

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING AGENDA
For Thursday, March 24th, 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 February 18th, 2016 Finance Committee Meeting Minutes**
- 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

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DETERMINED AT THE MEETING

VIII. New Business

- 1. CPI Adjustment for Moorage Fees during FY17
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO RECOMMEND THAT THE BOARD EXERCISE 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.

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2. CPI Adjustment for Moorage Fees following FY17
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO RECOMMEND THAT THE BOARD FOR SUBSEQUENT CPI ADJUSTMENTS, ADJUST 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.

3. Moorage Discounts for Advance Payment
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: 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.

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

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO RECOMMEND THAT THE BOARD LEAVE THE IVF/RESERVATION RATES UNCHANGED AND ASK UNANIMOUS CONSENT.

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

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DETERMINED AT THE MEETING

6. Nordic Tug (Alaska Memories) Sublease Application
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

**MOTION: TO APPROVE THE SUBLEASE EXTENSION FOR 3 YEARS AND
FORWARD TO THE FULL BOARD FOR APPROVAL.**

7. Taku Harbor Piling Repair
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DETERMINED AT THE MEETING

IX. Items for Information/Discussion- None

X. Staff & Member Reports

XI. Committee Administrative Matters

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

XII. Adjournment

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- I. Call to Order** Mr. David Lowell called the Finance Committee meeting to order at 5:02 p.m. in the CBJ Assembly Chambers.
- II. Roll Call** Members present: Tom Donek, Weston Eiler, Tom Zaruba-via phone, and David Lowell
Also present: Carl Uchtyl-Port Director; David Borg-Harbormaster; John Bush-Board Member
- III. Approval of Agenda**
- MOTION: BY MR. WESTON EILER TO APPROVE THE AGENDA AS PRESENTED AND ASKED UNANIMOUS CONSENT.**
Motion passed with no objection.
- IV. Public Participation on Non-Agenda Items - None**
- V. Approval of January 21st, 2016 Finance Committee Meeting Minutes**
MOTION: BY MR. TOM DONEK TO APPROVE THE JANUARY 21, 2016 FINANCE MEETING MINUTES AND ASKED UNANIMOUS CONSENT.
Mr. Uchtyl stated there was one minor spelling correction “core”.
Motion passed with no objection.
- VI. Consent Agenda - None**
- VII. Unfinished Business - None**
- VIII. New Business**

1. FY17-18 Budget

Presentation by the Port Director

Mr. Uchtyl stated he will be presenting the FY17 & FY18 Biennial Budget to the Full Harbor Board and then forward it on to the City Assembly Finance Committee in April 2016. Mr. Uchtyl presented a power point presentation as well as a hand out. In the past Docks & Harbor department has stated it does not receive funds from the City and Borough of Juneau, AK although different Mayors have asked we clarify what the exact definition of Enterprise is. We have two enterprises that we operate, the Harbors & the Docks(Port). We operate with funds primarily from user charges and we also receive money from bonds and grants. We have a Biennial Budget and we are currently on the second year. We are now creating the FY17 & FY18 Biennial Budget to be approved by the Assembly. We are allowed to make any adjustments for FY16 although we do not have any changes at this time. Our expenses are flat. The funding sources show that the revenues will exceed our expenses by about \$373,000 and in the next couple years it is

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projected to exceed it by about \$420,000. The board approved to transfer funds of \$1.5M of the Dock Funds to the 16B project. This will happen when the Assembly approves it at their next meeting.

Committee Questions

Mr. Lowell asked Mr. Uchytel to explain the equity from the fund balance.

Mr. Uchytel answered the total expenses and the funding sources must be equal. We have to be profitable.

Mr. Zaruba asked is there any reason to think the Assembly will not approve the fund transfer from Docks.

Mr. Uchytel answered he cannot think of any reason why they would not approve it. The budget for Docks is \$1.4M. Half of our cost are personnel costs and the other is operating expenses. Revenues for the Docks include wharf fees, licenses & permits, vendor booths and this year we only have 9 out of 11, we submitted a request for a portion of the marine passenger fees, we collect head tax and get paid for the service we provide from the city, and fund balance interest. The budget for FY17 & FY18 are basically the same for Docks.

Mr. Eiler asked about the interest and what the rate is.

Mr. Uchytel answered the Finance Director handles the investment portfolio. We receive the numbers from the Finance Dept.

Mr. Uchytel stated the Harbor side budget is the same template as the Docks side and Harbors will be at \$414,000 surplus for FY16. The budget shows that \$800,000 from FY15 as an expenses but it was actually allocated for Statter Harbor project. We were able to refinance our Bonds so that we can save about \$50,000 a year. Our lease rentals have increased. We have estimated our moorage income. We have to have a certain reserve in our funds over our expenses to meet our bond covenant.

Mr. Zaruba asked if the fund balance reflects what we earmarked for Douglas Harbor project.

Mr. Uchytel answered it does not. We need to have the Assembly to approve the transfer first. After that we will have a \$2.2M in the fund balance. With the bond requirements there is about \$750,000 not available for spending.

Mr. Donek asked how long do we have to pay off the bonds.

Mr. Uchytel answered that they are 30 year bonds. One started in approximately 2005 & the other around 2009. We have had a deferred maintenance account for \$3.5M since we

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were pretty confident we would do the Douglas Harbor Re-build and the other one was for the ABLF.

Mr. Eiler asked what the full count of staff is.

Mr. Uchytel answered we have the equivalent of 28 full time employees. Our expenses are 60% personnel and 40% expenses. The Harbors charge for services to cover our expenses and the profit on the Harbor side is the income from tideland leases. We maintain a flat operating expense. We have some future projects although we will probably not put them in the Assembly Finance Committee packet yet.

Mr. Uchytel stated we have received our bids for the Douglas Harbor and it appears it will be awarded to Trucano Construction as lowest bidder.

Mr. Zaruba asked if we can transfer less than what is needed for Douglas Harbor if the bid was lower and how much lower was the bid.

Mr. Uchytel answered we would move forward with the original transfer amount since we can always transfer it back. The bid came in about \$600,000 lower than the Engineers estimate from Trucano's. The additive alternative came in a little higher than estimated.

Mr. Uchytel presented the staff budget to include total wages and benefits for FY17 & FY18.

Mr. Zaruba asked about FY16 & FY17 being virtually the same.

Mr. Uchytel answered the union MEBA negotiations have not started yet so we do not have the figures if there will be raises.

Mr. Eiler asked what amount of figures do you get from Finance Department and what amount does Docks & Harbors provide.

Mr. Uchytel answered it is really a partnership from both sides to create the budget.

Mr. Lowell asked where on the FY17 & FY18 budget does it show the personnel expenses. There appears to be a difference that does not add up.

Mr. Zaruba stated the figures are about \$300,000 to \$400,000 off.

Mr. Uchytel answered he will bring in the Accountants for the next meeting. The Engineers are paid out of different accounts therefore it won't take from the bottom line.

Mr. Lowell stated that the vacant positions are also not going to affect the bottom line.

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Public Comment

Mr. Dennis Watson, Juneau, AK

Mr. Watson stated that this is governmental accounting and it is different that private accounting in the fact that it is reversed. Negatives are positives and positives are negatives. Mr. Watson said he assumes the bad debt is considered in the bottom line and is taken out of the revenue. He also stated the legislature is working on the passenger fees and considering having the state take them back over instead of the city.

Committee Discussion/Action

Mr. Uchytel answered the charges show as revenues even though we may not collect.

Mr. Zaruba asked what the \$35.00 passenger fee is.

Mr. Uchytel answered it is a commercial passenger excise tax and it is \$34.50. It used to be \$50.00. Historically the state would share that with the communities. We have used our portion to help with the 16B Cruise Ship Terminal Project.

Mr. Dennis Watson stated he believes the fees are prorated back to communities based on how many passengers visit each city.

MOTION: BY MR. EILER TO FORWARD THE FY17 & FY18 BUDGET TO THE FULL BOARD FOR CONSIDERATION AND ASKED FOR UNANIMOUS CONSENT.

Motion passed with no objections.

2. Auke Bay Loading Facility Minor Maintenance

Presentation by the Harbormaster

Mr. Borg presented a memo for a proposal to allow the ABLF Commercial Boat Launch ramp permit holders to be able to haul out for minor maintenance or inspection.

Committee Questions - None

Public Comment - None

Committee Discussion/Action

Mr. Zaruba asked if vessels can still use the grid for cleaning and painting.

Mr. Borg answered yes the Harris Grid can still be used for that.

MOTION: BY MR. LOWELL TO FORWARD THE PROPOSAL TO THE FULL BOARD FOR CONSIDERATION.

Motion passed with no objections.

3. Enforcement Regulation for User Fee Collection

Presentation by the Harbormaster

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Mr. Borg stated we have had a serious issue with the passenger for hire fees not being reported or paid on time. The honor system has not been working. The amount of administrative time of trying to enforce the honor system and track down the paperwork and payment is unacceptable.

Committee Questions

Mr. Zaruba asked if this is the charter and whale watching and what happens now if they don't comply.

Mr. Borg answered yes it is and basically nothing at this time because we do not have anything in regulation.

Mr. Zaruba asked if they can still use our facilities and load and unload passengers even when they don't report and pay and they are delinquent.

Mr. Borg answered at this point yes.

Mr. Zaruba asked if we going to stop them from operating at our facilities if we do not have the reports and payments.

Mr. Lowell asked how are you going to enforce it.

Mr. Uchytel stated there is nothing that addresses non-compliance. He stated we do not want to make a scene and stop them from operating. If we have it in regulation we can figure out how to make them comply.

Mr. Zaruba stated we need to just turn the vessels away.

Mr. Uchytel asked what would it look like to stop them from operating.

Mr. Zaruba answered it will look like they don't pay their bills and we can do a lien on their vessels.

Mr. Borg stated we do have a \$100.00 reinstatement fee per vessel.

Mr. Zaruba stated can we just charge them for every seat every day.

Mr. Borg answered some boats have multiple trips a day so it is not always easy to estimate.

Mr. Zaruba stated we should have a meeting with all operators and present these new compliance regulations.

Mr. Lowell asked what will prevent them from operating if we do revoke their permit.

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Mr. Borg answered they could go to an alternate dock. We do not want to hurt the business we just want compliance.

Mr. Zaruba said this is the honor system too so how do we check it.

Mr. Borg said we do spot checks and will do passenger counts.

Mr. Donek asked if we get partial payment up front.

Mr. Borg answered they would not have the capital upfront in the season.

Mr. Zaruba asked how many still owe and how much.

Mr. Borg answered we are down to just one last company and they still owe us \$8,000.00 and the late fees are minimal.

Public Comment

Mr. Dennis Harris – 12th Street Taxi, Juneau, AK

Mr. Harris stated he owns a taxi service and he has to come up with one third of the fees in order to operate at the visitor's center otherwise he cannot operate his taxi service there. There are some other tools to consider. One is to not issue the permit unless these companies are also compliant with other city departments. You can also put it in the Newspaper if companies are delinquent. Companies need to pay their bills and permits on time just like my company does. If these companies are getting away with not paying on time then it needs to stop.

Committee Discussion/Action

Mr. Donek stated these companies should have enough money to pay a portion up front.

Mr. Zaruba stated we could advise the cruise lines of the companies that are not compliant and the cruise line will not work with the operators.

Mr. Eiler stated that is an interesting idea. We need to give staff the tools to enforce the rules.

Mr. Lowell stated if we do have operators that are going to be obstinate then we may need stricter rules to enforce.

Mr. Donek stated I would like to staff to write up the actual regulation change then we can speed up the process.

Mr. Uchytel said we have a process to follow and it will go through CBJ law, we will have a meeting with the local charters, we will have the board approve it, we are required to advertise the changes in the paper for 21 days, then back to the board and finally we can

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take it to the Assembly. The one company that does not pay on time always shows up in May and finally pays from the year before.

Mr. Eiler asked if we are thinking of requiring pre-payment are we going to have time to let the operators know.

Mr. Uchytel asked if we want to go in the direction of pre-payment being required.

Mr. Zaruba stated we can have the changes in effect for this year and plan for the pre-payment to take effect for next season so the operators have plenty of notice.

Mr. Lowell said we can forward and discuss this at the next full board meeting.

Mr. Uchytel stated he will proceed with the draft that will be sent to law and also extend an invitation to the operators to attend the next meeting so they can weigh in on the proposed changes.

IX. Items for Information/Discussion

1. Marine Power Cord Safety Replacement Program

Presentation by the Harbormaster

Mr. Borg presented a memo with the marine power cord replacement program. We requested AKOSHA to come and inspect our harbors. We are 95% compliant with the AKOSHA inspection report we received. One of the major issues we were facing was the inadequate power cords that presented a major hazard for patrons and our employees. This is one of the issues that the Harbor Department did not stay current with and we feel some responsibility to help get all vessels up to par with the requirements. We are going to offer a 50/50 cost share program. We will then stay on top of all future AKOSHA requirements. The boat shelters will need an approved plan for the best way to reach their pedestals through the actual shelter.

Mr. Zaruba asked if the cords are all 50 feet.

Mr. Borg answered yes.

Mr. Lowell stated it is very generous of the department to do the 50/50 cost share.

Mr. Borg said we need to take some responsibility that we never let the patrons know they were not safe in the past. Moving forward we will have a plan in place and if the correct cords are not used we will deny power usage. We were able to find a local vendor to meet our lowest bid from a price quote from a down south vendor.

Committee Discussion/Public Comment – None.

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X. Staff & Member Reports

Mr. Uchytel presented a memo from the City Manager for the Marine Passenger Fees allocation. It is a draft at this point but it looks like Docks & Harbors was able to get funds to go towards items such as Docks & Facilities Operations for cruise ship passenger, pay phones, visitor center, tug assist for AJ dock, real weather monitoring system, and the Marine Park Sheet pile wall.

Mr. Lowell asked about the tug assist at the Franklin Dock and is it for ships coming in to the new dock.

Mr. Uchytel answered we are not sure what may be needed on the high wind days.

Mr. Dennis Harris asked to comment on the AJ-Dock. He stated he objects any money going to the AJ-Docks when they do not take bids for any other cab companies. There is a perpetual contract with Juneau Taxi and they never take bids for other companies.

XI. Committee Administrative Matters

1. Next Finance Committee Meeting- **Thursday, March 24th, 2016.**

XII. Adjournment

The Finance Committee Meeting adjourned at 6:52pm.



2015
Passenger for Hire Monthly Passenger Report
And Payment Submittal Form

05 CBJAC 15.030(h) Dockage Charge and 05 CBJAC 20.080 Passenger for hire fee defines the fee assessed to a person conducting passenger-for-hire activities at the Intermediate Vessel Float, Marine Park Lightering Float, Douglas Boat Harbor, Harris Harbor, Harris Harbor Launch Ramp, Aurora Boat Harbor, Statter Boat Harbor or Statter Harbor Launch Ramp.

Persons conducting passenger-for-hire activities are required to submit this passenger report and pay the assessed fees on a monthly basis. This report and payment must be made to the City and Borough of Juneau within thirty (30) days following the previous month's passenger-for-hire activities. The report and payment is to be sent to the CBJ Port Office, 155 S. Seward St., Juneau, AK 99801.

Permit Sticker Number: _____ For month of: _____, 2015

Docks and Harbors Fees:

- | | | | |
|--|--------------------------|-------|-------|
| 1. Inspected Vessel (with annual permit) \$1.25 per passenger per day, per month | = \$ | _____ | |
| 2. Subtotal | = \$ | _____ | |
| 3. CBJ Sales Tax (5%) | Subtotal X 0.05 | = \$ | _____ |
| 4. Total Amount Due | Subtotal + CBJ Sales Tax | = \$ | _____ |

Business Name: _____ Signature: _____

Passenger for Hire non-reporting and non-payment penalties

The City and Borough of Juneau Docks and Harbors, under the authority of 05 CBJAC 20.80, issues a Passenger-for-Hire Permit for the use of designated areas at Douglas Boat Harbor, Harris Harbor, Aurora Boat Harbor, Statter Boat Harbor, Intermediate Vessel Float, or the Marine Park Lightering Float.

(d) Inspected vessel fees. The Harbormaster shall assess permit fees to the owner of a vessel engaged in passenger-for-hire activities that is regulated under Subchapter T and S of 40 CFR 33 as follows:

(1) Calendar year 2015 permit: \$300.00 per vessel plus \$1.25 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2016 permit: \$400.00 per vessel plus \$1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2017 permit: \$500.00 per vessel plus \$1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(2) Each calendar year after 2017, a fee equal to the previous year's fee adjusted by the Anchorage Consumer Price Index (CPI) as reported by the Alaska Department of Labor for the calendar year preceding the start of the moorage year, rounded to the nearest \$1.00 for the vessel permit and nearest \$0.10 per passenger, unless the docks and harbors board takes action to keep the fee the same as the previous year.

(3) No charge for non-profit use when approved by the Harbormaster on a case-by-case basis.

(e) Uninspected vessel fees. The Harbormaster shall assess permit fees to the owner of a vessel engaged in passenger-for-hire activities that is not regulated under Subchapter T and S of 40 CFR 33 (OUPV - operator of uninspected passenger vessels) as follows:

(1) Calendar year 2015 permit: \$50.00 per vessel plus \$1.00 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2016 permit: \$100.00 per vessel plus \$1.25 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2017 permit: \$150.00 per vessel plus \$1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(2) Each calendar year after 2017, a fee equal to the previous year's fee adjusted by the Anchorage Consumer Price Index (CPI) as reported by the Alaska Department of Labor for the calendar year preceding the start of the moorage year, rounded to the nearest \$1.00 for the vessel permit and nearest \$0.10 per passenger, unless the docks and harbors board takes action to keep the fee the same as the previous year.

(3) No charge for non-profit use when approved by the Harbormaster on a case-by-case basis.

Staff Recommends adding the below to regulation –

Passenger-for-hire reporting & payment - Monthly Passenger reporting forms, and payment in full must be submitted to Docks & Harbors within 30 days of the end of each month.

Failure to comply will result in immediate permit suspension. The permit will not be reinstated until all required forms and payment are submitted to Docks & Harbors along with an administrative reinstatement fee of \$100 per vessel.

Multiple instances (3+) of non-compliance in a single season may render a company ineligible to receive a Passenger-for-Hire permit for the following season.

REGULATIONS OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Amendment of Title 05, Chapter 20 SMALL BOAT HARBOR FEES AND CHARGES

PURSUANT TO AUTHORITY GRANTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, THE DOCKS AND HARBORS BOARD PROPOSES TO ADOPT THE FOLLOWING AMENDMENT TO REGULATIONS:

Section 1. Authority. These regulations are adopted pursuant to CBJ Ordinance 01.60, 85.02.060, and 85.02.100.

Section 2. Amendment of Section. 05 CBJAC 20.080 Passenger-for-hire fee, is amended to read:

05 CBJAC 20.080 Passenger-for-hire fee.

...

- (d) Inspected vessel fees. The Harbormaster shall assess permit fees to the owner of a vessel engaged in passenger-for-hire activities that is regulated under Subchapter T and S of 40 CFR 33 as follows:
 - (1) Calendar year 2015 permit: \$300.00 per vessel plus \$1.25 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2016 permit: \$400.00 per vessel plus \$1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2017 permit: \$500.00 per vessel plus \$1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.
 - (2) Each calendar year after 2017, a fee equal to the previous year's fee adjusted by the Anchorage Consumer Price Index (CPI) as reported by the Alaska Department of Labor for the calendar year preceding the start of the moorage year, rounded to the nearest \$1.00 for the vessel permit and nearest \$0.10 per passenger, unless the docks and harbors board takes action to keep the fee the same as the previous year.
 - (3) No charge for non-profit use when approved by the Harbormaster on a case-by-case basis.
- (e) Uninspected vessel fees. The Harbormaster shall assess permit fees to the owner of a vessel engaged in passenger-for-hire activities that is not regulated under Subchapter T and S of 40 CFR 33 (OUPV - operator of uninspected passenger vessels) as follows:
 - (1) Calendar year 2015 permit: \$50.00 per vessel plus \$1.00 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2016 permit: \$100.00 per vessel plus \$1.25 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2017 permit: \$150.00 per vessel plus \$1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(2) Each calendar year after 2017, a fee equal to the previous year's fee adjusted by the Anchorage Consumer Price Index (CPI) as reported by the Alaska Department of Labor for the calendar year preceding the start of the moorage year, rounded to the nearest \$1.00 for the vessel permit and nearest \$0.10 per passenger, unless the docks and harbors board takes action to keep the fee the same as the previous year.

(3) No charge for non-profit use when approved by the Harbormaster on a case-by-case basis.

(f) Passenger-for-hire reporting, payment late fees, and enforcement.

(1) Passenger-for-hire monthly passenger report and payment submittal form, with payment of fees in full, must be submitted to Docks and Harbors within 30 days of the end of each month.

Comment [RP1]: Do you have a template available for permittees to fill out?

Comment [RP2]: Do you have an administrative system that can keep track of the reporting timeframes per permit, so we are not accused of selective enforcement (i.e. arbitrary in suspending permits)?

(2) Whenever the director reasonably believes a monthly passenger report is inaccurate or a permittee fails to timely submit a monthly passenger report, the director may send a demand for a fee assessment to the delinquent permittee. The assessment shall be based on an estimate of the number of passengers-for-hire the permittee served, which may be determined by—but is not limited to—the permittee's history, similar permittee operations, and market conditions. The demand shall be personally served or mailed to the permittee's last known address, by certified mail and return receipt requested. The permittee shall have ten days, from the day the demand was delivered, to cure, pay the assessment, or file for an informal hearing before the director. The director may affirm, amend, or withdraw the assessment after the informal hearing. The amended assessment, or the original assessment if no amended assessment is made within five days of the hearing, shall be the final assessment for the purpose of determining the permittee's liability for the delinquent passenger report(s). If the permittee appeals the director's decision to the docks and harbors board, the permittee has the burden to prove the director's assessment is not supported by substantial evidence.

Comment [RP3]: What if somebody does not have "sufficient" records or if you suspect fraud? Do you want to create an estimate provision like we do with sales tax? See 69.05.100(a).

I could envision something like this.

(3) A permit may also be suspended or revoked by the director upon written findings that the permittee violated these regulations. The permittee shall be provided at least ten day's notice and an opportunity to be heard at an informal hearing before the director on the suspension or revocation. The notice shall be personally served or mailed to the permittee's last known address, by certified mail and return receipt requested. The permit shall be automatically suspended or revoked if the permittee fails to request a hearing within ten days of delivery of the notice.

(4) A suspended or revoked permit will not be reinstated until all required forms, payments or assessments, and an administrative reinstatement fee of \$100 per vessel are submitted to Docks and Harbors.

(5) If an owner of a vessel fails to comply with the requirements of this section three or more times during a calendar year, the owner of a vessel may be ineligible to receive a passenger-for-hire permit the following year. If the owner of a vessel owns more than one vessel, all vessels owned by that owner would be ineligible from receiving a passenger-for-hire permit the following year.

Comment [RP4]: This is my suggested language. We could also modify the language at 5 CBJAC 10.080(e).

(6) A director's decision may be appealed to the docks and harbors board by filing a notice of appeal setting forth the reasons the decision is being appealed with the docks and harbors department office within ten days of a director's decision. Appeals shall be conducted according to CBJ 01.50.

Comment [RP5]: We need to add an appeal process like 5 CBJAC 01.090 or 10.080 to the assessment and the permit suspension/revocation. I have drafted one, but feel free to change anything.

Section 3. Notice of Proposed Adoption of a Regulation. The notice requirements of CBJ 01.60.200 were followed by the agency. The notice period began on _____, 2016, which is not less than 21 days before the date of adoption of these regulations as set forth below.

Adoption by Agency

After considering all relevant matter presented to it, the agency hereby amends these regulations as set forth above. The agency will next seek Assembly review and approval.

Date: _____

Carl Uchytel
Port Director

Legal Review

These regulations have been reviewed and approved in accordance with the following standards set forth in CBJ 01.60.250:

- (1) Its consistency with federal and state law and with the charter, code, and other municipal regulations;
- (2) The existence of code authority and the correctness of the required citation of code authority following each section; and
- (3) Its clarity, simplicity of expression, and absence of possibility of misapplication.

Date: _____

Robert H. Palmer, III
Assistant Municipal Attorney

Assembly Review

These regulations were presented to the Assembly at its meeting of _____. They were adopted by the Assembly.

Date: _____

Laurie J. Sica, Clerk

Filing with Clerk

I certify, as the clerk of the City and Borough of Juneau, that the following statements are true:

1. These regulations were accepted for filing by the office of the clerk at ____:____ a.m./p.m. on the ____ day of _____, _____.
2. After signing, I will immediately deliver or cause to be delivered copies of this regulation to the attorney and the director of libraries.
3. A permanent file of the signed originals of these regulations will be maintained in this office for public inspection.
4. Effective date: _____.

Date: _____

Laurie J. Sica, Clerk

Consumer Price Index (CPI)

Consumer Price Index for Anchorage Municipality & U.S.
Not Seasonally Adjusted
All Items - All.1 Urban Consumers
(CPI-U) 1960-Present

Year	1st Half (Jan-Jun)				2nd Half (Jul-Dec)				Annual			
	Anchorage		U.S.		Anchorage		U.S.		Anchorage		U.S.	
	Average	Percent Change From Same Half Previous Year	Average	Percent Change From Same Half Previous Year	Average	Percent Change From Same Half Previous Year	Average	Percent Change From Same Half Previous Year	Average	Percent Change From Previous Year	Average	Percent Change From Previous Year
2015	217.111	1.1	236.265	-0.1	216.706	-0.1	237.769	0.3	216.909	0.5	237.017	0.1
2014	214.777	1.9	236.384	1.7	216.833	1.4	237.088	1.5	215.805	1.6	236.736	1.6
2013	210.853	2.7	232.366	1.5	213.910	3.5	233.548	1.4	212.381	3.1	232.957	1.5
2012	205.215	2.5	228.850	2.3	206.617	2.0	230.338	1.8	205.916	2.2	229.594	2.1
2011	200.278	2.8	223.598	2.8	202.576	3.6	226.280	3.5	201.427	3.2	224.939	3.2
2010	194.834	2.5	217.535	2.1	195.455	1.0	218.576	1.2	195.144	1.8	218.056	1.6
2009	190.032	1.3	213.139	-0.6	193.456	1.1	215.935	-0.1	191.744	1.2	214.537	-0.4
2008	187.659	4.6	214.429	4.2	191.335	4.5	216.177	3.4	189.497	4.6	215.303	3.8
2007	179.394	1.5	205.709	2.5	183.08	2.9	208.976	3.1	181.237	2.2	207.342	2.8
2006	176.7	4.2	200.6	3.8	177.9	2.2	202.6	2.6	177.3	3.2	201.6	3.2
2005	169.6	2.4	193.2	3.0	174.1	3.8	197.4	3.8	171.8	3.1	195.3	3.4
2004	165.6	2.8	187.6	2.3	167.8	2.4	190.2	3.0	166.7	2.6	188.9	2.7
2003	161.1	2.3	183.3	2.5	163.9	3.1	184.6	2.0	162.5	2.7	184.0	2.3
2002	157.5	2.0	178.9	1.3	159.0	1.9	180.9	1.9	158.2	1.9	179.9	1.6
2001	154.4	2.9	176.6	3.4	156.0	2.7	177.5	2.2	155.2	2.8	177.1	2.8
2000	150.0	0.9	170.8	3.3	151.9	2.4	173.6	3.5	150.9	1.7	172.2	3.4
1999	148.6	1.3	165.4	1.9	148.3	0.9	167.8	2.5	148.4	1.0	166.6	2.2
1998	146.7	1.8	162.3	1.5	147.0	1.1	163.7	1.6	146.9	1.5	163.0	1.6
1997	144.1	1.6	159.9	2.6	145.4	1.2	161.2	2.1	144.8	1.5	160.5	2.3
1996	141.8	2.6	155.8	2.8	143.7	3.0	157.9	3.1	142.7	2.7	156.9	3.0
1995	138.2	2.9	151.5	3.0	139.5	2.7	153.2	2.6	138.9	2.9	152.4	2.8
1994	134.3	2.1	147.2	2.4	135.8	2.3	149.3	2.8	135.0	2.1	148.2	2.6
1993	131.5	3.3	143.7	3.2	132.8	2.9	145.3	2.8	132.2	3.1	144.5	3.0
1992	127.3	3.2	139.2	3	129.1	3.5	141.4	3.1	128.2	3.4	140.3	3.0
1991	123.3	5.5	135.2	5.1	124.7	3.6	137.2	3.5	124.0	4.6	136.2	4.2
1990	116.9	5.4	128.7	4.9	120.4	7.0	132.6	5.8	118.6	6.2	130.7	5.4
1989	110.9	2.3	122.7	5.1	112.5	3.3	125.3	4.7	111.7	2.9	124.0	4.8
1988	108.4	0.1	116.8	3.9	108.9	0.7	119.7	4.2	108.6	0.4	118.3	4.1
1987	108.3	0.0	112.4	3.0	108.1	0.7	114.9	4.4	108.2	0.4	113.6	3.6
1986	108.3	3.4	109.1	2.3	107.4	0.5	110.1	1.5	107.8	1.9	109.6	1.9
1985	104.7	1.9	106.6	3.6	106.9	2.9	108.5	3.4	105.8	2.4	107.6	3.6
1984	102.7		102.9		103.9		104.9		103.3	4.1	103.9	4.3
1983									99.2	1.8	99.6	3.2
1982									97.4	5.4	96.5	6.2
1981									92.4	8.1	90.9	10.3
1980									85.5	10.2	82.4	13.5
1979									77.6	10.5	72.6	11.3
1978									70.2	7.0	65.2	7.6
1977									65.6	6.7	60.6	6.5
1976									61.5	7.7	56.9	5.8
1975									57.1	13.7	53.8	9.1
1974									50.2	10.8	49.3	11.0
1973									45.3	4.4	44.4	6.2
1972									43.4	2.6	41.8	3.2
1971									42.3	2.9	40.5	4.4
1970									41.1	3.8	38.8	5.7
1969									39.6	3.9	36.7	5.5
1968									38.1	2.4	34.8	4.2

05 CBJAC 20.030 - Daily moorage fees.

d) *Daily moorage fees.* Except as provided for reserved daily moorage, daily moorage fees will be assessed for each 24-hour period or portion thereof as follows:

- (1) From July 1, 2013 through June 30, 2014, \$0.53 per foot; and
- (2) Each moorage year after June 30, 2013, a fee equal to the previous year's fee adjusted by the Anchorage Consumer Price Index as reported by the Alaska Department of Labor for the calendar year preceding the start of the moorage year, rounded to the nearest cent, unless the docks and harbors board takes action to keep the fee the same as the previous year.

05 CBJAC 20.040 - Downtown monthly moorage fees.

d) *Monthly moorage fees.* Monthly moorage fees will be assessed for each calendar month or portion thereof as follows:

- (1) From July 1, 2013 to June 30, 2014, \$4.15 per foot; and
- (2) Each moorage year after June 30, 2014, a fee equal to the previous year's fee adjusted by the Anchorage Consumer Price Index as reported by the Alaska Department of Labor for the calendar year preceding the moorage year, rounded to the nearest five cents, unless the docks and harbors board takes action to keep the fee the same as the previous year.

05 CBJAC 20.041 - Statter Boat Harbor monthly moorage fees

d) *Monthly moorage fees.* Monthly moorage fees will be assessed for each calendar month or portion thereof as follows:

- (1) From July 1, 2013 to June 30, 2014, \$6.95 per foot; and
- (2) Each moorage year after June 30, 2014, a fee equal to the previous year's fee adjusted by the Anchorage Consumer Price Index as reported by the Alaska Department of Labor for the calendar year preceding the moorage year, rounded to the nearest five cents, unless the docks and harbors board takes action to keep the fee the same as the previous year.



DOCKS & HARBORS
 155 S. Seward St.
 Juneau, AK 99801
 (907) 586-5255 tel
 (907) 586-2507 fax
www.juneau.org/harbors/

FY17 Proposed Moorage Rates

DOUGLAS, HARRIS AND AURORA HARBORS		
	Effective thru June 30, 2016	Effective July 1, 2016
Skiff	\$600 per year	\$300 per year
Daily	55¢ per foot	55¢ per foot
Monthly	\$4.25 per foot	\$4.25 per foot
Bi-Annual (July 1 – Dec 31) & (Jan 1 – June 30) Annual (July 1 – June 30)	5% discount on 12-month advanced payment	5% discount on 6-month advance payment 10% discount on 12-month advance payment

STATTER HARBOR		
	Effective thru June 30, 2015	Effective July 1, 2016
Skiff	\$600 per year	\$300 per year
Daily Moorage	55¢ per foot	55¢ per foot
Monthly	\$7.15 per foot	\$7.15 per foot
Bi-Annual (July 1 – Dec 31) & (Jan 1 – June 30) Annual (July 1 – June 30)	5% discount on 12-month advanced payment	5% discount on 6-month advance payment 10% discount on 12-month advance payment
Reservations (May 1 – Sept 30)	Fishing Vessels Other Vessels <65' Other Vessels ≥ 65' Other Vessels ≥200'	0.75¢ per foot \$1.50 per foot per day \$2.50 per foot per day \$3.00 per foot per day

INTERMEDIATE VESSEL FLOAT (IVF)		
	Effective thru June 30, 2015	Effective July 1, 2016
Daily (Oct. 1 – Apr. 30)	55¢ per foot	55¢ per foot
Monthly (Oct. 1 – Apr. 30)	\$4.25 per foot	\$4.25 per foot
Reservations (May 1 – Sept 30)	Fishing Vessels Other Vessels <65' Other Vessels ≥ 65' Other Vessels ≥200'	0.75¢ per foot \$1.50 per foot per day \$2.50 per foot per day \$3.00 per foot per day

Residence Surcharge

Per Month	\$69 +\$23/person above four persons
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- A 5% City & Borough of Juneau sales tax may apply to all fees
- Disclaimer – The above rates do not take the place of the published fee regulations. For additional information, see the Harbormaster.

Launch Ramp Rates

Recreational – Year (includes Kayaks)	\$90
Recreational – Day	\$15
Commercial – Year	\$250
Freight Use – Personal	Up to ¼ hour – no charge Over ¼ hour: \$15 per ½ hour of use beyond ¼ hour with \$15 min. charge
Freight Use – Commercial	Up to 1 hour \$60 Over 1 hour \$30 for each additional hour

Parking Rates

Douglas, Harris, Aurora Harbors	Free w/ permit (permits available at Aurora Harbormaster's office)
Statter Harbor – Summer (May, June, July, August, September)	\$1 per hour/\$5 per calendar day
Statter Harbor – Winter (October through April)	Free w/ permit (permits available at Statter Harbormaster's office)

Shorepower

Connection Type	Daily Fee
20 amp	\$4.80
30 amp	\$7.20
50 amp	\$24.00
100 amp/208 volt	\$48.00

Connection Type	Summer Liveaboard Monthly	Summer Non-Liveaboard Monthly
20 and 30 amp	\$90.00	\$54.00
50 amp	\$180.00	\$108.00
100 amp/208 volt	\$420.00	\$252.00

Connection Type	Winter Liveaboard Monthly	Winter Non-Liveaboard Monthly
20 amp	\$120.00	\$72.00
30 amp	\$162.00	\$96.00
50 amp	\$300.00	\$180.00
100 amp/208 volt	\$720.00	\$420.00

Services Provided

Power

Potable water (Year round downtown and Statter A&B Floats)

Restrooms (Auke Bay & Aurora)

Showers (Statter Harbor, Harbor Washboard, Augustus Brown Pool)

Free Sewage pump-out (Douglas, Harris, and Statter)

**APPRAISAL REPORT MARKET RENT
OF ATS 33, ADL 2480, PART OF ANDREW'S MARINA
1.247 AC OF TIDELANDS LOCATED IN AUKE BAY,
JUNEAU, ALASKA**



VIEW OF SUBJECT LOOKING SW FROM STATTER HARBOR.

(022416_14729)

PREPARED FOR: City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

PREPARED BY: Charles Horan, MAI
Joshua Horan, Real Estate Appraiser
Horan Company, LLC
403 Lincoln Street, Suite 210
Sitka, Alaska 99835

EFFECTIVE DATE: February 24, 2016

REPORT DATE: March 14, 2016

OUR FILE NO.: 16-010

HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN, MAI / WILLIAM G. FERGUSON,
JOSHUA C. HORAN, SHEILA M. KRAMER AND SLATER FERGUSON

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 9983

PHONE NUMBER: (907)747-6666 FAX NUMBER (907)747-7417 commercial@horanappraisals.com

March 14, 2016

Carl Uchytel, P.E., Port Director
City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

VIA Email: teena.larson@juneau.org

Re: Appraisal Report Market Rent of ATS 33, Located in Auke Bay, at 11957 Glacier Highway,
Juneau, Alaska, Our File 16-010

Dear Mr. Uchytel,

We have contacted the lessee, inspected the property and made a market analysis of the tidelands and waterfront real estate market to determine the market rent for the above referenced Tidelands Lease. Based on this analysis, the estimated annual market rent value, as of the effective date of February 24, 2016, is as follows:

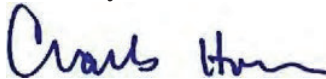
ATS 33

1.274. Acres or 55,495 SF @ \$0.10/SF = \$5,549.50/year

Your attention is invited to the remainder of this report which sets forth the Assumptions and Limiting Conditions and Certification of Appraisal in the addenda, and the most pertinent data considered in estimating the market rent of the subject property. This appraisal report is intended to comply with the rules and regulations as set forth by the Uniform Standards of Professional Appraisal Practice (USPAP) and the City and Borough of Juneau's Appraisal instructions.

If you have any questions or comments, please feel free to contact us at your convenience.

Sincerely,



Charles E. Horan, MAI
Horan Company, LLC



Joshua Horan, Real Estate Appraiser

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Addenda

Subject Photographs

Plat Map

Comparable Write ups

Subject & Comparables Map

Certification

Terminology

Assumptions Limiting Conditions

Scope of Work

Lease

Qualifications

1 INTRODUCTION



FIGURE 1.1- AERIAL OF SUBJECT TAKEN FROM STATTER HARBOR EXPANSION EXHIBIT A. SUBJECT IS OUTLINED IN RED.

The purpose of this appraisal is to estimate the current market rent of the subject based on the lease renewal provisions of the lease. The subject is part of the Fisherman's Bend/Andrew's Marina located at 11957 Glacier Highway in Auke Bay, Juneau, Alaska. The subject is comprised of 1.247 acres of tidelands, legally identified as ATS 33, ADL 2480. It was originally leased in 1961 for a 55 year term which expires April 25 of this year. The State of Alaska assigned and granted to the City and Borough of Juneau the management authority to the subject tidelands, effective 02/08/2001. The annual rent was subject to five year adjustment intervals. The annual rent is currently set at \$5,300/year.

This appraisal will be used to negotiate lease renewal. The lease terms are summarized as follows. Please see the addenda for a complete copy of the current lease.

Synopsis of Lease

<i>Legal Description/Leased Premises:</i>	ATS 33, Juneau Recording District, First Judicial District, State of Alaska, containing 1.274 acres (approximately 55,495 SF) of tidelands, more or less.
<i>Lessor:</i>	City and Borough of Juneau, as land manager
<i>Lessee:</i>	Neil Taylor (Fisherman's Bend/Andrew's Marina)
<i>Term of Lease:</i>	55 years.
<i>Annual lease payment</i>	\$5,300 per year (\$0.096/SF) plus sales tax.
<i>Lease Dates:</i>	Began April 25, 1961, expires April 25, 2016.
<i>Rental Adjustment Period:</i>	Every five years, based on estimated market value.
<i>Use:</i>	Marina.
<i>Property Rights Included:</i>	Normal rights conveyed by lease.
<i>Property Rights Excluded:</i>	No mineral or timber rights are conveyed by lease.
<i>Easements:</i>	None known.
<i>Other Terms of Lease:</i>	Typical full net lease indemnifying lessee.
<i>Reversion of Improvements:</i>	Not specified but typically able to be retained by lessee or its successor if obligations of the lease are fulfilled.
<i>Improvements Included:</i>	None. All improvements to be provided by lessee. This updated valuation is based on the site being undeveloped and in its pre-lease condition .

1.1 PURPOSE OF APPRAISAL, INTENDED USERS AND INTENDED USE

The purpose of this appraisal is to determine the annual market rent of the subject. The market rent estimate for the property is fee simple interest less mineral rights in its **pre-development condition**.

Intended use: This valuation is to be used to set market rent for a tidelands lease as administered by the City and Borough of Juneau.

Intended users: The City and Borough of Juneau and Neil Taylor/Andrew's Marina Inc. as Lessee.

1.2 PARTIES TO THE TRANSACTION

Client and Ostensible Owner/Lessor

City and Borough of Juneau, client, and ostensible owner. State of Alaska retain subsurface minerals, reverted to parcel if CBJ dissolved, and condition of title in that the CBJ cannot sell the tidelands. They may lease them with the management administered by the City and Borough of Juneau.

Lessee

Neil Taylor/Andrew's Marina Inc.

1.3 LESSEE CONTACT, INSPECTION EFFECTIVE DATE

We contacted the lessee's business via phone and spoke with Cynthia Fuller, who helps manage the property. We were able to set an appointment to meet Ms. Fuller at 11am on 2/24/2016 for an interview. Joshua Horan inspected the property earlier in the morning on the 24th in order to take advantage of the low tide. Both Charles and Joshua Horan inspected the property previously on 01/20/2015 and 06/11/2015 in conjunction with other work. Josh Horan's inspection date of 02/24/2016 is the effective date.

1.4 APPRAISAL METHODOLOGY

The most direct way to estimate market rent is by the **Rent Comparison Approach**. In this approach, the annual rent of similar properties is considered on a price per square foot basis. We identify comparable information through interviews with knowledgeable participants in the real estate markets such as local appraisers, other lessors and lessees, discussions with municipal property assessment personnel and others who are familiar with the real estate market in Southeast Alaska. A search was performed of similarly used properties in the communities throughout Juneau, Alaska. Information was collected from reliable sources as available, primarily from the Port of Juneau for land leases.

Our office maintains market data information on sales and transfers on a geographic location basis for those rural properties not connected to a road system, as well as those connected. Within each of these areas, the data is further segmented into commercial and residential properties. Within these divisions of separation are divisions for zoning and whether the properties are waterfront or upland parcels. Horan Company, LLC maintains and continually updates this library of sale transactions throughout the Sitka and Southeast Alaska region and has done so for over 30 years.

2 AREA ANALYSIS

2.1 JUNEAU AREA ANALYSIS



FIGURE 2.1 – JUNEAU LOCATION MAP

The Juneau and Southeast Alaska Economic Indicators October 2015 released by the Juneau Economic Development Council (JEDC-2015) indicates the private sector jobs increased 100, but government jobs continued to decline slightly. Private sector wages increased 1.5% and despite small loss in job numbers, government wages went up slightly. See our Figure 2.2 excerpted from JEDC report.

The report indicates Juneau continued to add lower paying jobs while losing higher paying ones in 2014. Juneau's leisure and hospitality industry added the most jobs (97), a 6% expansion for the sector in job count and an 8% expansion in total wages paid. Local and tribal government lost the most jobs (57) for a third straight year, contracting by 3%, but the industry

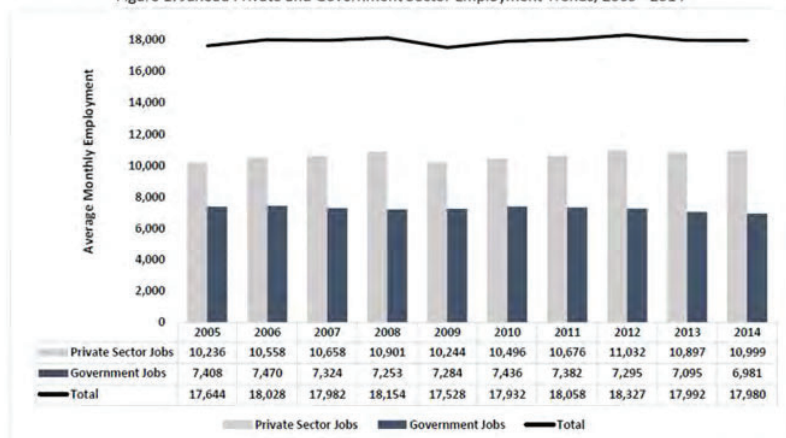
Overall Market

The demand for residential property is driven by population, which is, in large part driven by employment.

The Juneau economy is primarily driven by the government. 40% of all jobs and 50% of all wages in Juneau are Federal, State or Tribal Government. Being the state capitol, State of Alaska employment makes up about a quarter of this payroll.

Diversifying elements of Juneau's economy include tourism, two nearby major gold mines (Greens Creek and Kensington), regional and local health care, and the seafood industry.

Figure 1: Juneau Private and Government Sector Employment Trends, 2005 - 2014



Source: Alaska Department of Labor and Workforce Development, Quarterly Census of Employment and Wages. Note: Jobs count is for wage and salary jobs, including full and part-time, temporary or permanent, for all employers. Government sector employment is exclusive of active duty Coast Guard employment.

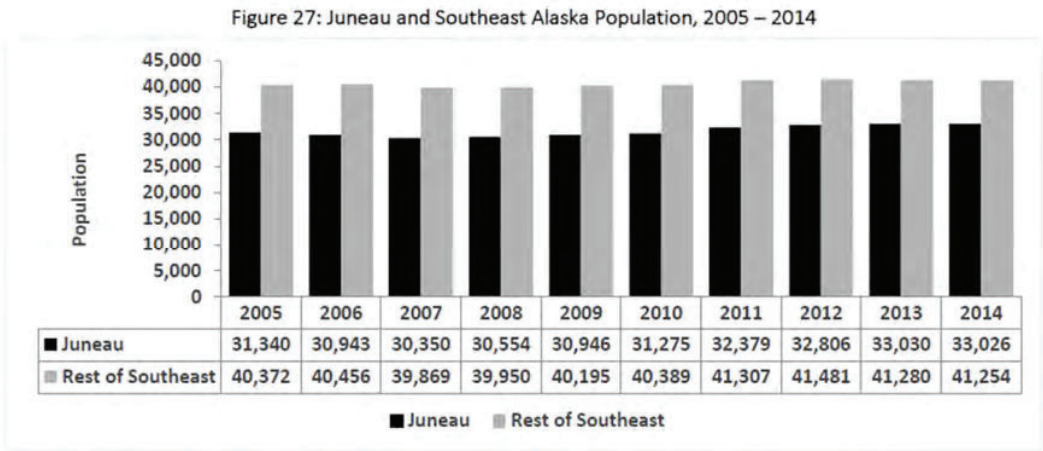
FIGURE 2.2 – EMPLOYMENT TRENDS

still increased total wages paid by 1%. The federal government also continued to lose jobs in 2014, awith a 7% contraction (53 jobs) and a 3% reduction in total wages paid.

Due to the state’s fiscal budget shortfalls, the state employment level is likely to decline. Juneau will be challenged to replace those higher paying jobs. Juneau’s average wages are still some of the highest in the state.

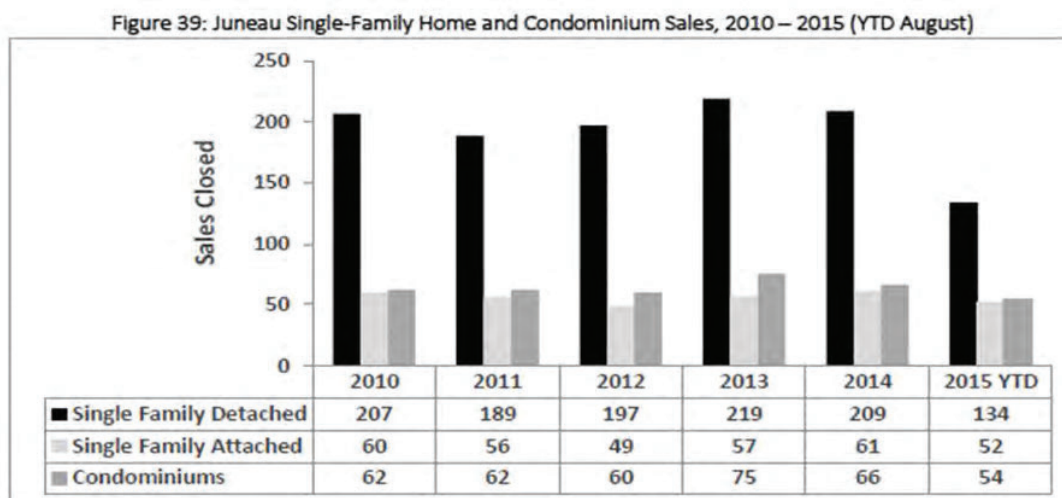
According to the JEDC, Juneau’s **population** has risen each of the last six years from a low in 2007 of 30,350 to 33,064 in 2013, but was flat in 2014 at 33,026. This compounded annual growth of 0.50% is less than the state growth of 1.00%, but more than Southeast Alaska’s 0.20% compounded growth rate. See Figure 2.3 from the October 2015 JEDC study.

The JEDC Economic Indicators Report confirms that Juneau’s housing market has witnessed stable to moderate growth over the past five years with steady increases in the volume of residential sales as well as upward movement in median home prices. According to the report, there were 189 sales of single-family detached residences in 2011 and 219 in 2013 down to 209 in 2014. Although the volume dipped slightly, the average price was up in 2014 and year to date have seen an increase in the median price to \$375,000 up from \$365,000 in 2014. These trends seem to indicate that Juneau has recovered from the volume and price lows of the mid 2000’s. See Figures 2.4 and 2.5.



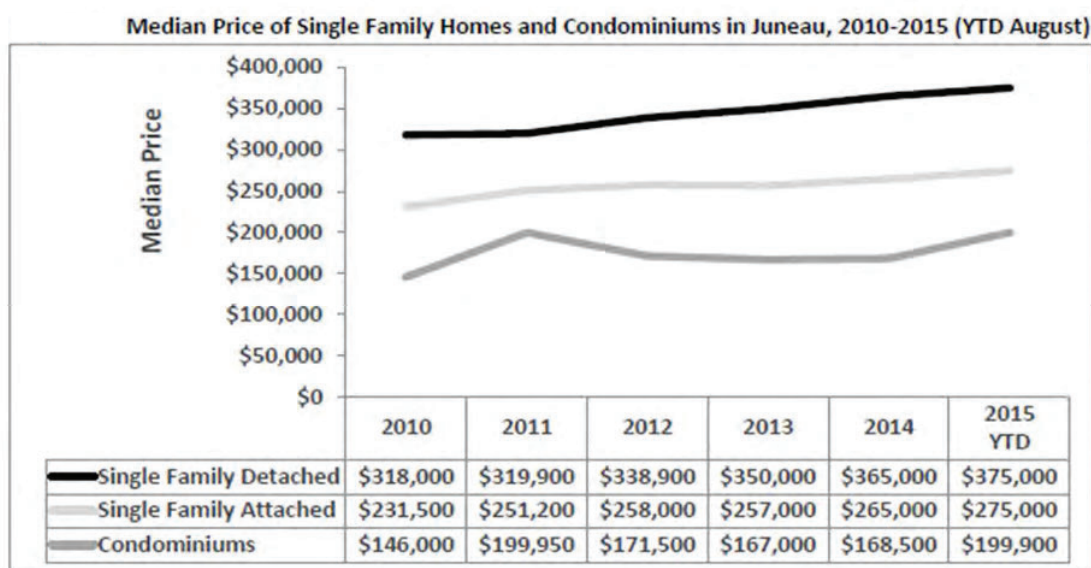
Source: Alaska Department of Labor and Workforce Development, Research & Analysis, Population Estimates

FIGURE 2.3 – POPULATION TRENDS.



Source: Southeast Alaska Multiple Listing Service.

FIGURE 2.4 – SFR CONDO SALES VOLUME TRENDS. SOURCE JEDC OCT 2015

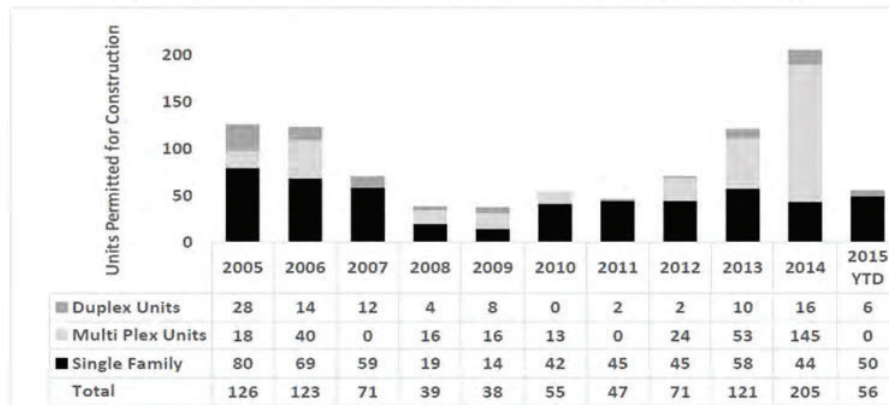


Source: Southeast Alaska Multiple Listing Service.

FIGURE 2.5 – SFR DETACHED ATTACHED CONDO TRENDS – MEDIAN PRICES. SOURCE JEDC OCT 2015

Of particular importance to the raw land market are trends in new construction. JDEC's report indicates a dramatic increase in new residential construction permits from 71 units in 2012 to 205 units in 2014. This includes single-family detached and attached units, duplexes, and multi-plexes. In 2014 145 multi units were built which unusually skewed the number. The absorption of lots competitive with the subject neighborhood is more stable ranging from 45 to 50 over the last five years. The outlook based on these trends is clouded by the state fiscal budget short fall, but the market continues to hold.

Figure 37: New Units Permitted to be Built in Juneau 2005 to 2015 (YTD September)



Source: City & Borough of Juneau Permit Center reports. Note: Single Family includes attached units; multi-family includes properties with two or more dwellings.

FIGURE 2.6 – NEW CONSTRUCTION TRENDS

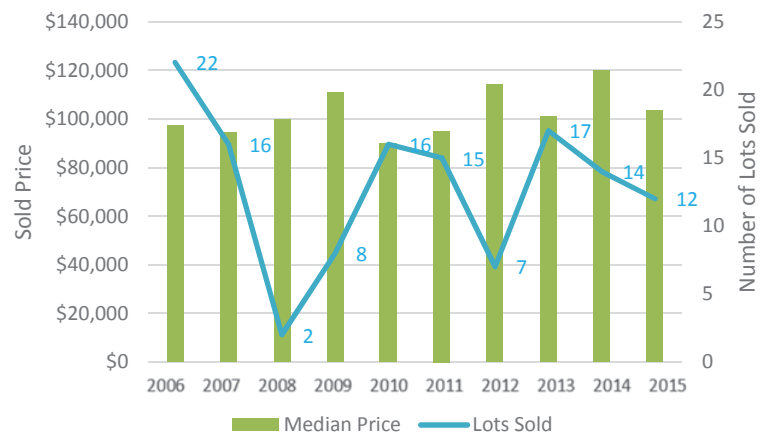
2.2 LAND TRENDS

By their nature, tidelands lots, like the subject, typically do not sell on the open market. Due to the unique character of these lands and the lack of frequent sales to inform us of market driven economic influence on price, we have considered the largest possible set of data over a long period of time. We have therefore summarized and briefly analyzed vacant lot transactions in Juneau over the last 10 years as reported through the Southeast Alaska MLS. The following table summarizes the sales volumes and price trends of lots of all types from the MLS.

Year	Volume of Lots Sold	Median Price
2006	22	\$97,500
2007	16	\$94,500
2008	2	\$100,000
2009	8	\$111,000
2010	16	\$90,000
2011	15	\$95,000
2012	7	\$114,300
2013	17	\$101,000
2014	14	\$119,950
2015	12	\$103,500

*Source: SE MLS Paragon, search criteria; Sold & Sold Priced Not Disclosed, Multifamily, SFR & Other, Juneau Area, \$0-\$10 million, 1/1/2006-12/31/2015

FIGURE 2.7 - LOT SALE MEDIAN PRICE TRENDS



Lot sales seem to have experienced the same trends as the national economy and overall Juneau market as detailed previously although more erratic, with a rise peaking in 2008- 2009 and dropping in 2010-2011. 2012 saw an increase in median price, but sales fell to only 7 lots. 2013 saw a higher volume at 13 sales, but a drop in prices to near the 2008 level. Several issues are apparent. The limited volume in 2008 and 2009 skews the averages. Also, in 2007, the City and Borough of Juneau (CBJ) sold 31 lots in the Lena Point area taking a substantial amount of the demand out of the market in the following year, 2008, at a time when the national recession also began to set in. What is apparent, however, is over this 10 year time period, average prices fluctuated probably due to small sampling size more than actual supply and demand. We have observed that some of the highest prices paid for view lots in the latter part of the last decade, in the \$250,000 to \$300,000 range have not held up. We have anecdotal evidence where resales of these lots were lower this decade. For typical, more normally priced lots, the market appears more stable. This confirms that sales which occurred in the last five years or so may be applicable indicators of the current market for the type of land under study in our analysis.

We observed that while the best waterfront and view lots have remained strong through this fluctuating market, they have not been unaffected by the cyclical supply and demand forces in the market over the past six years or so. While there appears to be some appreciation between 2005 and 2007-2008, there has been a decline since that peak and is stable in the current market. Tideland represents a relatively niche market, especially since they are difficult to develop and typically require contiguous upland ownership to be fully utilized. In the overall market even when prices were rising, unique or marginal land like tidelands, tended not to appreciate at the same rate as higher utility uplands that had more immediate development potential.

2.3 AUKE BAY NEIGHBORHOOD DESCRIPTION

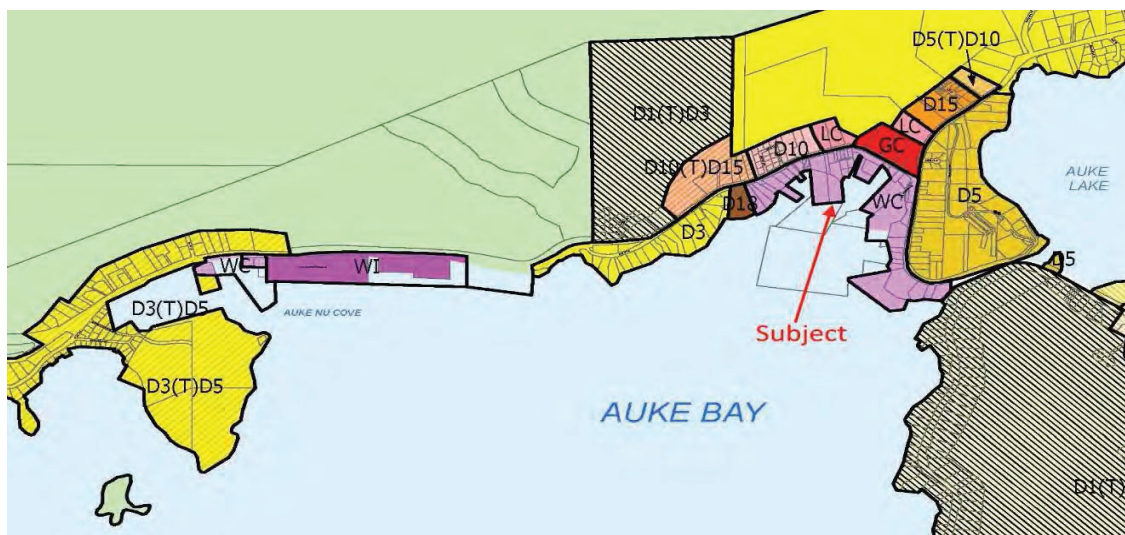


FIGURE 2.8 - SUBJECT NEIGHBORHOOD ZONING MAP

The Auke Bay neighborhood features several private marinas and the City's Statter Harbor, which is in the process of being expanded. It is about 11 miles from downtown Juneau. The eastern portion of this neighborhood is a mixture of uses centered on the waterfront. These uses include Statter Harbor condominiums, single family residences, the NOAA Auke Bay Laboratory & its dock, and the University of Alaska Southeast Juneau Campus. There are also apartments and commercial uses such as restaurants, a bar, a general convenience store, and a Post Office near the intersection of Glacier Highway and the Mendenhall Loop Road. This area is generally the northernmost reach for commercial development for convenience and service along the Juneau road system. The marine influence in this neighborhood also includes the ferry terminal area zoned Waterfront Industrial approximately ¾ mile to the west. Persistent demand for waterfront use for both recreational boaters and commercial transportation and seafood processing has caused most of the waterfront to be built-out.

The utilities from the City and Borough of Juneau extend into the subject neighborhood and include water, sewer, electrical power, and telephone service.

Properties along the east side of Glacier Highway approaching the Mendenhall Loop Road intersection are more residential in nature with some mixed use properties. There are other public properties in the immediate area such as schools and places of worship.

The Auke Bay Marina area has been developing over the years in response to its location close to the Lynn Canal fishing grounds and other bodies of water to the southwest and north. It is the only semi-protected area with close access to the Mendenhall Valley airport and other areas creating demand. The marinas in the area have been nearly fully developed for the last 20 years except for the subject's 90 approximate potential slips that could be added. DeHart's Marina, with 92 slips sold to the City and Borough of Juneau for \$2,600,000 for 5.8 AC of property. As noted above, Statter Harbor is currently being expanded. This will add parking, an intermediate boat float, boat launch and ramp. It will occupy the east half of the inner cove. The subject's marina is the inner cove's largest property of over 13 AC with over 200 slips.

Figure 2.9 shows the Statter Harbor Master Plan and the area's planned build out. The intersection has already been redeveloped and the northern parking and ramp area is currently being constructed. The future phase is likely to be developed within the next three years.

The other harbor opportunities on the road system include the private marina at Tee Harbor located approximately five additional miles to the north. The harbors in the downtown area are closer to the Juneau-Douglas Bridge along the Gastineau Channel. These harbors in town have a longer running time through the channel to the fishing grounds to the south and west. The persistent demand for private and public moorage for heavy commercial vessels and transient docks has manifested itself in increasing development around the ferry terminal which is more exposed immediately to the west. The Gitkov Dock, which hosts the Greens Creek Mine shuttle has expanded over the last several years. Allen Marine Tours developed 600' of dock face just

north of the Gitkov facility. A few years ago, Alaska Glacier Seafood developed tidelands just east of the ferry terminal. This broader area is nearly built-out as well as the immediate inner Auke Bay small boat marina area.

In addition to the demand for both public and private moorage, there is demand for other commercial and residential development in the area for its scenic qualities and ease of access to the marina. This inner Auke Bay area had persistent demand for condominium, multi-family and individual single-family site development. The U.S. Coast Guard and other governmental uses also use this protected inner harbor area, further increasing demand and congestion.

There are several residential properties to the west of the subject, medium to high density, which would possibly have demand for nearby tideland, the subject tidelands. The subject appears to be well suited for its marina use.

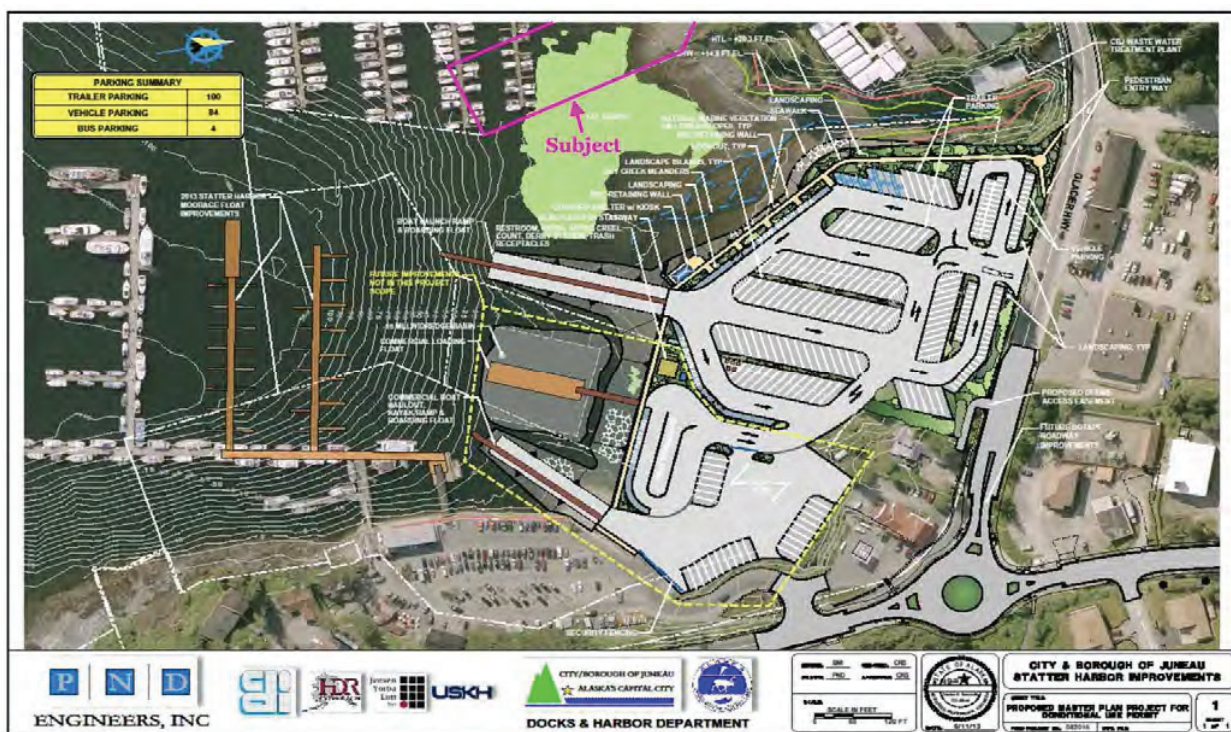


FIGURE 2.9 – STATTER HARBOR DEVELOPMENT MAP DEPICTING FULL BUILDOUT

Demand for Marina Slips and Trends

A presentation by the CBJ Ports Director in 2008 indicated that the waiting list for slips in Juneau’s harbor system had dramatically been reduced since the early 2000’s. According to Ports & Harbors personnel as of 2015 there is no waiting list for the downtown area harbors, however, the recent wait list provided by the city notes 49 boats on the waitlist for slips in Statter Harbor. Much of this list is likely due to the removal of the two floats at Statter Harbor.

The marina manager noted that the Fisherman’s Bend Marina has been full for several years and that the recent removal of two floats at Statter Harbor had no real impact on their operations. The subject’s rates were recently raised by approximately 3% across the board. They had not been raised for several years. This appears to be a step taken to keep rates in line with Consumer Price Index (CPI).

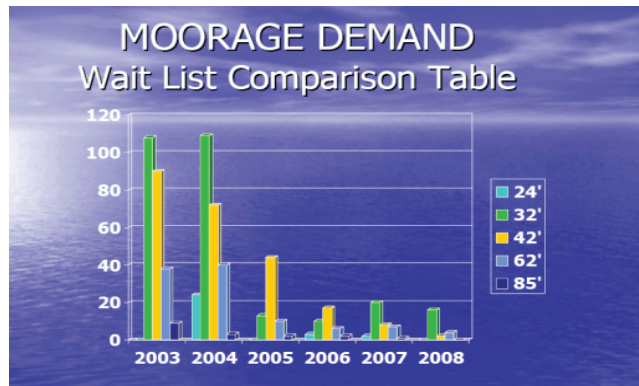


FIGURE 2.10 – MOORAGE TABLE

3 PROPERTY DESCRIPTION

3.1 SITE DESCRIPTION

The subject tidelands lease is the northeastern portion of the Fisherman's Bend/Andrew's Marina located at 11957 Glacier Highway. It is legally known as ATS 33 and comprises 1.247 AC or approximately 55,495 SF of sloping, partially submerged tidelands in Auke Bay. As shown by the survey, the subject is irregular in shape with 131 FT of frontage on Auke Bay and 188 FT of upland frontage. The eastern boundary is 339 FT while the western boundary is 468 FT. Please see Figure 3.1; an excerpt from the survey.

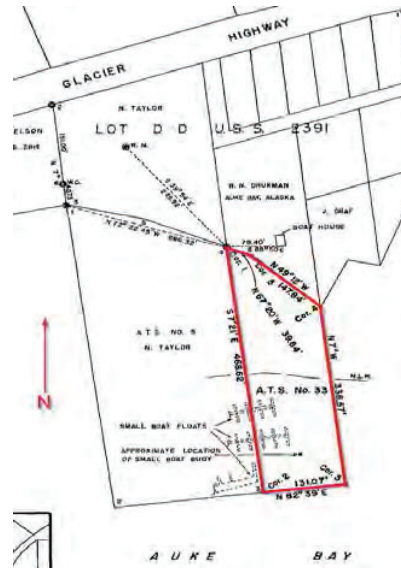


FIGURE 3.1 – EXCERPT FROM SURVEY.

The tidelands have sloping topography with most of the site going dry at low tides. The southern portions of the site appear completely submerged, but not very deep. This is the area improved with the end of the first float seen in Figure 1.1. It has a small number of slips which were all vacant at the time of inspection. The marina manager stated that some of these slips may be inaccessible at low tide due to submarine topography. Located in the inner core of Auke Bay, the subject is well protected, but does experience wind and wave action at times. Please see Figure 3.2, a NOAA chart excerpt showing the subject's location in Auke Bay. The site

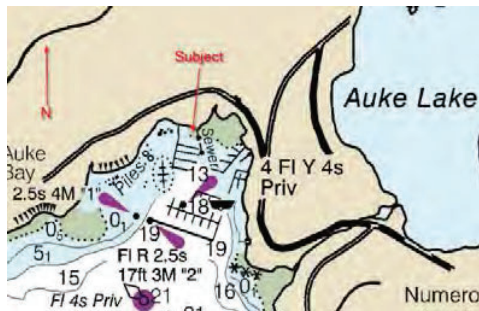


FIGURE 3.2 – EXCERPT FROM NOAA CHART.

functions adequately for its use as part of the marina, however, its long, sloping tidal runout and the difficulty of accessing its slips at low tide give it lower functional utility than the rest of the marina's tidelands. In addition to the float improvements, the northern portion of the site appears to encompass a corner of the marina's shop building. The tax assessment also notes that the parcel is approximately 16,649 SF filled. None of these improvements are considered in our valuation since we are appraising the property in its unimproved, prelease condition.

Access

The site, as presently developed, has vehicular access via Glacier Highway through common ownership. Marine access is from Auke Bay.

Utilities

City sewer, water and private utilities including power, trash collection, phone, cable and fuel are available to the parcel.

3.2 ZONING

The property is zoned Waterfront Commercial (WC). The WC district allows for both land and water space for commercial uses, which are directly related to or dependent upon a marine environment. Such activities include private boating, commercial freight and passenger traffic, commercial fishing, floatplane operations, and retail services directly linked to a maritime clientele. Other uses may be permitted if water-dependent or water-oriented. It appears the subject complies with the zoning, as developed as a portion of a marina.

3.3 EASEMENTS AND OTHER RESTRICTIONS

There is no 50' pedestrian easement, typical to Alaska state tidelands leases, on the lease area, according to the survey. No Plat notes are included, per client instructions, since they do not reveal any use limitations. We are unaware of any other easements or restrictions which impact the subject.

3.4 FUNCTIONAL UTILITY OF SITE

The tidelands are located in support of the marina operations. A good portion of these tidelands are sloping and go dry at low tides. The submerged portions still also have limited access at low tides and are only suitable for the moorage of smaller craft. The long narrow shape also makes utilization of the site somewhat difficult. These limiting factors are offset to an extent by the site's good location near the commercial hub of Auke Bay, and its proximity to and integration with adjacent tidelands in the Andrew's Marina.

3.5 ASSESSED VALUATION AND TAXES

The subject, ATS 33, is owned by the City and Borough of Juneau and State of Alaska, and is therefore, not subject to real estate taxes in its fee simple interest. The possessory interest, however, is taxable. The CBJ assessor has assigned the subject a parcel number, 4B2801020045, and maintains an assessed value. The current (2016) assessed value is \$214,600, which reflects the possessory interest of the lease, as though five years were remaining, although the lease is in its final year. This is typical practice for municipalities in Alaska. The possessory interest value of the land is \$51,500 and is based on a fee simple value for the land of \$566,000, which includes the filled and unfilled portions of the site. The assessor estimates 16,649 SF of the site is filled and allocates it at \$20/SF yielding a value of \$322,980 for the filled portion with the remaining unfilled 38,846 assessed at \$6.00/SF yielding \$233,076. This indicates \$566,056 in fee simple interest. Any building improvements appear to be assumed under the marina's upland parcel numbers. The current mil rate in Juneau is 10.76 mils. The indicated real estate taxes based on the total assessed value of \$214,600 are \$2,309.10.

4 VALUATION

4.1 HIGHEST AND BEST USE

Highest and best use is defined as "the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, page 93

The highest and best use of the site, as improved, is for its continued use as a part of a marina. The subject meets all four tests for highest and best use “as-is.” The site has functioned this way for the past several years and appears likely to continue. Marine-related commercial uses are the defining use for the subject parcel and are the highest and best use as vacant.

4.2 TIDELANDS LEASE VALUATION

The most direct way to value the subject’s lease is by the price per square foot basis. There are no directly comparable recent waterfront sales, however, there are several renegotiated rental renewals in the past several years. The subject site is 55,495 SF, or 1.274 AC. Leases of other similar sites on an annual lease amount per square foot, are analyzed. The range indicated by this method would consider location, date of lease review, and the use of the site.

Tidelands sites are generally leased, and managed by the City and Borough of Juneau. The Constitution of the State of Alaska prohibits the sale of tidelands parcels. Most state leases were 35-55 years and contain a 50’ pedestrian access easement. In that regard, no adjustments are needed from lease to lease. In the case of the subject, it is totally submerged or washed with tidal change and there are no easements noted on the plat or lease addition site map.

The following are similar tidelands lease rents that are used to develop the annual rent of the subject.

TABLE 4.1 – COMPARABLE TIDELAND LEASE RENT TABLE						
Comp/ Rec #		Transaction Description and Location	Date	Size (SF)	Indicated Annual Lease Payment	Annual Rent/SF
1	5955	5010 N Douglas Hwy-Douglas, ATS 33, ADL 2798 –Mobile Home Park	11/14	150,935 SF	\$7,546.75	\$0.05/SF
2	9573	3155 Channel Drive – ATS 1277, ADL 102934 – Barge Landing	04/14	79,715 SF	\$11,957.25	\$0.15/SF
3	4182	2601 Channel Drive –ATS 54, ADL 02852 – Wholesale warehouse	05/11	62,622 SF	\$6,500	\$0.10/SF
4	2444	11957 Glacier Highway, ATS 1324, Fishermen's Bend Marina	01/14	311,454 SF	\$34,260	\$0.11/SF
Subject – Fishermen's Bend Marina, ATS 33			02/16	55,495 SF	Solve	Solve

The tidelands leases listed above bracket the subject in functional utility and marine access. These are the two most important categories under consideration. Size was unable to be bracketed given the limited data. There does not appear to be an adjustment warranted for variation in size, however, the extremely large comps tend to indicate a lower unit value due to economies of scale. The dates noted in the date column represent the last lease review date per the city's records. The market conditions have not changed significantly over the four year period encompassed by the comps.

Qualitative Ranking

Attributes of the sales that would influence value are not readily quantifiable in the tidelands market and discrete adjustments cannot be made. A qualitative rating has been developed to weigh market differences between the subject and the comparables whereby, if a comparable attribute is superior to the subject, a minus rating of -1, -2, or -3 is given, depending on its severity. Conversely, if a comparable attribute is inferior to the subject, a plus rating of +1, +2, or +3 is given, depending on its severity, to weigh this with other attributes towards the subject. The gradation of weighting 1 to 3 is used since all qualitative attributes are not, in the appraisers' opinion, equally weighted within the market.

The following table summarizes the salient characteristics of the subject and the four comps and provides for a weighted rating of the comps to the subject.

The **titled interest** is rated similar between the subject and comparables.

All comparables were found to be similar in the **conditions of sale**, all being supported by reasonable market evidence, having been rationally negotiated.

The comparables range in transaction time from 2011 to 2015. **Market Conditions** for commercial waterfront/tidelands have been fairly static over this time period. No adjustments are warranted in this category as a result. The remaining categories and how they compare to the subject are discussed below on a comp by comp basis.

TABLE 4.2 – QUALITATIVE RATING GRID									
Comparable Elements	Subject- ATS 33, 11957 Glacier Hwy	Comp 1 – 5010 N Douglas Hwy (5955)		Comp 2- 3155 Channel Drive (9573)		Comp 3 – 2601 Channel Drive, Juneau (4182)		Comp 4 – 11957 Glacier Highway (2444)	
Annual Rent		\$7,546.75		\$11,957.25		\$6,500		\$34,260	
Annual Rent/SF		\$0.05/SF		\$0.15/SF		\$0.104/SF		\$0.11/SF	
Titled Interest	Leasehold	Similar	o	Similar	o	Similar	o	Similar	o
Conditions of Sale	Cash	Similar	o	Similar	o	Similar	o	Similar	o
Market Conditions	02/16	11/14	o	04/14	o	05/11	o	01/14	o
Location	Auke Bay	Similar	o	Channel Dr.	o	Channel Dr.	o	Similar	o
Zone	WC	D-15	o	WI	o	WI	o	WC	o
Size	55,495 SF	150,935 SF	o	79,715 SF	o	63,598 SF	o	311,454 SF	o
Waterfront Access Quality	Shallow draft	Inferior	+1	Superior	-1	Similar	o	Superior	-1
Street Access & Utilities	Paved, All	Similar	o	Similar	o	Similar	o	Similar	o
Functional Utility	Adequate	Inferior	+1	Superior	-1	Similar	o	Similar	
Pre-lease condition	Unfilled	Similar	o	Similar	o	Similar	o	Similar	o
Overall Rating	Solve	Inferior	+2	Superior	-2	Similar	o	Superior	-1

If a comparison is **Superior**, a Minus rating of -1, -2, or -3 is given depending on severity.

If a comparison is **Inferior**, a Plus rating of +1, +2, or +3 is given depending on severity.

*Tidelands allocation of fee simple sale analyzed as annual rent

COMPARABLE 1 is a tidelands lease used by a waterfront mobile home park. The lease is relatively large, but only a portion of it is utilized as part of the park. It is located on the northern part of North Douglas Highway, which is primarily residential in character and somewhat removed from the commercial development of South Douglas and downtown Juneau. This **location** is considered similar to the subject. This comp has dense residential **zoning** and a larger **size**. No adjustments are warranted when comparing to the subject in these categories. This site has inferior **waterfront access** compared to the subject due to its shallower depths fronting the Gastineau Channel. It is rated inferior by +1. North Douglas Highway is a paved, publicly maintained highway with all available utilities. The subject is accessed via common ownership from Glacier Highway, which is considered similar **road access**. A creek bisects this site, which limits its utility, making it inferior in **functional utility** to the subject by +1. This comp is partially filled and improved with a mobile home park, however, like the subject, its annual rent is based on the site on its unimproved **prelease condition**, and is similar to the subject in this category. Given the above analysis, this lease has a net rating of inferior by +2 to the subject, overall.

COMPARABLE 2 is a tidelands lease of a barge landing operation at the northern end of Channel Drive. It is in turn subleased as part of a larger parcel to a construction company. Although currently most of this site is filled, it is leased from the city in its unfilled, prelease condition. This comp's **location** on Channel Drive is considered similar to the subject as its **WI zoning**. Although slightly larger than the subject, no adjustment is warranted for **size**. This site is superior in **waterfront access** by -1. Channel Drive is a paved street with all available utilities, similar **road access** to Glacier Highway. The shape of this site makes it well suited for its use and superior to the subject by -1 in **functional utility**. As noted above, this comp was unfilled in its **prelease condition** similar to the subject. Overall, this lease is considered superior to the subject by -2.

COMPARABLE 3 is another tidelands lease on Channel Drive, which is partially filled and improved with a warehouse. It is similar to the subject in its **location, zone, size, street access utilities**. The shallow **waterfront access** is also rated similar to the subject. The lease area is similar in configuration to the subject with its long and narrow shape. This results in a similar issue with functional utility to the subject. Although improved with fill and a building, it was originally unimproved in its **prelease condition**, similar to the subject. Overall this comp is considered very similar to the subject lease.

COMPARABLE 4 is a tidelands lease, which is at the outermost portion of the subject's marina. It is similar in **location, zone, size, street access, functional utility, and prelease condition**. Usually close in fillable tidelands have a higher value the deeper submerged lands, but in this instance the shallow run out causes the marina development to be pushed further from shore. This comp is superior by -1 to the subject in **waterfront access** due its frontage deeper waters in Auke Bay. Overall, this property is ranked slightly superior to the subject by -1.

Based on the preceding analysis, the comps are ranked in the grid below in relation to the subject:

TABLE 4.3 QUALITATIVE ADJUSTMENT GRID		
Comp	Ranking	Rent/Yr
Comp #2	Superior (-2)	\$0.15/SF
Comp #4	Superior (-1)	\$0.11/SF
Subject	Solve	Solve
Comp #3	Similar	\$0.10/SF
Comp #1	Inferior (+2)	\$0.05/SF

The comps indicate a range of value between \$0.05/SF and \$0.15/SF. Although the subject is located in a relatively well protected harbor, its narrow shape and sloping topography limit its functional utility to an extent. Comp 1 appears to be a lower indicating outlier, but is included to bracket the lower end of value. Comp 2, the barge landing on Channel Drive, is superior to the subject due to its superior functional utility and waterfront access. Comp 4, the larger lease in the subject marina, is fairly similar to the subject albeit with better marine access. Comp 3, at \$0.10/SF is the most similar comp available, particularly due to its similar shape and functional utility.

Based on the foregoing direct comparison of existing tidelands leases, the subject's annual per square foot rent is placed at \$0.10/SF. The Market Rental Value Conclusion is as follows:

55,495 SF @ \$0.10/SF \$5,549.50/year

ADDENDA

SUBJECT PHOTOGRAPHS



PHOTO 1 - LOOKING SOUTH OVER SUBJECT'S WATERFRONTAGE AND IS PARTIALLY OCCUPIED BY THE FIRST FLOAT. (022416_14728)



PHOTO 2 – LOOKING EAST ACROSS SOUTHERN PORTION OF SUBJECT. (022416_14732)

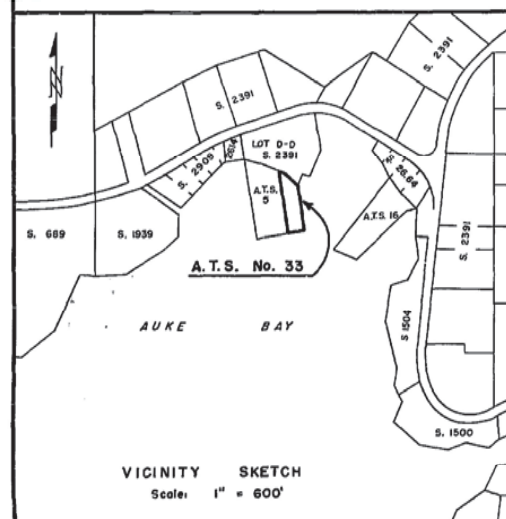
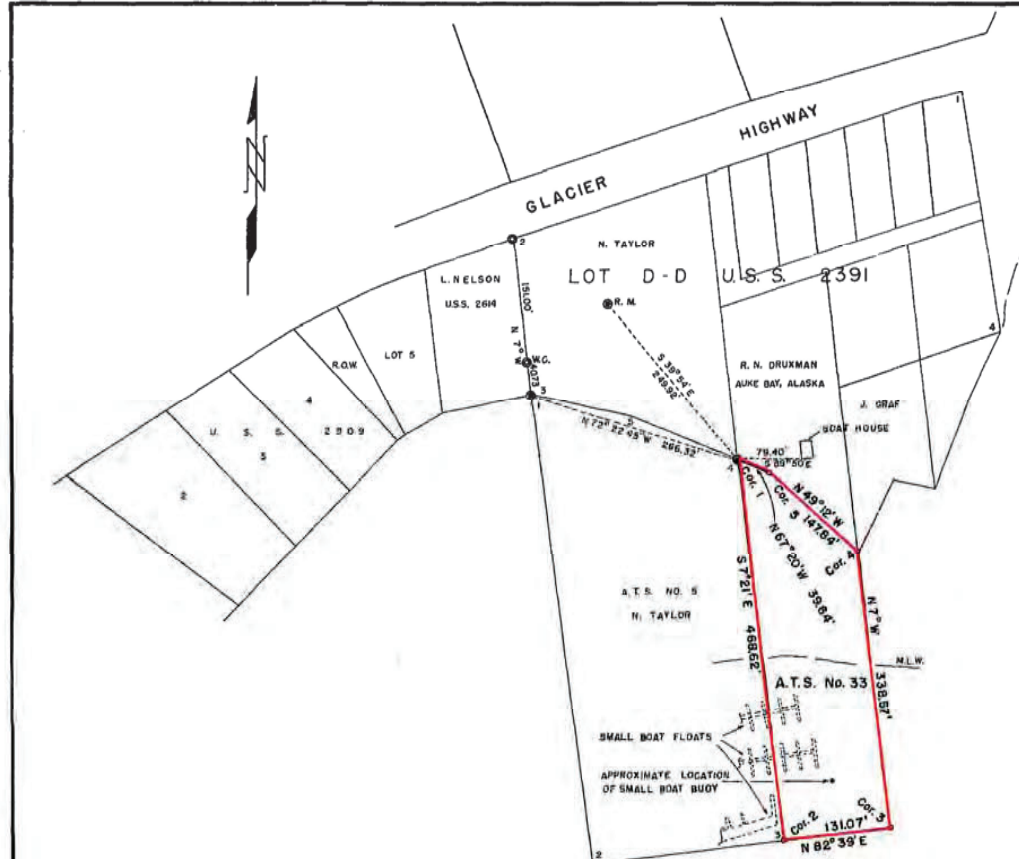
SUBJECT PHOTOGRAPHS



PHOTO 3 – LOOKING NE OVER THE NORTHERN PORTION OF THE SITE WHICH SHOWS SLOPING BEACH AND THE FILLED PORTION OF THE SITE. (022416_14753)



PHOTO 4 – LOOKING NORTH OVER THE SUBJECT FROM THE SECOND FLOAT TOWARDS. (022416_14745)



A U K E B A Y

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, N. C.)

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. 7776



DESCRIPTION

Beginning at corner No. 1, a 3 in. brass cap on a 12 in. by 30 in. concrete filled pipe, set flush with the ground surface, identical with corner No. 4, Alaska Tidelands Survey No. 5 (CR/0865E).

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

S. 70° 21' E., 468.62 ft., to corner No. 2;
N. 82° 39' E., 131.07 ft., to corner No. 3;
N. 70° 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

Tidelands Lease Applicant: Robert N. Druxman, Auke Bay, Alaska
ADL 02480

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 (CR40865E)			
Drwn. By: C.H.N.	Approved: <i>[Signature]</i>		
Date Approved: 3-13-61	Approved: <i>[Signature]</i> Director of Lands		
Scale: 1" = 100'	Checked: DJ	File No. ATS 33	

Please file by ATS No. 33

MAR 20 1961 MICROFILMED MAR 20 1961

HORAN & COMPANY, LLC**LAND COMPARABLE NUMBER 1**

Community: 20 CBJ - North Douglas
Address: 5010 North Douglas Highway
Location: Waterside Park Mobile Home Court
Legal: Leasehold Interest of Lot 1, ATS 43,ADL 2798
 ; Parcel Number: 6D070-102-0000

Recording District: Juneau
City: Juneau **State:** AK **Zip:** 99801

Instrument: Tidelands **Serial:** 2009-007972-0

Trans.Type: Land Lease

Rights: Lease Fee

Terms: renewal 2008; expiry 8/8/2016

Annual Rent: \$7,546.75

Trans. Date: November 1, 2014

Grantor: CBJ

Grantee: Myron Klein

Size (SF): 150,935

Frontage: Approx. 835' on Gastineau Channel

Utilities: All

Access: Road, paved

Improvements: pad for portion of mobile home court

Land Class: Tidelands, Waterfront, Commercial

Topography: See Comments

Vegetation: None

Soil: Gravel

Present Use: Mobile home court, 32 spaces

Intended Use: Continue present use

Highest and Best Use: As developed, there appears to be some excess land.

Comments

The subject is comprised of filled tidelands and unfilled tidelands for a total site of about 3.465 AC. According to the assessor's records, about 1.71 AC is filled. Lease is for land in pre-improvement, unfilled state. It has an excellent view and water orientation. There may be some fill encroaching onto this site, but it is largely tidelands sloping away from the high tide line towards Gastineau Channel. The subject is 400' or so from mean low water precluding effective access to these waters without acquiring adjacent property. There is a large stream, Eagle Creek, which bisects the tidelands entering from the west and turning towards the north. The land is riddled with this stream and other drainages. Overall, the land is inner tidal lands with relatively low utility

Analysis:

$\$7,546.75 \div 150,935 \text{ SF} = \$0.05/\text{SF}$

$\$7,546.75 \div 8\% = \$94,334 \div 150,935 \text{ SF} = \$0.63/\text{SF}$ capitalized value

Marketing Info: Most recent lease began 10/23/2009 expiring 11/10/2044 (35 year term). Lease payments are made annually with rental adjustments made every five years based on appraisal of market rent. The initial lease rate for the first five years was set in 2009 at \$6,040/year(\$0.40/SF)

It was most recently adjusted in 2014 as reflected in this record. See our file 14-150.

Confirmed with: CBJ

Confirmed date: 4/24/2015

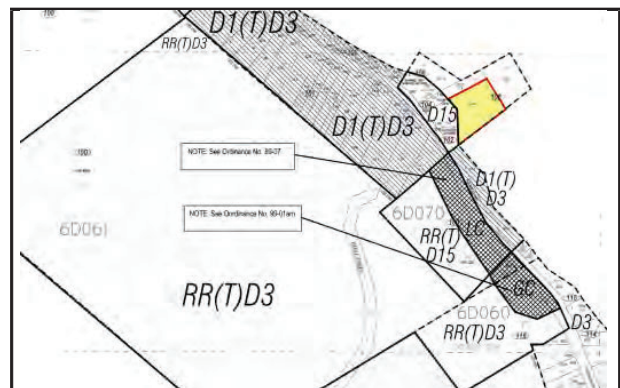
Confirmed by: J.Horan

Revision Date: 3/11/2016

Record Number: 5955



012015_194



Record Number: 9573

HORAN & COMPANY, LLC**LAND COMPARABLE NUMBER 2**

Community: 12 CBJ - Salmon Creek
Address: 3155 Channel Drive
Location: 3 miles north of downtown Juneau
Legal: ATS 1277 (Plat 83-210) Portion of Section 9, T41S, R67E, ATS 1277; ADL 102934; Parcel Number: 7B0901300101

Recording District: Juneau
City: Juneau
State: AK
Zip: 99801

Instrument: Lease
Serial:
Trans.Type: Land Lease
Rights: Lease
Terms: See analysis

Annual Rent: \$11,957.25
Trans. Date: April 27, 2014
Grantor: City and Borough of Juneau
Grantee:

Size (SF): 79,715
Frontage:
Zone: WI
Topography: Gradual sloping/beach
Vegetation: Cleared
Soil: Gravel, Tidelands

Utilities: Water, Sewer, Electric
Access: Road, gravel
Improvements: None
Land Class: Tidelands, Waterfront, Vacant

Present Use: Vacant- As leased
Intended Use: Marina- Barge landing
Highest and Best Use: Marine related Commercial/Industrial

Comments

Thirty year lease, ATS 1277, intended use as a marine, gently sloping uplands. Photos taken after area was filled.

Analysis:

Annual Rent: \$12,500 per appraisal 2014
 2011 rent appraisal
 $\$11,957.25 \div 79,715 \text{ SF} = \$0.15/\text{S}$

Marketing Info:

Revision Date: 3/11/2016

Record Number: 9573



HORAN & COMPANY, LLC**LAND COMPARABLE NUMBER 3****Community:** 12 CBJ - Salmon Creek**Address:** 2601 Channel Drive**Recording District:** Juneau
City: Juneau**State:** AK **Zip:****Location:** 2601 Channel Drive, Juneau, Alaska**Legal:** Portion of ATS 54, Plat 2001-4, Juneau Recording District, First Judicial District, Alaska, ADL 02852

Assessor Parcel No. 7B0901010030;

Instrument: Lease **Serial:****Trans.Type:** Land Lease**Rights:** Lease**Terms:****Annual Rent:** \$6,500**Trans. Date:** May 24, 2011**Grantor:** City and Borough of Juneau**Grantee:** Channel Flying**Size (SF):** 62,622**Frontage:****Zone:** WI**Utilities:** All**Access:** Road, paved**Improvements:** None in lease**Land Class:** Tidelands**Topography:** Sloping tidal lands and submerged lands**Vegetation:****Soil:****Present Use:** Wholesale business**Intended Use:** various uses through the years, began as seaplane operation to seafood plant**Highest and Best Use:****Comments**

Per a 1994 appraisal interview, approximately 15,000 SF of these tidelands are filled. This fill was placed after the beginning of the tidelands lease. Pre-filled, this lease is gravel, loamy soil from mean high to mean low tide sloping to a long muddy, silty runout below mean low water. This site goes dry towards the dolphins which holds a float; however the site is mostly submerged lands at the far reaches of the site. This site is 100.32' wide and extends 531.5' into the channel. This site can be accessed at many tides, but is not accessible all the time due to tidal changes in Gastineau Channel. See Our Appraisal 03-102.

Analysis:

$$\$6,500 \div 62,622 \text{ SF} = \$0.104/\text{SF}/\text{year}$$

Marketing Info: Original lease rent negotiated based on appraisal. The lease began on November 28, 1961 and expires November 27, 2016. Last update was 05/2011 and last reappraisal was 6/2012. The 2012 Appraisal yielded a \$7,200 suggested annual rent but was disregarded as it was not yet due for a rent adjustment. The transaction date, 05/24/2011 is the lease review date as provided by the city.

Confirmed with: City and Borough of CBJ, T. Scovill

Confirmed date: 01/13/2015 09/22/2014

Confirmed by: J.Horan J.Corak

Revision Date: 3/11/2016

Record Number: 4182



012015_0040

View of the comp from Channel DR. looking NW up the channel. Note the beach on the neighboring property photo left. This is a good representation of



HORAN & COMPANY, LLC**LAND COMPARABLE NUMBER 4**

Community: 03 CBJ - Auke Bay
Address: 11957 Glacier Highway
Location: Fisherman's Bend Marina, Auke Bay
Legal: ATS 1324, ADL 103170; Parcel Number: 4B2801020140

Recording District: Juneau
City: Juneau
State: AK
Zip: 99801

Instrument: Lease
Serial: 2008-011152-0

Trans.Type: Land Lease

Rights: Lease, Leasehold less Minerals,
 Subsurface

Terms: Annual Rent

Annual Rent: \$34,260

Trans. Date: January 2, 2014

Grantor: City and Borough of Juneau

Grantee: Andrews Marina Inc.

Size (SF): 311,454

Frontage:

Zone: WC

Utilities: Electric

Access: Adjacent tidelands

Improvements: None in lease

Land Class: Waterfront, Tidelands, Commercial

Topography: Submerged

Vegetation: N/A

Soil: Tidelands

Present Use: Marina

Intended Use: Marina, Retain for possible expansion

Highest and Best Use: Marina

Comments

This leased site is the extension of the upland marina. The site is totally submerged ranging from -30' to -90' below mean low water. The southern portions of the site are relatively deep and completely submerged. Located in the inner core of Auke Bay, the subject is well protected but does experience wind and wave action at times. Given these physical characteristics, it is well suited for its use as a marina, but its distance from the shoreline and depth makes it more expensive to develop. The distance from shore restricts their utility to an extent. It is currently improved with two fingers, a portion of the main float and the fuel dock. There is reportedly a minor encroachment of a private float to the west.

Analysis:

2014

$34,260/\text{year} \div 7.15 \text{ acres} = \$4,791.61/\text{AC}/\text{year}$ or
 $\$34,260/\text{year} / 311,454 \text{ SF} = \$0.11/\text{SF}/\text{year}$

$\$24,250/\text{year} \div 7.15 \text{ acres} = \$3,392/\text{AC}/\text{year}$ or
 $\$24,250/\text{year} / 311,454 \text{ SF} = \$0.08/\text{SF}/\text{year}$

Marketing Info: The subject is part of the Fisherman's Bend Marina located at 11957 Glacier Highway in Auke Bay, Juneau, Alaska (ATS 1324). The tidelands were originally part of a 20 year lease, ADL 103170, which began 01/02/87 at a rate of \$13,600/ year(\$0.04/SF). It expired on January 1, 2007. According to city

Confirmed with: DNR records

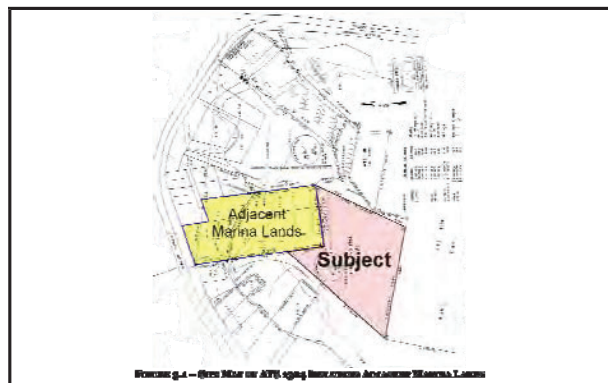
CBJ - Teena Larson

Confirmed date: 1/1/1988

Confirmed by: C.Horan

Revision Date: 3/11/2016

Record Number: 2444



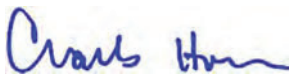
City & Borough of Juneau Alaska



CERTIFICATION OF APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
- No one provided significant real property appraisal assistance to the persons signing this certification
- The appraisers personally inspected the subject property on September 29, 2015. We have not performed any services regarding the subject property within the three years prior to the appraisal report date, as appraisers or in any other capacity.
- As of the date of this report, Charles Horan has completed the continuing education program for designated members of the Appraisal Institute.



Charles E. Horan, MAI

Horan & Company, LLC



Joshua Horan, Real Estate Appraiser

Report Date: March 11, 2016

TERMINOLOGY

Market Value

Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows:

Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows:

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated; Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market; Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Pages 123

Market Exposure is estimated at 12-24 months.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 73

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Pages 121 & 122

Tidelands

All areas which are at or below mean high tide and coastal wetlands, mudflats, and similar areas that are contiguous or adjacent to coastal waters and are an integral part of the estuarine systems involved. Coastal wetlands include marshes, mudflats, and shallows and means those areas periodically inundated by saline water.

http://law.sc.edu/pathfinder/coastal_development/reference/definitions.shtml

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report and valuation contained herein are expressly subject to the following assumptions and/or conditions:

1. It is assumed that the data, maps and descriptive data furnished by the client or his representative are accurate and correct. Photos, sketches, maps, and drawings in this appraisal report are for visualizing the property only and are not to be relied upon for any other use. They may not be to scale.
2. The valuation is based on information and data from sources believed reliable, correct and accurately reported. No responsibility is assumed for false data provided by others.
3. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property.
4. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraiser's estimate of the highest and best use.
5. It is assumed that the title to the property is marketable. No investigation to this fact has been made by the appraiser.
6. No responsibility is assumed for matters of law or legal interpretation.
7. It is assumed that no conditions existed that were undiscoverable through normal diligent investigation which would affect the use and value of the property. No engineering report was made by or provided to the appraiser.
8. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
9. The value estimate is made subject to the purpose, date and definition of value.
10. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.

11. Any distribution of the valuation in the report between land, improvements, and personal property applies only under the existing program of utilization. The separate valuations for land, building, and chattel must not be used in conjunction with any other appraisal and is invalid if so used.
12. One (or more) of the signatories of this appraisal report is a [member or associate member](#) of the Appraisal Institute. The bylaws and regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety to such third parties as selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of signatories of this appraisal report.
13. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.



Port of Juneau

City & Borough of Juneau • Docks & Harbors
155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

Scope of Work Project Agreement

Project Name: Appraisal for ADL2480/ATS33

Contract Name and Number: Appraisal Professional Services DH14-010

Project Agreement Number: 16-007

Term Contractor: Horan & Company

Date: 01/21/16

Project Manager: Teena Larson

Term Contractor Representative: Charles Horan

Project Overview

Project Description

Provide an Appraisal for Andrew's Marina Inc. ADL2480/ATS33

Scope of Work

Prepare an appraisal as outlined in 05 CBJAC 50.050 and all applicable standards in the current edition of Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Foundation. The Appraiser must make an onsite inspection of this property and comparables. Reports must contain onsite photographs of all appraised properties and comparables that are inspected.

Comparable land data sheets are required for all reports, and must include a complete legal description, recording information, and a photograph of the comparable that meets the required standard for photographs.

A comparable land location map is required, showing the location of the comparable in relation to the appraised properties and other comparables.

Whenever possible, all transactions should be verified with a knowledgeable party (grantor, grantee, broker, lessor or lessee), either by the appraiser conducting the subject appraisal or by an appraiser who verified the information in another report. Failed efforts to reach knowledgeable parties shall be stated on the comparable

land form.

The appraisal report shall include an annual land rent comparisons chart, stating location, date, rent, size in square feet and rent per square foot. When relating comparable transactions to the subject property, adjustments must be fully discussed and presented in an adjustment table. Such adjustments need to be defined in qualitative or quantitative terms, clearly stating which method is most reliable.

The appraiser should provide one hard copy of the report for review by the port director. The appraiser should then provide to the port director one hard copy and a PDF copy of the final, reviewed report.

Project Issues

No known issues.

Project Schedule

Please have the appraisal completed on or before February 16th.

March 4th, 2016.

Project Cost Estimate

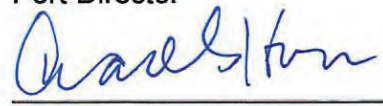
The Contractor will be paid based on Time and Materials for this project in accordance with the Contractor's estimate.

APPROVALS

CITY AND BOROUGH OF JUNEAU
DOCKS AND HARBORS

TERM CONTRACTOR


Carl Uchytel, P.E. date 1/21/16
Port Director


Charles Horan date 2/3/16
Horan and Company

\$50.00 Filing Fee
Submit in Triplicate
Original Signatures
and Notarizations

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND AND WATER MANAGEMENT
P.O. BOX 7005
Anchorage, Alaska 99510-7005

SECURITY ASSIGNMENT OF LEASE

I (We) Sharon E. Andrew & Troy D. Andrew d/b/a Andrew Enterprises
mailing address of P.O. Box 210 256 Anke Bay, Alaska 99821
lessee(s) under that certain lease designated as Lease No. ADL 02480 covering the following described
property: See Attached & 103170

Section _____, Township _____, Range _____, Meridian _____
(do) (does) hereby assign, for good and valuable consideration, a security interest, in said lease to
assignee United Bank Alaska Southeastern
mailing address of P.O. Box 032016, Juneau, Alaska 99803
and assigns, for the term, commencing on _____, and expiring on _____

Troy D. Andrew
Sharon E. Andrew
ASSIGNOR(S)

STATE OF ALASKA

FIRST Judicial District

) ss.

THIS IS TO CERTIFY that on this 3rd day of April, 19 87, before me appeared
Troy D. Andrew & Sharon E. Andrew d/b/a Andrew Enterprises known and known to me to be the
person named in and who executed the assignment and acknowledged voluntarily signing the same.

OFFICIAL SEAL
Karen M. West
NOTARY PUBLIC

Karen M. West
Notary Public in and for the State of Alaska
My Commission Expires: 4/18/88

The assignee(s), UNITED BANK ALASKA SOUTHEASTERN
herein expressly assume(s) the obligation pursuant to A.S. 38.05.103.

Fred Braun
E.U.P.
ASSIGNEE(S)

STATE OF ALASKA

1st Judicial District

) ss.

THIS IS TO CERTIFY that on this 3rd day of April, 19 87, before me appeared
Fred Braun, E.U.P. United Bank Alaska S.E. to me known and known to me to be the
person named in and who executed the assignment and acknowledged voluntarily signing the same.

OFFICIAL SEAL
Karen M. West
NOTARY PUBLIC

Karen M. West
Notary Public in and for the State of Alaska
My Commission Expires: 4/18/88

APPROVED:

Chief, Contract Administration
DIVISION OF LAND AND WATER MANAGEMENT

Date

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS

Form No. DL-50
March, 1960

Date: June 15, 1961

ASSIGNMENT OF LEASE

I (WE) Robert H. Druxman and Rose Olive Druxman
residing at Anake Bay, Alaska
lessee(s) under that certain lease designated as lease No. ADL 02480
covering the following described property A parcel of tidelands bounded of the mean high tide
line on Anake Bay, containing 1.274 acres, more or less; commencing at Corner No. 1, a brass capped
monument located at Corner No. 3, M. C., Lot D-D, U. S. Survey No. 2391, at Latitude 58 deg 23 mi
15" N., Longitude 134 deg 30 min W., thence S. 72 deg 21 min E., 125.07 ft, thence S 67 deg 20' E,
142.32 ft. to the common Corner No. 4 of ADS No. 5 and Corner No. 1 of ADS No. 33 (32 485-650),
located in Section _____, Township _____, Range _____,

the actual point of beginning; then, by metes and bounds, S. 7 deg. 21 min. E. 468.62
ft to Corner No. 2, N. 82 deg. 39 min E., 131.07 ft to Corner No. 3, N. 7 deg 00 min.
W., 338.57 ft to Corner No. 4, N. 49 deg 12 min W., 147.84 ft to Corner No. 5, N. 67 deg.
20 min. W., 39.84 ft. to Corner No. 1, the point of beginning.

~~his~~ successors and assigns, for the unexpired term thereof, commencing on
June 15, 19 61 and expiring on April 25, 2016.

IN WITNESS WHEREOF, the Assignor, ^{their hands} has hereunto set ~~his hand~~ and seal, this
15th day of June, 19 61.

WITNESS Floyd C. Ogden

Robert H. Druxman
Rose Olive Druxman
ASSIGNOR(S)

UNITED STATES OF AMERICA)
State of Alaska) ss.

THIS IS TO CERTIFY that on this 15th day of June, 19 61,
before me, the undersigned, a Notary in and for Alaska, duly commissioned and sworn,
personally appeared Robert H. & Rose Olive Druxman to me personally known to be ~~one~~
~~of~~ the persons described in and who executed the within instrument and the said
Robert H. and Rose Olive Druxman acknowledged to me that ~~he~~ signed and executed the
same freely and voluntarily for the uses and purposes therein mentioned.

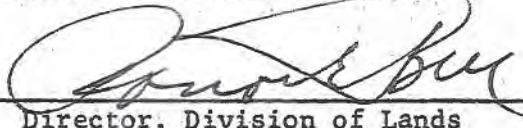
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official
seal, the day and year in this certificate first above written.

Samuel P. Frostman
Notary Public in and for Alaska
My Commission Expires Feb. 24, 1965

CONSENT TO ASSIGNMENT

Assignment of lease No. ADL 02480 from Robert N. and Rose Olive Druzman
Assignor(s) to Neil W. Taylor and Helen E. Taylor
Assignee(s) is hereby approved this 21st day
of November, 1981.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES

By 
Director, Division of Lands

For Office Use Only

- (1) Filing fee of \$10.00 received: Date _____
- (2) Other leases or application for leases in the name of this assignee:
ADL No. _____
- (3) Assignor's valuation of improvements on lease assigned (list separately):

Revised July, 1960

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS
333 "D" Street
Anchorage, Alaska

Lease No. ADL 02480

LEASE AGREEMENT

THIS INDENTURE made and entered into this 25th day of April 19 61, by and between the STATE OF ALASKA, through the Director of the Division of Lands, with the consent and approval of the Commissioner of the Department of Natural Resources, acting for and on its behalf under and pursuant to Chapter 169, SLA 1959, as amended, and the regulations promulgated thereunder, as amended or hereafter amended, hereinafter referred to as the LESSOR; and Mr. Robert N. Druksman and Rose Olive Druksman of Auke Bay, Alaska ~~husband and wife as tenants by the entirety,~~ hereinafter referred to as the LESSEE:

WITNESSETH, that whereas the Lessor has classified the lands herein demised as: Commercial-Industrial lands on November 12 19 60, pursuant to Chapter 169, SLA 1959, as amended; and

WHEREAS, the Lessor has caused the lands herein demised to be appraised and such appraisal was made and approved on or after March 1, 19 61; and

WHEREAS, the Lessor has caused a notice of intent to lease the lands herein demised to be published as required by law or caused notices of intent to lease to be posted as required by law; and

WHEREAS, an auction of the within demised property was held at the time and place designated by notice and said sale was approved by the Director of the Division of Lands, Department of Natural Resources, State of Alaska:

NOW THEREFOR, the Lessor has agreed to let and does hereby let and demise to the Lessee, and the Lessee has agreed to take and does hereby take from the Lessor all that lot, piece, or parcel of land more particularly bounded and described, as follows: parcel of tidelands seaward of the mean high tide line on Auke Bay, containing 1.274 acres, more or less; commencing at Corner 1, a brass capped monument located at Corner 3, M.C., Lot D-D, U. S. Survey 2391, at Latitude 58° 23' 15" N., Longitude 134° 39' W., thence S.78°21'E., 125.07 feet, thence N.67°20'E., 142.32 feet, to the common Corner 4 of ATS 5 and Corner 1 of ATS 33 (CR40865E), the actual point of beginning; then, by metes and bounds, S.7°21'E., 460.62 feet to Corner 2, N.82°39'E., 131.1 feet to Corner 3, N.7°00'W., 338.57 feet to Corner 4, N.49°12'W., 147.84 feet to Corner 5, N.67°20' 19.84 feet to Corner 1, the point of beginning.

TO HAVE AND TO HOLD the said demised premises for a term of fifty five (55) years commencing on the 25th day of April 19 61 and ending at 12 o'clock midnight on the 25th day of April, 2016, unless sooner terminated as hereinafter provided.

The Lessee shall pay to the Lessor rental as follows: Equal Annual payments, in advance, on or before the 25th day of April of every year during said term at the rate of Three Hundred and Sixty 00/100 Dollars (\$ 360.00) per year

such payments to be subject to adjustment at each five year interval from the effective date hereof, if the lease term hereof exceeds five years, such adjustment to be based primarily upon a reappraised annual rental value of land in a state of improvement similar to that of the land described herein at the time this lease was entered into.

It is hereby mutually covenanted and agreed that this indenture is made upon the foregoing, and upon the following agreements, conditions, covenants, and terms, VIZ:

1. The word "Lessor" as and wherever used in the lease, shall be construed to include, and shall include, bind and inure to the benefit of, the State of Alaska, its successor and assigns, at any time during the term of this lease or any renewal thereof; and the word "Lessee" as and wherever used in this lease shall be construed to include and shall include and bind and inure to the benefit of the Lessee, his successors and assigns.

2. It shall be the responsibility of the Lessee to properly locate himself and his improvements within the confines of the property leased herein.

3. The Lessor, Alaska, hereby expressly saves, excepts and reserves out of the grant hereby made unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, and fossils, and it also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, drilling and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, no rights shall be exercised by Alaska, its lessees, successors or assigns, until provision has been made by Alaska, its lessees, successors or assigns, to pay to the owner of the land, upon which the rights herein reserved to Alaska, its lessees, successors, or assigns are sought to be exercised, full payment for all damages sustained by said owner, by reason of entering upon said land; provided, that if said owner for any cause whatever refuses or neglects to settle said damages, Alaska, its lessees, successors or assigns or any applicant for a lease or contract from Alaska for the purpose of prospecting for valuable minerals, or option contract or lease for mining coal or lease for extracting petroleum or natural gas, shall have the right, after posting a surety bond with the Director in a company qualified to do business in Alaska or in a form as determined by the Director, after due notice and opportunity to

be heard, to be sufficient in amount and security to secure the said owner full payment for all such damages, to enter upon the land in the exercise of said reserved rights, and shall have the right to institute such legal proceedings in a court of competent jurisdiction wherein the land is situated, as may be necessary to determine the damages which the surface lessee of such lands may suffer.

4. The lands leased herein have been classified as Commercial-Industrial lands in accordance with the Classification Regulations, Title 11, Division 1, Chapter 1, Subchapter 1, and any use thereof which shall be in material conflict with said classification shall, if not remedied after due notice thereof has been served on the Lessee, constitute a breach of this lease and the Lessor may thereupon terminate same in accordance with provisions herein contained. The Lessor does not warrant that by such classification the land is ideally suited for the use authorized thereunder and the Lessor gives no guaranty, actual or implied, that the utilization under said classification will be profitable.

5. All coal, oil, gas and other minerals and all deposits of stone or gravel valuable for extraction and utilization and all materials subject to Title 11, Division 1, Chapters Four (4), Five (5), and Six (6), Alaska Administrative Code, as amended or as shall hereafter be amended are excepted from the operation of this lease. Viz: The Lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peatmoss, or any other material valuable for building or commercial purposes; provided, however, that material required in the enjoyment of this lease may be used after a written permit therefor has been obtained from the Lessor.

6. The Lessor expressly reserves the right to grant easements or rights-of-way across the land herein leased if it is determined to be in the best interests of the State to do so; provided, however, that the Lessee shall be entitled to compensation for all improvements or crops which are damaged or destroyed as a direct result of such easement or right-of-way.

7. The Lessee shall not commit waste or injury upon the lands leased herein. Any violation of this agreement shall not only subject the offender to civil liability, but upon conviction thereof he may be fined in any sum not exceeding \$1000.00.

8. If the lands leased herein are classified and leased as grazing or agricultural lands the Lessee shall not prevent or deny the lawful pursuit or the hunting of game or the taking of fish; provided, however, the Director, upon request in writing, may allow the lands leased herein, or portions thereof, to be posted to prohibit hunting and fishing when it appears necessary in order to properly protect the Lessee and his property.

9. Should the lands herein leased lie within the jurisdiction of any authorized building or zoning authority they shall be utilized in accordance with the rules and regulations promulgated by said authority.

10. The Lessee shall take all reasonable precaution to prevent, and take all reasonable action to suppress grass, brush and forest fires on the land herein leased.

11. The Lessee shall allow the Lessor, through its duly authorized representative, to enter upon the leased premises, at any reasonable time, for the purpose of an inspection thereof.

12. When the Lessee shall use the lands leased herein to construct any form of hydraulic project or employ any equipment or engage in any activity which will use, divert, obstruct, pollute or change the natural flow or bed of any river, lake or stream or that will utilize any of the waters of the State or materials from any river, lake or stream beds, the Lessee shall, prior to the commencement of any such operations, procure the approval of the Commissioner of the Department of Fish and Game and the original or an image copy thereof shall be filed with the Lessor prior to the commencement of such activity.

13. The Lessee may assign the lands, or portion thereof, herein demised, provided, he first makes application to the Lessor for a permit and the Lessor, in his discretion, may issue such permit if he finds it to be in the best interest of Alaska. Upon an assignment being granted, the assignee thereunder shall become subject to and be governed by the provisions of this lease in the same manner as though he were the original Lessee.

14. This lease may not be modified orally or in any manner other than by an agreement in writing signed by all parties hereto or their respective successors in interest.

15. This lease may be cancelled, in whole or in part, under one or more of the following conditions:

A. While in good standing by the mutual agreement in writing of the respective parties hereto.

B. If issued in error with respect to material facts.

C. If the leased premises are being used for an unlawful purpose.

16. If the Lessee should default in the performance of any of the terms, covenants or stipulations herein contained or of the regulations promulgated pursuant to Chapter 169, SLA 1959, as amended, and said default shall not be remedied within 30 days after written notice of such default has been served upon the Lessee by the Lessor, the Lessee shall be subjected to such legal action as the Lessor shall deem appropriate, including but not limited to, the forfeiture of this lease. No improvements may be removed by the Lessee during any period in which this lease is in default. In the event that this lease shall be terminated because of a breach of any of the terms, covenants, or stipulations contained herein the annual rental payment last made by the Lessee shall be retained by the Lessor as liquidated damages.

17. Any notice or demand which must be given or made by the parties hereto shall be in writing, and shall be complete by sending such notice or demand by United States registered or certified mail to the address shown on the lease or to such other address as the parties shall designate in writing from time to time. A copy of any such notice shall be forwarded by the Lessor to any lienholder who has properly recorded his interest in the lease with the Lessor.

18. In the event that this lease is terminated as herein provided, by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by the Lessee during the term of this lease, the Lessor may immediately, or at any time thereafter, enter or re-enter and take possession of said lands, or any part thereof, and without liability for any damage therefor, remove all

persons and property therefrom either by summary proceedings or by a suitable action or proceeding at law; provided, however, that the words "entry" and "re-entry" as used herein, are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession, dispossess, and/or dispossession by the Lessor, whether had or taken by summary proceedings, or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or in part, from any liability hereunder.

19. Upon the expiration, termination or cancellation of this lease, unless the same has been renewed, the Lessee shall quietly and peaceably leave, surrender and yield up unto the Lessor all of the leased land on the last day of the term of the lease.

20. The receipt of rent by the Lessor, with or without knowledge of any breach of the lease by the Lessee or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of this lease, shall not be deemed to be a waiver of any provision of this lease. No failure on the part of the Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate such terms or covenants or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money or the termination, in any manner, of the term therein demised, or after giving by the Lessor of any notice hereunder to affect such termination, shall not reinstate, continue, or extend the resultant term herein demised, or destroy, or in any manner impair the efficacy of any such notice of termination as may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless expressed in writing and signed by the Lessor.

21. The Lessee, after written request therefor has been filed with the Lessor and prior to the commencement of such work, may receive credit toward current or future rentals, provided the contemplated work, to be accomplished on or off the area leased herein, in the discretion of the Lessor, shall result in increased valuation to other State owned lands. The Lessor's authorization to proceed with the work for rental credit, if granted, shall stipulate the type and extent of improvements, standards of construction to be followed and the maximum allowable rental credit therefor; provided further that no rental credit shall inure to the Lessee until the work has been completed and the Lessor has inspected same to determine compliance with the provisions of said authorization.

22. If, upon the expiration of this lease, the Lessee desires a renewal lease on the lands, properties or interests covered herein, he shall within 30 days before the expiration of this lease, make application to the Lessor on Form DL-74 entitled "Application for Renewal of Lease," in which he must certify under oath as to the character and value of all the improvements existing upon the land, the purpose for which he desires a renewal and such other information as the Director of the Division of Lands may require. Along with the application the applicant shall deposit a sum equal to 50% of the current annual rental, as provided herein, but in no event to exceed the sum of \$50.00. The Lessor may thereupon lease said lands in compliance with the provisions herein enumerated, Chapter 169, SLA 1959, as amended, and the rules and regulations promulgated thereunder, allowing a preference right to the Lessee herein.

23. The Lessee hereunder shall, upon the expiration of this lease or the prior termination thereof by mutual agreement, be allowed a preference right to re-lease the lands leased herein if all other pertinent factors are substantially equivalent. If the renewal lease does not require public auction the preference rightholder shall exercise his right within 30 days before the expiration of this lease by written notice directed

to the Lessor and failure to do so shall result in forfeiture and cancellation of such preference right. In the event that the lease is subject to and is offered at public auction the preference rightholder shall, at the close of bidding, indicate his desire to exercise his preference right and meet the highest bid. In the event the preference right holder does not elect to exercise his right and fails to do so at this time his preference right shall be forfeited and forever lost.

24. Improvements owned by a Lessee on Alaska lands shall within 60 days after the termination of the lease be removed by him; provided, such removal will not cause injury or damage to the lands; and further provided, that the Lessor may extend the time for removing such improvements in cases where hardship is proven. The retiring Lessee or permittee may, with the consent of the Lessor, sell his improvements to the succeeding lessee or permittee.

If any improvements and/or chattels having an appraised value in excess of \$10,000.00 as determined by the Lessor are not removed within the time allowed, such improvements and/or chattels shall upon due notice to the Lessee, be sold at public sale under the direction of the Lessor. The proceeds of sale shall inure to the Lessee who placed such improvements and/or chattels on the lands after paying to Alaska all rents due and owing and expenses incurred in making such sale. In case there are no other bidders at any such sales, the Lessor is authorized to bid, in the name of Alaska, on such improvements and/or chattels. The bid money shall be taken from the fund to which said lands belong and the said fund shall receive all monies or other value subsequently derived from the sale or leasing of such improvements and/or chattels. Alaska shall acquire all the rights, both legal and equitable, that any other purchaser could acquire by reason of said purchase.

If any improvements and/or chattels having an appraised value of \$10,000.00 or less, as determined by the Lessor, are not removed within the time allowed, such improvements and/or chattels shall revert to and absolute title shall vest in Alaska.

25. If any clause, or provision, herein contained, shall be adjudged to be invalid, it shall not affect the validity of any other clause or provision, of this lease or constitute any cause of action in favor of either party as against the other.

It is agreed that the covenants, terms and agreements herein contained shall be binding upon the successors and assigns of the respective parties hereto.

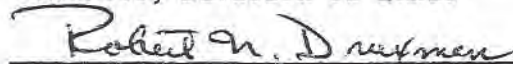
IN WITNESS WHEREOF, the State of Alaska, Lessor, acting through the Director of the Division of Lands of the Department of Natural Resources, lawfully authorized thereunto, has caused these presents to be executed at Anchorage, Alaska, in duplicate and the said Lessee has hereunto set his hand, agreeing to keep, observe and perform the rules and regulations promulgated under Chapter 169, SLA 1959, as amended, the terms, conditions and provisions herein contained, on the Lessee's part to be kept, observed and performed; and executed said instrument, in duplicate, on the 25th day of April, 19 61.

APPROVED:

COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES
STATE OF ALASKA



Director, Division of Lands



Robert W. Dreyman



X Russell W. Dreyman
LESSEE(S)

UNITED STATES OF AMERICA)
State of Alaska) ss.

THIS IS TO CERTIFY that on the 15th day of May, 1961, before me, the undersigned Notary Public, personally appeared Thomas E. Bell known to me and known by me to be the Director of the Division of Lands of the Department of Natural Resources, and acknowledged to me that he executed the foregoing lease for and on behalf of said State, freely and voluntarily and for the use and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Dale J. Owen
Notary Public in and for the State of Alaska
My commission expires 3-27-65

UNITED STATES OF AMERICA)
State of Alaska) ss.

THIS IS TO CERTIFY that on this 12th day of May, 1961, before me, the undersigned, a Notary Public in and for Alaska duly commissioned and sworn, personally appeared Robert N. Druxman and Rose Olive Druxman personally known to be ~~one of~~ the persons described in and who executed the within instrument and the said Robert N. Druxman and Rose Olive Druxman acknowledged to me that ~~he~~ they signed and executed the same freely and voluntarily for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Mary Lou Luoma
Notary Public in and for the State of Alaska
My commission expires Sept. 13, 1964

Approved as to Form:

Ralph E. Moody
Attorney General

By George H. Farce
Title Assistant Attorney General

QUALIFICATIONS OF CHARLES E. HORAN, MAI

Professional Designation	MAI, Member Appraisal Institute, No. 6534
State Certification	State of Alaska General Appraiser Certification, No. AA41
Bachelor of Science Degree	University of San Francisco, B.S., Business Administration, 1973

Employment History:

8/04 – now	Owner, HORAN & COMPANY, LLC
3/87 – 7/04	Partner, HORAN, CORAK AND COMPANY
1980 – 2/87	Partner, The PD Appraisal Group, managing partner since November 1984 (formerly POMTIER, DUVERNAY & HORAN)
1976 – 80	Partner/Appraiser, POMTIER, DUVERNAY & COMPANY, INC., Juneau and Sitka, Alaska
1975 – 76	Real Estate Appraiser, H. Pomtier & Associates, Ketchikan, AK
1973 – 75	Jr. Appraiser, Ketchikan Gateway Borough, Ketchikan, AK

Lectures and Educational Presentations:

2007, "Conservation Easements" Presentation - Alaska Association of Assessing Officers, Fairbanks, AK
1998, "Easement Valuation Seminar," Alaska Chapter Appraisal Institute, Anchorage, AK
1998, "Easement Valuation Seminar," Seal Trust, Juneau, Alaska
1997, "Sitka Housing Market," Sitka Chamber of Commerce
1997, developed and taught commercial real estate investment seminar for Shee Atika, Inc.
1994, developed and taught seminar "Introduction to Real Estate Appraising," UAS, Sitka Campus
1985, Speaker at Sitka Chamber of Commerce, "What is an Appraisal? How to Read the Appraisal"
1984, Southeast Alaska Realtor's Mini Convention, Juneau, Alaska
Day 1: Introduction of Appraising, Cost and Market Data Approaches
Day 2: Income Approach, Types of Appraisals, AIREA Accredited Course
1983, "The State of Southeast Alaska's Real Estate Market"
1982, "What is an Appraisal?"

Types of Property Appraised:

Commercial - Retail shops, enclosed mall, shopping centers, medical buildings, restaurants, service stations, office buildings, auto body shops, schools, remote retail stores, liquor stores, supermarkets, funeral home, mobile home parks, camper courts. Appraised various businesses with real estate for value as a going concern with or without fixtures such as hotels, motels, bowling alleys, marinas, restaurants, lounges.

Industrial - Warehouse, mini-warehouse, hangars, docks barge loading facilities, industrial acreage, industrial sites, bulk plant sites, and fish processing facility. Appraised tank farms, bulk terminal sites, and a variety of waterfront port sites.

Special Land - Partial Interest and Leasehold Valuation - Remote acreage, tidelands with estimates of annual market rent. Large acreage land exchanges for federal, state, municipal governments and Alaska Native Corporations; retail lot valuations and absorption studies of large subdivisions; gravel and rock royalty value estimates; easements, partial interests, conservation easements; title limitations, permit fee evaluations. Appraised various properties under lease to determine leasehold and leased fee interests. Value easements and complex partial interests.

Special Projects - Special consultation for Federal land exchanges. Developed Land Evaluation Module (LEM) to describe and evaluate 290,000 acres of remote lands. Renovation feasibilities, residential lot absorption studies, commercial, and office building absorption studies. Contract review appraiser for private individuals, municipalities, and lenders. Restaurant feasibility studies, Housing demand studies and overall market projections. Estimated impact of nuisances on property values. Historic appreciation / market change studies. Historic barren material royalty valuations, subsurface mineral and timber valuation in conjunction with resource experts. Mass appraisal valuations for

Municipality of Skagway, City of Craig, Ketchikan Gateway Borough and other Alaska communities. Developed electronic/digital assessment record system for municipalities. Developed extensive state-wide market data record system which identified sales in all geographic areas.

Expert Witness Experience and Testimony:

2009 Expert at mediation - Talbot s Inc vs State of Alaska, et al. IKE-07-168CI

2008 Albright vs Albright, IKE-07-265CI, settled

2006 State of Alaska vs Homestead Alaska, et al, 1JU-06-572, settled

2006 State of Alaska vs Heaton, et al, 1JU-06-570CI, settled

2006 State of Alaska vs Jean Gain Estate, 1JU-06-571, settled

2004 Assessment Appeal, Board of Equalization, Franklin Dock vs City and Borough of Juneau

2000 Alaska Pulp Corporation vs National Surety - Deposition

U.S. Senate, Natural Resources Committee

U.S. House of Representatives, Resource Committee

Superior Court, State of Alaska, Trial Court and Bankruptcy Courts

Board of Equalization Hearings testified on behalf of these municipalities: Ketchikan Gateway Borough, City of Skagway, City of Pelican, City and Borough of Haines, Alaska

Witness at binding arbitration hearings, appointed Master for property partitionment by superior state court, selected expert as final appraiser in multi parties suit with settlements of real estate land value issues

Partial List of Clients:

Federal Agencies

Bureau of Indian Affairs
Bureau of Land Mngmnt
Coast Guard
Dept. Of Agriculture
Dept. Of Interior
Dept. Of Transportation
Federal Deposit Ins Corp
Federal Highway Admin.
Fish & Wildlife Service
Forest Service
General Service Agency
National Park Service
USDA Rural Develop.
Veterans Administration

Lending Institutions

Alaska Growth Capital
Alaska Pacific Bank
Alaska Ind. Dev. Auth.
ALPS FCU
First Bank
First National Bank AK
Key Bank
Met Life Capital Corp.
National Bank of AK
Rainier National Bank
SeaFirst Bank
True North Credit Union
Wells Fargo
Wells Fargo RETECHS

ANCSA Corporations

Cape Fox, Inc.
Doyon Corporation
Eyak Corporation
Goldbelt
Haida Corporation
Huna Totem
Kake Tribal Corporation
Klawock-Heenya Corp.
Klukwan, Inc.
Kootznoowoo, Inc.
Sealaska Corporation
Shaan Seet, Inc.
Shee Atika Corporation
TDX Corporation
The Tatitlek Corporation
Yak-Tat Kwan

Companies

AK Electric Light & Power
AK Lumber & Pulp Co.
AK Power & Telephone
Allen Marine
Arrowhead Transfer
AT&T Alscm
Coeur Alaska
Delta Western
Gulf Oil of Canada
Hames Corporation
HDR Alaska, Inc.
Holland America
Home Depot
Kennecott Greens Creek
Kennedy & Associates
Madsen Construction, Inc.
Service Transfer
Standard Oil of CA
The Conservation Fund
Union Oil
Ward Cove Packing
White Pass & Yukon RR
Yutana Barge Lines

Municipalities

City & Borough of Haines
City & Borough of Juneau
City & Borough of Sitka
City of Akutan
City of Coffman Cove
City of Craig
City of Hoonah
City of Ketchikan
City of Klawock
City of Pelican
City of Petersburg
City of Thorne Bay
City of Wrangell
Ketchikan Gateway Borg.
Municipality of Skagway

Other Organizations

BIHA
Central Council for Tlingit & Haida Indian Tribes of Alaska (CCTHITA)
Diocese of Juneau
Elks Lodge
Hoonah Indian Assoc.
LDS Church
Moose Lodge
SE AK Land Trust (SEAL)
SEARHC
Sitka Tribe of Alaska
The Nature Conservancy

State of Alaska Agencies

Alaska State Building Authority (formerly ASHA)
Attorney General
Dept. of Fish & Game
Dept. of Natural Service, Div. of Lands
Dept. of Public Safety
DOT&PF
Mental Health Land Trust
Superior Court
University of Alaska

Education

7-Hour National USPAP Update Course, Mount Vernon, WA, April 2013
Fall Real Estate Conference 2012, Seattle, WA November, 2012
Appraising the Appraisal: Appraisal Review-General, Rockville, MD, May 2012
Information Security Awareness for Appraisal Professionals Webinar, December, 2012
Fall Real Estate Conference 2011 Seattle, WA October, 2011
Appraisal Curriculum Overview (2-day General) Milwaukee, WI, August 2011
Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), Rockville, MD, Oct 2010
Business Practices and Ethics, Seattle, WA, Apr 2010
Fall Real Estate Conference, Seattle, WA, Dec 2009
7-hour National USPAP Update Course, Seattle, WA, May 2009
Fall Real Estate Conference, Seattle, WA, Nov 2008
Attacking and Defending an Appraisal in Litigation, Kent, WA, Sep 2008
Sustainable Mixed-Use N.I.M., Seattle, WA, Feb 2008
Appraising 2-4 Unit Properties, Bellevue, WA, Sep 2007
Business Practices and Ethics, Seattle, WA, Jun 2007
7-hour National USPAP Update Course, Seattle, WA, Jun 2007
Residential Market Analysis and Highest and Best Use, Seattle, WA, Apr 2007
Basic Appraisal Procedures, Seattle, WA, Feb 2007
USPAP Update Course, Anchorage, AK, Feb 2005
Rates & Ratios: Making Sense of GIMs, OARs, and DCF, Anchorage, AK, Feb 2005
Best Practices for Residential Appraisal Report Writing, Juneau, AK, Apr 2005
Scope of Work - Expanding Your Range of Services, Anchorage, AK May 2003
Litigation Appraising - Specialized Topics and Applications, Dublin, CA, Oct 2002
UASFLA: Practical Applications for Fee Appraisers, Jim Eaton, Washington, D.C., May 2002
USPAP, Part A, Burr Ridge, IL, Jun 2001
Partial Interest Valuation - Undivided, Anchorage, AK, May 2001
Partial Interest Valuation - Divided, Anchorage, AK, May 2001
Easement Valuation, San Diego, CA, Dec 1997
USPAP, Seattle, WA, Apr 1997
The Appraiser as Expert Witness, Anchorage, AK, May 1995
Appraisal Practices for Litigation, Anchorage, AK, May 1995
Forestry Appraisal Practices, Atterbury Consultants, Beaverton, OR, Apr 1995
Advanced Sales Comparison & Cost Approaches, Univ. of Colorado, Boulder, CO, Jun 1993
Computer Assisted Investment Analysis, University of Maryland, MD, Jul 1991
USPAP, Anchorage, AK, Apr 1991
General State Certification Review Seminar, Anchorage, AK, Apr 1991
State Certification Review Seminar, Dean Potter, Anchorage, AK, Apr 1991
Highest and Best Use and Market Analysis, Baltimore, MA, Mar 1991
Financial Institution Reform, Recovery & Enforcement Act of 1989, Doreen Fair Westfall, Appraisal Analyst, OTS, Juneau, AK, Jul 1990
Real Estate Appraisal Reform, Gregory Hoefer, MAI, OTS, Juneau, AK, Jul 1990
Standards of Professional Practice, Anchorage, AK, Oct 1987
Federal Home Loan Bank Board Memorandum R41C Seminar, Catherine Gearhearth, MAI, FHLBB District Appraiser, Juneau, AK, Mar 1987
Market Analysis, Boulder, CO, Jun 1986
Federal Home Loan Bank Board Regulation 41b, Instructor Bob Foreman, MAI, Seattle, WA, Sep 1985
Litigation Valuation, Chapel Hill, North CA, Aug 1984
Standards of Professional Practices, Bloomington, IN, Jan 1982
Course 2B, Valuation Analysis & Report Writing, Stanford, CA, Aug 1980
Course 6, Introduction to Real Estate Investment Analysis, Aug 1980
Course 1B, Capitalization Techniques, San Francisco, CA, Aug 1976
Course 2A, Case Studies in Real Estate Valuation, Aug 1976
Course 1A, Real Estate Principles and Valuation, San Francisco, CA, Aug 1974

Rev 07/13

QUALIFICATIONS OF JOSHUA C. HORAN

Education:

Graduated from Sitka High School, Sitka, Alaska

Graduated with a BS in Foreign Service from Georgetown University, Washington, DC

Employment:

Nov 2006 to Present - Real Estate Appraiser Trainee - Horan & Company, LLC

Dec 2003 to Jul 2004 - Intern for Shee Atika Incorporated, Sitka, Alaska

Summers, 1997 to 2002 - Park Ranger, National Park Service, Sitka, Alaska

Certification & Approvals:

Residential Real Estate Appraiser, State of Alaska License #617

Appraisal Education:

Appraisal Principles; Appraisal Institute, Long Beach, CA, October 2004

Appraisal Procedures, Appraisal Institute, Long Beach CA, October 2004

Residential Case Study, Tacoma, WA, March 2006

15-Hour USPAP, Anchorage, AK, June 2006

REO Appraisal: Appraisal of Residential Property Foreclosure, 7 Hr, Tigard, OR March 2009

Introduction to FHA Appraising, 7 Hr, Tigard, OR March 2009

Uniform Standards of Professional Appraisal Practice - 2009 Update 7 Hr, Juneau, AK June 2009

Home Valuation Code of Conduct & 1004 Market Conditions Form Seminar, June 2009, Juneau, AK

Uniform Standards of Professional Appraisal Practice - 2011 Update, Juneau, AK; June 2011

Current Issues & Regulatory Updates Affecting Appraisers #10066; William King & Associates, Inc.;
Juneau, AK; June 2011

Loss Prevention Program for Real Estate Appraisers; LIA Administrators & Insurance Services; Juneau,
AK; June 2011

Narrative Residential Report Writing Using Microsoft Word & Excel, 14 Hr., Anchorage, AK, February
2013

7 Hour USPAP, Anchorage, AK February 2013

Mortgage Fraud - Protect Yourself, 7 Hr, Mckissock.com, April 2013

General Appraiser Sales Comparison Approach, 30 Hr, Chicago, IL, October 2014

Types of Property Assessed for Taxation:

City of Craig real property assessment roll; single-family, multi-family and mobile homes.

City of Skagway real property assessment roll, single-family, multi-family and mobile homes.

Types of Property Appraised:

Residential - Single-family, multi-family, vacant lands, mobile homes and island property.

Commercial - Warehouses and vacant lands.

Boards & Committees

Shee Atika Benefits Trust Scholarship Committee Board Member, July 2005 to July 2008

Rev. 11/14

City and Borough of Juneau Property Docks and Harbors Application for Lease

Application processing - The Port Director will review each application for completeness within 30 days of receipt unless the Director notifies the applicant that more time is required to complete the review. If the port director determines that the application is not complete, the Director will provide the applicant with a general description of the information needed to make the application complete. Once the application is complete, the Port Director will estimate the cost for the docks and harbors department to process the application and will notify the applicant in writing of the estimated cost. The applicant is required to pay all costs associated with processing of the application, including any costs to survey and appraise the area proposed to be leased. The applicant must agree in writing to pay the processing costs prior to the Docks and Harbors Board taking action on the application. Failure of the applicant to agree to pay, or pay, any processing cost will result in the application being denied. The applicant may assist the Port Director by arranging for specified components of the work, such as survey and appraisal, provided any such work to be performed by applicant is approved in writing in advance by the Port Director.

Date 2-8-16

ADL# _____

Applicant's Name: Nordic Tug Charters (Alaska Memories Ent. LLC)

Group, Association, or Corporation Name Joergen Schade

Mailing Address: P.O. Box 496

City/State/Zip Fall City WA 98024

Message Phone 206-919-7887 Work Phone 206-919-7887 or 425-222-3991

Is applicant authorized to conduct business under the laws of the State of Alaska?

yes

Is applicant 19 years or older?

yes

What type of lease are you applying for?

tidelands lease

(uplands lease, tidelands lease, easement)

Legal Description:

Lot(s) 2 Block/Tract# 51 Survey/Subdivision #3

Other: _____

Acres 1,455 sq. feet

What is the proposed use and activity on the leased land?

operations platform for Nordic Tug Charters

Proposed term of lease 3 years (2019) with extensions through 2031.

Are you planning to Sublease this land? Yes ☒ No

Are there any improvements or construction planned?

NO

If yes, submit a development plan that includes.

- a. The nature and purpose of the proposed lease.
- b. A site plan
- c. The use, value, and nature of improvements to be constructed.
- d. The dates construction is estimated to commence and be completed.
- e. A detailed description of the proposed operation.
- f. Whether the intended use complies with the CBJ Land Use Code, CBJ Title 49, and the comprehensive plan of the City and Borough of Juneau.
- g. Additional information that would assist the Port Director, the Docks and Harbors Board, and the Assembly in acting on the application.

CBJ zoning title and plans are available from the Community Development Department.

The Board recommends that applicants carefully review current site conditions before making an application.

The Board intends to award leases to the development that provides the most marine-related benefit to the community of Juneau and the development that provides the most economic benefit to the City and Borough of Juneau in general and the Docks and Harbors Department in particular.

The lease must meet all applicable requirements listed in CBJ ordinance 53.20.

 _____
Signature

2/11/2016 _____
Date

If applying on behalf of an agency, municipality, or organization, state which one.

Title

Please do not write below. Docks and Harbor use only.

Application Received _____ \$10.00 Filing Fee Received _____

Date approved by Operations Committee _____

Date approved by Finance Committee _____

Approved by Regular Board _____

Law Department Ordinance _____

Assembly Action _____

Lands _____

Public Notice _____

Ad Option _____

Final Lease Signed Date _____

February 25, 2016

PND 152053.01

Gary Gillette
Port Engineer
CBJ Docks and Harbors Department
155 South Seward Street
Juneau, Alaska 99801

Subject: Taku Harbor and Stockade Point Float Assessment

Dear Mr. Gillette:

The following report is a summary of the general condition assessment performed by PND Engineers, Inc. (PND) for the Taku Harbor and Stockade Point float facilities. The report includes recommendations to address the conditions noted, and provides a budgetary cost estimate for the recommended repairs. Specific designs necessary for repair and/or replacement are not included in the condition assessment scope.

INSPECTION

The Taku Harbor float system was replaced and reconfigured in the summer of 2005. As part of the project, a portion of the preexisting, AKDOT float system was salvaged and relocated just to the south of the Taku float system, in the vicinity of what is known as Stockade Point. While maintaining the overall “tee” configuration, the new float system at Taku Harbor provided both an additional 100 ft of moorage along the main float, and an increase in the overall length of float that provided access to the beach. The primary purpose of the latter change was to provide improved access to the backside of the main float. The water depth that existed in this area, prior to the float replacement, was not sufficient for safe maneuvering of vessels.

The 12ft wide by 312ft long main float and a 12ft wide by 160ft long portion of the beach access float were of new, heavy glulam framed construction, while the remaining 8ft wide by approximately 220ft long portion of beach access float consisted of refurbished floats removed from Juneau’s Amalga Harbor boat launch ramp facility. Approximately 150ft of the preexisting, 10ft wide AKDOT float was salvaged for use as the Stockade Point float.

Observations:

In general, the Taku Harbor main float, and portion of the beach access float of the same construction, is in good condition. The following specific conditions were observed:

- The overall condition of visible timber decking, bullrail and framing is good. At the time of the site visit, CBJ Harbor staff replaced a couple deck boards that had been broken due to abuse. Overall freeboard/floatation was consistent and good at approximately 18 inches.
- The overall condition of the steel mooring piles is good; however, 7 out of the 15 mooring piles have experienced varying degrees of ice jacking. One pile along the main float (M6) was observed to be split, approximately 6ft in length, above the high tide elevation. In addition, 7 of the 15 piles are missing the steel pile caps that were installed on all piles as part of the 2005 installation. These piles, however, do not necessarily coincide with the same piles that have jacked out of the ground.



Overall view (face of main float) of mooring pile height differential due to ice jacking.



Face of main float (closer view).

The older, refurbished portion of the beach access floats is in fair condition with the following specific conditions were observed:

- The overall condition of visible timber decking, bullrail and framing is fair. A significant amount of grass/moss exists on the plywood deck, indicating the absence of protective treatment and deterioration of the wood has begun. Overall freeboard/floatation was consistent but low at approximately 7 inches.
- While the overall condition of the steel mooring piles is good, all 5 mooring piles for this portion of float have experienced varying degrees of ice jacking. The second vertical mooring pile (from the beach – L2) is leaning significantly toward the centerline of the float. A review of the original pile driving records indicates this pile had encountered bedrock, and only achieved 8ft of embedment. Since the pile was measured to have jacked approximately 4ft, this pile currently has only 4ft of embedment, thus explaining the pile's substantial lean. The pile frame, located near the shore abutment, has not experienced ice jacking. In addition, 3 of the 5 mooring piles are missing the steel pile caps that were installed on all piles as part of the 2005 installation.
- The aluminum transition plate assembly that connects the newer, higher freeboard float system to the older, lower freeboard float system, is in good condition; however the UHMW wear nosing pieces are in need of replacement.



Beach access floats – end of newer floats and full length of refurbished floats.



Transition plate assembly – worn UHMW nosing pieces.



Split pile M6 on main float.

The Stockade Point float is in fair condition with the following specific conditions were observed:

- The overall condition of visible timber decking, bullrail and framing is fair. Some grass/moss exists on portions of the deck, indicating the absence of protective treatment and deterioration of the wood has begun. Overall freeboard/floatation was consistent and fair at approximately 14 inches. The lone exception to this is the northeast corner of the float. This corner of the float is high and appears to have been impacted, causing damage to the internal framing of the float. The float decking was not removed to verify, but damaged timber along the float edge lends credit to this assessment.
- While the overall condition of the steel mooring piles for this float is good, all 6 mooring piles have experienced varying degrees of ice jacking. The northwest corner pile (R6) was measured to have jacked out of the ground approximately 8ft. In addition, 5 of the 6 mooring piles are missing the steel pile caps that were installed on all piles as part of the 2005 installation.



Raised corner of Stockade Point float.

Conclusions and Recommendations:

With a few exceptions, the overall condition of both the Taku Harbor and Stockade Point facilities is fair to good, with the primary concern being the ice jacking that has occurred with many of the float mooring piles. Pile L2 (second pile from shore) could present a dangerous situation if the pile experiences additional jacking or enough lateral load to cause the pile to fall over onto the float.

An examination of the steel pile caps that remain revealed that they were not seal welded, but rather only stitch/tack welded in place. Over time, the rain water that accumulated in the piles appears to have frozen during the winter months and the ice adhesion forces caused the piles to jack out of the ground during a

rising tide. The ice inside the piles would also explain why pile M6 split, and many of the steel pile caps were forced off the pile (from upward pressure of ice within pile) despite being partially welded to the pile.

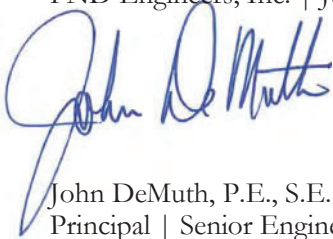
With the exception of pile L2, the mooring piles remain fully capable of anchoring the float systems; however, over time, this may change depending entirely on the progression of the ice jacking issue.

PND recommends the float mooring piles be de-watered, re-driven to the original elevation, and the steel pile caps be seal welded. In addition, the damage to pile M6 should be weld repaired as the current condition will accelerate the corrosion of this pile. It is also recommended that the UHMW nosing pieces on the transition ramp should be replaced.

Regarding the suspected impact damage to the Stockade Point float, the CBJ should assess the benefit of performing significant structural repairs to the float considering its overall age. PND will include the cost of anticipated repairs to this float in order to determine the feasibility of incorporating this work into the overall cost of work for both float facilities.

PND appreciates the opportunity we have had to assist you with this work, and we hope this information serves your needs. Should you have any questions, please feel free to contact us.

Sincerely,
PND Engineers, Inc. | Juneau Office



John DeMuth, P.E., S.E.
Principal | Senior Engineer

Attachments



Taku Harbor and Stockade Point Facility Repairs
ROM Cost Estimate
Prepared By: PND Engineers, Inc., February 2016

Item	Item Description	Units	Quantity	Unit Cost	Amount
1	Mobilization	LS	All Req'd	25%	\$16,000
2	Re-Drive Piles	LS	All Req'd	\$25,000	\$25,000
3	De-Water Piles	LS	All Req'd	\$5,000	\$5,000
4	Weld Repair Split Pile	LS	All Req'd	\$3,000	\$3,000
5	Remove/Install Steel Pile Caps	LS	All Req'd	\$15,000	\$15,000
6	Replace UHMW Nosings	LS	All Req'd	\$1,000	\$1,000
7	Repair Stockade Point Damaged Float	LS	All Req'd	\$15,000	\$15,000
ESTIMATED CONSTRUCTION BID PRICE					\$80,000
CONTINGENCY (20%)					\$16,000
PERMITTING, FINAL DESIGN, CONTRACT ADMINISTRATION, CONSTRUCTION INSPECTION & OTHER INDIRECT COSTS (20%)					\$16,000
TOTAL RECOMMENDED PROJECT BUDGET					\$112,000

