

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, July 30th, 2015

I. Call to Order.

Mr. Donek called the Regular Board Meeting to order at 5:31p.m. in CBJ Room 224.

II. Roll Call.

The following members were present: John Bush, Tom Donek, Bob Janes, David Lowell, Mike Peterson, Budd Simpson, David Summers, and Tom Zaruba.

Absent: David Logan

Also present were the following: Carl Uchytel – Port Director, David Borg-Harbormaster, and Erich Schaal – Deputy Port Engineer

III. Approval of Agenda.

Mr. Donek to add (h) Board Meeting Time under XV Board Administrative Matters.

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

Motion was approved with no objection.

IV. Approval of Previous Meeting Minutes.

Hearing no objection, the June 25th, 2015 Regular Board Meeting Minutes were approved as presented.

V. Public Participation on Non-Agenda Items –
Paul Swanson – e-mail testimony

July 29, 2015 Docks and Harbors Board Members, I submit this testimony for your consideration during your deliberations pertaining to moorage rates, as I find the current pricing system and practices to be inconsistent and out of line. I know that you are governed as an enterprise board for the City and Borough of Juneau and as such represent the interests of all Juneau citizens and entities that use the docks and harbors facilities. I have sat through several Docks and Harbors Board meetings on fee structures and moorage rates. It has been my observation that during these discussions the main premise has been to set rates that are fair for all of the various user groups. So far it seems the main discussion has been focused on commercial users. At this time I would like to bring forth rate issues that pertain to boaters who have secured monthly and annual slips in Statter Harbor. My concern is the disparity in the monthly and annual rates between Douglas, Harris and Aurora Harbors, as compared to Statter Harbor. It has been stated that you charge whatever the market will bear. I understand the law of supply and demand, but after rebuilding what

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was formerly Dehart's marina with 25-27 less moorage slips – it seems that a supply problem was made even worse by this decision to ultimately decrease the number of available slips in the Auke Bay Harbor. Currently the monthly moorage rates for Statter Harbor are \$2.85 per foot higher than rates in the other CBJ harbors. Additionally, the proposed rate increase for monthly moorage in Statter Harbor is 10 cents per foot, while the proposed rate increase is only 5 cents per foot for the other harbors. I was told this calculation is based on the consumer price index to help address problems due to deficient pricing structures of the past. However, since Statter harbor's rates are already higher than those of the other harbors, the rate increase is also higher. It seems that the pricing structure for all of the Juneau harbors should be the same and patrons of Statter harbor, citizens of Juneau, should not have to absorb the costs of an over- inflated rate structure. It is also interesting that this disparity in fee structure is only for monthly moorage, and the other fees, including daily rates, are consistent amongst the harbors. Additionally, for annual moorage there is a serious concern with the current practice of 'double-dipping' on one slip when the annual fees have been paid in full by the slip patron and then the very same slip is rented out to another vessel (typically during the winter). This seems to be a situation in which the annual slip patron should be reimbursed for the sublease of the slip during the months that is filled by another vessel. The harbors should not be able to double dip, but should give the annual renter a rate reimbursement when the slip is rented to another vessel. Or perhaps there should be a restructuring of the agreement to allow for 6 month leases and a set fee to maintain the same slip on a seasonal basis each year. This may be a solution that could benefit both summer and winter users and allow the harbor a more consistent structure. I appreciate your consideration of the issues that I have brought forth and trust that you will work towards solutions that will be fair and equitable for all of Juneau's docks and harbors users. Sincerely, Paul H. Swanson

VI. Board Elections

MOTION By MR. SIMPSON : TO ELECT MR. DONEK AS BOARD CHAIR FOR THE NEXT 12 MONTH PERIOD AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

MOTION By MR. SIMPSON: TO ELECT MR. PETERSON AS BOARD VICE-CHAIR FOR THE NEXT 12 MONTH PERIOD AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

VII. Unfinished Business –

1. Public Hearing – Notice of Proposed Changes to Regulations
Amendment of Title 05, Chapter 20 (Small Boat Harbor Fees and Charges);

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and, Amendment of Title 05, Chapter 45 (Small Boat Harbor and Port Facilities Use Regulations)

Mr. Uchytel said the Committees have been working on Chapter 45 changes since January 14th, and Chapter 20 since January 28th. They went through the full Board meeting in April and May. This public hearing was postponed because of the meeting change in June. There are items in this regulation change that pertains to the Auke Bay Loading Facility. Because this was advertised as a public hearing, he would like to hear public testimony, but would like to wait to proceed to the Assembly until more clarity with what is going to happen with the Boat Yard move to the Auke Bay Loading Facility.

Board Questions –

Mr. Donek asked if this regulation would be for Docks & Harbors running the Boat Yard? Can these regulations be added in the Auke Bay Boat Yard contract?

Mr. Uchytel said assuming the operations are transferred to Harri's Commercial Marine, he is not sure these regulations are needed.

Mr. Simpson asked if these regulation changes could be adopted for purposes of moving them forward to the Assembly, and later come back to take them out if they are needed.

Mr. Uchytel said we are also going to be changing the Commercial Launch Ramp fees which is embedded in one of these chapters. The regulation change process is not lining up to make it a clean change.

Mr. Bush asked if this should be tabled?

Mr. Donek said no because this has been advertised for public hearing.

Mr. Simpson said the Board could hear the public testimony and still defer final action.

Mr. Janes said it is unknown when the Auke Bay Boat Yard transition is going to be in effect. Can the Board just approve the regulations as they are? After the Auke Bay Boat Yard move, the Board could look at this again and can take out the regulations that are irrelevant.

Public Comment - None

Board Discussion/Action

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Mr. Peterson asked if it would create confusion if the regulations changes were approved and on the books, and then the transfer happened?

Mr. Borg said no.

Mr. Simpson said leaving certain parts of this regulation change would be making an assumption of what may or may not happen. He recommends approving these as is. This can be revisited at a later time if it is needed.

Mr. Zaruba asked if it is a big process to take the regulations off the books again if it is needed?

Mr. Uchytel said it is the same process. The Board will need to approve this, go out with a public hearing, and then final approval from the Assembly.

Mr. Donek asked a question for CBJ law if it should be stated in the contract that these regulations do not pertain to the Auke Bay Boat Yard lease? He recommends to approve this as presented.

Mr. Uchytel said if this is approved, it will go forward to the Assembly on August 10th. It will be a later date for the Commercial Launch Ramp fee change.

Mr. Donek asked if this should be tabled tonight?

MOTION By MR. BUSH: TABLE THIS REGULATION CHANGE AND BRING BACK TO THE AUGUST MEETING UNTIL IT IS COMPLETE TO SEND TO THE ASSEMBLY AND ASK UNANIMOUS CONSENT.

Mr. Simpson objected. He said after the hours of time spent on this change, he would like to see this move forward and things could be taken out if needed in the future.

Mr. Bush removed his motion.

MOTION By MR. PETERSON: TO APPROVE THE PROPOSED REGULATION CHANGES AND THAT THE ASSEMBLY TAKE ACTION TO ADOPT.

Motion passed 7 yes 1 no.

VIII. New Business

1. AEL & P Electrical Service – Statter Harbor Launch Ramp Facility

Mr. Uchytel said this was approved through the OPS/Planning Committee, but the Finance Committee wanted more information. The Deputy Port Engineer Erich Schaal and AEL & P representative Darrel Wetherall is here to give a short presentation and answer questions on this project.

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Mr. Schaal went over the site plan in the packet. He said when ADOT required Docks & Harbors to move the entrance to Statter Harbor, the new entrance required a guide pole relocation. Because of the guide pole relocation, the existing pole across the street was not strong enough to support the load lines. There was a new pole system designed necessary in order to maintain the strength for the lines and to not impact other users. The service lines to our project will be in conduit that runs under the ground. This system will serve a power meter base for our property and will also connect to the electrical system for the Deems property, Dehart's, and the Auke Bay Boat Yard.

Mr. Wetherall said the system consists of transmission lines and distribution lines. In order to keep the customers supplied with power, one of the lines needs to be hot. That is the complicating part of this project. This proposed option is the best overall solution and to minimize the overall risk.

Mr. Uchytel said the initial amount budgeted for this electrical service project was \$130,000, and the current charge is at \$133,500. The reason it is before the Board is because all contracts over \$100,000 requires Assembly approval.

Board Questions –

Mr. Donek said this is really just adding another pole to allow the existing pole to no longer be guided across the highway.

Mr. Schaal said that is correct.

Mr. Simpson asked why Docks & Harbors is paying for this rather than the power company?

Mr. Uchytel said Docks and Harbor is paying because this is at our request. The only reason for this change was when ADOT required the driveway to be moved to line up with the alley across the street.

Mr. Schaal said ADOT has the sole discretion on all driveway permits, and it needed to be moved to be allowed to have a driveway.

Mr. Summers asked if it is totally because of the Harbor project for this pole change?

Mr. Schaal said yes.

Mr. Bush asked because this was budgeted, none of this is a surprise but just procedural.

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Mr. Schaal said yes.

Public Comment – None

Board Discussion/Action

MOTION By MR. SIMPSON: TO RECOMMEND TO THE ASSEMBLY, APPROVAL OF A SOLE SOURCE CONTRACT WITH AEL&P IN THE AMOUNT OF \$133,488.37 FOR WORK NECESSARY TO PROVIDE ELECTRICAL SERVICE TO THE STATTER HARBOR LAUNCH RAMP FACILITY WHICH IS CURRENTLY UNDER CONSTRUCTION AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

2. 35% Design & Budget review – Old Douglas Harbor

Mr. Uchytel asked the Board to start thinking about how much of the Harbor Fund Balance they want to use to finish Douglas Harbor?

Mr. Schaal said this is the same layout that is existing currently, and has gone through the review of the Harbor staff. The design includes the new poly tub float design, LED lights, the current new pedestal design, and the new GFCI electrical requirements. The design adds a new gangway and approach dock. The gangway landing float will include a utility shed for snow equipment and other minor maintenance items.

Mr. Uchytel said on July 17th Docks & Harbors held a public input meeting at the Douglas Library where there were 25 in attendance. PND has already incorporated some of the public suggestions from that meeting. The next meeting will be the 65% design.

Board Questions –

Mr. Simpson said this plan has been seen by the OPS/Planning Committee, and approved this conceptually. He asked how much more opportunity at the 35% design is there for recommended changes?

Mr. Uchytel said as this moves forward with more refinement, it is just money and time. It is better to make the changes early on in the design process. In this design, the grid has been completely removed which will be a modification to the contract with Trucano Construction.

Mr. Zaruba asked what can be modified to be able to get closer to the available fund Docks & Harbors already has?

Mr. Uchytel said not good modification options. There could be no power installed to A float. We could do away with 2nd landing and only having one gangway leading to Douglas Harbors. The added items in the design have

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been added to improve the facility for the next four or five decades. There aren't a lot of things the Harbor can do without.

Mr. Donek asked if this fits the patrons in Douglas Harbor currently?

Mr. Uchytel said this is a replacement in kind.

Mr. Summers asked if the boats could reach the inside of the main float at any tide?

Mr. Schaal said yes, but it would add to the cost.

Mr. Summers asked if the gangway in the design currently precludes travel to the inside of the main float at mid to low tides?

Mr. Schaal said in the design it is set back further and longer, so he believes there will be better access with more space.

Public Comment-

Renee Recer, Douglas, AK

She said the space between the two ramps is suited for really small boats. She is not sure to spend extra dredging for the few boats that will utilize this area.

Board Discussion/Action

Mr. Simpson said he is a long time advocate for this project and would like to see this move forward, but he would like this 35% design to come back to the OPS/Planning Committee to change some things, or have a discussion on more changes.

Mr. Uchytel asked if he can assume the 35% design has been approved and to keep moving forward?

Mr. Simpson said he would like the Engineers to wait a couple of weeks until after the OPS/Planning meeting.

Mr. Uchytel said the time line for this project is Trucano will mobilize September 1st and be finished by October 12th. He still needs one permit from DNR, but the Corps is planning to dredge from mid October to March. Our contract would be awarded in April with the work in the summer (around Eagle Nesting)and completion in November.

Mr. Simpson recommended to move the OPS/Planning meeting to earlier in the month.

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Mr. Donek asked if he just wanted to send his suggested changes to PND?

Mr. Simpson said there is value to having a discussion about the change ideas and receive different perspectives.

Mr. Donek said there will need to be some logical cuts to this plan. This is the piece that is needed to make a decision on coming up with the final funds needed for this project.

Mr. Simpson said there is a potential to cut \$500,000 off this plan.

NO MOTION

3. Proposed Regulation Change – 05 CBJAC 20.060 – Recreational Boat Launch Fees.

Mr. Uchytel said at the last full Board meeting, this was sent back to the Committee's to make a recommendation. At the OPS/Planning meeting the Committee recommended \$100 per trailer. At the Finance meeting, they recommended keeping the current \$90 per trailer, but raise the daily rate to \$15 per calendar day. In regulation, Tee Harbor is struck out because it is unclear if CBJ owns this land.

Board Questions –

Mr. Summers wanted to make sure it was in regulation that with the initial launch ramp application an individual needs to provide a registration with an address matching a drivers license address.

Public Comment- None

Board Discussion/Action-

Mr. Simpson said section (d) was a response to public testimony. He would rather not change (d) for a different purpose. Section (e) was to address Mr. Summers concern.

Mr. Donek suggested to add the third sentence in (d) 1 under (e).

Mr. Summers confirmed the suggestion to add; The titles must affirm the applicant's home address with a valid driver's license and the address indicated on the trailer registrations, under (e).

Mr. Donek said that was correct.

Mr. Uchytel said "title" should be "registration" because not everyone has the title.

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Mr. Simpson asked if the \$15 was for round trip, meaning you could launch on Saturday and remove your vessel on Sunday?

Mr. Borg said no. You can launch and remove all in the same calendar day only.

Mr. Janes suggested to add a word “to” before “two” in the first sentence in (d)1, and use “supplemental” for the two permits that can be obtained for \$5 each instead of “additional” to not confuse with the word “additional” in “additional permits” under (d)2.

Mr. Uchytel said the word “additional” was added from the last meeting, he said he would work on better language.

MOTION By MR.BUSH: TO APPROVE THE PROPOSED REGULATION CHANGES WITH ADDING A SENTENCE, WORD SMITHING, AND COMMENCE 21DAY PUBLIC NOTIFICATION PROCESS PRIOR TO HOLDING A PUBLIC HEARING AT A FUTURE BOARD MEETING AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

4. Proposed Regulation Change – 05 CBJAC 20.070 – Fees for commercial use of boat launches.

Mr. Uchytel said this was approved at the Harbor Fee Review on June 3rd and it was forgotten to get on the next OPS/Planning meeting agenda to move forward. This is here at the Board level and has not been through the standing Committees. The Board can act upon this tonight or refer back to the standing Committees for review and action. The Harbor Fee Review’s motion was to;

- charge \$250.00 per trailer
- add the Auke Bay Loading Facility to the location to launch
- strike out the personal use fee.

Board Questions-None

Public Comment –None

Board Discussion/Action

MOTION By MR. BUSH: TO APPROVE PROPOSED REGULATION CHANGES AND COMMENCE 21 DAY PUBLIC NOTIFICATION PROCESS PRIOR TO HOLDING A PUBLIC HEARING AT A FUTURE BOARD MEETING AND ASK UNANIMOUS CONSENT.

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Motion passed with no objection

5. Zoning Change Proposal – Waterfront Industrial to Industrial

Mr. Uchytel said Mr. Watt the Director of Engineering is here to speak about the reason to change this area from Waterfront Commercial Industrial to Industrial. The Assembly Committee of the Whole met on July 13th and had a couple items that were Docks & Harbors related. One was the electrification for 16B and the other was this zoning change south of the Little Rock Dump. The Mayor made a motion that this proposed rezone change come through Docks & Harbors first and then go to the Planning Commission. Mr. Watt is here to speak to the Board at the request of the Assembly Committee of the Whole.

Mr. Watt said this zone change was something he thought was going to be simple and would be supported, however, it did not work out that way. He said the Assembly would like to hear Docks & Harbors comments on this issue. The waste water treatment plant at the rock dump is a 100 year decision. The Community needs to think in the very long term, environmental regulations don't get easier over time, and he only anticipates more things with more complexity at the waste water plant. One of the Assembly's goals is to find more Industrial land because there is a shortage of Industrial land in the Borough. This zone change was an idea he thought the Assembly would approve. When this area was changed to Industrial, over time he could fill this land and utilize it for Public Works activities. By filling this area, it would improve the land and be a long term asset for that 100 year waste water treatment facility. The short term fix to this land would be equipment staging that used to be staged under the bridge, the equipment needs to be moved because of the park and whale project that will be in the under the bridge location. This is also a solution for a location for snow piling operations, and includes improving the capacity of the plant for future possibilities for cruise ship dumping of their bio solids. With trying to follow the Assembly's goal of finding more Industrial land for the mentioned projects is the reason for this zone change. The lease to Mr. Lockwood which is next to the waste water treatment plant has not been surveyed or platted. It is a partially filled tideland parcel. Because it is not platted, he has no definite corners to go by. When Docks & Harbors leased this area to Mr. Lockwood, the entire parcel was leased. The area for the treatment plant was removed and there were provisions left for the Public Works director to articulate what they thought the needs of the Public Works Department would be in the future. The area is not defined well enough so all parties would agree. He said he thinks there is some fear that if the rezone goes through this will permanently encumber Mr. Lockwood's lease area. His intent is to opportunistically fill those tidelands with free fill from regular excavation projects and create a big yard similar to AML's yard. In

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this new filled area, the waste water treatment plant could be upgraded with the new EPA regulations, and respond to Industry needs. There would just be a larger footprint to work with. This zone change is not exactly consistent with the waterfront plan, but it is more or less on board. In the short term the Waterfront Industrial zone area would be used for storing equipment but in the long term he is unsure of the use. He has no objection to requests to not put permanent structures on this area which could preserve this area for a long term use. He is looking for flat land in the short term that can be used for equipment storage.

Board Questions -

Mr. Zaruba asked why the rezone was necessary and not just fill the land under the current zone of Waterfront Industrial?

Mr. Watt said he went and talked to the Planning Department about his future thoughts for this area and they said under the Waterfront Industrial zone he would need to claim this would be a water dependent use, and he is not able to claim that.

Mr. Zaruba said what about a joint venture where you fill this area and Docks & Harbors gives you permission to use this area until such time as it's found a better use for.

Mr. Watt said he does not agree this tideland area is Docks & Harbors management area when he looks at the waterfront plans and the land management plans. When the Assembly granted Docks & Harbors tidelands, they didn't draw a line.

Mr. Uchytel said part of this is Docks & Harbors is the advocate for anything waterfront related. He said it is appropriate that the Board has some input on zone change when it affects area downstream from the Public Works area.

Public Comment-

Howard Lockwood, Juneau, AK

He said is the manager of Juneau Port Development LLC and the owner of AMEX Mining. This started about three or four months ago when the Public Works Director applied for a zone change from Waterfront Commercial Industrial to Industrial. When this was heard by the Planning Commission it was voted against nine to zero and denied the change. The Public Works director appealed this decision to the Assembly and the appeal was denied and tabled. Mr. Lockwood said during the last three years, the Public Works Director has been wanting to modify the use. Mr. Lockwood said this isn't a treatment plant expansion, but a total change in the use of that area. There is a new snow dump area at this location and now a truck parking and trash

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storage area. This is driven to be able to put a human waste burning facility on the most pristine waterfront in this whole community. He said he has been twelve years in planning a facility for a Harbor. The idea is to dredge the Harbor, build a wall and put the material behind the wall, and create an area for use. He said his main objection is when you change the zoning from Waterfront Commercial Industrial to Industrial you remove the ability to establish a revenue generating property. Mr. Lockwood said the facility should be built in Lemon Creek. Mr. Lockwood said this area has been surveyed at statehood, surveyed again when the long range waterfront plan came in, and you can see the survey data on the highway. The lease survey provision that was mentioned as a lapse in the lease was covered one year after the lease was signed, which John Stone went over the lease and noted the occupants lease area is ATS556A. The only restriction from that property is the original sewer plant. When CBJ received that in their municipal grant, the State withheld the mineral reservations, and that reservation was staked in mine claims. There are two title equities that have to be cleared before anyone can do anything with that property, and to this day, the Public Works director has not even addressed that situation. This zone change is not good for this property.

Board Discussion/Action -

Mr. Peterson said being a strong advocate for Docks & Harbors and their properties, he will not support this zone change.

Mr. Simpson said this Board has approved a lease for Mr. Lockwood and this zone change will impact Mr. Lockwood's proposal for that lease area if he is to overcome the conditions of the lease. He sees no value in this zone change that would adversely affect Mr. Lockwood's proposal.

Mr. Janes said he understands the need to look forward and long range planning, but this land could hold commercial value. He suggested to locate the equipment under the bridge.

Mr. Uchytel said Mr. Watt is suggesting that this is Public Works property that is zoned waterfront Commercial Industrial, and it is their property that they want the zone change for, but this will affect Docks & Harbors managed property. He showed on the map that he could support changing the triangle area that is Public Works area into Industrial and leaving the rest Waterfront Industrial. Docks & Harbors needs to look in the future also and this area could be used for a fish processing plant.

Mr. Bush said looking ahead he sees Waterfront Commercial Industrial for highest and best use of this property, and will not support down grading to Industrial.

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Mr. Janes asked if the area would require fill?

Mr. Watt said he would like to fill the whole area similar to AML's area, and he would do this with his maintenance crew.

Mr. Janes asked if being zoned Waterfront Commercial Industrial he could still do the fill work?

Mr. Watt said the issue would be with the Planning Department. When he does this fill work, he is basically telling them this will be a water dependent use project.

Mr. Zaruba asked for an inventory of all the properties we manage.

Mr. Watt said the tideland parcel in question is not divided. There is just an artificial line and no delineation.

Mr. Donek said his concern is with changing the zoning to Industrial without any real plan. He would feel better if Mr. Watt brought a long term plan forward before the zone change proposal.

MOTION By MR. ZARUBA: TO OPPOSE THE PROPOSED ZONING CHANGE AND ASK UNANIMOUS CONSENT.

Mr. Peterson objected he suggested to have a roll call to Mr. Zaruba's motion.

Motion passed unanimously by vote.

5 Minute Break

IX. Items for Information/Discussion

1. Cruise Vessel Scheduling

Mr. Green said Mr. Uchytel asked him to come and explain how the cruise ships are scheduled in the different locations.

Mr. Donek asked if there could be more ships scheduled at the two docks closer to town (Steamship dock and Cruise Terminal dock) and what would be the process to have this change?

Mr. Green said scheduling is determined by the ships parameters. After 16B, it will fix the problems that the ships face now at the docks closer to town. There are two class of ships that fit at these two docks. It is also determined by the gangway location and the vessel's draft. The docks are restricted by its configuration as well as size. Cruise Line Agencies does try to make ships that would not normally work at these docks work with inverting the gangway and other methods to make the docks work. The Princess ships have a long term

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lease with the Franklin Dock and prefer to use that dock. The big problem with the Steamship dock is the size, and the big problem with the Cruise Terminal dock is it needs to be dredged in front of the dock. When there are low tides, the ships need to go to anchor. On the days there are no ships at the Steamship dock and the Cruise Terminal dock, there are no ships that fit at those docks. Another change this year is the Seven Seas Navigator that fits at these two docks has opted to dock at the AJ dock this year, which has always been an option for them. They fit better at the AJ dock because of gangway issues, however, they prefer to be downtown so they will go to anchor sometimes. The customers don't like the anchoring out so they are going to the AJ dock. Mr. Green said his focus is on operation issues and not where the cruise ship customers are going to shop. The operational concerns are first and gangway issues are second.

Mr. Janes asked how is the Cruise Ship scheduled two years in advance? Why are there five ships in port some days, and two other days?

Mr. Green said it is determined by what the cruise lines wants to do based on marketing criteria, meaning it is difficult to sell a cruise mid week versus the weekend. Ships that start their voyage in Vancouver only come to Juneau every other week. Monday is a heavy load because it is two days ship travel time from Vancouver and Seattle where the cruises start from. Less ships arriving on Friday and Saturday. Sunday has been heavy because of the mid week trips. The ships are growing and that is a good reason that Juneau is moving forward with 16B to accommodate the larger ships.

Mr. Summers asked if there would be benefit for Docks & Harbors or the CBJ to enter into a contract with the cruise lines to use the new facilities. Depending on where the ship is docked makes a significant impact on the tax dollars from downtown business owners. How would it affect the scheduling if Docks & Harbors did have a contract with the cruise lines?

Mr. Green said cruise line agencies would have to honor the contract but we would also have to look at operational requirements. He said Cruise Line Agency's meets with the cruise lines a couple times a year to work on the schedule to see what fits in the southeast ports. This is figuring tides, size of vessel, bollard locations for lines, gangway locations, and looking at everything up to two years out. A conflict document is created with possible solutions. With this information the cruise ships make trades and some will anchor, and some will reverse their order where they go to Skagway first. The challenge is to make it all fit and work with our primary interest to get the ships docked to give them the port time they need to get the tours off and get the tour revenue in town. Operational necessity first, preference is second, and this is all a very complex process that takes hundreds of hours to make work.

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Mr. Bush asked with part of 16B being installed in the fall, will the Steamship dock be used next season?

Mr. Green said yes, but it is still the same issue that only certain size ships will fit at that dock. With the new dock, there should be more room at the Steamship dock but they may need more tug assist.

Mr. Peterson said currently it appears Docks & Harbors is passive where schedules are set. When schedules are set, are there private dock owner representatives at the table when these schedules are set? If this is happening, would it be to Docks & Harbors advantage to have a representative at the table?

Mr. Green said there are no other private dock owners present. The only exception is when the cruise line is the partner of the dock. Example would be that Princess Lines is a lease holder owner of Franklin Dock. This would be the only time a private dock representative would be at the table. This is a Board that meets the vessels operational issues in Alaska and Pacific Northwest. He said he is not sure there would be an advantage of a Juneau representative being at the meetings.

Mr. Summers said some people have suggested that Cruise Line Agencies is part owner in the private docks.

Mr. Green said we operate the facilities, but we don't own it.

2. New Cruise Ship Berths

Mr. Uchytel said at the Assembly Committee of the Whole on July 13th, the Committee wanted to have an update on the electrification of the 16B project with hydro power. Docks & Harbors' position has not changed since 2011. There is still insufficient power capacity in CBJ to power more than one cruise ship in town. Mr. Uchytel said Mr. Mitchell has gone on record stating that he is building Sweet Heart Lake power plant, construction will start next year with power available in 2017, and Docks & Harbors is being foolish for not investing in design efforts to bring this system to the 16B project. A Princess Cruise Line representative said they may not want electrification for their ships, but to install scrubbers, which would meet their Environmental Control Area requirements. This is not through low sulfur fuel but by having devices installed on ships that reduce emissions meeting EPA requirements. Mr. Uchytel said he will reach out to the experts that Duff Mitchel references to do a study to make sure the cat walks and floats, as we know it today, will not be negatively impacted by not doing anything now. The vault and the conduit has been installed through the parking lots so when there is sufficient electrical capacity, it will be easy to provide power to the docks if that is what Industry wants.

3. Harri Commercial Marine Boatyard Relocation

Mr. Uchytel said it was decided by the Board that the best and highest use for the Auke Bay Boatyard is not a Boatyard. He said he has been actively involved in trying to move the Boatyard from Stater Harbor to the Auke Bay Loading Facility. He crafted a Memorandum of Agreement for this

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change. The Law Department will execute a lease amendment but will need an updated appraisal for the new lease rate. Mr. Uchytel said he has been working with Docks & Harbors Term Contractor appraiser Charles Horan. This will be a difficult appraisal because it is not a free and open market place. There is a very expensive self propelled hydraulic boat lift that no other community in Southeast Alaska has. The rate will be determined by looking at property not at it's best and highest use but it's intended use. When he gets something back from Horan & Company he will come back to the Board for a more indepth discussion on lease rate. Mr. Duvernay has a lease until 2018.

Mr. Duvernay said on page three of his lease it states,

“The term of this lease will be 10 years or until such time a new haul out facility is constructed, whichever is sooner. In an event a new haul out facility is constructed during the term of the lease, the City agrees to offer lessee a new lease provided the new lease terms including the lease payment will be amended as necessary to address any new terms and conditions of the new lease and to comply with any new CBJ codes”.

Mr. Simpson said this means Mr. Duvernay has the first right of refusal.

Mr. Duvernay said Docks & Harbors is obligated to ask the Lessee first and not do a RFP process.

Mr. Simpson said we will still have to get the appraisal and figure out the lease rate.

Mr. Duvernay said the transfer of the lease also includes an adjustment of the rent. They are different facilities with different capabilities. He will expect to be paying a higher lease rate more in line of the downtown rent.

4. Former Thane Ore House – Lease

Mr. Uchytel said staff had an information meeting that five parties showed up showing interest. The Thane Ore House was opened to let contractors and interested proposers to look the building over. Proposals are due on August 14th. He said he has not received any questions that would delay the due date. He asked the Board if there was anyone that wanted to sit on the selection Committee? He will also ask the Assembly Liaison if he would like to be on the selection Committee also. He is anticipating five proposals.

Mr. Janes and Mr. Simpson said they would be on the selection Committee.

5. TBMP Efforts- Auke Bay Wake

Mr. Uchytel said Kirby Day (TBMP) is engaged and sent letters for a voluntary effort to reduce the wake effect on Rob Warden's dock.

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6. Proposed Restaurant Lease – Douglas Harbor Parking Lot

Mr. Roha, Juneau, AK

He said has revised his initial plan that was brought to the Board after the PND parking study. This is the same basic plan, but the location of the restaurant has been shifted and put on pilings which would be off the parking area and in the tidelands.

Mr. Simpson asked what the impact of the building will do on parking?

Mr. Roha said it would only eliminate five or six boat trailer spaces and narrow the drive area. This is just a rough draft. He will not continue with the building until he hears from the Board it is okay to move forward. The car parking in front of the Harbor area far exceeds any code requirements for the parking. There may be an opportunity to move some of the boat trailer parking there and off the end of the boat ramp area.

Mr. Janes asked Mr. Roha's plan adds spaces to the PND proposal?

Mr. Roha said PND did not account for the restaurant proposal parking.

Mr. Janes asked with the new proposal Docks & Harbors still loses six to eight parking spaces?

Mr. Roha said four to five spaces.

Mr. Janes said the loss of parking spaces is important because the parking is the major issue here. He would like the plan brought into scale to be able to compare to the PND drawing.

Mr. Simpson said he is in support of this idea and it would be a good amenity for Douglas, but the main concern is parking. He suggested to come back with a more specific drawing that definitely deals with all the parking concerns.

Mr. Donek asked what the next step for this proposal is?

Mr. Uchytel said it would be a RFP or RFB type process. Unfortunately in a public process, the one with the good idea may not win.

Mr. Roha said that may be the deal breaker. He has put in a lot of time, effort, and money.

Mr. Peterson asked if when PND did the parking study, was Docks & Harbors still short on parking of what Fish & Game requires for a double ramp facility?

Mr. Uchytel said that is correct.

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Mr. Roha asked if this definitely had to go out to a RFP process?

Mr. Donek asked Mr. Uchytel to talk to the Law Department to see the public process for this proposal.

Mr. Bush asked what the process was for a lease?

Mr. Uchytel said some are a competitive lease, all are advertised. He said he will get with the Law Department on the process for this proposal.

X. Committee and Board Member Reports

1. Harbor Fee Review Committee Meeting – n/a

2. Operations/Planning Committee Meeting – Wednesday July 15th, 2015

Mr. Simpson reported the Committee heard;

- Public testimony on the launch ramp fees - this was moved to the Finance Committee.
- Fritz Cove public access, trailered/non-trailered boat access - there was no motion at this time.
- The zone change proposal at the Little Rock Dump.
- A presentation on the AEL & P power pole issue.
- An update on the Douglas Harbor.
- Auke Bay Boat Yard move.
- A presentation from the Oceans Interpretive Center for the Gold Creek area downtown.

3. Finance Committee Meeting – Thursday July 23rd, 2015

Mr. Peterson reported the Committee heard;

- A presentation on the AEL & P power pole issue.
- The proposed regulation change on the recreational boat launch fees – this was forwarded to the Board
- Looked at the Auke Bay Boat yard memorandum of agreement – The Committee recommended Mr. Uchytel to move forward with a lease agreement to relocate.

4. Docks Fee Review Committee Meeting – n/a

5. Member Reports – none

XI. Port Engineers Report –

Mr. Schaal said Mr. Gillette's report is in the packet and will answer any questions.

Mr. Peterson asked about the status on the eagle nesting issue that could be a problem to move forward with Douglas Harbor.

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Mr. Uchytel said staff is working with Fish & Wildlife, but this could slow the mobilization for the Douglas Harbor rebuild.

XII. Harbormaster's Report –

Mr. Borg said the Sea Lift was out of order for a short time, but it is up and operational again.

Mr. Janes asked if Mr. Duvernay was able to watch the repair.

Mr. Borg said yes.

XIII. Port Director's Report –

Mr. Uchytel said Mr. Gillette's mother passed away and is in Wisconsin.

XIV. Assembly Liaison Report - None

XV. Board Administrative Matter

a. Assignment of Docks & Harbors Board Standing Committees

Mr. Donek said he kept the same committee members but replaced Mr. Busch with Mr. Zaruba and Mr. Spickler with Mr. Lowell.

b. Comprehensive Fee Review Committees

Mr. Donek said this will be reinstituted for the next year and again he said he kept the same committee members but replaced Mr. Busch with Mr. Zaruba and Mr. Spickler with Mr. Lowell.

c. Harbor Fee Review Meeting –

Mr. Simpson – Chair

Mr. Janes – Vice Chair

d. Docks Fee Review Meeting–

Mr. Peterson – Chair

Mr. Bush – Vice-Chair

Mr. Donek would like the Fee Review Committee to not start up again until October.

e. Operations/Planning Committee Meeting – Wednesday August 19th, 2015

Mr. Simpson recommended changing this meeting to August 12th at 5:00.

f. Finance Committee Meeting – Thursday August 20th, 2015

g. Board Meeting – Thursday August 27th, 2015

h. Board Meeting Time –

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Mr. Donek recommended moving the Board meeting time to 5:00pm from now on.

The Board was all in agreement.

XVI. Adjournment - The regular Board Meeting adjourned at 8:54 p.m.