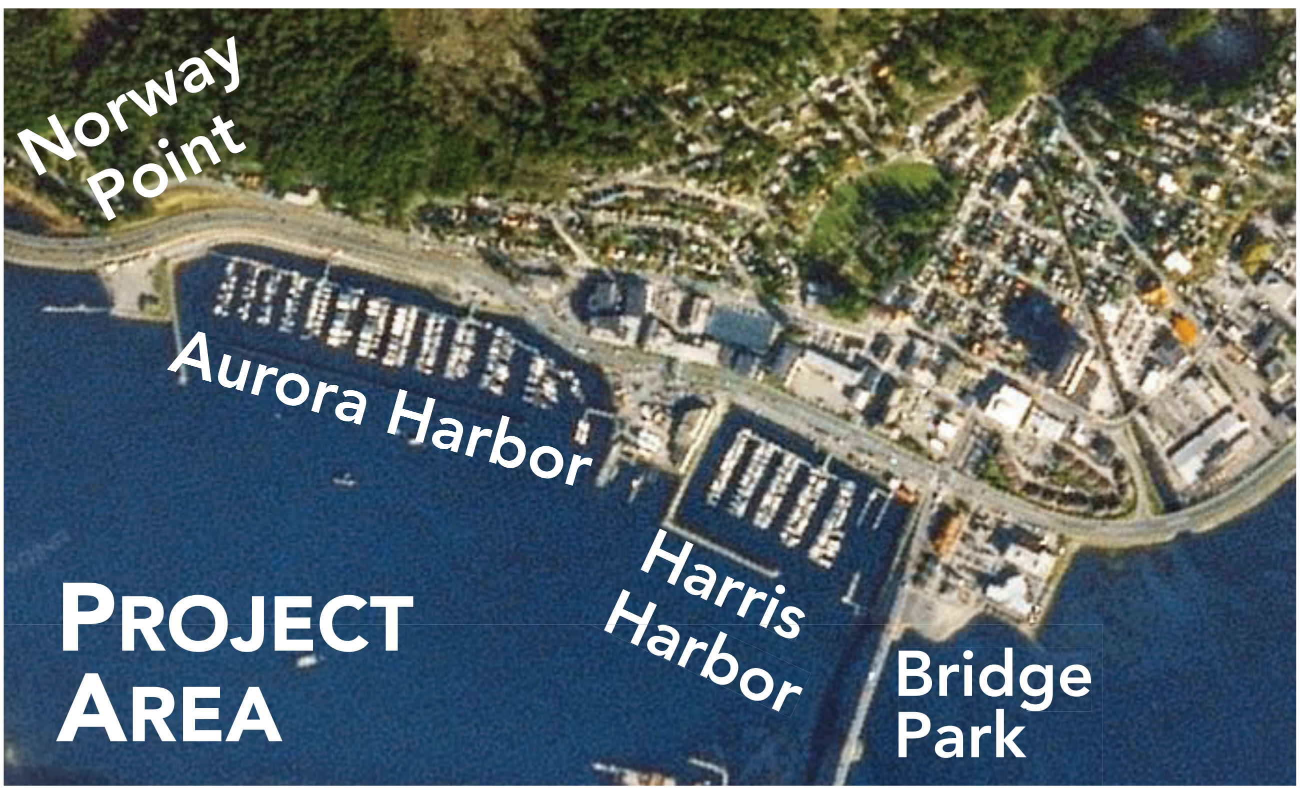
3. I recommend waiving Docks & Harbors' right of first refusal allowing Louis Bandirola to sell his Boat Shelter on the open market.

#

Land Use Master Planning: Bridge Park to Norway Point

The next big thing for Juneau waterfront development is here

The City and Borough of Juneau is actively working to develop a vision and master plan for the uplands between the Juneau-Douglas Bridge and Norway Point that reflect the needs and desires of our community while enhancing Juneau as a port city. The public is invited to provide input to develop the master plan for the Docks and Harbors managed uplands at Norway Point; Aurora Harbor; Juneau Fisheries Terminal; Harris Harbor; and Juneau-Douglas Bridge uplands. Corvus Design of Juneau is taking the lead on this project team, which includes Northwind Architects, PND Engineers, and Rain Coast Data. The first public meeting has been held in this process, which was the first step towards creating a vision that will reflect the community's priorities and needs. The final plan is anticipated to be completed in November 2016.



Want to learn more? | **Project Contact List:** Sign up by sending an email to meilani@raincoastdata.com

Bridge Park to Norway Point
First Public Meeting Summary

On May 18th, the first public meeting was held to develop a vision and master plan for the uplands between Bridge Park and Norway Point that reflect the needs and desires of our community. There were nearly 60 interested citizens in attendance. This is a summary of that meeting.

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Expand marine services capability: Twenty seven people commented that additional and/or expanded fisheries support facilities were needed. The addition of a 150-300 ton lift (8 comments) was cited as the most pressing need. Other suggestions included a crane, haulout facility, welding and boat maintenance shops, maritime hydraulic services, additional boat storage, and filling uplands to meet these needs. ***Background:*** Juneau vessel owners in the project area find they have limited options for making repairs and upgrades to their vessels. There are also limited areas to store vessels in Juneau out of the water. There are clear opportunities here in terms of providing greater services to vessel owners, more robust haul out options, and increased vessel storage space. Juneau has a 35 ton lift, storage/workspace for 10 vessels, and 5-6 people employed in the summer. To compare, Wrangell Port & Harbors operates a 150-ton marine travel lift, a 300-ton ASCOM boat lift and has upland storage for over 85 boats, and employment for approximately 50 people. Harris Commercial Marine staff see a need for a 150 ton travel lift in addition to the existing smaller one. Adding more workstations so that people can work on boats or hire people to work on their boats, more uplands boat storage, and more space for those who work on boats would all bring more spending into our community.

21

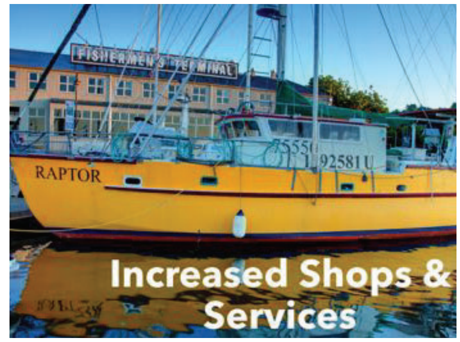
Improve safe & efficient access to/from Egan Drive and between the harbors: Improved access to the harbor was among the top concerns for respondents, with 21 comments saying it was the most-needed improvement. The majority of those citing access commented specifically on the hazards of crossing Egan Drive to turn into the harbor. Other commenters spoke of wanting a road that connected Aurora parking and road area to the Harris Harbor area.

13

Upgrade harbor amenities: Seven respondents listed an updated and improved harbormaster's office as the most pressing need. Reasons included the need for a larger space for staff and overall modernization. New and updated restrooms were listed as high priority by six respondents. The harbors used to have plumbed facilities, which were discontinued due to security issues, excessive janitorial requirements, and lift station maintenance problems. Commenters noted that to be a world class harbor we need to provide more adequate restroom facilities.

Increased shops and services for harbor residents, visitors and locals: Increasing economic development opportunities was the top suggestion among 11 respondents, who said they would like to see the addition of restaurants offering waterfront views, retail shops and maritime-related businesses. With a community of liveaboards, visiting recreational boaters, and commercial fishermen, respondents recommended providing services that meet the needs of this community in the project area uplands. **Prioritizing this type of development was also the most popular suggestion when a follow up question was asked: What would be best for the community?**

11



Increased pedestrian access: Nine respondents said improved walking paths are needed. Pedestrian safety was the top reason cited by this group. ***Background:*** Last year 643 transient vessels with boaters, yachters and commercial fishermen arrived in the project area. It is difficult for those arriving without vehicles to access services, stores and restaurants. Limited access to businesses results in decreased spending. Look for opportunities to create increased pedestrian access to those arriving by water, and provide linkages to the seawalk in development connecting to Bridge Park.

9

Increased Pedestrian Access

Other comments:

4

- Four people said the waterfront area surrounding the harbor should be **zoned for mixed-use**, allowing businesses to move in alongside housing (suggestions for housing ranged from high-price waterfront condos to affordable homes).
- The addition of **storage space** for private belongings was suggested by four people.
- Four respondents wrote that **additional parking** is needed. Reasons varied from current limited parking to easing congestion when entering and leaving the harbor.

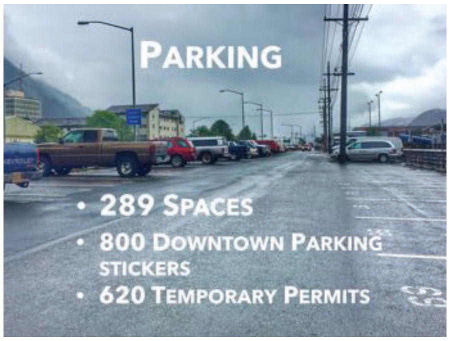
3

- **Three Comments Each:** Add a net shed or float. Create a public transportation hub. Increase maritime workforce development and emergency response training. Improve small craft launch / moorage.

1-2

- **Two Comments Each:** Improve and add community facilities. Create a fresh fish market. Covered boat storage. Add bike paths and improve current ones. Add a cold storage facility. Add a drive-down dock. Repair or replace floats.
- **One Comment Each:** Provide power for the lot near JYC for youth sailing. Convert Juneau Electronics into a maritime terminal. Clean up the area. Build homes. Prioritize feedback of harbor residents and users over others. Improve security. Improve sewage. Add boat slips.

PROJECT AREA: By the Numbers



289 Parking Spaces: The primary uplands use in the project area currently is parking. The project area has a parking capacity of 289 vehicles. There are 800 parking stickers distributed annually to Aurora and Harris Harbor patrons with year round stalls. An additional 620 temporary parking permits were also issued last year (ranging from one day to three months).

753 Vessel Capacity:

Aurora Harbor has the capacity for **465 vessels** while **Harris Harbor** has an additional moorage capacity for **288 vessels**. This includes **42 boat shelters** that are currently in use. The harbors are nearly at capacity in the summer "with the exception of the 24' stalls in Aurora." Juneau hosts a significant fishing fleet, many of which base out of the Aurora and Harris Harbors. There were 643 transient vessels that used these Harbors in 2015.

$1 Million+ in Annual Moorage Revenue: Total moorage revenue for all downtown harbors was $1.4 million in FY2014 and $1.25 million in FY2015. Because this figure does not break out the Douglas Harbor, it is assumed that the total moorage revenues for Aurora and Harris are approximately one million annually.

One-third of Juneau's Commercial Fishing Fleet:

There are **100 commercial fishing boats** with year-round stalls in Aurora and Harris Harbors. Since according to the Juneau Economic Plan Economic Baseline Report there are 300 commercial fishing boats in Juneau, **this represents one-third of the Juneau fishing fleet**. There are 1,180 fishing vessels (including non-local transient vessels) registered with CBJ that use local facilities.

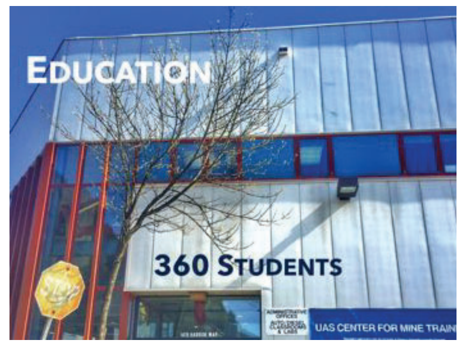
160 Harbor Residents:

There are **160 people** permanently living in the project area on **123 different vessels** including **21 houseboats or float houses**. This count includes 120 residents living in Aurora Harbor, 39 in Harris Harbor, and one additional resident moored at Norway Point. To provide perspective, this means that the project area has a similar population to Coffmann Cove, and has 30 more residents than Tenakee Springs.

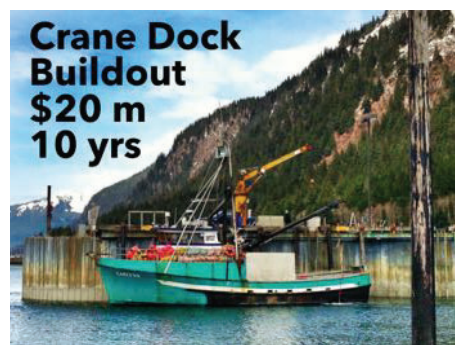
Nearly 15,000 People Used the Yacht Club During 274 Events Last Year: Last year there were **14,630 user days** of the yacht club at **274 events**, for an average of **53 attendees per event**. There were 70 public rentals with an average attendance of 100 people each. Other top users included church groups, Juneau Youth Sailing, Sons of Norway, Coast Guard Auxiliary, Docks and Harbors, and Yacht Club organizational meetings.

200-300 Haulouts: In the small leased ship yard, Harri Commercial Marine provides welding, fabrication, fiberglass repair, and a 35-ton travel lift. The Travel-Lift hauls between 200 to 300 vessels annually at a price of $20 per foot. The work done in the yard generally ranges between $500 to $5,000 per vessel. There are 10 slots for vessel storage/work.

300 Students: The UAS Technical Education Center (TEC) is located at 1415 Harbor Way in downtown Juneau across from Juneau Douglas High School. The TEC is comprised of two buildings that house programs in the School of Career Education. It includes the UAS Center for Mine Training along with programs in construction technology, power technologies (diesel/auto/marine), and welding. The proximity of the TEC to the nearby high school provides opportunities for shared use of facilities and early-college career pathways for high school students taking college courses. A portion of the TEC site is leased to the City and Borough of Juneau as a commercial haul-out for marine vessels. The lease for this purpose extends to 2021.



Potential Economic Impact of Juneau Fisheries Terminal Dock or "Crane Dock" $20 million over 10 years: There is a current plan in place to complete the crane dock by building a new dock face on the north side and adding at least two new cranes. According to an analysis done by SeaFisk consulting in 2015, the ten year economic benefit of the completed project is projected to be $19.8 million. The Juneau Fisheries Terminal supports fishermen with loading dock, cranes, and access to boat repair facilities. **The current Travel-Lift is limited to 35 tons** thus larger vessels must leave Juneau for maintenance and repairs.



At Least 50 Jobs: **Harri Commercial Marine** supports 5-6 on-site employees in the summer. **Marine Exchange** employs 18 to 20 people providing a 24 hour vessel tracking system for Alaska. **Juneau Electronics** has 4-5 employees. **Technical Education Center** has 30 staff, faculty, and adjuncts working at this site. **Juneau Yacht Club** has two employees plus volunteers. **Maritime Hydraulics** has three employees. We are still waiting to determine total **USFS/FWS** jobs on site. There are an additional 25 mechanics, fiberglass, and shipwrights providing **marine support** - mostly as independent contractors.

The Maritime Economy of Juneau Alaska

June 2016

Prepared for the Land Use Master Planning Project: Bridge Park to Norway Point

This document was compiled to assist with the master planning efforts for the Docks and Harbors managed uplands at Norway Point; Aurora Harbor; Juneau Fisheries Terminal; Harris Harbor; and Juneau-Douglas Bridge.

Juneau, Alaska is a maritime community. Nearly every element of our economy is intermingled with the maritime economy. In terms of workforce earnings, **maritime is the community's largest sector outside of government**; and it draws from nearly every element of the workforce. (The visitor industry has more jobs overall but fewer earnings than maritime).

When tracking the change of the maritime sector over time and comparing across geographies, it is simpler to focus only on the private sector (along with Coast Guard jobs). In Juneau this subset includes 1,400 blue jobs, and accounts for 12% of the community's **private** sector economy. Between 2010 and 2014, employment in Juneau's private sector maritime industry grew by 65 jobs and $5.8 million in annual earnings. There are an additional 570 **government jobs** in Juneau focused on fisheries enforcement, tracking, and science. Alaska Marine Highway and Juneau Docks and Harbors jobs are also maritime jobs.

Combining public and private sectors there are more than 2,000 maritime jobs in the capital city with a total associated payroll of $117.5 annually.

Region-wide this sector has also been growing. Between 2010 and 2014, the private/military maritime economy of the region grew 15%—nearly 900 jobs, while wages grew by $90 million (29%). We will know more about changes to the Juneau maritime economy shortly, as 2015 numbers will be released next month. However with new dock projects in Juneau, a rebounding tourism sector, and expected increases in Juneau seafood harvests, the outlook for the maritime economy is for continued growth.

MARITIME DATA: Juneau Alaska 2014

Private and US Coast Guard Maritime Employment & Workforce Earnings

Fishing & Seafood Processing

Jobs: **581**
Wages: **$27.4 M**
Change in jobs
2010-14: **+7%**

Jobs: **320**
Wages: **$28.3 M**
Change in jobs
2010-14: **-12%**

Marine Tourism

Jobs: **341**
Wages: **$10.1 M**
Change in jobs
2010-14: **+17%**

Jobs: **115**
Wages: **$7.9M**
Change in jobs
2010-14: **-14%**

Ship Building, Repair, Marinas

Jobs: **7**
Wages: **$187 K**

Jobs: **20**
Wages: **$1.8 M**

Notes: Most employment generated by cruise ship is not captured in this dataset, such as gift shops and land based activities. Only tourism businesses that are water-based, such a kayak rentals or whale watching excursions were included. The full impact of cruise ship tourism is much greater than what is presented here. **Cruise visitors spend an estimated $190 million annually in Juneau, providing 20% of all sales tax revenue**, according to Port Director Carl Uchytil.

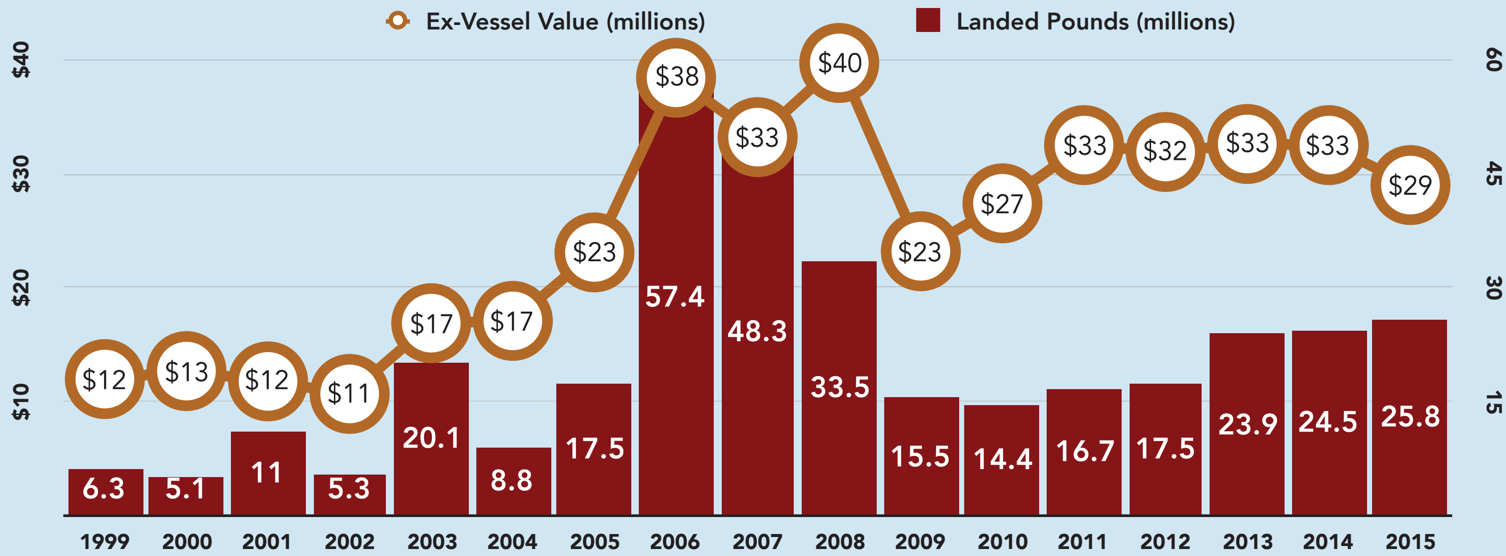
Also, marine service jobs involved in vessel repair do not capture private service contractors that are not 100% marine such as welders, electronic and plumbing specialists.

Juneau Private & Military Maritime Economy 2010-2014

- Total Jobs 2014: **1,400**
- Total Wages 2014: **$76.5 Million**
- 5 year change in jobs: **+65**
- 5 year change in jobs by percent: **+5%**
- 5 year change in earnings: **+$5.8 million**
- Change in earnings by percent: **+8%**

Maritime icons were created by graphic illustrator Averyl Veliz.

Juneau Alaska Seafood Sector



The largest component of the Juneau maritime sector is the local seafood industry. The total Juneau seafood harvest in 2015 was 26 million pounds, a 79% increase from 2010, with a total value to fishermen of $29 million. Nearly 600 commercial fishing vessels (including those not home-ported in Juneau) participated in this harvest.

In 2014, 8% of all pounds landed in Southeast Alaska were landed in Juneau, **representing 12% of the total value of the Southeast Alaska catch.** (2015 regional data has not yet been released).

Juneau is the nation's 44th largest commercial fishing port, by both value and poundage, and the 13th largest commercial fishing port in Alaska.

The Seafood Industry is a Key Economic Driver

Seafood harvests have long been an important part of the Juneau economy. The Juneau seafood industry (including commercial fishermen & seafood processors) generated 580 average annual regional jobs in 2014. (Nonresident commercial fishermen & crew members are excluded from these figures.)

In 2015, the five salmon species represented 78% of the overall seafood catch in terms of volume—yet only 37% of total ex-vessel value ($10.8 million). Halibut, black cod and crab—while just 16% percent of total pounds landed—accounted for more than half of the total catch value (54%) in 2015.

Seafood Processing

There are five shore-based seafood processors in Juneau with average annual employment of 198. They process 15 to 25 million pounds of seafood annually. State shared fisheries taxes for processing activity in CY14 generated $365,000 for Juneau.

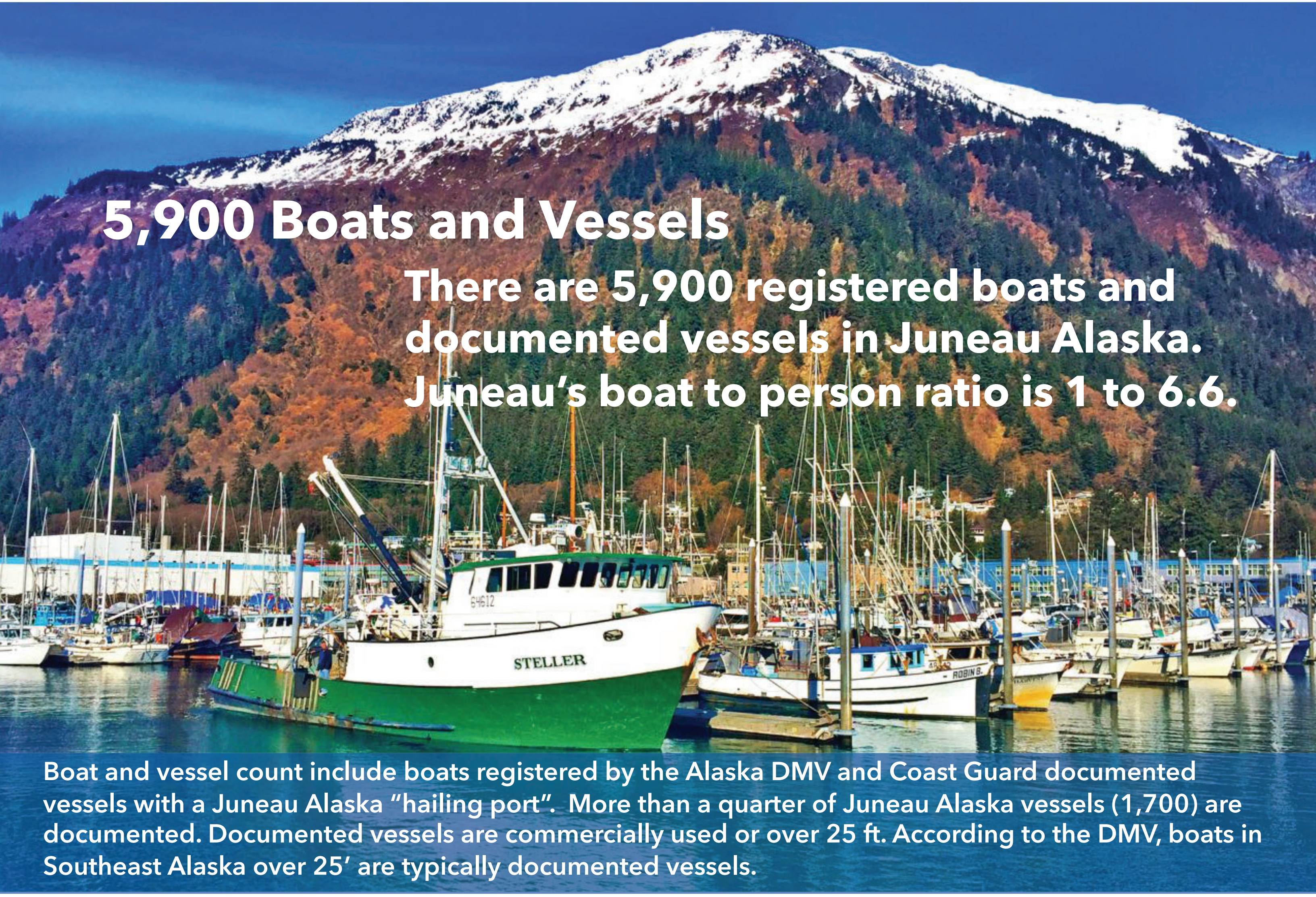
Juneau Seafood Numbers

- In the past 5 years, **100 million pounds of seafood** were harvested in and around Juneau waters (mostly salmon) with an ex-vessel of **$159 million.**
- Juneau supports **580 annual average seafood jobs** in the private sector along with **510 public sector jobs** for a total of **1,090 year round equivalent Juneau based seafood and ocean life focused jobs**, with **$65 million** in total associated annual earnings.

Government Seafood Jobs

Juneau is the base of operations for many federal and state government functions that manage or promote the fisheries industry statewide. In addition to the maritime jobs previously discussed in this document, **there are an additional 510 government jobs in Juneau tied to seafood industry with $37 million in annual wages,** including the following:

- 180 National Marine Fisheries Service jobs with $18.6 million in wages.
- 300 Alaska Department of Fish and Game Employees with $17 million in wages.
- 8 US Fish and Wildlife jobs with $745,000 in wages.
- 22 UAS and UAF fisheries staff with one million in wages.



5,900 Boats and Vessels

There are 5,900 registered boats and documented vessels in Juneau Alaska. Juneau's boat to person ratio is 1 to 6.6.

Boat and vessel count include boats registered by the Alaska DMV and Coast Guard documented vessels with a Juneau Alaska "hailing port". More than a quarter of Juneau Alaska vessels (1,700) are documented. Documented vessels are commercially used or over 25 ft. According to the DMV, boats in Southeast Alaska over 25' are typically documented vessels.

How Significant Are These Elements to Your Business?

Juneau business owners and operators were asked about the top benefits to having their businesses located in Juneau. The **overall quality of life and recreational opportunities** were identified as having the most significant benefits to Juneau businesses. Quality of life and access to recreation has a strong correlation to access to the waterfront and ocean based activities.

(Source: Southeast Conference Business Climate Survey 2015).