CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING AGENDA
For Thursday, May 21st, 2015

I. Call to Order (5:30 p.m. in City Hall Room 224).

II. Roll (John Bush, Tom Donek, Bob Janes, David Logan, Mike Peterson, Budd Simpson, Scott Spickler, David Summers, and Greg Busch).

III. Approval of Agenda

MOTION: TO APPROVE THE AGENDA AS PRESENTED.

IV. Approval of April 30th, 2015 Regular Board Meeting Minutes.

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

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

VII. Unfinished Business

1. Small Boat Harbor Fees & Small Boat Harbor & Port Facilities Use Regulation
   Presentation by the Port Director

Board Questions

Public Comment

Board Discussion/Action

MOTION: APPROVAL OF A MODIFICATION TO PROPOSED REGULATION CHANGES 05 CBJ 20.230 (AUKE BAY LOADING FACILITY – HAUL OUT FEES) IN WHICH THE FEE IMPOSED TO HAUL OUT USING THE SELF-PROPELLED HYDRAULIC BOAT LIFT BE CHANGED FROM $15 PER LINEAR FOOT TO $10 PER LINEAR FOOT; AND THAT THE PROPOSED REGULATION CHANGES BE PUBLICLY NOTICED FOR A FUTURE HEARING AT AN UPCOMING BOARD MEETING.

VIII. New Business

1. Cultural Preservation Lease Review
   Presentation by the Port Director

Board Questions

Public Comment

Board Discussion/Action

MOTION: TO ACCEPT THE RECOMMENDATION FROM THE FINANCE COMMITTEE THAT THE CULTURAL PERSERVATION LEASE RENT BE SET AT 9% RENT CALCULATION BASED ON THE APPRAISED VALUE OF $713,100 OF THE PROPERTY, RESULTING IN A NEW ANNUAL LEASE PAYMENT OF $64,179. THE AGREEMENT RETROATIVE WITH THE AMOUNT OF $67,149.91 FROM JUNE 1ST, 2013 THROUGH MAY 31ST, 2015. THE LEASE WILL NOW BE REVIEWED EVERY 5 YEARS WITH THE NEXT REVIEW JUNE 1ST, 2018. THE LEASE AMENDMENT WILL INCLUDE RETURN THE 1,694 SF PARCEL A TO DOCKS & HARBORS RESULTING IN A REDUCTION OF $7,851.69. THIS RECOMMENDATION TO BE FORWARDED TO THE ASSEMBLY FOR LEASE AMENDMENT ACTION.

2. Douglas Harbor Design Fees
   Presentation by the Port Engineer

Board Questions

Public Comment

Board Discussion/Action

MOTION: APPROVAL OF THE ENGINEERING DESIGN SERVICES FEE PROPOSAL TASK ORDER , TO REBUILD OLD DOUGLAS HARBOR, BE AWARDED TO PND ENGINEERS, INC. FOR $308,940.

IX. Items for Information/Discussion

1. Cruise Ship Berth Monitoring
   Presentation by Kristen Kolden – Alaska Seismic & Environmental, LLC

2. Term Contract results
   Presentation by the Port Director

3. Thane Ore House Lease – Next Steps
   Presentation by the Port Director

4. Whale Project
   Presentation by Board Member David Summers

X. Committee and Member Reports

1. Harbor Fee Review Committee Meeting- May 6th, 2015
2. Operations/Planning Committee Meeting- N/A
3. Finance Committee Meeting- May 20th, 2015
4. ~~Docks Fee Review Committee Meeting- May 20th, 2015~~
5. Member Reports

XI. Port Engineer's Report

XII. Harbormaster's Report

XIII. Port Director's Report

XIV. Assembly Liaison Report

XV. Board Administrative Matters

a. Operations/Planning Committee Meeting – Thursday, May 28th, 2015

b. Harbor Fee Review Meeting – Wednesday, June 3rd, 2015

c. Operations/Planning Committee Meeting –Wednesday, June 17th, 2015

d. Finance Committee Meeting – Thursday, June 18th, 2015

e. Docks Fee Review Meeting – Thursday, June 18th, 2015

f. Board Meeting – Thursday, June 25th, 2015

g. Board Member Applications - Tuesday May 26th, 2015

h. Port Director Performance Review Process

XVI. Adjournment

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

I. Call to Order.

Mr. Logan called the Regular Board Meeting to order at 5:30p.m. in the CBJ Assembly Chambers

II. Roll Call.

The following members were present: John Bush, Tom Donek, Bob Janes, Budd Simpson, Scott Spickler, David Summers, and David Logan.

Absent: Greg Busch and Mike Peterson.

Also present were the following: Carl Uchytil – Port Director, David Borg-Harbormaster, Gary Gillette – Port Engineer, and Jerry Nankervis – Assembly Liaison.

III. Approval of Agenda.
Mr. Uchytil asked to remove #2 under Items for Information. He said there is no new information at this time.

MOTION By MR. DONEK: 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 March 26th, 2015 Regular Board Meeting Minutes were approved as presented.

V. Public Participation on Non-Agenda Items – None

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

1. Statter Harbor Funds Appropriation Ordinance - $100,000 from ADOT/PF

RECOMMENDATION: TO ACCEPT THE ADOT/PF APPROPRIATION FOR $100,000 AND FORWARD TO THE ASSEMBLY FOR ORDINANCE ACTION.

2. Regulation Change – Statter Harbor Parking Lot Fees (05 CBJAC 20.160)

<u>New Launch Ramp Facility</u>

i. Rate

1. $5/day
2. $1/hourly
3. 10-day maximum in season
4. Applies to either vehicles or vehicles plus trailers
5. Limited number of monthly parking will be managed and issued by the Port Director or representative at $100/month.

ii. Off season discounted rate (Oct-April)

1. $50/month

Existing Statter Harbor Office Parking

i. Rate

1. $5/day
2. $1/hourly
3. 10-days maximum in season
4. $100 monthly rate w/limited number of parking not over 20.
5. No trailers
6. Reserved Statter Harbor Moorage patrons will receive one year- round parking pass included in moorage cost. This does not guarantee parking.

ii. Off season discounted rate (Oct – April)

1. $50/month

RECOMMENDATION: TO APPROVED THE NOTED CHANGES AND COMMENCE 21 DAY PUBLIC NOTICE OF THE PROPOSED CHANGES.

3. Regulation Change – Staff Labor Fees (05 CBJAC 20.140)

$75 per hour for each staff person with a one-hour minimum charge per staff person. $125 boat charge per hour, one-hour minimum, and increments each 30 minutes prorated.

RECOMMENDATION: TO APPROVED THE NOTED CHANGES AND COMMENCE A 21 DAY PUBLIC NOTICE OF THE PROPOSED CHANGES.

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

VII. Unfinished Business – None

VIII. New Business

1. Proposed Restaurant Lease – Douglas Harbor Parking Lot
   Mr. Uchytil said he was approached by a person with a restaurant interest to lease a portion of the Douglas Harbor parking lot area for a new restaurant construction. This has already been presented to the Operations/Planning Committee meeting and the Finance Committee

meeting and staff was directed to describe what the process is to move this forward.

Mr. Gillette said in the packet is a memo describing the process and issues for moving this forward.

1. The portion of the project site which is within the Dock Street right-of-way would need to be vacated. The street vacation process requires submittal of an application from the adjacent property owner (i.e. Docks & Harbors) to the CBJ Community Development Department and a decision by the Planning Commission. If approved, a survey and platting process would occur.
2. Prior to leasing Docks and Harbors property, a determination must be made as to whether or not a restaurant is a marine-related use.
3. Prior to leasing Docks and Harbors property, a 30-day public notice of property available for leasing must be issued.
4. If the property is eligible for leasing an appraisal must be performed to determine property value and lease rate.
5. Prior to an execution of a lease agreement, a survey must be performed to identify the exact lease area and any easements needed to serve the proposed use (sewer, water, access, etc.)
6. Once a lease agreement is negotiated it must be reviewed by the Docks and Harbors Board and approved by the Assembly.
7. The property is zoned Waterfront Industrial. The restaurant use requires a Conditional Use Permit approved by the Planning Commission.
8. If a lease is executed, it would be the proposer's responsibility to demonstrate to Docks and Harbors that all federal, state and local laws and ordinances have been met.
9. The subject property is included in the Douglas Harbor Master Plan (8A) which designates the area for truck/trailer parking for the launch ramp facility. The parking plan for this area needs to be revised to accommodate the restaurant project. A revised plan would show how the proposed restaurant project might impact the truck/trailer parking layout utilizing current parking stall six 12 X 50 and access aisle width standards of 32 feet as was used at the new Statter Harbor Launch Ramp facility.
10. Currently the sewage pump-out station at the end of the boat launch float ties into a sewer manhole within the Dock Street right-of-way. If the project goes forward this line would need to be relocated to maintain service to the pump-out station.

Board Questions –

Mr. Donek asked who makes the determination if the restaurant is marine related use?

Mr. Uchytil said the language says "unless otherwise designated in advance by the Assembly by resolution, any lease of land shall be limited to Marine Related uses, and those uses accessory to tenancy on the Boat Harbor or use of the Port". This is in Title 85 which is the Boards guiding ordinance.

Mr. Donek asked if it is this Board or the Assembly that actually decides if the restaurant is marine related use?

Mr. Uchytil said the Assembly would have final approval.

Mr. Janes asked if there was any informal parking surveys conducted at the Douglas Harbor parking lot?

Mr. Gillette said there was a windshield survey done when Fish & Game was asking for parking. He said he was there last weekend and he counted 44 trucks and trailers, however, that wasn't a peak day. When staff was working on Statter Harbor parking lot, the recommended amount of parking spaces per launch lane is 50. Douglas Harbor parking lot is pretty full. It would probably be more efficient parking if it was paved and striped.

Mr. Simpson asked what the sequence to move forward with this request is?

Mr. Gillette said the parking issue should be addressed first. Figuring out the parking needs for Douglas Harbor would tell us if we could give up land.

Mr. Simpson said he was questioning when to put it out for public notice. If we don't have a tenant there is no reason to move forward.

Mr. Gillette said if we did decide to go ahead and pave and stripe the Douglas Harbor parking lot, the plan needs to be looked at again because it is over 15 years old. When the plan is reworked, staff would know at that point whether Docks & Harbors had any land to offer to the public at all.

Mr. Janes asked if staff could make a quick assessment whether the restaurant will be considered as marine related use?

Mr. Uchytil said the first question before the Board is whether Docks & Harbors has sufficient space for parking in Douglas Harbor to be able to lease out a portion. The question whether the restaurant is marine related or not can be resolved at the Assembly level. The Assembly can say that the restaurant is not marine related, but they could approve it anyway. The

Board's role is to make sure all the Harbors needs are met in all our facilities.

Public Comment –

Greg Fisk, Juneau, AK.
He said that general end of the proposed site used to be a seafood processing site and is grandfathered in for that type of use. If someone wanted to open a seafood processing site, that would be a prime site.

Dennis Watson, Juneau, AK
He commented that the prior Port Director and a past Board member wanted to put a restaurant on the dock at Statter Harbor, and now the Board is worried about it being marine related use.
With a restaurant on the dock, if anything tragic happened and the building was a loss, the only way to rebuild it would be to rebuild on the same foot print. If they don't, they can't rebuild. If the Board is thinking this in unallowable, then they shouldn't be thinking about building a restaurant anywhere else on the docks. He doesn't see this as a problem. Douglas was looked at as an area that needed attention. This is the first time he has heard anyone wanting to do anything in Douglas. With this interest, there is a step forward for the community.

Board Discussion/Action
Mr. Simpson said this was brought up to the Ops meeting last week. From the Committee standpoint, he would like to look at the parking configuration because this will need to be looked at for the work being done in the Douglas Harbor anyway. It has always been part of the plan to pave and stripe the Douglas Harbor parking lot as we got money. This would be a good time to look at it and use that information for this proposal's determination to move forward or not.

Mr. Logan asked if Mr. Gillette should provide an example what will happen with parking if this is built and what will happen with parking if this isn't built.

Mr. Simpson suggested to look at the existing plan from 2000 and draw out what would be an ideal configuration with the larger sizes and what happens when the property is offered for some kind of commercial use.

Mr. Donek suggested to throw out the 2000 plan. He wants to go back to PND to come up with a parking plan with the new sizes, then redo that plan with the restaurant so we can see how many spaces we will be losing.

Mr. Bush asked if the windshield surveys showed the parking lot was overloaded twice a year?

Mr. Gillette said that was for Statter Harbor during Salmon Derby weekend and the weekend after Salmon Derby weekend. We may have information on Douglas, but he will have to check.

Mr. Spickler said he would like this to happen.

Mr. Janes said he would like staff to also provide with the two parking plans a survey on one or two days in the summer with number of vehicles and lengths so there is something to go by.

MOTION By MR.DONEK: TO SEND THIS BACK TO OPERATIONS/PLANNING COMMITTEE TO WORK WITH MR. GILLETTE TO FIGURE OUT IF THIS PROPOSAL WOULD WORK AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

2. 1% For Art Panel Recommendation – New Cruise Ship Berths Project
Mr. Gillette said Docks & Harbors projects are required to provide 1% for art. The Cruise Ship Berth project has a large budget and a large budget for art. There were nine people on the selection Committee that went through the 1% for art process. Back in October the Committee received 28 different art proposals by eight different artists. In December the Committee decided on four that they wanted to further consider. One of which was an out of town artist that they invited to come to Juneau in January. He talked about the things that inspired him after seeing Juneau, then came back with a proposal. On April 20th the Committee met and reconsidered the four artists and selected Cliff Garten as their recommendation to move forward to the Assembly. Mr. Gillette showed a power point presentation showing how Mr. Garten came up with his design. Mr. Garten's design is stainless steel sculpture including the fluke of a whale, ribs like in the 700 year old fish trap, horizontal pieces that are reminiscent of a lighthouse lens, a pole reminiscent of the totem pole(contemporary), and the sculptures light up reminiscent of the northern lights. Part of his inspiration was the whale fluke and the eagles. These sculptures would be mounted on top of the old mooring dolphins. There will be a series of eight to ten of these sculptures. The Committee would like 10 and they would be located on every other mooring dolphin about 120' apart. As you walk along the dock, these sculptures would be on the edge marking the edge where the water meets the land. At night the sculptures would be lit and they could change colors. The selection Committee felt this would attract more people downtown and

to the waterfront. This art is very new and different to Juneau. Mr. Gillette asked the Board to consider the project and if approved pass on to the Assembly who will have the final approval.
Board Questions

Mr. Spickler asked what was the cost?

Mr. Gillette said the 1% for art budget is $540,000. Keeping some contingency money and administrative money, the budget for the actual art pieces is $452,000. This is the only proposal that used the complete budget amount. At this time his proposal is within the budget, however, there are still electrical and other minor things that need to be worked out that the contingency amount set aside should cover. Mr. Gillette said a good thing about this proposal is if it does go over budget, we could decrease the amount of sculptures to nine or eight instead of ten.

Mr. Spickler asked if the electrical was added into the budget?

Mr. Gillette said the lights and the controllers for the lights are included, but getting the power out to each of the mooring dolphins is not included.

Mr. Logan said he was the Docks & Harbors representative on the panel. He said this was the only project that ran the entire ½ mile down the dock. This is year around art that will be seen during the winter months.

Mr. Janes said he likes the sculptures and they add value to the community.

Mr. Bush suggested to put picnic tables or something on the mooring dolphins that won't have a sculpture.

Mr. Gillette said just leaving them will keep the maritime flavor.

Public Comment- None

Board Discussion/Action

Mr. Simpson thanked the people on the Committee. He said these sculptures are cool looking, but he would not be supporting this. He said when the Board found out they needed to spend 1% of their budget on art, they said they wanted to see something that was integrated into the project that was like a welcoming entry way to the community for passengers that were disembarking. He does not see these sculptures doing that.

Mr. Donek said he does not see these fitting downtown.

Mr. Janes said he thinks they are beautiful and feels they are an invitation to our City.

MOTION By MR. JANES: TO APPROVE THE 1% ART PROJECT AND MOVE IT FORWARD TO THE CBJ ASSEMBLY.

Motion passed 5 Yes/2 No.

IX. Items for Information/Discussion

1. Merchant's Wharf Facility Plans

Reecia Wilson said she is here to publically state the Merchant's Wharf is very interested in moving forward with the City on the Seawalk which is a very critical component to the Seawalk puzzle. She said she has not had any serious negotiations with the CBJ Engineering Department since 2012. In 2012 there was a little bit of a stand still with negotiations due to some deferred maintenance issues with the Wharf building and coming to terms with the evaluations she was faced with. The letter she wrote on behalf of Merchant's Wharf was thanking Rorie Watt and his staff for their continued efforts for the design concept for the continued Seawalk in front of Merchant's Wharf and she read the letter.

"There is consent from the partnership to move forward with negotiations in the spirit of long term urban planning for Juneau's waterfront. The partnerships intent is to reach a deal that will allow Merchant's Wharf to generate enough funds to address known structural issues with the parking lot and be in a financial position to redesign for safety and efficiency. We are most interested in the idea of selling additional tidelands so long as valuation allows us to reach the long term goals for the property".

Ms. Wilson said she wanted to bring this to the Board now because she has recently received several phone calls regarding the Whale project and why the Wharf has not been considered to house the Whale project. She said she spoke with Rorie Watt today and told him the Wharf would like to house the Whale project. Having the Whale at the bridge will drive people away from downtown, and downtown merchants, and at the end of the day affect the sales tax.

Mr. Janes asked if she was visualizing the Whale project preempting the Seawalk to the bridge? He asked if the cost for the whale being located by the Wharf is close to the $10M that is the proposed amount for the island and the whale being located by the bridge?

Ms. Wilson said she has done some rough numbers, the known parking lot structural problems will run from $3M to $4M. At this point, she is willing to sit down with the City and discuss the parking lot becoming part of the Seawalk. This project could come under the cost of having the Whale located

by the bridge. The City needs this area to continue the Seawalk. She said the Wharf is ready to be a part of Juneau's long term urban planning.

Mr. Summers asked if the Wharf property would entertain some form of crossing or bridge over Egan Drive.

Ms. Wilson said in 2011 Goldbelt wrote a letter to the City and stated they were not interested in having the Seawalk go in front of their building. At that time, the Engineering Department was trying to figure out how to get around that building. She showed a diagram on a concept to cross the street. She said the timing is right to enter into discussion.

Mr. Spickler asked if she has talked to the Cruise Industry, the Whale Committee or Goldbelt?

Ms. Wilson said she talked to Jim Clarke today who is on the Whale Committee. She has not yet talked to the new CEO with Goldbelt. She said she will probably call tomorrow. The Committee's biggest concern is timing. She would like the Whale in a more practical place and not by the bridge. The Wharf is willing to make some accommodations and considerations to make this a reality.

Mr. Spickler asked if she has had dialogue with the cruise lines?

Ms. Wilson said she talked to Mike Tibbles and he was going to talk to John Binkley. She said she is in the process of getting the dialogue going to see where they stand? She asked Rorie Watt if he thought timing was the biggest issue? She suggested to wait for a year.

Mr. Janes said he did know one of the concerns from the cruise lines was safety. One of the reasons there has been support in the widening of sidewalks and the Seawalk is getting people away from the street. Have you looked at the plan closely enough to have an elevator inside your building to take people to a level they could then cross over the road.

Ms. Wilson said she has not looked at that yet, but she does have it as a concept to discuss.

~~2. Aurora Harbor Rebuild Project – Installation of Phone & Cable TV~~
No New Information

X. Committee and Board Member Reports

1. Harbor Fee Review Committee Meeting – March 31st, and April 15th, 2015.
   Mr. Simpson said the Committee spent time on two items on the consent agenda tonight and the Committee will be moving onto moorage fees next.

2. Operations/Planning Committee Meeting – April 22nd, 2015
   Mr. Simpson said the Committee heard a presentation from Abby's Kitchen about the proposal for Douglas Harbor.
3. Finance Committee Meeting – April 23rd, 2015
   Mr. Spickler said the Committee heard the items on the consent agenda tonight. The Committee had a brief discussion about the antenna problem in Douglas Harbor, and no action was taken. Cruise Line International-Alaska came and talked and discussed their concerns.
4. Docks Fee Review Committee Meeting – April 23rd, 2015
   Mr. Logan said the Committee discussed parking permits for the downtown area and Statter Harbor and there was no consensus. It is tabled until fall.
5. Member Reports – none

XI. Port Engineers Report –

Mr. Gillette said his written report was handed out tonight.

- The Aurora Harbor project is getting completed, and they were working on paving today. The decking has all been secured except the ones that could be for future communication lines. Plumbing and Electrical are being finalized. This is looking good and still on schedule.
- Statter Harbor has a lot of rock being moved and all the wick drains are in place.
- Douglas Harbor Phase I was awarded to Trucano Construction.

Mr. Logan asked where the redesign of Douglas is at, and wanted to know if it was ready to take to Operations/Planning Committee?

Mr. Gillette said staff met with PND and discussed the things they wanted to look at and staff recommendations. PND has direction on what staff is looking for and they are developing a fee proposal.

Mr. Uchytil said staff is working with the Corp of Engineers to relocate the GCI fiber-optic cable to the north side of the channel so it doesn't interfere with the dredge spoils dumping. We are waiting for DNR to approve.

XII. Harbormaster's Report –

Mr. Borg reported

- The Marine Park new gangway cover is here and will be installed tomorrow.
- All the Harbors and Port areas have been pressure washed.
- Had a good turnout and feedback at three separate meetings with Vendor Booth permit holders, loading zone permit holders, and Operations at Statter Harbor.

- The Harbors are filling up sooner than anticipated, and so far so good on accommodating everyone.
- Staff is processing four impounds which will be finalized by the middle of the month. Two more will be impounded in the next few days for non-payment.

Mr. Summers asked if the spaces in Aurora Harbor North were rented seasonally? If they are rented, how does someone rent them?

Mr. Borg said this is storage for marine use and live-a-boards. A lot of the seasonal's are returning and getting their gear ready for the season.

Mr. Janes asked Mr. Borg if he had an update on the Juneau Marine Services fire?

Mr. Borg said they are cleaning it up and putting more gravel down.

XIII. Port Director's Report –

Mr. Uchytil said a company called APARK is what Docks & Harbors has been using for their parking system for downtown and Statter Harbor, which is the same company the rest of the City was using and sued a couple of years ago. APARK had a separate contract with Docks & Harbors and has now filed bankruptcy. We are working to find a short term work around, and another solution by mid summer. We collect approximately $100,000 between the two lots.

He said he and the Harbormaster are providing coffee and doughnuts tomorrow morning from 7:30 to 9:00 at the Yacht Club.

The contractor inadvertently cut down several trees at the Dick Deems house, which is causing a lot of problems.

There is the blessing of the fleet on Saturday and the Harbor guys have pressure washed the fisherman's memorial and cleaned the area for the memorial. This is something Docks & Harbors is not obligated to do, but we do for good intentions.

The Maritime Festival is May 9th.

There is a meeting with Industry on Tuesday about the Meteorological sensing data.

The first cruise ship of the season arrives on Monday May 4th.

There will be a ribbon cutting ceremony for Aurora Harbor and customer appreciation on June 5th.

He said he is working with law to get a Confession of Judgement (COJ) for a derelict vessel at the IVF. With this document the owner agrees to pay to dispose of the vessel.

XIV. Assembly Liaison Report

Mr. Nankervis said everything from Docks & Harbor has been passed through the Assembly.

He asked what the maintenance would be on the 1% for Art proposal?

Mr. Logan said the artist said the sculptures would just need to be pressure washed.

Mr. Nankervis commented at the Assembly Finance meeting where Mr. Uchytil presented Docks & Harbor budget, one of the Assembly member asked if Docks & Harbors has a budget surplus that they are rolling over why don't they give it to the rest of the City to help balance the budget. He said the member was educated quickly that is not how these Boards work.

XV. Board Administrative Matter

Mr. Logan recommended encouraging qualified people to apply for Board positions.

a. Harbor Fee Review Meeting – Next meeting is May 6th, 2015 at noon.
b. Operations/Planning Committee Meeting – Next meeting is changed from May 20th to May 28th, 2015 in the Assembly Chambers at 5:00 p.m.
c. Docks Fee Review Meeting – Next meeting is Wednesday May 20th, 2015.
d. Finance Committee Meeting – Next meeting is changed from May 21st to May 20th, 2015 in CBJ Room 224 at 5:00 p.m.
e. Board Meeting – Next meeting is changed from May 28th to May 21st, 2015 in the Assembly Chambers at 5:30 p.m.

XVI. Adjournment - The regular Board Meeting adjourned at 7:04 p.m.

A REGULATION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

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

and

Amendment of Title 05, Chapter 45
SMALL BOAT HARBOR AND PORT FACILITIES USE REGULATIONS

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. Adoption of Regulations. The City and Borough of Juneau Administrative Code is amended at 05 CBJAC 20.

05 CBJAC 20 Small Boat Harbor Fees and Charges, is amended to read:

…

05 CBJAC 20.070 Fees for commercial use of boat launches.

(a) *Definition.* The fees assessed to an owner for using one or more of the Douglas Harbor Boat Launches, the Harris Harbor Boat Launch, the North Douglas Boat Launch, the Statter Harbor Boat Launch, the Tee Harbor Boat Launch, the Amalga Harbor Boat Launch, and the Echo Cove Boat Launch for any type of commercial use.

(b) *Annual fee.* A commercial user of the launch ramps must pay an annual fee prior to using a launch ramp each calendar year as follows:

$ per calendar year	$225.00

(c) *Freight use fee.* In addition to other fees set out in 05 CBJAC 20, a person using a launch ramp for freight use must pay the fees set out in this subsection. Freight use means the use of a launch ramp for any purpose other than launching and recovering a recreational vessel. A person may pay the personal use freight fee set out in this subsection if the freight use is limited to non-commercial use. All other persons must pay the commercial use fee. The harbormaster shall assess freight use fees by duration of use per calendar day as follows:

Commercial Use Fee	~~Up to ½ hour: $30.00~~ ~~Over ½ hour: $30.00 + $1.50 for each minute beyond ½ hour~~ $60 for the first hour; and $30 for each additional hour
Personal Use Fee	Up to ¼ hour: no charge Over ¼ hour: $15.00 per half-hour of use beyond ¼ hour with $15.00 minimum charge

(d) *Freight staging fee.* A person staging freight shall pay a fee of $25.00 per 24-hour period per 1,000 square feet of staging area space or portion thereof used, except when the staging operation is less than four hours in duration.

(e) *Special fee for launch ramp tour activities.* Persons using the launch ramps for tour activities are subject to additional fees established through the permit program established in 05 CBJAC 01.

…

05 CBJAC 20.110 Crane use fees.

(a) *Definition.* The fees assessed to a person for using a hydraulic crane at one of the CBJ Docks and Harbor Department facilities.

(b) *Crane use requirements.* A person must obtain approval from the Harbormaster before using a hydraulic crane. Crane use fees must be paid in advance. A person may reserve use of the crane. Payment of the crane use fee is required to obtain a reservation. The Harbormaster will require a person using the crane to post a bond or other guaranty before using a crane when the Harbormaster believes such security is necessary.

(c) *Crane use fees.* Crane use fees will be assessed at the rate of ~~$0.25 per minute~~ $5 per each 15 minutes of use.

…

05 CBJAC 20.130 Storage fees.

(a) A person may apply to the Harbormaster for use of long-term storage space in designated areas. Except as provided herein, the fee for use of this space is $0.50 per square foot per calendar month, or portion thereof. A person who maintains a reserved moorage assignment may store one personal item of up to

200 square feet for $0.25 per square foot per calendar month, or portion thereof. The Harbormaster is authorized to issue permits and develop written procedures to implement this section.

(b) *Vessel storage.* When available, Docks and Harbors will allow vessels to be hauled out and temporarily stored at the Auke Bay Loading Facility. The following rates apply:

(1) May through September - $1 per linear foot per day for up to five days.
(2) May through September - $3 per linear foot per day after five days.
(3) October through April - $8 per linear foot per calendar month.
(4) No storage fee will be assessed for the day the vessel is hauled out.

(c) *Boat stand rental.* When a vessel is brought to available uplands for storage by an individual or contractor, Docks and Harbors shall assess one hour of prevailing labor rate for blocking and $100 per calendar month for use of boat stands. The Harbormaster or their representative shall approve the blocking of all vessels.

…

05 CBJAC 20.160 Parking lot fees.

(a) From May 1 through September 30 each year, the fee to park in designated pay spaces at the parking lots for the Intermediate Vessel Float, Douglas Boat Harbor, Harris Boat Harbor, Aurora Boat Basin, and Statter Harbor is $1.00 per hour or portion thereof, $5.00 per 24 hours or portion thereof, or $75.00 per calendar month or portion thereof. The applicable fee must be paid in advance.

(b) Auke Bay Loading Facility parking privileges shall be assessed at $100 per calendar month as set forth in 05 CBJAC 45.050.

…

05 CBJAC 20.190 ~~Reserved~~. Auke Bay Loading Facility - Drive Down Float Fee. Auke Bay Loading Facility Drive Down Float shall be accessed at a fee of $5 per vehicle/truck occurrence. Charges shall be assessed through an electronic key card issued by Docks and Harbors.

05 CBJAC 20.200 Auke Bay Loading Facility - Key Card Issuance Fee. Harbor users intending to utilize facilities requiring remote access shall purchase and register through a Harbor Office electronic key card/key fob for $10.

05 CBJAC 20.210 Auke Bay Loading Facility - Float Moorage. The fee to use the Auke Bay Loading Facility Float shall be as follows:

(1) No cost for the first two hours using the float.
(2) $0.75 per linear foot per calendar day for using the float for more than two hours and up to three calendar days.

(3) $1.50 per linear foot per calendar day for using the float for more than three calendar days and up to seven calendar days.
(4) $3.00 per linear foot per calendar day for using the float for seven calendar days or more.

05 CBJAC 20.220 Auke Bay Loading Facility Float – Mechanical Work Zone. The rate for the Docks and Harbors Auke Bay Loading Facility Float Mechanical Work Zone shall be as follows:

(1) $0.75 per linear foot per calendar day for the first three days.
(2) $1.50 per linear foot per calendar day for days four through seven.
(3) $3.00 per linear foot per calendar day in excess of seven days.

05 CBJAC 20.230 Auke Bay Loading Facility – Haul-out Fees. The rate for Docks and Harbors employing the Self-Propelled Hydraulic Boat Lift shall be $15 per linear feet each way (includes blocking, stands and one hour of prevailing staff labor rate for pressure washing).

Section 3. Adoption of Regulations. The City and Borough of Juneau Administrative Code is amended at 05 CBJAC 45.

05 CBJAC 45.050 Auke Bay Loading Facility, is amended to read:

05 CBJAC 45.050 Auke Bay Loading Facility.

(a) *Definition of the Facility.* The Auke Bay Loading Facility is located on Lot 1 of Alaska Tidelands Survey 201 and the adjacent municipal tidelands within Auke Nu Cove in Auke Bay, Alaska. The facility is comprised of improved upland staging and parking areas, a landing craft loading ramp, a trestle and drive-down gangway, a heavy duty float, and associated improvements. This regulation establishes standards for use of the Auke Bay Loading Facility by the public. A map and diagram of the facility is available from the Harbormaster.

(b) ~~*Uses Allowed Without Prior Approval.* The owner or operator of a vessel that is actively engaged in the loading or unloading of gear, stores, cargo, or crew onto, or off of, their vessel may use the facility without obtaining approval from the Harbormaster. This subsection does not apply to the loading or unloading of freight, materials, or products intended for resale at another destination.~~ *Reserved.*

(c) ~~*Uses Requiring* Prior Approval.~~ ~~Except when engaged in an allowed use listed in 05 CBJAC 45.050(b),~~ ~~a~~A person must obtain approval from the Harbormaster or their representative prior to using the facility. The Harbormaster or their representative ~~may establish procedures for administering this provision~~ will schedule all vessel operations through the Statter Harbor Office.

(d) *Overnight Moorage Prohibited.* No overnight moorage is permitted at the facility unless ~~approved~~ scheduled by the Harbormaster or their representative.

(e) *Uplands Parking.* The Harbormaster or their representative shall designate approximately 12 parking spaces in the uplands for commercial users of the facility ~~and establish rules for their use~~. All persons using the facility shall park in designated spaces in accordance with the rules established by the Harbormaster. One parking pass will be made available, on a first come first serve basis, to a registered commercial vessel at Don D. Statter Harbor Facility or ABLF.

(f) *Parking for Drive-Down Gangway and Float.* Only vehicles that are associated with the activities of a vessel moored at the drive-down gangway and float are allowed to drive onto the drive-down gangway and float. Persons shall position vehicles so they do not obstruct the use of the gangway or float by others. ~~The Harbormaster may establish additional rules for the control and use of vehicles on the drive-down gangway and float.~~ Vehicular access to the drive down float shall be controlled via an electronic gate requiring a key fob and access fee as set forth in 05 CBJAC 20.070.

(g) *Staging.* Staging means the temporary placement of materials or goods at the facility that are associated with the activities of a vessel using the facility. The Harbormaster is authorized to designate staging areas and establish rules for their operation. Persons shall only stage goods or materials in designated areas in accordance with the rules established by the Harbormaster. Operators shall pay fees for staging as set out in 05 CBJAC 20.070(d).

(h) *Storage.* Storage means the placement of materials or goods at the facility that are not associated with the activities of a vessel using the facility. The Harbormaster is authorized to designate storage areas and establish rules for their operation. No storage is allowed on the drive-down gangway or float. Persons shall only store goods or materials in designated areas in accordance with the rules established by the Harbormaster. Operators shall pay fees for storage as set out in 05 CBJAC 20.130.

(i) *Landing Craft Loading Ramp Use.* Operators must reserve use of the landing craft loading ramp and associated staging area and obtain approval from the Harbormaster. Operators shall comply with applicable federal and local requirements concerning the loading of designated dangerous and hazardous cargos. The Harbormaster may establish additional rules for operation of the loading ramp and staging area. Operators shall pay fees for use of the loading ramp and associated staging area as set out in 05 CBJAC 20.070.

(j) *Mechanical Work Zone Area.* From May 15 to September 30, the Harbormaster shall designate 75 feet along the northwest side of the drive-down float as a Mechanical Work Zone Area. The area will only be available for use from May 15 to September 30. The owner of a vessel wanting to use the Area will schedule use with the Harbormaster, which will require submitting documentation about the desired scope of work. The Harbormaster has complete discretion to approve, deny, and schedule use of the Area. Fees associated with this usage are set forth in 05 CBJAC 20.210.

~~(j)~~(k) *Drive-Down Use Fees.* Notwithstanding any fee provision listed in 05 CBJAC 15 and 20, and 30, operators shall pay fees for use of the drive-down gangway and float as follows:

(1) The owner of a vessel that ties up to the float shall pay daily moorage fees for each calendar day or portion thereof that the vessel remains affixed to the float, except that an owner may use the facility for up to ~~four~~ two hours on any calendar day without incurring moorage ~~charges provided they have paid moorage charges at another CBJ harbor or port facility for the calendar day they will be~~

~~using the facility~~. Vessels wanting to use the float will need to schedule in advance with the Harbormaster.

(2) Persons using shorepower shall pay daily fees for shorepower access as set out in 05 CBJAC 30 if the person has not paid daily fees for shorepower access at another CBJ harbor or harbor facility for the period of time that they will be using shorepower. Persons must obtain shorepower credentials from the Harbormaster in order to access shorepower.

(3) Persons delivering or selling fuel shall register with the Harbormaster and pay fuel use fees as set out in 05 CBJAC 20.175. This subsection does not apply to persons using the landing craft loading ramp and paying freight use fees as set out in 05 CBJAC 20.070.

~~(k)~~(l) *Crane Use Fees.* All persons using the fixed cranes on the drive-down gangway and float must obtain access credentials from the Harbormaster and comply with the provisions set out in 05 CBJAC 20.110. The Harbormaster is authorized to establish additional rules for operation of the cranes.

~~(l)~~(m) *Work Practice Standards.* In addition to the specific requirements set out 05 CBAC 50.020 and 030, all persons using the facility must comply with the following work standards:

(1) Persons must protect the facility from damage. In the event a person damages the facility, the person is financially responsible for repairing the damage to the satisfaction the Harbormaster. The Harbormaster may require damage bonds from users if necessary to assure financial responsibility.
(2) Persons must take reasonable precautions to prevent dust, debris, or other contaminants from entering the waters or being deposited upon the facility or the property of others at the facility.
(3) Persons must conduct operations in an orderly and neat manner.
(4) Persons must not unreasonably obstruct the operation of others at the facility.
(5) Persons conducting commercial operations at the facility must maintain general liability commercial insurance with a minimum coverage of $1 million naming CBJ as additional insured. The Harbormaster is authorized to require proof of insurance from commercial operators. Operators that are unable, or refuse, to provide proof of insurance are not allowed to use the facility.
(6) Persons undertaking projects that generate solid waste refuse shall not use the public dumpsters at the facility unless arrangements have been made with the Harbormaster to pay appropriate disposal fees.

~~(m)~~(n) *Enforcement.* Violation of any provision of this regulation constitutes an infraction and is enforceable as set out in the applicable provisions of CBJ Ordinance 3.30. In cases of negligent or unsafe operation, non-payment of fees, or similar situations, the Port Director may prohibit a person from using the facility.

Section 4. 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 _____, 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 Uchytil
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: _____

_____
Amy Mead
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

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

Port of Juneau

To: Docks & Harbors Regular Board
CC: Docks & Harbor Finance Committee
From: Carl Uchytil, Port Director
Date: May 14th, 2015
Re: Cultural Preservation Lease Review

---

1. **Background:** Cultural Preservation is the property under lease by Goldbelt in the vicinity of the Seadrome Complex (enclosure 1). In accordance with the terms of the tideland lease agreement, a review and adjustment of the annual rental payment is required every three years. The last time the rent was adjusted was 2006. The appraisal with an effective date of June 1st, 2013 is enclosure (2). The estimated market value of the leased lands, as determined by Horan & Company, is $713,100. The lease has been amended over time and the premises include Parcels A, B, C, E, F originally, with Parcel D added in 2006, as shown in enclosure (1). The original lease was based on 18,520 SF with the rent calculated at 10% of its estimated value. The lease was apparently modified by a January 24, 2007 letter from the Port Director which increased its size to 21,610 SF. The rent was recalculated at 8% of the estimated market value at $419,882 with an effective date of July 12, 2006, indicating an annual lease payment of $33,590.

2. **Existing Situation:** Based on Horan's study of the market and subsequent appraisal, the estimated current market value of the leased lands in their pre-developed state effective June 1, 2013 is $713,100 and based on the language within the lease, attached within enclosure (2), the annual lease rent would be $71,310 (10% of the assessed value). However, much like the Mt Robert's Tramway lease, Docks & Harbors accepted a rent calculation of 8% in 2006 resulting in the current annual rent of $33,590. During this period of negotiations, the lessee challenged the process of using a qualified appraiser to determine a fair and reasonable lease rent (enclosure 3). Referencing instead to the existing lease language: *The annual rent shall be 10 percent of the value of the Leased Premises as determined by the **assessor** of the City and Borough of Juneau*. The CBJ Assessor performed an analysis and determined the fee simple value of $680,300 (enclosure 4). [The Finance Director and the CBJ Assessor were hesitant to provide this analysis because assessments are conducted for tax purposes and use "mass appraisals"

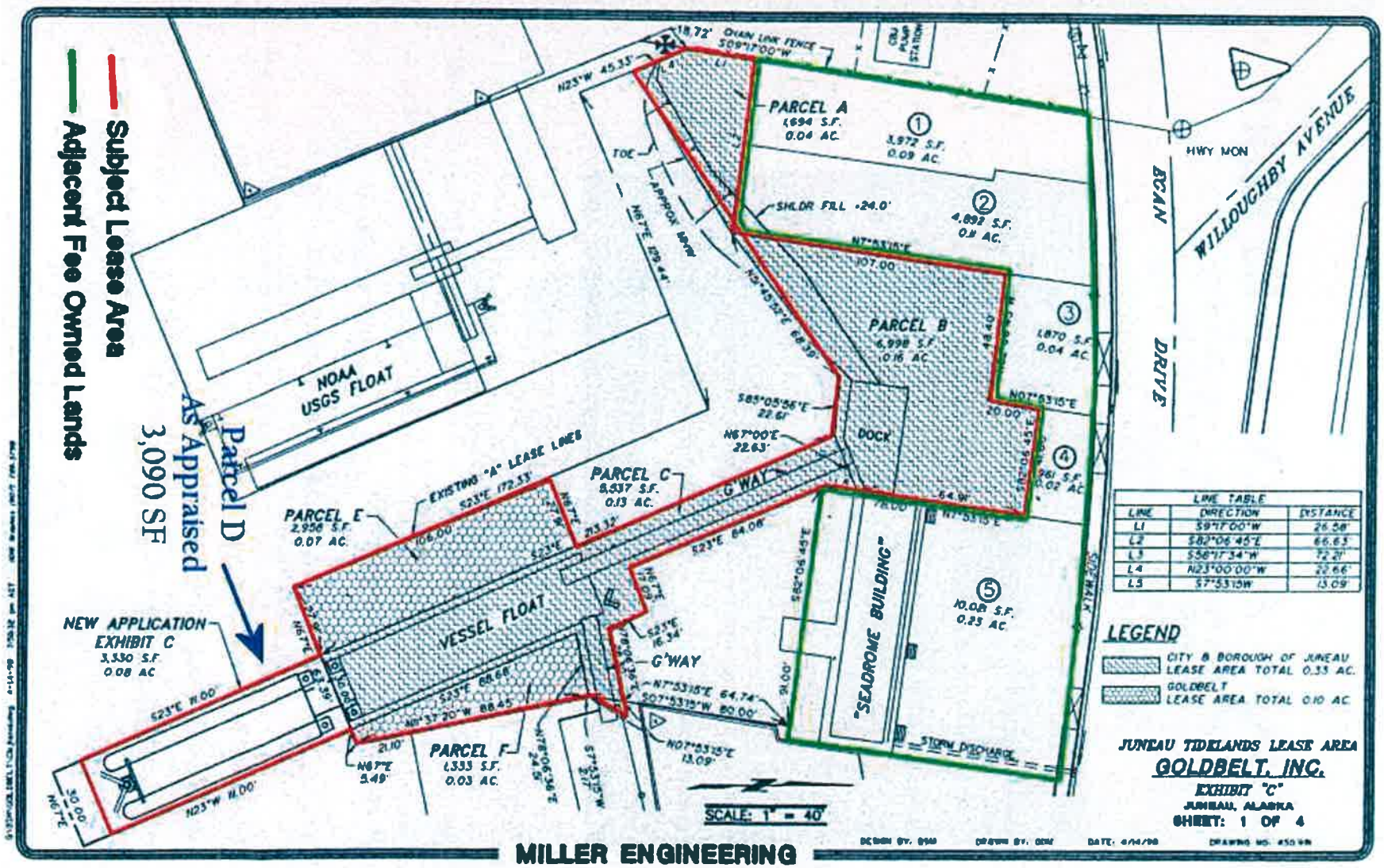
which conflict with another paragraph: *Any changes or adjustments shall be based primarily upon the values of* ***comparable land*** *in the same or similar areas…*]. Teena Scovill recently met with McHugh Peirre, Goldbert Vice President of Alaska Operations, and Judy Mason, Goldbelt Lands Manager to discuss the lease review. Goldbelt agrees to 9% of the Appraised value determined from Horan & Company with it retroactive to June 1st, 2013, a change from three year to a five year review, and request returning Parcel A, which is 1,694 sq/ft of filled tidelands (enclosure 5).

3. **Regulations:** Applicable portions of the CBJ regulations are provided in enclosure (7). Docks & Harbors has authority to modify a lease agreement with mutual consent of the parties.

4. **Recommendations:** Recommend Goldbelt have a 9% rent calculation based upon Appraised value ($713,100) of the property. This would result in a new annual lease rent of $64,179 which nearly doubles the existing rent. An Agreement to pay $67,149.91 retroactive amount from June 1st, 2013 through May 31st, 2015. I also recommend this lease be reviewed every five years with the next review June 1st, 2018 (05 CBJAC 50.040). The other recommendation is to allow Goldbelt to return Parcel A (enclosure 6) which is 1,694 sq/ft filled tideland at a rate of $51.50 sq/ft. This would amount to a reduction in annual rent above of $7,851.69. The above recommendations will provide a fair and reasonable land lease amount. All changes will be recorded in a lease amendment.

Enclosures

(1) Seadrome Complex
(2) Appraisal with effective date of June 1st, 2013
(3) Goldbelt letter November 22nd, 2013
(4) CBJ Assessor letter October 23rd, 2013
(5) Goldbelt letter May 13th, 2015
(6) Parcel A pictures
(7) Terms and conditions of lease


Subject Lease Area
Adjacent Fee Owned Lands
Parcel D
As Appraised
3,090 SF
NEW APPLICATION
EXHIBIT C
3,330 S.F.
0.08 AC
PARCEL A
1,694 S.F.
0.04 AC.
PARCEL B
4,998 S.F.
0.16 AC.
PARCEL C
8,537 S.F.
0.13 AC.
PARCEL E
2,956 S.F.
0.07 AC.
PARCEL F
1,333 S.F.
0.03 AC.
VESSEL FLOAT
NOAA
USGS FLOAT
DOCK
G'WAY
EXISTING "A" LEASE LINES
SHLDR FILL +24.0'
APPROX MHW
"SEADROME BUILDING"
STORM DISCHARGE
CHAIN LINK FENCE
HWY MON
WILLOUGHBY AVENUE
EGAN
DRIVE
LINE TABLE
LINE | DIRECTION | DISTANCE
L1 | S9°17'00"W | 26.58'
L2 | S82°06'45"E | 66.65
L3 | S58°17'34"W | 72.21'
L4 | N23°00'00"W | 22.66'
L5 | S7°53'15"W | 13.09'
LEGEND
CITY & BOROUGH OF JUNEAU LEASE AREA TOTAL 0.33 AC.
GOLDBELT LEASE AREA TOTAL 0.10 AC.
JUNEAU TIDELANDS LEASE AREA
GOLDBELT, INC.
EXHIBIT "C"
JUNEAU, ALASKA
SHEET: 1 OF 4
SCALE: 1" = 40'
MILLER ENGINEERING

SUMMARY APPRAISAL REPORT

ANNUAL MARKET RENT ADJUSTMENT
CULTURAL PRESERVATION INC.
TIDELANDS LEASE
76 EGAN DRIVE, JUNEAU, ALASKA

082706_2907

Prepared For:	Carl J. Uchytil, PE, Port Director City and Borough of Juneau Docks and Harbors 155 S. Seward Street Juneau, Alaska 99801
Prepared By:	Charles Horan, MAI Horan & Company, LLC 403 Lincoln Street, Suite 210 Sitka, AK 99835
Effective Date:	June 1, 2013
Report Date:	September 24, 2013
Our File Number:	12-053

HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN, MAI / WILLIAM G. FERGUSON, JOSHUA C. HORAN, JAMES A. CORAK, SHEILA M. KRAMER, SARAH R. ADAY, AND SLATER FERGUSON

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835

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

September 24, 2013

Carl J. Uchytil, PE, Port Director
City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

VIA Email: teena_scovill@ci.juneau.ak.us

Re: Annual Market Rent Adjustment, Cultural Preservation Inc. Tidelands Lease, 76 Egan Drive, Juneau, Alaska; Our File 12-053

Dear Mr. Uchytil,

At your request we have made a market value appraisal of the lands leased to Cultural Preservation Inc. for the purpose of calculating the adjusted market rent. The lease has apparently been amended over time and the demised premises are assumed to include Parcels A, B, C, E, F originally, with Parcel D added in 2006, as shown on various exhibits further in this report. The original lease was based on 18,520 SF with the rent calculated at 10% of its estimated value. The lease was apparently modified by a January 24, 2007 letter from the Port Director which increased its size to 21,610 SF. The rent was recalculated at 8% of the estimated market value at $419,882 with an effective date of July 1, 2006, indicating an annual lease payment of $33,590. Based on our study of the market, the estimated current market value of the leased lands in their pre-developed state effective June 1, 2013 is:

$713,100

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

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

Respectfully submitted,

Charles E. Horan, MAI
HORAN & COMPANY

TABLE OF CONTENTS

Certification of Appraisal iii
1 Introduction 1
1.1 Identification of Property 1
1.2 Purpose of Appraisal, Intended Use and Users 1
1.3 History and Background 2
1.4 Scope of Appraisal 2
1.5 Assumptions and Limiting Conditions 3
2 Market Area Analysis 5
2.1 Overall Market 5
2.2 Neighborhood Analysis 6
3 Property Description 9
3.1 Site Description 9
3.2 Access 9
3.3 Synopsis of Lease 10
4 Land Valuation 11
4.1 Highest and Best Use 11
4.2 Valuation of Tidelands 11
Addenda
Subject Photographs
Lease
Land Lease Percentage Rate Study
Tidelands to Upland Ratios Study
Qualifications of Charles E. Horan, MAI

CERTIFICATION OF APPRAISAL

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My 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.
- Charles E. Horan made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- Our office previously evaluated the subject lease to determine the need for adjustment based on current market trends. No other appraisal services were performed on the subject in the past three years.

Charles Horan, MAI
AA 41

June 14, 2013
Report Date

June 1, 2013
Effective Date

1 INTRODUCTION

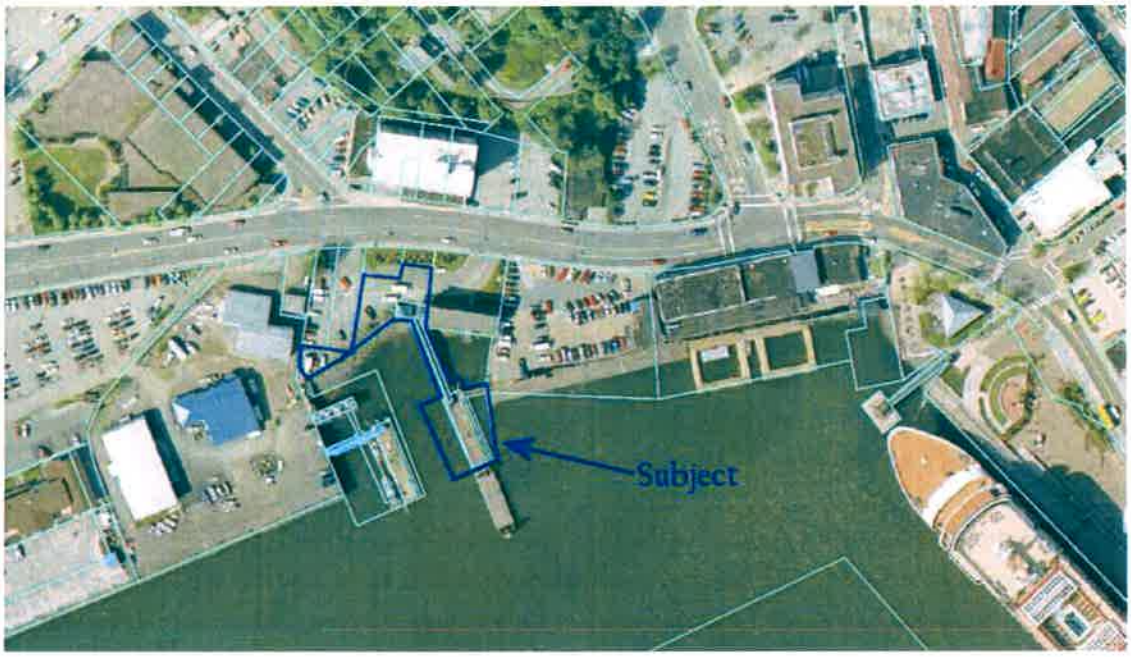


FIGURE 1.1 - SUBJECT PROPERTY

1.1 IDENTIFICATION OF PROPERTY

The subject of this report is the City and Borough of Juneau lands leased to Cultural Preservation Inc. These areas are filled and unfilled tidelands seaward of 76 Egan Drive. Its legal description is a portion of Block 83, ATS 3, Juneau Recording District, First Judicial District, State of Alaska. The lease is defined by various exhibits provided by the client and assessor as Parcels A and B comprising of 8,692 SF of filled tideland and Parcels C, E, F and New Application Parcel D comprising of 12,918 SF of unfilled tidelands for a total of 21,610 SF. Please refer the City and Borough of Juneau's Standard Land Lease dated May 27, 1998, Exhibit "C" dated 4/14/98 as well as Exhibit "D"dated 1/29/99 Re: New Application Parcel D Juneau Tidelands Lease Area Goldbelt, Inc. which are located in the addenda. The location of the lands is depicted on Figure 1.1.

1.2 PURPOSE OF APPRAISAL, INTENDED USE AND USERS

This appraisal estimates the market value of those filled and unfilled tidelands as identified in the May 27th, 1998 lease and subsequent modifications.

The intended use is to assist in calculating the adjusted annual rent based on the three-year annual rental adjustment clause which has not been made since July of 2006. The intended users are the City and Borough of Juneau as lessor and Cultural Preservation Inc. as lessee.

The lease provides an explanation for the rent and rental adjustments in section six and seven that are as follows:

> 6. RENT. The annual rent shall be 10 percent of the value of the Leased Premises as determined by the assessor of the City and Borough of Juneau. For the first year of the lease term and until adjusted by the Lessor as provided herein, the annual rent shall be $36,447.00 dollars based on the following land values:
>
> 8,692 sq. ft. of Filled tidelands: $35.00/sq ft x 8,692 sq ft x 10% = $30,422.00
> 9,828 sq. ft. of Unfilled tidelands: $6.13/sq ft x 9,828 sq ft x 10% = $ 6,025.00
>
> to be paid each year in twelve equal installments of $3,037.25 at the beginning of each month of the lease term. Rent shall begin to accrue on the effective date of this Lease.
>
> 7. ADJUSTMENT OF RENTAL. The Lessee agrees to a review and adjustment of the annual rental payment by the Lessor not less often than every third year beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the land, to which the City and Borough has right or title excluding landfill placed upon the land by the Lessee except that the value of any improvements credited against rentals shall be included in the value. (Refer to Paragraph 42.) The Lessee may protest the adjustment to the Lessor, and if denied wholly or in part, an appeal may be taken to the Assembly. The decision of the Assembly shall be final.

1.3 HISTORY AND BACKGROUND

The property has been owned for many years by the City and Borough of Juneau. In April of 1996, the CBJ assembly passed Ordinance 96-14 which authorized the negotiation of a lease of land associated with Goldbelt Corporation's small tour ships that were operating out of the Seadrome Building on the adjacent lands. Subsequent negotiations for 18,520 SF of land known as parcels A, B, C, E and F were leased. An application for additional tidelands identified as Parcel D was made and incorporated into a rental and lease area modification outlined in the CBJ Port Directors January 24, 2007 letter effective July 1, 2006 which increased the tidelands area in an amount equal to Parcel D for total area of 21,610 SF and had an estimated value of $419,882, with rent calculated at 8% for total annual lease payment adjusted to $33,590.

It's noted Cultural Preservation Inc. is a subsidiary of Goldbelt Inc.

1.4 SCOPE OF APPRAISAL

The titled interest appraised is based on the leased area, terms and other easements and development constrictions. These include some land easements that extend into the lease area. A limitation of use,

for instance, is that the leased premises cannot be used for a lightering dock for major cruise ships. The character of the property has been determined through various drawings provided by the various departments of the City and Borough Juneau and personal inspections of the property made by the appraiser from time to time during the years 2012 and 2013. Joshua Horan inspected and photographed property most recently April 28, 2012. The effective date of our analysis is June 1, 2013 which reflects the subsequent time used for research and market investigation.

The most direct way to estimate value is by the Sales Comparison Approach. When sales data is limited, we have capitalized the annual rent of similar properties considered on a price per square foot basis. We identified 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.

Exposure Time

The exposure time is estimated at between one and two years. These properties do not often sell and would require some time for due diligence and the finding the right buyer. Market exposure time is retrospective of the appraisal date and linked to the Opinion of Market Value. It considers the depths of supply, availability of funds for purchased, the depth of demand, and the functional utility of the property. It assumes that the property would be professionally marketed and would allow a reasonable period of time for due diligence.

1.5 ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report and valuation contained herein are further 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 no conditions exist that are not discoverable 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. 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.
12. The market value is estimated for the tract with no value for improvements to the land or improvements on the land which are owned or leased by the lessee.

Market Value

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, Fifth Edition, Appraisal Institute, Page 123

2 MARKET AREA ANALYSIS

2.1 OVERALL MARKET

The Juneau economy is primarily driven by the state government. 41% of all jobs and 50% of all wages in Juneau are federal, state or tribal government. Being the state capital, government employment makes up 27% of this payroll. Diversifying elements of Juneau's economy include tourism, employment of two nearby major gold mines (Greens Creek and Kensington), regional and local health care, and the seafood industry. Growth has been seen in all these sectors except the tourist segment of retail, artists, entertainment, and sightseeing. This category had seen a modest decline[1] in 2011, but appears to have stablized in 2012. Figure 2.1 shows overall employment, wages, and retail sales. Juneau had the fortune to see growth in job creation through the opening of the Kensington Mine in June 2010. The state government benefitted with the downturn in capital creep where jobs had been syphoning off to Anchorage, which slowed in 2009.

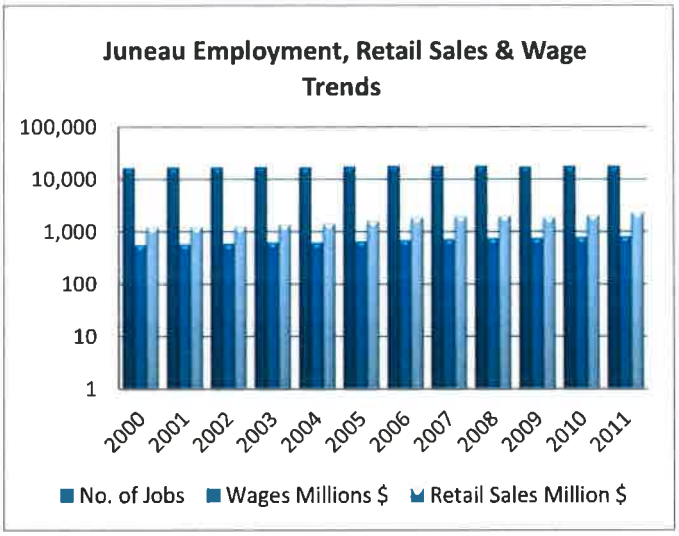
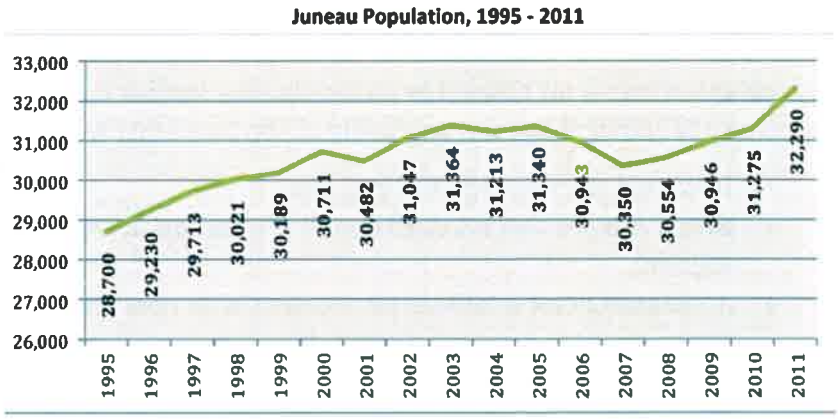


FIGURE 2.1 – JUNEAU ECONOMIC INDICATORS; SOURCE: JUNEAU ECONOMIC DEVELOPMENT COUNCIL, COMPILED BY HORAN & COMPANY, LLC



Source: Alaska Department of Labor and Workforce Development

FIGURE 2.2 - JUNEAU POPULATION FROM 1995 TO 2011

The most recent population data released by the Juneau Economic Development Council Report shows an uptick in the general population for 2011. This seems to confirm that the health of the Juneau economy has been improving and the outlook would be for modest growth for stability.

[1] 2011 Juneau Economic Indicators by JEDC.

The trends in the housing market are typical of other segments of the economy. Figure 2.4 from the Juneau Economic Development Council (JEDC) shows the average selling price of a single-family residence through Q3 of 2012. The market appears to appreciate significantly from 2011 through 2012 and remain strong throughout the year.

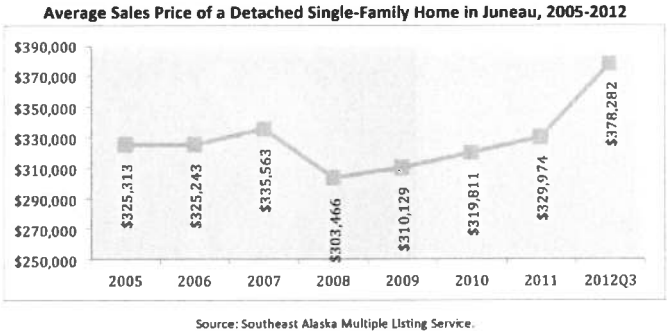


FIGURE 2.3 – JUNEAU HOUSING SALES AND PRICES (JEDC)

2.2 NEIGHBORHOOD ANALYSIS

The subject property is located on the Juneau Harbor waterfront which hosts oceangoing cruise ship docks. It is northwest just beyond the reach of the cruiseship docks. The waterfront seaward of the main thoroughfare of Egan Drive and continuing on to S. Franklin St. is zoned waterfront commercial. This area closer to the cruiseship docks is highly valued retail property. It is in an area where parking requirements are minimized allowing more intense land development. The subject's specific location, however, is cut off from the flow of tourism traffic by the Merchant's Wharf building and its extensive parking to the east. West of the subject is more industrially oriented NOAA and Coast Guard properties. Pedestrian traffic is limited in this area and parking is at a premium. Across Egan Drive is the Goldbelt Hotel, the Juneau Convention and Visitor Center and lands zoned for high density commercial development. Further to the north, up Willoughby Avenue, are state office buildings. The State capital and the rest of the central business district are generally northeast.

While the subject enjoys good deep water access, its uplands support is limited to water oriented offices, parking and other support activities related to the waterfront marina. The upland properties are generally used for parking support. The tidelands provide good deep water access for medium to large vessels. The rents achieved for marina-type uses in this area have to compete against the subsidized municipal marina rents.

Land transactions in the area are rare. The value indicators are often best developed from lease or use permits. Figure 2.4 shows the location of the subject within an aerial photo neighborhood overview. It also shows the location of several of the leases and the allocated sales, indicators found to be most helpful in estimating the subject's nominal square-foot value.

FIGURE 2.4 - SUBJECT SITE AND SALES LOCATION MAP

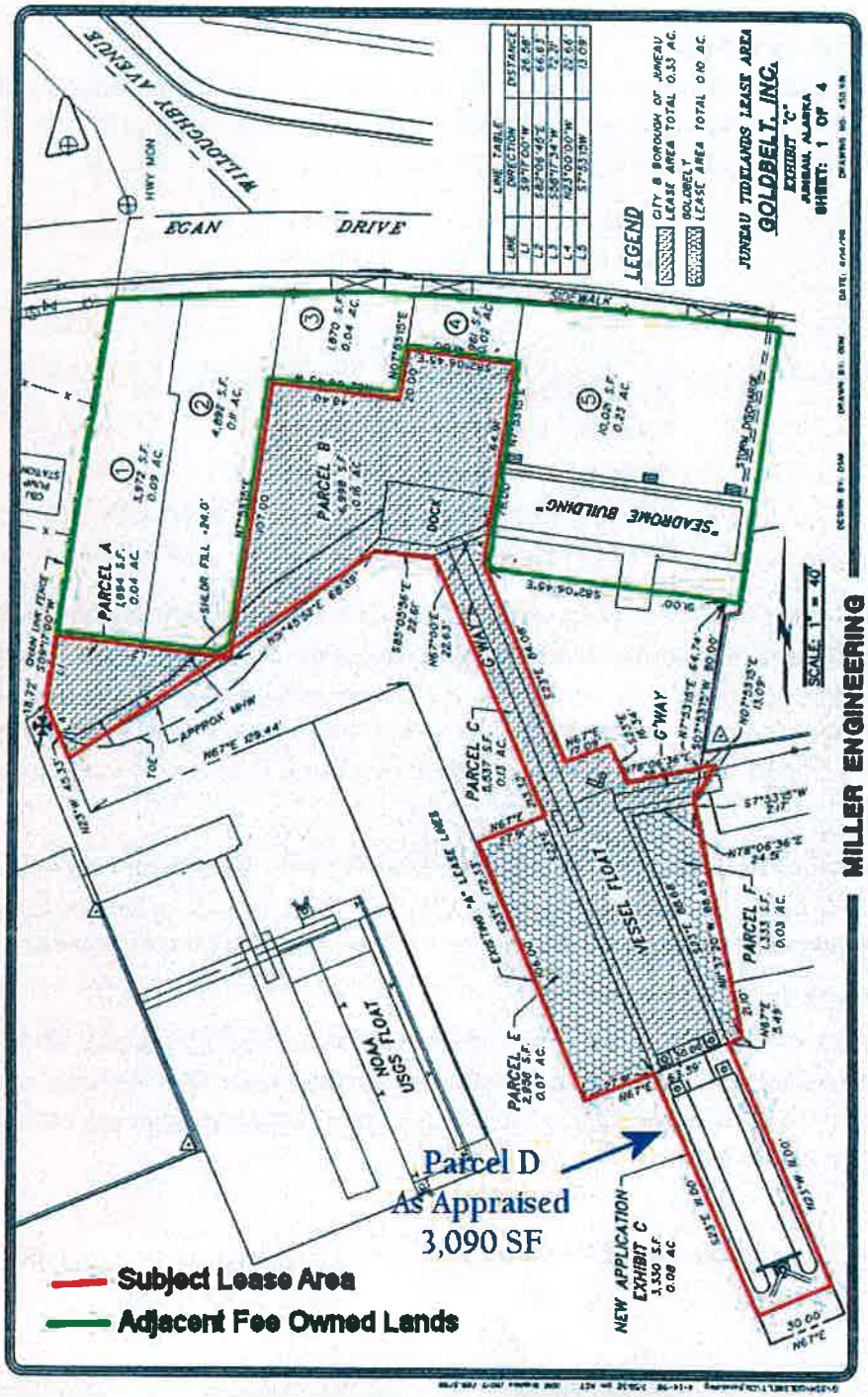


FIGURE 3.1 - SUBJECT SITE MAP

3 PROPERTY DESCRIPTION

3.1 SITE DESCRIPTION

The subject tideland leases are a combination of lease Parcels A and B comprising 8,692 SF of filled tideland and lease Parcels C, E, F and New Application Parcel D comprising 12,918 SF of unfilled deep water tidelands for a total of 21,610 SF. The areas are summarized as follows:

Parcel A	Filled:	1,694 SF	
Parcel B	Filled :	6,998 SF	
Subtotal	Filled :		8,692 SF
Parcel C	Unfilled:	5,537 SF	
Parcel E	Unfilled:	2,958 SF	
Parcel F	Unfilled:	1,333 SF	
Parcel D	Unfilled:	3,090 SF	
Subtotal	Unfilled:		12,918 SF
Total Lease Area:			**21,610 SF**

As appraised, the site is valued in its pre-development condition as tidelands adjacent fee owned uplands with no physical connection to the street. As developed, the subject tidelands border filled tidelands utilized for parking for the tourist dock and the adjacent building. The lessee anticipates continuing its present use as a commercial tourist dock. Please refer to Figure 3.1 for a visualization of the subject site. It notes "Exhibit C" but our valuation uses Parcel D as noted on map in the addenda.

3.2 ACCESS

The site, as presently developed, has vehicular access leading onto the adjacent uplands and filled and unfilled tidelands from Egan Drive. There is pedestrian access through the upland lot from the sidewalk. The subject has excellent deep water access from Juneau's harbor for boats or floatplanes.

Topography and shape

The site is a combination of filled and unfilled deep water tidelands ranging to over 80' in depth. The depths adjacent the leased unfilled tidelands lot lines to the north range from shoreline to an excess of 70' to the south. The entire leased group of parcels is an extremely irregular parcel with approximately 185' frontage on the channel.

Utilities

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

Zoning

The property is zoned Waterfront Commercial (WC). The WC, waterfront commercial district, is intended to provide both land and water space for 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.

Assessed Valuation and Taxes

The subject property is assessed by the City and Borough of Juneau. The subject is identified by the assessor's office without a street address and only a legal description of ATS 3 Fr Block 87. As noted, there are varying descriptions of the subject parcels, with the assessor's parcels somewhat overstating the size of the actual leased premises according to data from the Docks and Harbors Board. The assessment number is 1C070K760021 and the 2013 assessed possessory interest for the land is $648,200. The estimated fee value before the possessory interest discount by the assessor is $898,400, with the site described as filled tidelands and valued at $65/SF and unfilled tidelands valued at $16/SF. The valuation of the dock improvements on the site are associated with the adjacent fee owned uplands, filled and unfilled tidelands and are not shown on this parcel's valuation. The typical mil rate in Juneau has been between 10.17 and 12 mils over the past few years and is currently 10.55 mils for fiscal year 2013.

3.3 SYNOPSIS OF LEASE

Tidelands Lease with City and Borough of Juneau (CBJ)

The following outline summarizes the salient points of the lease. See Addenda for the complete copy.

Lessor	City and Borough of Juneau (CBJ)
Lessee	Cultural Preservation, Inc. (CPI)
Effective Date	June 1, 1996
Leased Premises	Tidelands seaward of Lots 1 through 5, Block 76, encompassing 21,610 SF as amended by John Stone January 24, 2007 letter
Use of Premises	Dock for vessels and other marine and tourist related activities. Leased premises shall not be used for lightering passengers to and from cruise ships.
Term	35 years with one option for an additional 35 years
Rent	As of July 1, 2006, $33,590/Year
Rental Adjustment	At lessor's discretion, not less than 3 years. The rent may be adjusted based on value of comparable lands.
Sublease Assignment with Approval	With lessor's consent; easements to be honored if there are any in effect. At the time of this writing, the appraiser is unaware of any which are in effect.
Termination of Lease and Reversion of Improvements	The improvements may be removed by the lessee within 60 days of termination of lease.
Reservations	Lessor reserves the right to grant easements and right-of-ways across the leased premises if it is found to be in their best interests. Any imposition of right-of-way will entitle the lessee to recover any damages.
Options	Under special condition, the lessor agrees not to lease a 40' swath of unleased land between the NOAA property and the lessee's dock to any party other than the lessee, NOAA, or their successors.

4 LAND VALUATION

4.1 HIGHEST AND BEST USE

Highest and Best Use

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 for the subject tidelands would be those allowable uses in the Waterfront Commercial (WC) zone, which include "uses which are directly related to or dependent upon a marine environment." The commercial waterfront uses to the east include retail sales and other activities oriented towards cruiseship tourism.

Historically, this waterfront site had been developed for docking boats for the owner's (Goldbelt's) tourism operation. Since that time, Goldbelt has dropped that business and operates as a marina for other small tour operators, yacht moorage, etc. It is specifically noted in the lease that the subject site cannot be used for a cruiseship lightering facility.

The subject tidelands provide good deep-water moorage facility for small and medium draft vessels. The upland area supports the logistics of loading and unloading passengers. The economics of these activities are very positive although the location is inferior to the heart of the tourism area along S. Franklin St. as far as the appeal for the upland area. The operation of tour facilities, such as Wings Aviation east of the subject, is significantly superior due to the volume of local pedestrian and cruise ship passengers on that side of Merchant's Wharf.

Due to the locational characteristics of the subject site, its highest and best use would be for use by an owner operated tour business that has a connection to small crafts or aviation tours supplemented by periodic seasonal marina moorage for yachts and other small to midsize vessels.

4.2 VALUATION OF TIDELANDS

There are a limited number of actual land transactions in the Juneau Harbor waterfront area. Capitalized leases and allocations of sales prices of lands with improvements have been made. In some cases, we have considered allocation of lands differentiating between filled and unfilled lands such as the subject is composed. After considering dozens of transactions, the following indicators have been most helpful in estimating a nominal square-foot value for the subject property. The following table includes annualized rents which have been capitalized at a rate of 8% established by the market. Capitalization rate is a rate by which annual income can be divided to indicate value. The following sales and capitalized lease rents have been considered as the most helpful from the dozens reviewed:

TABLE 4.1 - COMPARABLE LAND SALES AND LEASE RENTS CONSIDERED						
Comp (Rec #)	**Location**	**Date**	**Annual Rent**	**Indicated Value**	**Size (SF)**	**Value/SF**
Comp 1 (#7155)	Merchant's Wharf TL Lse to Wings Aviation	10/10	$96,000	$1,200,000	42,240	$ 28.40/SF
Comp 2 (#6391)	560 S. Franklin Street Taku Smokeries	03/08	NA	$3,000,000	54,296	$ 55.25/SF
Comp 3 (#7650)	356 S. Franklin	05/13	$30,000	$375,000	10,000	$ 37.50/SF
Comp 4 (#6644)	350 W. Whittier	1/11	$111,000	$1,387,500	45,680	$30.40/SF
Subject: 76 Egan Drive Tideland Lease		04/13	Solve	Solve	21,610	Solve

Each sale is considered for its relative reliability in indicating the value of the subject lands. There are significant differences between the sales in terms of their location, use, and physical characteristics especially with regard to their being filled or unfilled lands. Discrete adjustments to these indicated square foot values are difficult to make given the limited amount of sales information and the lack of reliable quantitative market adjustments. A qualitative rating or ranking has been considered for these sales based on their various differing aspects as compared to the subject.

Qualitative Ranking

Where the comparable is superior, a minus rating of 1, 2 or 3 will be applied, depending on severity of differences. Similarly, if the comparable is inferior, a plus rating of 1, 2 or 3 will applied, depending on severity of differences. These rankings are summarized in the following table which is followed by an individual discussion of each sale outlining the rankings.

QUALITATIVE ADJUSTMENT GRID OF BEST REPRESENTATIVE COMPARABLES									
Characteristic	**Subject**	**Comp #1 – Merchant's Wharf**		**Comp # 2 - Taku Smokeries**		**Comp # 3 - 356 S. Franklin**		**Comp #4 - 350 W. Whittier**	
Indicated Price	Solve	$1,200,000				$375,000		$1,387,500	
Price/SF	Solve	$28.41		$55.25		$37.50		$30.40	
Market Conditions (Time of Sale)	Appraisal Date: 04/2013	10/2010		03/2008	0	05/2013		1/2011	0
Condition of Sale	Normal	Similar	0	Similar	0	Similar	0		
Titled Interest	Fee Simple	Similar	0	Similar	0	Inferior	+1	Inferior	+1
Location	Off Egan Drive	Superior	-1	Similar	0	Superior	-1	Similar	0
Access	Through Adjacent	Similar	0	Similar	0	Similar	0		
Size (SF)	21,610 SF	42,240	+1	54,296	+1	10,000	0	45,680	+1
Site Character and Use	Deep water dock site, 400' dock with upland parking	Inferior	+1	Superior	-2	Superior	-1	Similar	0
Overall Net Rating	Subject = 0	Inferior	+1	Superior	-1	Superior	-1	Inferior	+2

COMP 1 063011_2020

Comparable 1 is a capitalized lease of about an 80 foot strip of land in front of Merchant's Wharf adjacent to the subject. The original lease began about 10 years ago and has been increased by a set amount every three years which will expire at the end of 2013. The transaction date is the last renewal in October 2010. The market conditions, conditions of sales and title interests are similar. It's noted that it has a similar highest and best use for floatplane and boat marina. Location it is rated superior -1 to the subject because it has direct access to the higher concentration of pedestrian tourists and bus traffic near the park east of Merchant's Wharf. It has access through the Merchant's Wharf property and is rated similar in that regard. It is twice the size of the subject. It is rated inferior by +1 for its larger size. This comparable is mostly tidelands but does have a little uplands support building on piling and onsite parking. The subject is about 40% filled, making this comparable inferior in upland support by +1

COMP 2 FM 6391

Comparable 2 is the allocation of the sale of the Taku Smokeries of $10 million, $7 million for the facility/associated land, and $3 million for this allocated value indicator. It is similar in terms of market conditions, condition of sale, and titled interests. Its location is also similar, being on the opposite side of the prime retail area. This transaction is on the southwest side where the subject is on the northeast side of the prime area. Access on this parcel is superior with direct access along the highway. However, it is limited with waterfront access since the City's Intermediate Float is seaward of this parcel. On balance, access is rated similar. The size of this parcel is significantly larger, and is rated inferior by +1. In terms of site characteristics, this parcel is nearly all filled and would be much easier to develop with commercial uses and is rated superior by -2.

COMP 3 063011_2028

COMP 4 FM 6644

Comparable 3 is the capitalized short term lease agreement for Avis Rent-a-Car on the Archipelago site in the prime retail area. It is similar in condition of sales but inferior by +1 in titled interest, since it is a seasonal, short term, cancelable lease. Its location is superior by -1; being in the heart of the South Franklin tourism area its access is similar. No adjustment is made for size since it is similar to the subject's upland component. The site characteristics are superior in that it is mostly filled lands but considering that parking constrains the use and the lack of its ability to exploit other uses as compared to the subject, it is rated superior overall by only -1 as contrasted with Comparable 2.

Comparable 4 is the capitalized permit fee for a parking easement across the street from the subject. It is inferior titled interest by +1 due to the status of its permit versus the subject's superior long-term lease. Its location is rated similar. Although it is not on the water, it is

a good location for parking or commercial space supporting the state capital functions. Its access is similar. The size of this parcel is significantly larger and is inferior on a price per unit basis by +1. The site characteristics are superior in that it is all filled but its use is limited to parking. On balance, it is rated as similar for site characteristics and use.

Based on the above, the subject is ranked as following:

RANKING GRID		
Comparable	**Rating**	**Unit Price**
Comparable 2	Superior -1	$55.25
Comparable 3	Superior -1	$37.50
Comparable 1	Inferior +1	$28.41
Comparable 4	Inferior +2	$30.40

As can be seen and would be expected, the market is not precise in its expression of the square-foot value. The subject is unique with its mixed character and its highest and best use as a marina. Its use is most similar but slightly superior to Comparable 1 at $28.41/SF. The data is clear that the subject, on an overall basis, lies between $28.41/SF and $37.50/SF. The midpoint of this range of similar properties is about $33/SF. This is confirmed by Comparable 4, inferior at $30.40/SF. Based on the available data a reasonable value for the subject overall is $33/SF which indicates the following:

21,610/SF @ $33/SF = $713,130

Allocation

This lease has been allocated in its prior rental calculations for filled and unfilled lands. For convenience of comparison I have allocated these elements. Comp 1 was predominantly tidelands in character at $28.40/SF. There are elements of uplands support with this transaction and it would set the upper end of the tidelands allocated values. The filled lands indicated by Comparables 3 and 4 range from $30.40/SF to $37.50/SF. These lands however are inferior in that they have no connectivity to the water in terms of their use. Comparable 2 at $55/SF is on the water and considered similar to superior for its up land allocation. Unfilled lands/SF value ratios to filled lands have ranged from 30% to 50% to one in this type of situation. The midpoint of the unit value ratio range (30% to 50%) of tidelands to uplands is 40%. A 100% to 40% upland unit value to tideland unit value is achieved by allocating $51.50/SF to the uplands and $20.55/SF for the tidelands. The site value then can be allocated as follows:

Filled lands – 8692 SF @ $51.50/SF =	$447,638
Unfilled lands - 12,918 SF @ $20.55/SF =	$265,465
Total:	$713,103
Rounded:	**$713,100**

In Conclusion Based on the above, the subject value as of June 1, 2013 is:

$713,100.00

ADDENDA

SUBJECT PHOTOGRAPHS

PHOTO 1 - FILLED PARCEL A & B LOOKING EAST

PHOTO 2 - LOOKING SOUTH FACING PARCEL B TO UNFILLED PARCELS C, E & D

SUBJECT PHOTOGRAPHS

PHOTO 3 - SHORELINE PARCEL A & B LOOKING ON TO PARCEL C WITH RAMP

PHOTO 4 - PARCEL F, RAMP PHOTO LEFT. PARCEL C RAMP PHOTO RIGHT & DOCK PHOTO CENTER. PARCEL D ATTACHED SEAWARD.

SUBJECT PHOTOGRAPHS

PHOTO 5 - PARCEL D, FLOAT PHOTO RIGHT, PARCEL F BETWEEN DOCK FOREGROUND PHOTO CENTER DOCK. PARCEL C PHOTO CENTER DOCK.

CITY AND BOROUGH OF JUNEAU
STANDARD LAND LEASE

THIS INDENTURE made this 27th day of May, 1998, by and between the CITY AND BOROUGH OF JUNEAU, ALASKA, a municipal corporation (hereinafter called "Lessor"), and CULTURAL PRESERVATION, INC, whose address is 9097 Glacier Highway, Juneau, AK 99801 (hereinafter called "Lessee").

WITNESSETH:

1. AUTHORITY. This lease is entered into pursuant to the authority of the City and Borough of Juneau Ordinance 96-14.

2. PREREQUISITE. Lessee affirms that Lessee has complied with the application, fee, and deposit requirements of CBJ 53.20.030 (new leases) or CBJ 53.20.090 (lease renewals) as the case may be.

3. LEASED PREMISES. Lessor does hereby lease and Lessee does hereby take from Lessor, the premises comprised of filled and unfilled tidelands described as a portion of Block 87, Tidelands Addition to Juneau, Alaska and as further shown in Exhibit A attached hereto and incorporated herein (hereinafter called "Leased Premises"), situated in the Juneau Recording District, State of Alaska:

4. USE OF PREMISES. The Lessee agrees to use the Leased Premises for the following purpose only: a dock for vessels and other marine and tourist-related activities in accordance with the development plan and survey as shown in Exhibit A, and approval by Alaska Department of Transportation and Public Facilities of the driveway permit. The leased premises shall not be used for lightering passengers to or from cruise ships.

The Leased Premises shall be used only for purposes within the scope of the application and the terms of the lease, and in conformity with the provisions of the City and Borough code, and applicable state and federal laws and regulations. Use or development for other than the allowed uses shall constitute a violation of the lease and subject the lease to cancellation at any time.

5. TERM. (a) The term of this lease shall be for an initial term of 35 year(s) commencing on the effective date of this Lease, unless sooner terminated as provided herein. The effective date of this Lease shall be June 1, 1996.

(b) Lessee shall have the right to renew this Lease for an additional thirty-five years commencing at the end of the initial term except the Lessor may deny renewal for good cause shown. "Good Cause" must relate to acts and omissions under this Lease.

(c) The Lessee shall have eighteen months from the effective date of this Lease to begin construction. If after eighteen months, construction has not begun, this Lease shall automatically terminate.

6. RENT. The annual rent shall be 10 percent of the value of the Leased Premises as determined by the assessor of the City and Borough of Juneau. For the first year of the lease term and until adjusted by the Lessor as provided herein, the annual rent shall be $36,447.00 dollars based on the following land values:

8,692 sq. ft. of Filled tidelands: $35.00/sq ft x 8,692 sq ft x 10% = $30,422.00
9,828 sq. ft. of Unfilled tidelands: $6.13/sq ft x 9,828 sq ft x 10% = $ 6,025.00

to be paid each year in twelve equal installments of $3,037.25 at the beginning of each month of the lease term. Rent shall begin to accrue on the effective date of this Lease.

7. ADJUSTMENT OF RENTAL. The Lessee agrees to a review and adjustment of the annual rental payment by the Lessor not less often than every third year beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the land, to which the City and Borough has right or title excluding landfill placed upon the land by the Lessee except that the value of any improvements credited against rentals shall be included in the value. (Refer to Paragraph 42.) The Lessee may protest the adjustment to the Lessor, and if denied wholly or in part, an appeal may be taken to the Assembly. The decision of the Assembly shall be final.

8. HOLDING OVER. If Lessee holds over beyond the expiration of the term of this lease and the term has not been extended or renewed in writing, such holding over shall constitute a tenancy from month-to-month only.

9. INTEREST ON LATE PAYMENTS. Should any installment of rent or other charges provided for under the terms of this lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.

Lessee hereby covenants and agrees to pay the rent when due and understands that payment of rent is a condition precedent to the continuance of this lease.

10. TAXES, ASSESSMENTS, AND LIENS. During the term of this lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills which Lessee may become liable to pay including any tax on leaseholds imposed generally on lessees, and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, other than mortgage lien, against the Leased Premises or the improvements placed thereon.

11. SUBLEASING. The Lessee may sublease lands or any part thereof leased to him hereunder; provided, that the proposed sublessee first applies to the Lessor for a permit therefor; and further provided, that the improvements on the Leased Premises are the substantial reason for the sublease. Leases not having improvements thereon shall not be sublet. Subleases shall be in writing and be subject to the terms and conditions of the original lease; all terms, conditions, and covenants of the underlying lease which may be made to apply to the sublease are hereby incorporated into the sublease.

12. ASSIGNMENTS. Lessee may assign the Leased Premises; provided, the proposed assignment shall be first approved by the Lessor in writing. The assignee shall be subject to all of the provisions of the lease. All terms, conditions, and covenants of the underlying lease which may be made applicable to the assignment are hereby incorporated into the assignment.

13. WARRANTY. The Lessor does not warrant by its classification or leasing of Leased Premises that the land is ideally suited for the use authorized under the classification or lease and no guaranty is given or implied that it shall be profitable to employ Leased Premises to said use.

14. EASEMENTS. Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements of record.

15. ENCUMBRANCE OF PARCEL. The Lessee, during the term of this lease, shall not encumber or cloud the Lessor's title to the Leased Premises or any portion thereof, nor enter into any lease, easement, or other obligation of the Lessor's title without the prior written consent of the Lessor; and any such act or omission, without the prior written consent of the Lessor, shall be void against the Lessor.

16. VALID EXISTING RIGHTS. This lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this lease.

17. MODIFICATION. This lease may be modified only by an agreement in writing signed by all parties in interest or their successor in interest.

18. CANCELLATION AND FORFEITURE. (a) This lease may be canceled in whole or in part, at any time, upon mutual written agreement by the Lessee and the Lessor, and if Lessee has granted a security interest in Lessee's interest in this Lease to any lender, or had entered into a sublease approved by Lessor, the consent of such lender and such sublessee, as applicable, to a cancellation of this lease shall also be required.

(b) If the Lessee shall default in the performance or observance of any of the lease terms, covenants, or stipulations thereto, or of the regulations now or hereafter in force, or any of the provisions of the City and Borough code, and should the default continue for thirty calendar days after service of written notice by the Lessor without remedy by the Lessee of the conditions warranting default, or if such default requires more than thirty days to cure, Lessee has not commenced the cure within thirty days of Lessor's notice and does not thereafter diligently proceed

to complete such cure, the Lessor may subject the Lessee to appropriate legal action including, but not limited to, forfeiture of the lease. No improvements may be removed by the Lessee or other person during any time the Lessee is in default. Lessor shall concurrently provide a copy of any notice of default given to Lessee to any lender holding a security interest in Lessee's interest in this Lease and to any sublessee under a sublease approved by Lessor, provided that such lender or such sublessee has requested Lessor in writing to provide such notice and has provided Lessor with an address at which notice can be given.

19. RE-ENTRY. These entire agreements are upon the condition that if the Lessee shall be in arrears in a payment of rent for a period of thirty days; or if Lessee abandons Leased Premises; or if the Lessee shall fail or neglect to do or perform or observe any of the terms, agreements, covenants, or conditions contained herein on its part to be kept and performed and such failure or neglect shall continue for a period of not less than thirty days after the Lessor has notified Lessee in writing of Lessee's default hereunder and Lessee has failed to correct such faults within thirty days; or if Lessee shall be declared to be bankrupt or insolvent according to law; or if any assignment of its property shall be made for the benefit of creditors, then, in any of the said cases or events, the Lessor may, at its option, immediately or at any time thereafter, without demand or notice, enter into and upon the Leased Premises or any part thereof and in the name of the whole and repossess the same and expel said Lessee and those claiming by, through, or under it, remove its effects and improvements (if any) forcibly, if necessary, without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or breach of covenant or condition. On the re-entry aforesaid, this lease shall terminate.

20. LANDLORD'S LIEN. In addition to its other remedies, Lessor shall have a landlord's lien upon all property on the Leased Premises for any rents in arrears, and Lessor shall have a right to the common law, nonjudicial remedy of distress for rents in the event of any arrearage.

21. WASTE AND INJURY TO LEASED PREMISES. Lessee shall be liable to and promptly pay Lessor for any waste or injury to the Leased Premises. The Lessee shall take all prudent precautions to prevent or suppress pollution of the ground surface, water, air, or land. If Lessee commits waste, or trespass or injury upon Leased Premises, the Lessee, in addition to being civilly liable for any damages caused, shall be criminally liable as provided by law.

22. ENVIRONMENTAL MATTERS. (a) Lessee's Responsibility for Environmental Laws. Lessee shall, at its own expense, comply with all existing and hereafter enacted environmental responsibility laws, hereafter "Environmental Laws". Lessee shall, at its own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority, hereafter "Authority," under the Environmental Laws.

Should the Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of any spills or discharges of or contamination by Hazardous Materials, as hereafter defined, on the Leasehold Lands that occur during the term of the Lease, or arise out of or in connection with Lessee's use or occupancy of the Leased Premises that occur during the term of the Lease, or arise out of or in connection with Lessee's use or occupancy of the Leased Premises, then Lessee shall, at its own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. Lessee's obligations under this section shall arise if there is any event or occurrence on the Leased Premises during the term of the Lease or arising out of or in connection with the Lessee's use or occupancy of the Leased Premises that requires compliance with the Environmental Laws.

At no expense to Lessor, Lessee shall promptly provide all information requested by Lessor for preparation of affidavits or other documents required by Lessor to determine the applicability of the Environmental Laws to the Lease, and shall sign the affidavits promptly when requested to do so by Lessor.

(b) Indemnification by Lessee. Lessee shall indemnify, defend and hold harmless Lessor from all fines, suits, procedures, claims, liabilities, and actions of any land arising out of or in any way connected with any spills or discharges of or contamination by Hazardous Materials on the Leased Premises that occur during the term of the Lease or arise out of or in connection with Lessee's use or occupancy of the Leased Premises; and from all fines, suits, procedures, claims, liabilities, and actions of any kind arising out of Lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spills or discharges or contamination that occur during the term of the Lease or arise out of or in connection with Lessee's use or occupancy of the Leased Premises.

© Lessee's Assurances to Lessor. Lessee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals or Hazardous Materials upon the Leased Premises except when fully in compliance with the Environmental Laws. Lessee agrees that it will not construct any aboveground or underground fuel or chemical tanks without the written consent

of Lessor.

In any court action or administrative proceeding it shall be rebuttable presumed that any environmental contamination of the Leasehold Lands (1) has been released on the Leasehold Lands, (2) has resulted from acts or omissions of Lessee or its agents, and (3) has occurred during the term of the Lease. Lessee has the burden of rebutting these presumptions by clear and convincing evidence.

(d) Enforcement Rights of the City and Borough of Juneau. This section of the Lease does not in any way alter the powers and rights of the City and Borough of Juneau, Alaska , or Lessee's duties and liabilities under Title 46 (or its successor) of Alaska Statutes or other state or federal statutes regarding Environmental Laws. For example, notwithstanding the provisions of the Lease, the City and Borough of Juneau, Alaska, shall not be precluded from claiming under any statute that Lessee is strictly liable, jointly and severally, for damages and costs incurred by the City and Borough of Juneau, Alaska, for cleanup of contamination of the Leased Premises.

(e) Notice of Environmental Problems. Lessee agrees to immediately notify Lessor if Lessee becomes aware of (1) any Hazardous Material or other environmental problem or liability with respect to the Leased Premises or (2) any lien, action, or notice resulting from the claimed or actual violation of Environmental Laws, including but not limited to the generation, recycling, reuse, sale, storage, handling, transport, and disposal of any Hazardous Material.

(f) Lessee's Obligations Unconditional. Lessee's obligations under this section regarding environmental compliance are unconditional and shall not be limited by any nonrecourse or other limitations of liability provided for in the Lease or any document executed in connection with the Lease. The representations and covenants of Lessee set forth in the Lease, including without limitation the indemnity for environmental compliance provided herein, are (1) separate and distinct obligations from Lessee's obligations under the Lease, (2) shall not be discharged or satisfied by lease compensation or other payment under the Lease, and (3) shall continue in effect after any further transfer of the Leased Premises.

(g) "Environmental Laws" Defined. For purposes of the Lease, "Environmental Laws" is defined to include, but shall not be limited to, the Comprehensive Response Compensation and Liability Act ("CERCLA)", 42 U.S.C. 9601, et. seq., the Resource Conservation and Recovery Act ("RCRA"),42 U.S.C. 6901, et. seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251, et. seq., the Clean Air Act, 42 U.S.C. 7401, et. seq. and AS 46.03.710-.850, and any other local, state and federal laws or

regulations, whether currently in existence or hereafter enacted, that govern (1) the existence, cleanup or remedy of contamination on property, (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination, (3) the control of hazardous wastes, or (4) the use, generation, transport, treatment, removal or recovery of Hazardous Material.

(h) "Hazardous Material" Defined. For purposes of the Lease, "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by the City and Borough of Juneau, Alaska, the State of Alaska, or the United States government. It is any substance which at any time shall be listed as "hazardous" or "toxic" or in the regulations implementing the CERCLA, RCRA, and AS 46, or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Environmental Laws. The term "Hazardous Material" shall also include, without limitation, raw materials, building components, the products of any manufacturing or other activities on the Leasehold Lands, wastes, petroleum, oil, and source, special nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 301 1, et. seq., as amended)

(I) Pre-Construction Audits.

(1) Lessee shall engage a qualified contractor to conduct a Phase I environmental audit of the Leased Premises. The Phase I audit shall be performed prior to the effective date of the Lease. The cost of the Phase I audit shall be paid by Lessee. The results of the Phase I audit shall be available to the authorized employees or agents of Lessor and Lessee as designated by the respective party.

(2) In the event the Phase I environmental audit reveals reasonable cause to believe the Leased Premises are contaminated or polluted in such a manner as to require cleanup or remediation under applicable law, Lessee shall engage a qualified contractor to conduct a Phase II environmental audit and evaluation of the Leased Premises prior to the commencement of any construction on the Leased Premises. The cost of the Phase II audit shall be borne solely by Lessee.

(3) In the event the Phase II audit demonstrates contamination or pollution of the Leased Premises in such a manner as to require cleanup or remediation under applicable law, Lessor shall immediately notify the proper governmental authorities, and shall comply with all lawful directions of said authorities. In such event, Lessee shall have the right, in its sole discretion, to terminate the Lease upon 30 days written notice to Lessor.

(j) Termination Audits

(1) One year prior to termination of the Lease, Lessee shall engage and pay for a qualified contractor to conduct a Phase I environmental audit of the Leased Premises. The results of the Phase I audit shall be available to the authorized employees or agents of Lessor and Lessee as designated by the respective party.

(2) In the event the Phase I environmental audit reveals reasonable cause to believe the Leased Premises are contaminated or polluted in such a manner as to require cleanup or remediation under applicable law, Lessee shall engage and pay for a qualified contractor to conduct a Phase II environmental audit and evaluation of the Leased Premises.

(3) In the event the Phase II audit demonstrates contamination or pollution of the Leased Premises in such a manner as to require cleanup or remediation under applicable law, Lessee shall immediately notify the proper governmental authorities, and shall comply with all lawful directions of said authorities.

(4) As used in this paragraph (j), the terms "Phase I Audit" and "Phase II Audit" shall be construed according to the standards applicable at the time the audit or audits are conducted.

23. RIGHTS OF MORTGAGEE OR LIENHOLDER. In the event of cancellation or forfeiture of a lease for cause, the holder of a properly recorded mortgage, conditional assignment, or collateral assignment of the leasehold, will have the option within 60 days of such termination to acquire the lease for the unexpired term thereof, subject to the same terms and conditions as in the original lease. Lessor shall have no duty to notify any such security interest holder of any termination.

24. RE-LEASE. In the event that this lease should be terminated as herein provided, or by summary proceedings, or otherwise, the Lessor may offer the Leased Premises for lease or other appropriate disposal pursuant to the provisions of the City and Borough code.

25. FORFEITURE OF RENTAL. In the event that this lease should be terminated because of any breach by the Lessee, as herein provided, the annual rental payment last made by the Lessee shall be forfeited and retained by the Lessor as partial or total damages for the breach.

26. WRITTEN WAIVER. The receipt of rent by the Lessor with 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 the lease, shall not be deemed to be a waiver of any provision of the lease. No failure on the part of the Lessor to enforce any covenant or provision herein contained, nor any waiver of any right thereunder by the Lessor unless in writing, shall discharge or invalidate such covenants or provisions, 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 any rent or other sum of money after the termination, in any manner, of the term demised, or after the giving by the Lessor of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term therein demised, or destroy, or in any manner impair the efficacy of such notice of termination as may have been given thereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by the Lessor.

27. EXPIRATION OF LEASE. Unless the lease is renewed or sooner terminated as provided herein, the Lessee shall peaceably and quietly leave, surrender, and yield up unto the Lessor all of the Leased Premises on the last day of the term of the lease.

28. REMOVAL OR REVERSION OF IMPROVEMENTS UPON TERMINATION OF LEASE. Improvements owned by the Lessee shall within sixty calendar days after the termination of the lease for any reason be removed by Lessee, at the request of Lessor; provided such removal will not cause injury or damage to the lands or improvements demised; and further provided that the Lessor may extend the time for removing such improvements in cases where hardship is proven. If Lessee, upon expiration of the time for removal, fails to so remove such improvements, they shall be removed and disposed of by Lessor as provided by law.

29. RENTAL FOR IMPROVEMENTS OR CHATTELS NOT REMOVED. Any improvements or chattels, belonging to the Lessee or placed on the Leased Premises during the Lessee's tenure with or without permission and remaining upon the premises after the termination date of the lease shall entitle the Lessor to charge a reasonable rent therefor.

30. RENEWAL PREFERENCE. Any renewal preference granted the Lessee is a privilege and is neither a right nor bargained for consideration. The lease renewal procedure and renewal

preference shall be that provided by ordinance in effect on the date the application for renewal is received by the Lessor.

31. COMPLIANCE WITH REGULATIONS AND CODE. The Lessee shall comply with all regulations, rules, and the code of the City and Borough of Juneau, and with all state and federal regulations, rules and laws as the code or any such rules, regulations, or laws may affect the activity upon or associated with the Leased Premises; and Lessee's failure to do so shall be considered a breach of this lease agreement.

32. INSPECTION. The Lessee shall allow an authorized representative of the Lessor to enter the Leased Premises for inspection at any reasonable time.

33. UNSAFE USE. The Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

34. RIGHTS-OF-WAY. The Lessor expressly reserves the right to grant easements or rights-of-way across the Leased Premises if it is determined in the best interest of the Lessor to do so. If the Lessor grants an easement or right-of-way across any of the Leased Premises, the Lessee shall be entitled to damages for all Lessee-owned improvements or crops destroyed or damaged. Damages shall be limited to improvements and crops only, and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate Lessee for loss of use.

35. HOLD HARMLESS. Lessee agrees to indemnify, defend, and save Lessor harmless to the maximum extent allowable under Alaska law from any claim or liability (of whatever kind including attorney fees) for damages to property or injury to persons arising out of Lessee's use and occupancy of the Leased Premises.

36. INSURANCE. Lessee shall, during the entire term of this lease, keep in full force and effect a policy of public liability and property damage insurance with respect to Lessee's use of and operations at the Leased Premises. Lessee shall maintain with an insurance company acceptable to

the City and Borough Risk Manager, insurance for not less than $1,000,000 per occurrence. The policy shall name Lessor as an additional insured and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor thirty-one days' Prior written notice addressed to the following:

Risk Manager
City and Borough of Juneau
155 South Seward
Juneau, Alaska 99801

Lessee shall provide Lessor with a certificate of insurance on a form to be provided by the Lessor prior to the commencement date of this lease; or if this lease is signed subsequent to its commencement, then Lessee shall deliver the certificate of insurance to Lessor simultaneously with execution of this lease.

Lessee understands that Lessor carries no fire insurance on the Leased Premises or improvements located thereon belonging to Lessee, and that it is Lessee's obligation to obtain adequate fire insurance for protection of Lessee's buildings, fixtures, or personal property located on the Leased Premises.

37. SUCCESSORS. This lease shall be binding on the successors, administrators, executors, heirs, and assigns of the Lessee and Lessor.

38. CONDITION OF PREMISES. The Lessee shall, during the demised term, at Lessee's own cost, cause the Leased Premises and any improvements thereon to be kept in good repair and kept in a neat, clean, sanitary, and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or uncontrolled grass, brush, or other fire on the Leased Premises. The Lessee shall not undertake any activity which causes or increases a sloughing of or loss of surface materials of the Leased Premises. The Lessee shall not in any manner, substantially change the contour or condition of the land without prior written permission of the

Lessor.

39. SPECIAL CONDITIONS.

(a) At such time as the Lessee proposes any major redevelopment of its property, as described under CBJ 49.70.960(c)(6)(C), it shall:

(1) negotiate in good faith for the sale by the Lessee to the Lessor with reasonable compensation, of such land as may be necessary for additional right-of-way for improvements to Egan Drive; and

(2) pursuant to CBJ 49.70.960(c)(6), incorporate the construction of a seawalk, in its redevelopment plans.

(b) The Lessor shall agree not to lease the 40-foot swath of unleased tidelands between the NOAA property line and Lessee's dock to any party other than the Lessee, NOAA or their successors.

40. USE OF MATERIAL. The Lessee of the surface rights shall not sell or remove for any use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved in writing by the Lessor.

41. LEASE RENTAL CREDIT. When authorized in writing by the Lessor prior to the commencement of any work, the Lessee may be granted credit against current or future rent; provided, the work accomplished on or off the Leased Premises, results in increased valuation of the Leased Premises or other City and Borough-owned lands. The authorization may stipulate type of work, standards of construction, and the maximum allowable credit for the specific project. Title to improvements or chattels credited against rent under this section shall vest immediately and be in the City and Borough and shall not be removed by the Lessee upon termination of this lease.

42. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES. It shall be the

responsibility of the Lessee to properly locate Lessee and Lessee's improvements on the Leased Premises and failure to so locate shall render the Lessee criminally liable as provided by law.

43. APPROVAL OF OTHER AUTHORITIES. The issuance by the City and Borough of this lease does not relieve the Lessee of responsibility of obtaining licenses or permits as may be required by the city and borough or by duly authorized state or federal agencies.

44. NOTICE OR DEMAND. Any notice or demand, which under the terms of this lease or under any statute must be given or made by parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address herein given. However, either party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.

LESSOR'S ADDRESS: CITY AND BOROUGH MANAGER
City and Borough of Juneau
155 South Seward Street
Juneau, Alaska 99801

LESSEE'S ADDRESS: Cultural Preservation, Inc.
9097 Glacier Highway
Juneau, Alaska 99801

45. ENTIRE AGREEMENT, AMENDMENTS. This document excluding any words or paragraphs struck out and including any language added, in either case, initialed and dated by both parties and including exhibits attached hereto contains the entire agreement between the parties, and said agreement may not be modified except in writing. There are no oral promises, representations, or warranties between the parties regarding any matter or thing connected with or related to the matters

and things which are the subject of this lease.

IN WITNESS WHEREOF, the Lessor and Lessee have caused this lease to be executed and their respective seals affixed the day and year first above written at Juneau, Alaska.

LESSOR: CITY AND BOROUGH OF JUNEAU, ALASKA

By: _____
David R. Palmer
City & Borough Manager

Approved as to form:

_____
John R. Corso
City & Borough Attorney

LESSEE:

By: Cultural Preservation, Inc.

Title: _____
President

ACKNOWLEDGMENT BY LESSEE

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 27th day of May, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Joseph M. Beedle to me known and known to me to be the person named in and who executed the Lease and acknowledged voluntarily signing the same.

WITNESS my hand and official seal the day, month, and year in this certificate first above written.

STATE OF ALASKA
OFFICIAL SEAL
Paula J. Cadiente
NOTARY PUBLIC
My Commission Expires 07/18/01

Paula J Cadiente
Notary Public, State of Alaska
My Commission Expires: 7-18-01

ACKNOWLEDGMENT BY LESSOR

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 20 day of MAY, 1998, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared DAVID R. PALMER to me known and known to me to be the Manager of the City and Borough of Juneau, Alaska who acknowledged to me that he executed the foregoing Lease as the free act and deed of the City and Borough for purposes therein mentioned, being fully authorized to do so.

WITNESS my hand and official seal the day, month, and year in this certificate first above written.

Donna M Hatten
Notary Public, State of Alaska
My Commission Expires: 9-11-00

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Port of Juneau

January 24, 2007

Jeff White
Goldbelt, Incorporated
9097 Glacier Hwy, Suite 200
Juneau, Alaska 99801

Dear Mr. White,

On June 29, 2006, the CBJ Docks and Harbors Board adjusted your lease boundary and the annual rent for the Seadrome Dock uplands and tidelands lease. We made the effective date of this change July 1, 2006. A summary of the lease rent change follows:

New Uplands Rate - $19,122 per year (8692 sq. ft. x $27.50 sq. ft. x 8%)

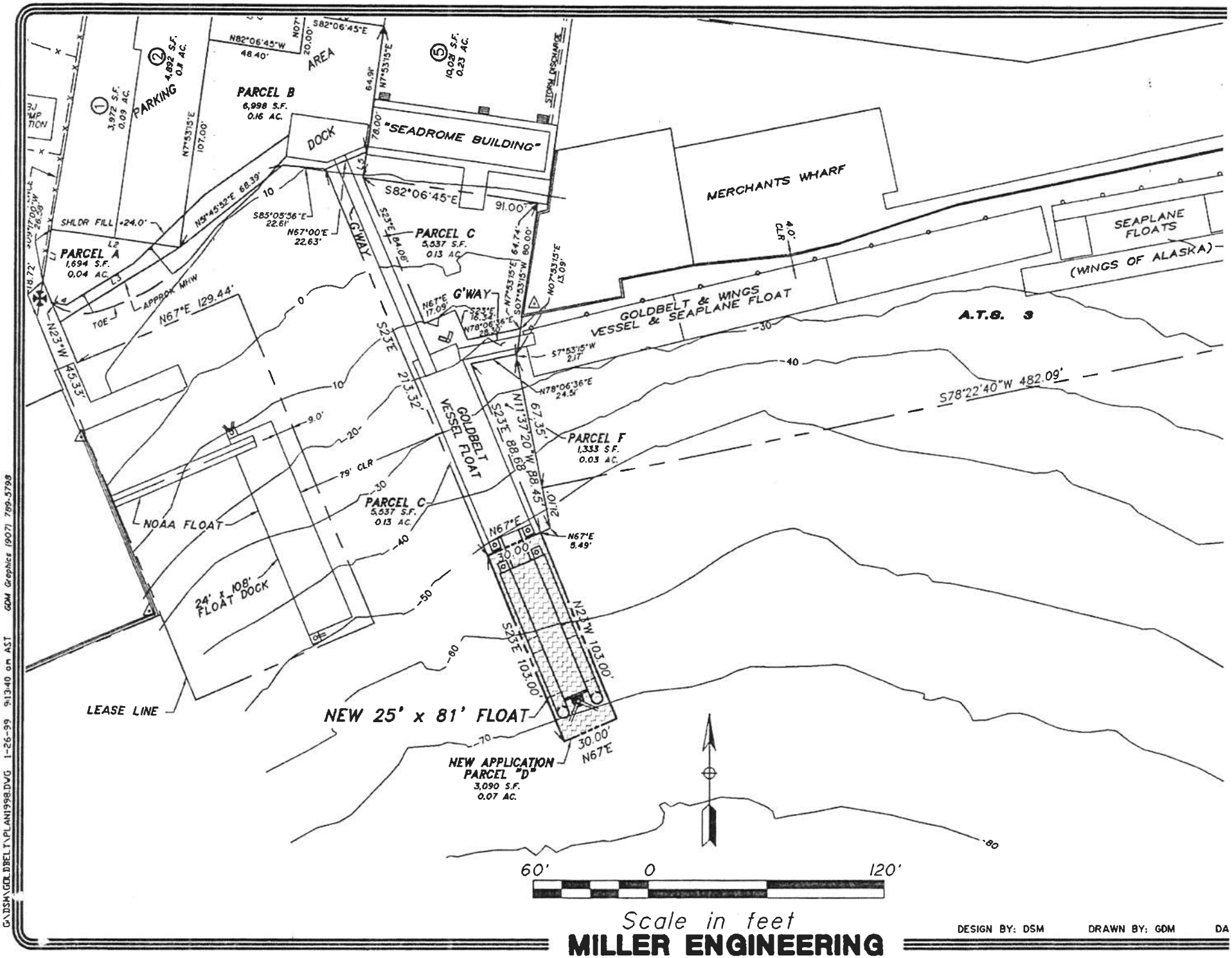
New Tidelands Rate - $14,468 per year (12,918 sq. ft. x $14 sq. ft. x 8%)

Total Annual Lease Payment = $33,590

Please let me know if you have questions.

Sincerely,

John M. Stone, P.E.
Port Director



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MILLER ENGINEERING

DESIGN BY: DSM DRAWN BY: GDM DA

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/digial 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

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

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

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

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

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

Companies
AK Electric Light & Power
AK Lumber & Pulp Co.
AK Power & Telephone
Allen Marine
Arrowhead Transfer
AT&T Alscom
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

Education

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, AKMay 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 02/11

Goldbelt
3075 Vintage Blvd., Suite 200, Juneau, Alaska 99801-7109 (907) 790-4990 Fax (907) 790-4999

November 22, 2013

Mr. Greg Busch
Chairman of the Board
City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, AK 99801

Re: Cultural Preservation Tidelands Lease – Protest of Rental Adjustment

Dear Mr. Busch,

On November 20th, Goldbelt received the Cultural Preservation tidelands rent adjustment statement and invoices dated November 14th which was based upon an appraisal performed by the City Assessor. We were surprised to receive the adjustment as we thought we had the opportunity to evaluate and provide feedback on the appraisal which was received just a few weeks ago.

When the Assessor's appraisal was received, we ordered a review appraisal as we felt there were errors within it. The review is close to being finished and we will forward it soon for consideration. In the meantime, it is important to note that in Section 7 of the lease, Adjustment of Rental, it states that any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas. The City Assessor used a formula driven approach which is employed for the purposes of taxation instead of a comparable land value approach as required by the lease. In turn, it appears the rent adjustment process as outlined in the lease has not been followed correctly.

In addition, the rent adjustment statement and invoices were based upon a base rental percentage of 10%. As we know, Goldbelt's position is that the rental percentage was permanently amended down from 10% to 8% in 2006 by approval of the Docks and Harbors Board.

Per Section 7 of the lease, the Lessee may protest the adjustment to the Lessor, and if denied in wholly or part, an appeal may be taken to the Assembly. The Lessor is the City and Borough of Juneau, which we view as the Docks and Harbors Board, so we believe a rent protest should be directed to the Chairman of Docks and Harbors. In turn, please accept this letter as notification of our protest of the tidelands lease rent adjustment by the Port Director.

Although Goldbelt is protesting the rent adjustment for the reasons noted above, we will continue to pay rent at the unadjusted rate until the protest is resolved. Please keep in mind that

Goldbelt does not object to adjusting rent as it could benefit either the Lessor or the Lessee, but we want to ensure that the annual rent is set in accordance with the lease as amended. Thank you for your time and consideration and we look forward to your suggested next steps.

Sincerely,

Derek Duncan
Vice President, Alaska Operations

cc: Carl Uchytil, Docks & Harbors Port Director
Docks & Harbors Board
Bob Loiselle, President & CEO, Goldbelt Inc.

City and Borough of Juneau
Finance Department – Office of the Assessor
October 24, 2013

Issue:
Determination of "Lease Premises" value for the tidelands lease between CBJ and Cultural Preservation Inc.

Background:
The lease was signed in May 1998. Section 6 of the lease states "RENT. The annual rent shall be 10 percent of the Leased Premises as determined by the assessor of CBJ". Section 7 of the lease states "The lessee agrees to a review and adjustment of the annual rent payment by the Lessor not less than every third year beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such elevations shall also include all improvements, placed upon or made to the land, to which the CBJ has right or title excluding landfill placed upon the land by the Lessee except that the value of any improvements credited against rentals shall be excluded in the value."

Current Status:
The Assessor's Office (AO) has been requested by the CBJ Port Director to provide an updated lease premises value. The AO has determined the value to be $680,300, based upon the methodology they apply to assessing real property in the borough.

Analysis:
The assessed value of Parcel 1C070K760021 is based on rates determined in the downtown Juneau commercial land study, undertaken in 2011. The greatest influence upon value was determined to be proximity to the cruise ship docks. In general, the highest value land is adjacent to the cruise ship docks, closest to the library. Values decline over distance along South Franklin. The upland tourist district generally is defined by South Franklin and Front Street, with the westerly border at Main Street. Waterfront commercial uses extend this influence through the Merchants Wharf property and the Cultural Preservation (Goldbelt) waterfront properties, as these properties provide marine-related tourist support functions such as small vessel and seaplane docking.

Ideally, land values would be determined using sales information of like parcels. However, there is scant information for tideland sales. For the purpose of determining values for taxation, the Assessor uses a formula driven approach. Submerged tidelands are valued at a percentage of the value attributed to the adjacent uplands. In the case of the Cultural Preservation Inc. parcels, the upland, inland, base rate is $60 per square foot (PSF). A ten percent upward adjustment is applied for the above average location yielding an adjusted rate of $66 PSF. The submerged tideland is valued at 12.5 % of the adjusted upland rate, or $8.25 PSF.

In the course of reviewing the appraisal prepared by Horan & Company LLC, it was found that the total area of the lease is based upon a letter dated January 24, 2007 from the CBJ Port Director to Goldbelt, Incorporated. Originally, the property assessment as based on a slightly larger land area. The adjusted valuation uses the area stated in the letter. Previously the assessment was based on an upland area of 8,682 SF and an unfilled area of 13,158 SF. The revised areas are 8,692 SF and 12,918 SF respectively (a reduction of 240 SF).

Both the lease document and Mr. Horan's appraisal use the terms "filled" and "unfilled" to describe the type of land. This is inconsistent with the terminology used by the Assessor. The Assessor recognizes three types of waterfront terrain:

1. upland (filled is synonymous with upland),
2. unfilled which can also be described as sloping to the meander line and may be partially awash at high tides,
3. submerged, which is generally below the meander line and underwater.

Our valuation method uses percentages to determine assessed values for the different types. Filled is valued at the prevailing upland rate for the location. Unfilled is valued at 50% of the upland rate. Submerged is valued at 25% of the unfilled rate or 12.5 % of the upland rate. For assessment, under Assessor guidelines, the unfilled rate is not applicable in this case.

Using these guidelines, the rates for the subject parcel location are:

Upland or Filled:	$66 PSF
Unfilled	33 PSF
Submerged	8.25 PSF

Mr. Horan concluded to an overall PSF rate of $33. The range indicated in the appraisal was $28.41 to $55.25. Dividing the adjusted fee simple value of $680,300 by the total area 21,610 SF yields an overall rate of $ 31.48. This is slightly lower than Mr. Horan's, but falls within his range.
The subject parcel is leased from the CBJ. As a possessory interest, the leasehold is valued for assessment using a reversion table to calculate the value annually. The exhibit included as page 4 is the reversion table used to calculate the original 2013 Possessory Interest value. The table on page 3 includes adjustments as calculated on the reversion table. For the purpose of the lease referenced above, the Assessor does not reduce the value for the effect of the possessory interest.

CULTURAL PRESERVATION INC
(GOLDBELT DOCK)

VALUATION OF LEASED TIDELAND PARCEL

1C070K760021	LEASED TIDELANDS												
ORIGINAL 2013 ASSESSED VALUE USING 2010 METHODOLOGY						**2013 ADJUSTED VALUE USING CURRENT METHODOLOGY AND CORRECTED PARCEL AREAS**							
LEASE PARCELS	DESCR	AREA	PSF RATE	ORIGINAL 2013 AMOUNT	ADJUSTED 2013 AMOUNT	LEASE PARCELS	DESCR	AREA	BASE RATE PSF	LOCATION ADJ	TIDELAND ADJ	ADJUSTED RATE PSF	AMOUNT COLUMN J*N
PARCEL A	FILLED					PARCEL A	UPLAND	1,694					
PARCEL B	FILLED					PARCEL B	UPLAND	6,998					
UPLAND TOTAL	FILLED	8682	65	564,330		UPLAND TTL		8,692	60	1.10	1.00	66	573,700
ADJ TO FILLED AREA		10											
ADJ UPLAND TOTAL		8,692	65		564,980								
PARCEL C	UNFILLED					PARCEL C	SUBMERGED	5,537					
PARCEL E	UNFILLED					PARCEL E	SUBMERGED	2,958					
PARCEL F	UNFILLED					PARCEL F	SUBMERGED	1,333					
PARCEL D	UNFILLED					PARCEL D	SUBMERGED	3,090					
UNFILLED TOTAL		13,158	16	210,528				12,918	60	1.10	0.125	8.25	106,600
ADJ TO UNFILLED AREA		(240)											
ADJ UNFILLED TTL		12,918	16		206,688								
FEE SIMPLE VALUE				774,858	771,668	**FEE SIMPLE VALUE**							680,300
ADJUSTMENT FOR POSSESSORY INTEREST PER REVERSION TABLE				(126,695)	(126,174)			ADJUSTMENT FOR POSSESSORY INTEREST PER REVERSION TABLE					(111,234)
GRAND TTL				**648,200**	**645,500**	**GRAND TTL**							**569,100**

The column highlighted in pale blue shows the result of correcting the parcel area, valuing the parcel using the original method and rates. The difference in the Grand Total values shown at the bottom center and bottom right is the result of the corrections to the parcel area and the change in assessment method, which values submerged area at a lower rate.

CBJ			Cultural Preservation Inc				
			ATS 3 Bl 87 Par A, B, C, E, F & Ex C			PARCEL ID	1C070K760021
		0.1					
10% Annual Table	Years		Land Value	Adjustment	dj Land Value	Improvement	dj Total Value
							$ -
	1	2031	$771,018	$ (700,925)	$ 70,100	$ 250,200	$ 320,300
	2	2030	$771,018	$ (637,205)	$ 133,800	$ 250,200	$ 384,000
	3	2029	$774,858	$ (582,162)	$ 192,700	$ 250,200	$ 442,900
	4	2028	$774,858	$ (529,238)	$ 245,600	$ 250,200	$ 495,800
	5	2027	$774,858	$ (481,126)	$ 293,700	$ 250,200	$ 543,900
	6	2026	$774,858	$ (437,387)	$ 337,500	$ 250,200	$ 587,700
	7	2025	$774,858	$ (397,625)	$ 377,200	$ 250,200	$ 627,400
	8	2024	$774,858	$ (361,477)	$ 413,400	$ 250,200	$ 663,600
	9	2023	$774,858	$ (328,615)	$ 446,200	$ 250,200	$ 696,400
	10	2022	$774,858	$ (298,741)	$ 476,100	$ 250,200	$ 726,300
	11	2021	$774,858	$ (271,583)	$ 503,300	$ 250,200	$ 753,500
	12	2020	$774,858	$ (246,894)	$ 528,000	$ 250,200	$ 778,200
	13	2019	$774,858	$ (224,449)	$ 550,400	$ 250,200	$ 800,600
	14	2018	$774,858	$ (204,044)	$ 570,800	$ 250,200	$ 821,000
	15	2017	$774,858	$ (185,495)	$ 589,400	$ 250,200	$ 839,600
	16	2016	$774,858	$ (168,632)	$ 606,200	$ 250,200	$ 856,400
	17	2015	$774,858	$ (153,302)	$ 621,600	$ 250,200	$ 871,800
	18	2014	$774,858	$ (139,365)	$ 635,500	$ 250,200	$ 885,700
	19	2013	$774,858	$ (126,695)	$ 648,200	$ 250,200	$ 898,400
	20	2012	$774,858	$ (115,178)	$ 659,700	$ 250,200	$ 909,900
	21	2011	$774,858	$ (104,707)	$ 670,200	$ 250,200	$ 920,400
	22	2010	$774,858	$ (95,188)	$ 679,700	$ 250,200	$ 929,900
	23	2009	$774,858	$ (86,535)	$ 688,300	$ 250,200	$ 938,500
	24	2008	$774,858	$ (78,668)	$ 696,200	$ 250,200	$ 946,400
	25	2007	$774,858	$ (71,516)	$ 703,300	$ 250,200	$ 953,500
	26	2006	$774,858	$ (65,015)	$ 709,800	$ 250,200	$ 960,000
	27	2005	$774,858	$ (59,104)	$ 715,800	$ 250,200	$ 966,000
	28	2004	$774,858	$ (53,731)	$ 721,100	$ 250,200	$ 971,300
	29	2003	$774,858	$ (48,847)	$ 726,000	$ 250,200	$ 976,200
	30	2002	$774,858	$ (44,406)	$ 730,500	$ 250,200	$ 980,700
	31	2001	$774,858	$ (40,369)	$ 734,500	$ 250,200	$ 984,700
	32	2000	$774,858	$ (36,693)	$ 738,200	$ 250,200	$ 988,400
	33	1999	$774,858	$ (33,363)	$ 741,500	$ 250,200	$ 991,700
	34	1998	$774,858	$ (30,330)	$ 744,500	$ 250,200	$ 994,700
	35	1997	$774,858	$ (27,573)	$ 747,300	$ 250,200	$ 997,500

Land Area	Rate		
8,682	$ 65	$ 564,330	Filled
12,318	$ 16	$ 206,688	Unfilled
Land Valuation		$ 771,018.00	
Building Valuation			
Total		$771,018	
Lease Term:	6/1/1996	4/30/2031	35 YEARS

*** Land value subject to change per Fee Simple market value.

Goldbelt
3075 Vintage Blvd., Suite 200, Juneau, Alaska 99801-7109 (907) 790-4990 Fax (907) 790-4999

May 13, 2015

Teena Scovill
Administrative Officer
Docks and Harbors Department
155 South Seward Street
Juneau, AK 99801

Dear Ms. Scovill,

I appreciate you taking the time to meet with Judy Mason, Goldbelt's land manager, and I to settle the pending lease amendment. As you know, Goldbelt and the City and Borough of Juneau entered into a Standard Land Lease with Cultural Preservation, Inc. on May 27, 1998, for the tidelands located at 76 Egan Drive described as a portion of Block 83, ATS 3, Juneau Recording District, First Judicial District, State of Alaska. Parcels A and B comprise of 8,692 square feet of filled tideland and Parcels C, E, F, and D comprising of 12,918 square feet of unfiled tidelands for a total of 21,610 square feet.

We accept the billing rate of 9 percent of the appraised value of $713,100 and retroactive amount due from June 2013 through May 2015, subtracting the payments made and late charges. Goldbelt will submit a check for total amount owed, $67,149.91 which includes sales tax.

Additionally, Goldbelt would like to make two changes to our lease agreement. First, please remove Parcel A, 1694 square feet of unusable tidelands from the lease area. Historically, Goldbelt has not used this parcel and does not anticipate any future use. Second, please amend our review period from every three years to five years. This will allow us to better serve our customers with a steady and dependable price structure. Please reflect this change with the revised lease amendment.

Thank you your assistance in this matter.

Sincerely,

McHugh Pierre
Vice President of Alaska Operations
Goldbelt, Incorporated

Parcel A

Jeep

ECZ 580

Cultural Preservation Inc Land Lease (page 2)

6. **Rent** – The annual rent shall be 10 percent of the value of the Leased Premises as determined by the assessor of the City and borough of Juneau. For the first year of the lease term and until adjusted by the Lessor as provided herein, the annual rent shall be $36,447.00 dollars based on the following land values:

8,692 sq. ft. of filled tidelands: $35.00/sq ft x 8,692 sq ft x 10% = $30,422.00

9,828 sq. ft. of Unfilled tidelands: $6.13/sq ft x 9,828 sq ft x 10% = $6,025.00

To be paid each year in twelve equal installments of $3,037.25 at the beginning of each month of the lease term. Rent shall begin to accrue on the effective date of this lease.

7. **Adjustment of Rental** – The Lessee agrees to a review and adjustment of the annual rental payment by the Lessor not less often than every third year beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the land, to which the City and borough has right or title excluding landfill placed upon the land by the Lessee except that the value of any improvements credited against rentals shall be included in the value. (Refer to Paragraph 42.) The Lessee may protest the adjustment to the Lessor, and if denied wholly or in part, an appeal may be taken to the Assembly. The decision of the Assembly shall be final.

- **53.20.190 - Terms and conditions of leases.**

In addition to other applicable provisions of this Code, the terms, conditions and covenants in this section shall govern all leases made under the provisions of this chapter and shall be incorporated in all such leases of land made or issued by the City and Borough unless the assembly by resolution provides otherwise as to a specific lease, and are hereby incorporated as though set out in full in the lease. The lease shall contain such additional restrictions and reservations as the assembly deems necessary to protect the public interest.

(1) *Lease utilization.* The leased lands shall be utilized only for purposes within the scope of the application and the terms of the lease, and in conformity with the provisions of this Code, and applicable state and federal laws and regulations. Utilization or development for other than the allowed uses shall constitute a violation of the lease and subject the lease to cancellation at any time.

(2) *Adjustment of rental.* The lessee agrees to a review and adjustment of the annual rental payment by the manager not less often than every fifth year beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the land, to which the City and Borough has right or title excluding landfill placed upon the land by the lessee except that the value of any improvements credited against rentals shall be included in the value. The lessee may protest the adjustment to the manager, and if denied in whole or in part, an appeal may be taken to the assembly. The decision of the assembly shall be final.

(3) *Subleasing.* The lessee may sublease lands or any part thereof leased to him or her hereunder; provided that the proposed sublessee first applies to the manager for a permit therefor; and further provided that the improvements on the leased lands are the substantial reason for the sublease. Leases not having improvements thereon shall not be sublet. Subleases shall be in writing and be subject to the terms and conditions of the original lease; all terms, conditions, and covenants of the underlying lease which may be made to apply to the sublease are hereby incorporated into the sublease.

(4) *Assignments.* Any lessee may assign the lands leased to him or her; provided that the proposed assignment shall be first approved by the manager. The assignee shall be subject to all of the provisions of the lease. All terms, conditions, and covenants of the underlying lease which may be made applicable to the assignment are hereby incorporated into the assignment.

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

(6) *Cancellation and forfeiture.*

(A) The lease, if in good standing, may be canceled in whole or in part, at any time, upon mutual written agreement by the lessee and the manager.

(B) The manager may cancel the lease if it is used for any unlawful purpose.

(C) If the lessee shall default in the performance or observance of any of the lease terms, covenants or stipulations thereto, or of the regulations now or hereafter in force, or any of the provisions of this Code, and should the default continue for 30 calendar days after service of written notice by the City and Borough without remedy by the lessee of the conditions warranting default, the City and Borough may subject the lessee to appropriate legal action including forfeiture of the lease. No improvements may be removed by the lessee or other person during any time the lessee is in default.

(D) Failure to make substantial use of the land, consistent with the proposed use, within one year shall in the discretion of the manager with the approval of the assembly constitute grounds for cancellation.

(7) *Notice or demand.* Any notice or demand, which under the terms of a lease or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address of record. However, either party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.

(8) *Rights of mortgagee or lienholder.* In the event of cancellation or forfeiture of a lease for cause, the holder of a properly recorded mortgage, conditional assignment or collateral assignment will have the option to acquire the lease for the unexpired term thereof, subject to the same terms and conditions as in the original lease.

(9) *Entry and reentry.* If the lease should be terminated as provided in this section, or by summary proceedings or otherwise, or if the demised lands, or any part thereof, should be abandoned by the lessee during the term, the lessor or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of the lands or such thereof, and remove all persons and property therefrom either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefor. No reentry by the lessor shall be deemed an acceptance of a surrender of the lease.

(10) *Re-lease.* If the lease should be terminated as provided in this section, or by summary proceedings, or otherwise, the manager may offer the lands for lease or other appropriate disposal pursuant to the provisions of the City and Borough Code.

(11) *Forfeiture of rental.* If the lease should be terminated because of any breach by the lessee, as provided in this section, the annual rental payment last made by the lessee shall be forfeited and retained by the lessor as partial or total damages for the breach.

(12) *Written waiver.* The receipt of rent by the lessor with 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 the lease shall not be deemed to be a waiver of any provision of the lease. No failure on the part of the lessor, to enforce any covenant or provision contained in this section, nor any waiver of any right thereunder by the lessor unless in writing, shall discharge or invalidate such covenants or provisions 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 any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by the lessor of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term therein demised, or destroy, or in any manner impair the efficacy of any such notice or termination as may have been given thereunder by the lessor to the lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by the lessor.

(13) *Expiration of lease.* Unless the lease is renewed or sooner terminated as provided in this section, the lessee shall peaceably and quietly leave, surrender and yield up unto the lessor all of the leased land on the last day of the term of the lease.

(14) *Renewal preference.* Any renewal preference granted the lessee is a privilege, and is neither a right nor bargained for consideration. The lease renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the designated official.

(15) *Removal or reversion of improvements upon termination of lease.* Improvements owned by the lessee shall within 60 calendar days after the termination of the lease be removed by him or her; provided such removal will not cause injury or damage to the lands or improvements demised; and further provided that the manager may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by the lessee may, with the consent of the manager, be sold to the succeeding lessee. All periods of time granted the lessee to remove improvements are subject to the lessee's paying to the City and Borough pro rata lease rentals for the period.

a. If any improvements and/or chattels not owned by the City and Borough and having an appraised value in excess of $5,000.00, as determined by the assessor, 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 manager. The proceeds of the sale shall inure to the lessee preceding if the lessee placed such improvements and/or chattels on the lands, after deducting for the City and Borough rents due and owing and expenses incurred in making such sale. Such rights to the proceeds of the sale shall expire one year from the date of such sale. If no bids acceptable to the City and Borough manager are received, title to such improvements and/or chattels shall vest in the City and Borough.

b. If any improvements and/or chattels having an appraised value of $5,000.00 or less, as determined by the assessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, the City and Borough.

(16) *Rental for improvements or chattels not removed.* Any improvements and/or chattels belonging to the lessee or placed on the lease during the lessee's tenure with or without the lessee's permission and remaining upon the premises after the termination date of the lease shall entitle the lessor to charge the lessee a reasonable rent therefor.

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

(18) *Condition of premises.* The lessee shall keep the premises of the lease in neat, clean, sanitary and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or uncontrolled grass, brush or other fire on the leased lands. The lessee shall not undertake any activity which causes or increases a sloughing off or loss of surface materials of the leased land.

(19) *Inspection.* The lessee shall allow an authorized representative of the City and Borough to enter the leased land for inspection at any reasonable time.

(20) *Use of material.* The lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved by the manager.

(21) *Rights-of-way.* The lessor expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the City and Borough to do so. If the lessor grants an easement or right-of-way across any of the leased land, the lessee shall be entitled to damages for all lessee-owned improvements or crops destroyed or damaged. Damages shall be limited to improvements and crops only, and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate the lessee for loss of use.

(22) *Warranty.* The City and Borough does not warrant by its classification or leasing of land that the land is ideally suited for the use authorized under the classification or lease and no guaranty is given or implied that it shall be profitable to employ land to such use.

(23) *Lease rental credit.* When authorized in writing by the manager prior to the commencement of any work, the lessee may be granted credit against current or future rent; provided the work accomplished on or off the leased area, results in increased valuation of the leased or other City and Borough-owned lands. The authorization may stipulate type of work, standards of construction and the maximum allowable credit for the specific project. Title to improvements or chattels credited against rent under this section shall vest immediately and be in the City and Borough and shall not be removed by the lessee upon termination of the lease.

- **85.02.060 - General powers.**

(a) Subject to state laws and City and Borough ordinances, the City and Borough Docks and Harbors Board shall generally exercise all powers necessary and incidental to operation of all port and harbor facilities in the public interest and in a sound business manner. In particular, and without limitation on the foregoing, the board shall:

(1) Be responsible for the operation, development and marketing of municipally owned and operated port and harbors, including such facilities as boat harbors, docks, ferry terminals, boat launching ramps, and related facilities except as designated by the Assembly by resolution.

(2) Adopt pursuant to CBJ 01.60 and enforce regulations necessary for the administration of the facilities under its management.

(3) Prescribe the terms under which persons and vessels may use the facilities and shall establish and enforce standards of operation.

(4) (A) Within the docks and harbors appropriation and in conformity with the rates of pay established for municipal positions of similar responsibility, establish, and may amend, the pay plan for harbor employees.

(B) The Docks and Harbors Department shall conform to the City and Borough Personnel Management Code, the City and Borough Personnel Rules, Personnel Classification Plan, and the Manager's policies relating to personnel. The Docks and Harbors Department shall utilize the services of the Human Resources and Risk Management Department when hiring or terminating any employee, when responding to grievances, in labor agreement negotiation, and in substantial disciplinary matters. The City and Borough Human Resources and Risk Management Director shall annually certify that the Harbor Department Classification Plan conforms to that utilized for employees of the Manager.

(5) Administer and dispose of City and Borough tideland, submerged land, and other land as provided by the Assembly by resolution as subject to Docks and Harbors Board Administration, subject to the following limitations:

(A) No sale, purchase, or trade of land shall be made without prior review by the planning commission and approval by the Assembly by resolution.

(B) Unless otherwise designated in advance by the assembly by resolution, any lease of land shall be limited to marine-related uses, and those uses accessory to tenancy on the boat harbor or use of the port.

(C) All land transactions by the board in accordance with this section shall be consistent with the land management plan developed under CBJ 85.02.063

(i) Land shall be leased as provided in chapter 53.20, provided that the provisions of section 53.20.020 relating to a declaration of availability and identification in the land management plan shall not apply.

(ii) For purposes of applying title 53 pursuant to this subsection (C), any action required by Title 53 of the manager may be performed by the port director.

P N D
ENGINEERS, INC.

May 6, 2015 PND 15J022

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

Re: Old Douglas Harbor Replacement
Engineering Services Fee Proposal

Dear Mr. Gillette:

PND Engineers, Inc. (PND) appreciates the opportunity to provide this fee proposal for design phase engineering services on the Old Douglas Harbor Replacement project. We understand the CBJ will first demolish the existing moorage system by October 2015. The USACE will then dredge the harbor basin starting in October 2015 with dredge completion by April 2016. Moorage Improvements will commence in April 2016 with anticipated completion in August 2016.

Scope of Improvements, Project Budget & Schedule

The scope of construction improvements anticipated under this design proposal is generally illustrated in the enclosed hand sketch. Specific improvement items are listed in the attached Budget Estimate dated May 5, 2015. Self-rescue ladders, TV and communications cable, pile anodes and fish cleaning tables are not currently included in the proposed work scope. One set of contract documents is anticipated in the fee proposal however we understand the CBJ may add a second set for Owner furnished materials at a later.

Final design services are intended to commence immediately upon receiving formal authorization to proceed. We anticipate delivery of three design review submittals, each requiring six weeks preparing after CBJ review, and followed by stamped bid ready contract documents.

Scope of Engineering Services & Fee Proposal

The scope of engineering services under this proposal includes five tasks intended to move the project through permitting, final engineering designs, preparation of bid ready contract documents and bid phase assistance. Construction phase engineering services are not included in this proposal however will be negotiated at a future date following successful completion of the design and bid phases.

Task	Task Description	Contract Method	Additional Fees $
1	Permitting	T&E	$11,710
2	35% Preliminary Design	FF	$75,685
3	65% Design Development	FF	$90,540
4	95% Final Design	FF	$103,145
5	100% Bid Ready Documents & Bid Phase Assistance	FF	$27,860
All	Work Listed Above	As Shown	$308,940

PND proposes to perform Task 1 on a time and expenses (T&E) reimbursable basis utilizing our standard billing rates at time of service. The T&E limit shall not be exceeded without prior written authorization from the CBJ. PND proposes to complete Tasks 2 through 5 on a fixed fee basis for the scope of improvements outlined in the enclosed sketch and budget estimate.

PND proposes to utilize Haight & Associates, Inc. for electrical engineering services. Together, we appreciate the opportunity to provide services to the CBJ on this important project. Thank you for reviewing the proposed scope, project budget, professional fees and schedule. Please let me know if we have perceived your needs appropriately for this project. We are available to commence immediately and look forward to working with the Docks and Harbors Department towards the successful completion of this exciting moorage replacement project at Douglas Harbor.

Sincerely,
PND Engineers, Inc. | Juneau Office

Dick Somerville, P.E.
Vice President

Enclosures

NOTE:
DOUGLAS CITY DOCK LOCATED JUST BEYOND DRAWING LIMITS TO BE PARTIALLY REMOVED AND DISPOSED UNDER ADDITIVE ALTERNATE C. SEE DRAWING SECTION 7 FOR DETAILS

LOG BOOM BREAKWATER

BOAT LAUNCH RAMP TO REMAIN

12'x92' TEE FLOAT TO REMAIN

6'x48' FINGER FLOATS TO REMAIN

12'x285' MAINWALK FLOAT E TO REMAIN

12'x96' TEE FLOAT TO REMAIN

FLOATS TO REMAIN

6'x42' FINGER FLOATS TO REMAIN

12'x274' MAINWALK FLOAT D TO REMAIN

4'x32' FINGER FLOATS TO REMAIN

12'x383' NORTH HEADWALK FLOAT TO REMAIN

NORTH GANGWAY TO REMAIN

TIMBER-FACED GEOTEXTILE WALL TO REMAIN

NOTE:
ALL FLOATS DESIGNATED FOR DEMOLITION AND DISPOSAL ARE TIMBER EXCEPT C-FINGER FLOATS WHICH ARE CONCRETE.
ALL PILES ARE TIMBER EXCEPT C-FINGER FLOAT PILES WHICH ARE STEEL.

16' x 260' C FLOAT

(6) 12"ø STEEL PILES ON C-FINGER FLOATS, TYP. (SALVAGE)

(6) 5' x 40' CONCRETE FINGER FLOATS

ALUMINUM TRANSITION BRIDGE

10' x 280' B FLOAT

(16) 5'x32' FINGER FLOATS

CREOSOTE TIMBER PILES, TYP.

16'x40' RAFT FLOAT

10' x 144' SOUTH HEADWALK FLOAT

6' x 288' A FLOAT

(21) 4'x20' FINGER FLOATS

5' X 142' SOUTH HEADWALK FLOAT

4' FINGER FLOATS

EXTEND "C" FLOAT (SIDE TIE)

TRANSIENT

32' FINGER FLOATS

24' FINGER FLOATS

ADJUST AISLE WIDTHS AS REQ'D

TYP

FLOAT WIDTHS
HEADWALK = 12' WIDE
A, B, C = 10' WIDE

FLOATS TO REMAIN

NEW GANGWAY LANDING FLOAT

6'x50' STEEL SOUTH GANGWAY

TIMBER BOAT GRID

APPROX. LOCATION EXIST. BURIED PIPE TO HOSE TRANSITION

3"ø BURIED HDPE WATER LINE. LOCATE PRIOR TO DREDGING ACTIVITIES

12' x 103' TIMBER APPROACH DOCK

NEW HOT BOX & EQUIP

(16) 4'x17' FINGER FLOATS

DELETE ALL 17' FINGER FLOATS

80' COVERED GANGWAY (SURPLUS)

12' WIDE APPROACH DOCK @ "B" FLOAT ALIGNMENT

SOUTH BOAT LAUNCH RAMP AND FLOAT

BASIS OF DESIGN NOTES

DEMOLITION SUMMARY

1. REMOVE AND DISPOSE SOUTH HEADWALK FLOATS, MAINWALK FLOATS A, B, C, AND ASSOCIATED FINGER FLOATS IN THEIR ENTIRITY INCLUDING ALL TIMBER, CONCRETE, & MISCELLANEOUS APPURTENANCES, ALL ASSOCIATED PILES TO BE REMOVED AND DISPOSED EXCEPT (6) STEEL C-FINGER FLOAT PILES SHALL BE SALVAGED & REUSED PER PILE SCHEDULE ON SHEET 3.01
2. REMOVE AND DISPOSE SOUTH GANGWAY INCLUDING ALL MOUNTING HARDWARE & MISCELLANEOUS APPURTENANCES.
3. REMOVE AND DISPOSE SOUTH BOAT LAUNCH RAMP AND FLOAT INCLUDING (1) TIMBER PILE
4. ALUMINUM TRANSITION BRIDGE TO BE SALVAGED. DELIVER TO JUNEAU LITTLE ROCK DUMP PER OWNER DIRECTION.
5. REMOVE AND DISPOSE ELECTRICAL PER ELECTRICAL DRAWINGS.
6. BOAT GRID AND PORTION OF TIMBER APPROACH DOCK TO BE REMOVED & DISPOSED CONTINGENT UPON AWARD OF ADDITIVE ALTERNATE B. SEE DRAWING SECTION 6.
7. MAJORITY OF NEARBY DOUGLAS CITY DOCK (NOT SHOWN THIS SHEET) TO BE REMOVED & DISPOSED, CONTINGENT UPON AWARD OF ADDITIVE ALTERNATE C. SEE DRAWING SECTION 7.

95% DESIGN REVIEW SUBMITTAL

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
DOCKS & HARBORS DEPARTMENT

REVISIONS

REV.	DATE	DESCRIPTION	DWN.	CKD.	APP.

PND ENGINEERS, INC.
9360 Glacier Highway Ste 100
Juneau, Alaska 99801
Phone: 907-586-2093
Fax: 907-586-2099
www.pnd-anc.com

DESIGN: AWS/KEI CHECKED: ____
DRAWN: AWS/KEI APPROVED: ____
SCALE: SCALE IN FEET 0 40 80 FT.

STATE OF ALASKA 49TH — Charles R. Somerville CE-8845 — REGISTERED PROFESSIONAL ENGINEER
DATE: 07/06/2007

OLD DOUGLAS HARBOR REPLACEMENT
CBJ PROJECT NO. DH 07-133

SHEET TITLE:
EXISTING CONDITIONS AND DEMOLITION SITE PLAN

PN&D PROJECT NO. 062065.01 DWG. FILE:

1.03
SHEET 3 OF 68

OLD DOUGLAS HARBOR REPLACEMENT
CBJ Project No. DH 07-133

POLY TUB FLOAT DESIGN
IN-KIND FLOAT LAYOUT
DREDGING & DISPOSAL EXCLUDED

BUDGET ESTIMATE
Prepared By: PND Engineers, Inc. on May 5, 2015

Item	Item Description	Units	Quantity	Unit Cost	Amount
1505.1	Mobilization	LS	All Reqd	10%	$450,908
2060.1	Demolition & Disposal	LS	All Reqd	$50,000	$50,000
2401.1	Sewer Pumpout Relocation	LS	All Reqd	$50,000	$50,000
2601.1	Domestic Water System w/ New Hot Box	LS	All Reqd	$225,000	$225,000
2611.1	Dry Fire Line System	LS	All Reqd	$125,000	$125,000
2611.2	Replace Expansion Joints on Existing Dry Fire Line	EA	10	$2,500	$25,000
2702.1	Construction Surveying	LS	All Reqd	$25,000	$25,000
2719.1	Sign Assembly	LS	All Reqd	$5,000	$5,000
2726.1	12' x 70' Approach Dock	SF	840	$150	$126,000
2894.1	Refurbish & Install Owner Provided Gangway	LS	All Reqd	$40,000	$40,000
2895.1	Gangway Landing Float, 20' x 40'	SF	800	$150	$120,000
2895.2	Headwalk Float, 12' x 286'	SF	3,432	$115	$394,680
2895.3	Mainwalk Float A, 10' x 288'	SF	2,880	$110	$316,800
2895.4	Mainwalk Float B, 10' x 288'	SF	2,880	$110	$316,800
2895.5	Mainwalk Float C, 10' x 288'	SF	2,880	$110	$316,800
2895.6	6' x 42' Finger Float	EA	6	$27,000	$162,000
2895.7	4' x 32' Finger Float	EA	18	$19,000	$342,000
2895.7	4' x 24' Finger Float	EA	22	$14,000	$308,000
2896.1	Steel Mooring Pile, 12" dia. x 0.500" thick	EA	52	$7,500	$390,000
2896.2	Approach Dock Support Pile	EA	8	$12,000	$96,000
2896.3	Predrilled Pile Sockets	EA	15	$6,000	$90,000
2897.1	Supply Floatation Billet	EA	40	$250	$10,000
2897.2	Install Floatation Billet	EA	40	$400	$16,000
2899.1	Life Ring Cabinet & Base	EA	7	$1,100	$7,700
2899.2	Fire Extinguisher & Base	EA	7	$900	$6,300
3300.1	Approach Dock Abutment	LS	All Reqd	$75,000	$75,000
5120.1	Electrical Support Assemblies	LS	All Reqd	$50,000	$50,000
13121.1	Utility Building	LS	All Reqd	$50,000	$50,000
16000.1	Electrical System	LS	All Reqd	$750,000	$750,000
16000.2	Spare Electrical Equipment	LS	All Reqd	$20,000	$20,000
	ESTIMATED CONSTRUCTION BID PRICE				**$4,959,988**
	AEL&P SERVICE				**$40,000**
	CONTINGENCY (10%)				**$495,999**
	FINAL DESIGN & CONTRACT DOCUMENTS (6%)				**$297,599**
	CONTRACT ADMINISTRATION & INSPECTION (8%)				**$396,799**
	PERMITTING CONTINGENCY				**$15,000**
	TOTAL RECOMMENDED PROJECT BUDGET				**$6,205,385**

PND Engineers, Inc.
Old Douglas Harbor Replacement
Engineering Services Fee Proposal - May 6, 2015
PND Proposal No. 15J022

Scope of Services	PND Senior Engineer VII	PND Senior Engineer VI	PND Senior Engineer II	PND Senior Engineer I	PND Staff Engineer V	PND Staff Engineer IV	PND Tech VI	PND Tech V	PND Tech IV	PND CAD Designer V	Line Item Costs	Task Subtotal Costs
	$180.00	$165.00	$125.00	$115.00	$105.00	$100.00	$125.00	$110.00	$95.00	$95.00		
Task 1: Permitting												
1. Management, pre-application coordination, correspondence & meetings with state and federal regulators.	4					8		2			$1,740	
2. Prepare and submit NWP permit applications, drawings, project descriptions and Preconstruction Notification.	3		4			12	8				$3,240	
3. Address environmental agency review comments & finalize applications.	2		2			8	4				$1,910	
4. ADEC Potable Water System Plan Review submittal & address agency issues.	2			10		4	4				$2,410	
5. CBJ Building Permit coordination	1		2				2				$680	
6. Local Fire Marshall Plan Review	2			8		2					$1,480	**$11,460**
Total Estimated Manhours	14		8	18		34	18	2				

Estimated Third Party Expenses

Misc Expenses	Reproduction consumables	$250	**$250**
	TOTAL ESTIMATED FEE TASK 1 (T&E)		**$11,710**

PND Engineers, Inc.
Old Douglas Harbor Replacement
Engineering Services Fee Proposal - May 6, 2015
PND Proposal No. 15J022

Scope of Services	PND Senior Engineer VII	PND Senior Engineer VI	PND Senior Engineer II	PND Senior Engineer I	PND Staff Engineer V	PND Staff Engineer IV	PND Tech VI	PND Tech V	PND Tech IV	PND CAD Designer V	Line Item Costs	Task Subtotal Costs
	$180.00	$165.00	$125.00	$115.00	$105.00	$100.00	$125.00	$110.00	$95.00	$95.00		
Task 2: 35% Preliminary Design												
1. Project management & admin: client and subconsultant contracts, work sessions & correspondence	8	2	2	2				4			$2,690	
2. Demolition plan & material item summary - Approach Dock B & Gangway	1	2	4	2						4	$1,620	
3. Overall site plan - layout & survey control	2		2	4			2				$1,320	
4. Approach Dock B, Pile Fdns and Concrete Backwall	2	4	12				6				$3,270	
5. Gangway B	1	2	4	2						2	$1,430	
6. Headwalk Float & Gangway Landing Float	2	16	32	24						24	$12,040	
7. Mainwalk Floats A, B & C	2	24	48	40						32	$17,960	
8. Finger Floats & Hinge Assemblies	2	8	16	12						12	$6,200	
9. Mooring Piles & Pile Sockets	2	8	16				8			4	$5,060	
10. Domestic Water System & New Service Equipment w/Hot Box	2	2	4	24						8	$4,710	
11. Dry Fire Line & Expansion Joint Repairs	2	2	4	24						8	$4,710	
12. Sewer Pumpout Relocation and Discharge Line Extension	2		4	8						4	$2,160	
13. Utility Shed	1	2	6							4	$1,640	
14. Safety Equipment - Life rings & fire extinguishers	1	1	8	4						2	$1,995	
15. Signage	1	1	2	4						2	$1,245	
16. Electrical & lighting structural supports	1	4	12	4						4	$3,180	
17. Specification Outline	1	2	2	2				2			$1,210	
18. Material quantity computations and cost estimate	2	2	2	2							$1,170	**$73,610**
Total Estimated Manhours	35	82	180	158			16	6		110		

Estimated Third Party Expenses

Misc Expenses	Reproduction and consumables	$250	
Haight & Associates	Electrical Engineering	$1,825	**$2,075**
	TOTAL FIXED FEE TASK 2 (FF)		**$75,685**

PND Engineers, Inc.
Old Douglas Harbor Replacement
Engineering Services Fee Proposal - May 6, 2015
PND Proposal No. 15J022

Scope of Services	PND Senior Engineer VII	PND Senior Engineer VI	PND Senior Engineer II	PND Senior Engineer I	PND Staff Engineer V	PND Staff Engineer IV	PND Tech VI	PND Tech V	PND Tech IV	PND CAD Designer V	Line Item Costs	Task Subtotal Costs
	$180.00	$165.00	$125.00	$115.00	$105.00	$100.00	$125.00	$110.00	$95.00	$95.00		
Task 3: 65% Design Development												
1. Project management & admin: client and subconsultant contracts, work sessions & correspondence	8	2	2	2				4			$2,690	
2. Demolition plan & material item summary - Approach Dock B & Gangway		1	2	2						4	$1,025	
3. Overall site plan - layout & survey control	2		2	4			2				$1,320	
4. Approach Dock B, Pile Fdns and Concrete Backwall	1	6	16				8				$4,170	
5. Gangway B		2	4	2						4	$1,440	
6. Headwalk Float & Gangway Landing Float	2	24	48	32						32	$17,040	
7. Mainwalk Floats A, B & C	2	32	60	40						40	$21,540	
8. Finger Floats & Hinge Assemblies	2	8	16	8						8	$5,360	
9. Mooring Piles & Pile Sockets	2	4	8				4			4	$2,900	
10. Domestic Water System & New Service Equipment w/Hot Box	2		4	24						8	$4,380	
11. Dry Fire Line & Expansion Joint Repairs	2		4	16						8	$3,460	
12. Sewer Pumpout Relocation and Discharge Line Extension	2		4	12						4	$2,620	
13. Utility Shed	1	2	8							4	$1,890	
12. Safety Equipment - Life rings & fire extinguishers		1	4	2						2	$1,085	
13. Signage			2	2						2	$670	
14. Electrical & lighting structural supports	1	4	8	12						4	$3,600	
15. Preliminary Specifications	4	8	12	12				4			$5,360	
16. Material quantity computations and cost estimate	2	2	2	2							$1,170	**$81,720**
Total Estimated Manhours	33	96	206	172			14	8		124		

Estimated Third Party Expenses

Misc Expenses	Reproduction and consumables	$250	
Haight & Associates	Electrical Engineering	$8,570	**$8,820**
	TOTAL FIXED FEE TASK 3 (FF)		**$90,540**

PND Engineers, Inc.
Old Douglas Harbor Replacement
Engineering Services Fee Proposal - May 6, 2015
PND Proposal No. 15J022

Scope of Services	PND Senior Engineer VII	PND Senior Engineer VI	PND Senior Engineer II	PND Senior Engineer I	PND Staff Engineer V	PND Staff Engineer IV	PND Tech VI	PND Tech V	PND Tech IV	PND CAD Designer V	Line Item Costs	Task Subtotal Costs
	$180.00	$165.00	$125.00	$115.00	$105.00	$100.00	$125.00	$110.00	$95.00	$95.00		
Task 4: 95% Final Design												
1. Project management & admin: client and subconsultant contracts, work sessions & correspondence	16	4	4	4				4			$4,940	
2. Demolition plan & material item summary - Approach Dock B & Gangway	1	1	2	2						2	$1,015	
3. Overall site plan - layout & survey control	2		2	4			2				$1,320	
4. Approach Dock B, Pile Fdns and Concrete Backwall	1	12	24				8				$6,160	
5. Gangway B	1	4	4	2						4	$1,950	
6. Headwalk Float & Gangway Landing Float	2	32	80	24						40	$22,200	
7. Mainwalk Floats A, B & C	2	32	60	40						40	$21,540	
8. Finger Floats & Hinge Assemblies	2	12	16	8						16	$6,780	
9. Mooring Piles & Pile Sockets	2	4	8				4			2	$2,710	
10. Domestic Water System & New Service Equipment w/Hot Box	2		8	32						8	$5,800	
11. Dry Fire Line & Expansion Joint Repairs	2		8	16						8	$3,960	
12. Sewer Pumpout Relocation and Discharge Line Extension	2		4	12						6	$2,810	
13. Utility Shed	1	2	8							6	$2,080	
12. Safety Equipment - Life rings & fire extinguishers	1	1	2	2						2	$1,015	
13. Signage	1	1	2	2						2	$1,015	
14. Electrical & lighting structural supports	2	4	8	16						4	$4,240	
15. Final Specifications	4	8	12	12				8			$5,800	
16. Material quantity computations and cost estimate	2	2	2	2							$1,170	**$96,505**
Total Estimated Manhours	46	119	254	178			14	12		140		

Estimated Third Party Expenses

Misc Expenses	Reproduction and consumables	$250	
Haight & Associates	Electrical Engineering	$6,390	**$6,640**
	TOTAL FIXED FEE TASK 4 (FF)		**$103,145**

PND Engineers, Inc.
Old Douglas Harbor Replacement
Engineering Services Fee Proposal - May 6, 2015
PND Proposal No. 15J022

Scope of Services	PND Senior Engineer VII	PND Senior Engineer VI	PND Senior Engineer II	PND Senior Engineer I	PND Staff Engineer V	PND Staff Engineer IV	PND Tech VI	PND Tech V	PND Tech IV	PND CAD Designer V	Line Item Costs	Task Subtotal Costs
	$180.00	$165.00	$125.00	$115.00	$105.00	$100.00	$125.00	$110.00	$95.00	$95.00		
Task 5: 100% Bid Ready Documents & Bid Phase Assistance												
1. Project management & admin: client and subconsultant work sessions & correspondence	8	2	2	2					2		$2,440	
2. Address all final review comments from CBJ	4	8	12	8			4			6	$5,530	
3. Conduct Internal QA Design Audit - plans, specs, calculations, cost estimate, schedule, bid documents	8	8	8	8			8		4	8	$6,820	
4. Prepare final stamped bid ready documents	4	8	8	4						4	$3,880	
5. Conduct prebid conference	3	3	3	3							$1,755	
6. Provide bidder responses and prepare addenda	4	4	4	4					2		$2,530	**$22,955**
Total Estimated Manhours	31	33	37	29			12		8	18		

Estimated Third Party Expenses

Misc Expenses	Reproduction and misc. consumables	$500	
Haight & Associates	Electrical Engineering	$4,405	**$4,905**
	TOTAL FIXED FEE TASK 5 (FF)		**$27,860**

FEE PER TASK SUMMARY

CONSULTING ELECTRICAL ENGINEERS
HAIGHT & ASSOCIATES

PROJECT TITLE: Douglas Harbor Floats A, B, & C

DATE: 27 April 2015

TOTAL FEE: $21,190

Method of Payment	TASK	DESCRIPTION	TIME (hours) Principal Engineer	Professional Engineer	Staff Engineer	Designer CAD	CAD Technicial	Administrative	Expenses	Total
Fixed	1	Preliminary Engineering	4	0	8	0	0	1	$0	$1,825
Fixed	2	Schematic Design	0	0	0	0	0	0	$0	$0
Fixed	3	Design Development	12	0	38	0	18	0	$0	$8,570
Fixed	4	Pre-Construction Documents	7	0	26	0	20	1	$0	$6,390
Fixed	5	Final Construction Documents	0	0	14	0	12	0	$0	$2,840
Fixed	6	Bidding	3	0	8	0	0	0	$0	$1,565
Fixed	7	Construction Administration	0	0	0	0	0	0	$0	$0
T&E	8	Site Visits & Inspections	0	0	0	0	0	0	$0	$0
0	9	Not Used	0	0	0	0	0	0	$0	$0
0	10	Not Used	0	0	0	0	0	0	$0	$0
		Total Time (Hrs)	26.00	0.00	94.00	0.00	50.00	2.00		
		Fee Schedule ($ per hour)	$175.00	$170.00	$130.00	$95.00	$85.00	$85.00		

ESTIMATED TOTALS	LABOR	CBJ SALES TAX	EXPENSES	TOTAL COST		
Haight & Associates, Inc.	$21,190	$0	$0	$21,190	CBJ Sales Tax	0%

REQUEST FOR PROPOSALS

RFP No. DH15
Tracts B-1 and B-2, Alaska Tideland Survey 1328, ADL 103289
4400 Thane Road, Juneau, Alaska

(formerly - Thane Ore House Property)

Date of Issue: May 20th, 2015
Issued By:

Carl Uchytil, PE, Port Director

DRAFT

4400 Thane Road Property
(formerly Thane Ore House)
RFP No. DH15

SCOPE AND INTENT: The purpose of this document is to solicit proposals from persons or businesses interested in leasing the property managed at 4400 Thane Road in Juneau, Alaska under a lease from CBJ Docks and Harbors. The intent is to select a proposal with the highest and best use for this area as evaluated by a panel, including consideration in the proposed leased rent.

REQUEST FOR PROPOSAL DOCUMENTS may be obtained from the CBJ Port Director's Office, 76 Egan Drive, Juneau, AK 99801, telephone (907) 586-0292.

QUESTIONS REGARDING THIS RFP: Carl Uchytil, CBJ Port Director, phone (907) 586-0294, fax (907) 586-0295 is the sole point of contact for all issues pertaining to this procurement. No oral interpretations concerning the RFP will be made to any person. ***Requests for an interpretation must be made in*** *writing and delivered or sent by fax to the CBJ Docks and Harbor* ***at least 4 days before the submittal date.***

PRE-PROPOSAL MEETING: A non-mandatory pre-proposal meeting will be held in the conference room at the CBJ Port Director's office, 76 Egan Drive, Juneau, AK 99801 at **1:00 PM, Tuesday, June 23rd, 2015.** Persons interested in submitting a proposal are encouraged to attend.

PRE-PROPOSAL BUILDING INSPECTION: A non-mandatory pre-proposal building inspection will be held at the lease site, 4400 Thane Road, Juneau, AK 99801 from **10:00 AM to 4:00 PM ~~Wednesday, June 24th~~, 2015.** Prospective proposers, and their contractors, are invited to attend.

DEADLINE FOR PROPOSALS: Five (5) copies of the proposal, in a sealed envelope will be **received until 2:00 p.m., Alaska Time on ~~Wednesday, July 15th~~ , 2015**, or such later time as the Port Director may announce by addendum to plan holders at any time prior to the deadline. Late proposals will not be accepted and will be returned, unopened.

NOTE: **Mailing/delivery times to Alaska may take longer than other areas of the U.S.**
Please register with teena.scovill@juneau.org

Proposal documents delivered in person or by courier service must be delivered to:

PHYSICAL LOCATION:
City and Borough of Juneau
Docks & Harbors, Port Director's Office
76 Egan Drive
Juneau, AK 99801

Proposal documents delivered by the U.S. Postal Service must be mailed to:

MAILING ADDRESS:

City and Borough of Juneau
Docks & Harbors, Port Director's Office
155 South Seward Street
Juneau, AK 99801

TABLE OF CONTENTS

1.0 GENERAL INFORMATION ……4
- 1.1 Purpose
- 1.2 Intentions
- 1.3 Minimum Qualifications
- 1.4 Lease Period
- 1.5 Roadside Fisheries Requirement
- 1.6 Background
- 1.7 Questions
- 1.8 Sample Typical Lease

2.0 RULES GOVERNING COMPETITION……5
- 2.1 Pre-Proposal Meeting
- 2.2 Proposal Development

3.0 PROPOSAL CONTENT REQUIRMENT……6
- 3.1 Title Page
- 3.2 Letter of Transmittal
- 3.3 Table of Contents
- 3.4 Operations/Business Plan
- 3.5 Capacity of Firm
- 3.6 Past Record of Performance
- 3.7 Established local Business
- 3.8 Marine Related Activity
- 3.9 Annual lease rent offering (minimum $8600/year)

4.0 EVALUATION OF PROPOSALS……7
- 4.1 Criteria
- 4.2 Evaluation Data
- 4.3 Evaluation Process

5.0 SELECTION AND AWARD PROCESS……....8

6.0 INSURANCE REQUIRMENTS……8
- 6.1 Commercial General Liability Insurance
- 6.2 Professional Liability Insurance
- 6.3 Workers Compensation Insurance
- 6.4 Comprehensive Automobile Liability Insurance

7.0 LOCAL BONUS POINTS……9

8.0 PROTESTS……9

9.0 JUNEAU BUSINESS SALES TAX AND PERSONAL PROPERTY TAX….9

1.0 GENERAL INFORMATION

This Request for Proposals (RFP) defines CBJ Docks & Harbors intentions, explains the procedures for selecting a firm to provide the highest and best use of this area, and defines the documents required to respond to the RFP.

1.1 Purpose: The purpose of this document is to solicit proposals from individuals interested in obtaining a lease agreement with CBJ Docks & Harbors to operate at the 4400 Thane Road property, which was formerly known as the Thane Ore House. The CBJ has the right to refuse proposals deemed unreasonable. After a signed Lease Agreement between the CBJ and the Lessee has been completed, the Lessee may proceed with the accepted plan for operations.

1.2 Intentions: It is the intention of the CBJ to enter into a Lease agreement with an individual, partnership, or corporation to operate at 4400 Thane Road.

New construction and/or reconstruction work may be accomplished on this Lease. All plans must be approved by CBJ Docks and Harbors Port Director.

The primary purpose of this lease is to provide entrepreneurs a business opportunity.

1.3 Minimum Qualifications: In order to be considered for a lease agreement, proposing Individuals must have ***at least*** five years of business experience.

1.4 Lease Period: The initial Lease agreement period will not exceed 35 years with an option to renew for an additional lease term upon mutual agreement. CBJ reserves the right to negotiate a period less than 35 years if the lessee's business plans do not include significant investment capital.

1.5 Roadside Fisheries Requirement. The property is adjacent to an easement providing access to Alaska DNR tidelands. In support of the Juneau recreational sport fisherman, the success proposer agrees to set aside no less than 5 parking spaces for roadside fisherman at no cost to CBJ or fishing participants from May to September each year of the lease.

1.6 Background: Juneau is Alaska's Capital City. The CBJ Port Director's office is located at 76 Egan Drive, Juneau, Alaska 99801. The Port Director's office is located on the 2nd floor of the Seadrome Building.

1.7 Questions: Questions regarding this proposal will be handled by:

Carl Uchytil, Port Director
Docks & Harbors
City and Borough of Juneau
Telephone: (907) 586-0294
Fax: (907) 586-0295

Office hours are 8:00 a.m. to 4:30 p.m. local time, Monday through Friday.

1.8 Sample Typical Lease

Typical lease clauses are shown in Attachment 1 – Sample Lease Agreement. Proposers should be aware that certain terms of the leases are mandated under CBJ ordinance and, as such are not subject to negotiation (i.e. appraisal, lease rent requirements, dispute resolution, etc.).

https://www.municode.com/library/ak/juneau/codes/code_of_ordinances?nodeId=PTIICOOR_PTIREPR_CH53.20LE

https://www.municode.com/library/ak/juneau/codes/code_of_ordinances?nodeId=PTIVADCORE_TIT05DOHA_CH50LEAD

2.0 RULES GOVERNING COMPETITION

2.1 Pre-Proposal

2.1.1 Examination of the Request for Proposals

Proposers should carefully examine this solicitation document and any addenda thereto, and all related materials and data referenced in the document. Proposers should become fully aware of the nature of the lease contained in Attachment 1 and the conditions likely to be encountered while operating under the lease.

2.2 Proposal Development

2.2.1 Confidentiality

The content of proposals will be kept confidential until the selection is publicly announced. All materials submitted in response to this solicitation will become the property of CBJ. One copy will be retained for the official files of Docks & Harbors and will become public record after announcement of the successful proposer. The CBJ will not return proposals to the proposer. The CBJ reserves the right to reject any or all proposals.

2.2.2 Proposal Submission Process

Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of the Proposer's capabilities to satisfy the requirement of this RFP. Emphasis should be concentrated on conformance to the solicitation instructions, responsiveness to the solicitation requirements, and completeness and clarity of content.

This solicitation does not commit CBJ to select any person, partnership, business or corporation for this lease. All costs associated with the respondents' preparations, submission and oral presentations shall be the responsibility of the Proposer.

All proposals must be signed. A proposal may be signed by the Proposer or by an agent(s) only if the agent is an officer or a corporate representative authorized to sign contracts on the Proposer's behalf, a member of a partnership, or is properly authorized by a power of attorney or equivalent document. The name and title of the individual(s) signing the proposal must be clearly shown immediately below the signature. Proposals not received by the date and time specified in the cover letter will not be considered.

3.0 PROPOSAL CONTENT REQUIREMENTS

To achieve a uniform review process and obtain the maximum degree of comparability for the Selection Committee, proposals should be organized in the manner specified below:

3.1 Title Page

Show the subject of this solicitation, entity name, address, telephone numbers, name of contact person and date of submission.

3.2 Letter of Transmittal

Include a cover letter that contains the following:

- A brief statement of your firm's understanding of the proposal requirements and a summary of your capability to meet the requirements.
- The names of the person(s) who is your authorized representative, their Title(s), address(es) and telephone number(s).
- A statement that you are willing to accept the terms and conditions of the lease contained in Attachment 1 if awarded a lease.
- A statement that you acknowledge all addenda to this solicitation.

The transmittal letter must be signed by a corporate officer who has authority to sign a lease.

3.3 Table of Contents

Identify the materials by section and page number.

3.4 Operations/Business Plan

Provide a detailed description of your plan for operating at the lease area. This should include a description of all services you intend to provide at the facility, with special mention of any services beyond what are currently provided at the facility. The selection panel will consider the proposed plan with reference to local economic opportunity, job creation and CBJ revenue potential.

3.5 Capacity of Firm

Discuss the qualifications and capacity of your company and the individuals within the company to provide the operation described in your operations plan. Include resumes of key personnel. List special licenses that your company or key personnel have that are related to your operations plan.

Include documentation attesting to the ability to finance the proposed enterprise. This may, but is not limited to bank loans, lines of credit, personal holdings, bonding capacity, investors, collateral, etc.

3.6 Past Record of Performance

Provide general background information highlighting your record of performance.

Include a detailed listing of specialized experience, capabilities, and unique qualifications related to operating at this area.

Provide select references of individuals and businesses that can attest to your company's record of performance.

3.7 Established local Business

It is the intentions of Docks & Harbors to recognize successful business enterprises within the City & Borough of Juneau. Provide general background information highlighting your record of business operations within the CBJ boundary.

3.8 Marine Related Activity

Docks & Harbor mission includes providing commercial opportunity for marine related uses. As such the selection panel will consider criteria in which the proposed business plan supports a business or activity that necessitates close proximity or adjacent water access. The proposed lease area is zoned "Waterfront-Industrial".

It is the responsibility of the proposer to ensure any activity planned for the leased property meets zoning and permissible use tables required under CBJ ordinance.
https://www.municode.com/library/ak/juneau/codes/code_of_ordinances?nodeId=PTIICOOR_TIT49LAUS_CH49.25ZODI_ARTIIITAPEUS

3.9 Annual lease rent offering (minimum $8600/year)

The appraisal fee simple value of the property was determined by a recent appraisal conducted by Horan & Company to be $86,000. Based on a formula commonly used by CBJ for lease rent calculation, the minimum annual lease rent is set at 10% of the fee simple value or $8600. The value of the building was considered to be fully depreciated with no residue value. Docks & Harbors will not object to business proposal which raze the existing structures.

One of the considerations the selection panel will evaluate is the annual lease proposal. This RFP is not a bid solicitation; as such the selected proposal may not have the highest annual lease rent offering. The selection panel will consider all state criteria before offering into lease negotiations.

Provide an unqualified annual lease rent offering. The minimum value shall be $8600 per year.

4.0 EVALUATION OF PROPOSALS

4.1 Criteria

Proposals will be evaluated and scored, using the criteria on the EVALUATION/RANKING page, found at the end of this document, in order to ascertain which proposal best meets the needs of the CBJ. The items to be considered during the evaluation and the associated point values are numbered one through five (1 through 7).

4.2 Evaluation Data

The Evaluation Data discussed below is presented in an effort to delineate what criteria will be used to score proposals. Please do not include a separate section in your proposal for Evaluation Data. Much of the information discussed and requested below should be included in the proposal as part of the PROPOSAL CONTENT REQUIREMENTS discussed in this RFP.

4.2.1 Past Record of Performance

Evaluation of the Proposer's experience with the CBJ, other governmental agencies and private industry will be made. Detailed references including companies, specific contact persons and their phone numbers and locations should be provided.

4.2.2 Capacity of the Individual

Evaluation will be made of the Proposer's ability to perform the desired services. The proposal should discuss the ability to provide the variety of services. These include but are not limited to the items listed in Section 1.2, Intentions.

4.2.3 Hours of Operation

Provide anticipated hours of operations.

4.3 Evaluation Process

Evaluation of the proposals will be performed by Docks and Harbors staff and invited Docks & Harbors Board members and invited CBJ Assembly members.

5.0 SELECTION AND AWARD PROCESS

The proposals will be individually scored by the Selection Committee. The reviewers' scores are then ranked according to the individual scores. The rankings are then determined. The highest numerical ranking will be used to determine the successful Proposer.

Proposal evaluation results are anticipated to be announced within 15 calendar days of the submission date, although all offers must be complete and irrevocable for 60 days following the submission date.

Award of a lease, if made, will be to the responsible proposers selected in accordance with the criteria described in EVALUATION OF PROPOSALS of this RFP.

The CBJ reserves the right to award a lease solely on the basis of written proposals and reserves the right to award a lease to the successful individual without further discussion.

The successful proposers shall submit certification of proper insurance coverage as required by the RFP for inclusion in the contract.

6.0 INSURANCE REQUIREMENTS

The Contractor shall provide, as a minimum, the following insurance: The City must be named as an additional insured as respects their interest in this project, except for Professional Liability Insurance and Workers Compensation insurance. The Project Name and Number shall be referenced on the Certificate of Insurance. Proof of the following insurance is required prior to award:

6.1 Commercial General Liability Insurance. The Consultant must maintain Commercial General Liability Insurance in an amount sufficient to cover any suit that may be brought against the Consultant. This amount must be at least one million dollars ($1,000,000.00) per occurrence, and two million dollars ($2,000,000.00) aggregate. The Consultant must assume all insurable risks and bear any loss or injury to property or persons occasioned by neglect or accident during the terms of this Contract, except for sole negligence on the part of CBJ.

6**.2 Professional Liability Insurance**. The Consultant must maintain Professional Liability Insurance in an amount not less than five hundred thousand dollars ($500,000.00) aggregate to protect the Consultant from any claims or damages for any error, omission, or negligent act of the Consultant, the Consultant's firm, employees, or subcontractors (which results in a financial loss to CBJ). *Note: The Professional Liability Insurance limit may be increased or*

decreased, depending on the specific project proposed. Consultants will be notified of a change in the limit, if any, with the individual project solicitation letter.

6.3 Workers' Compensation Insurance: Contractor, if subject to the provisions of the Alaska Workers' Compensation Act (AS 23.30), will provide City and the State of Alaska with proof, furnished by the insurance carrier, of current coverage for workers' compensation with an insurance company or association authorized to transact such business in the State of Alaska, or an approved current certification of self-insurance by the Alaska Workers' Compensation Board. Contractor further acknowledges and agrees that in the event it fails to maintain proper workers' compensation coverage, the State will implement the provisions of AS 23.30.045(c) and City, at its option, may terminate this agreement for cause without liability. Contractor also agrees to provide evidence of Longshore and Harbor Worker's Insurance and Jones Act coverage as required by federal law if applicable to the work required.

The coverage shall include Employer's Liability Protection in the amount of:
$ 100,000 per accident, $ 500,000 policy limit, $ 100,000 each employee.

6.4 Comprehensive Automobile Liability Insurance. The coverage shall include all owned, hired, and non-owned vehicles to a one million dollar ($1,000,000.00) combined single limit coverage.

Each policy shall be endorsed to waive all rights of subrogation against the CBJ by reason of any payment made for claims under the above coverage, except Workers Compensation and Professional Liability.

7.0 LOCAL BONUS POINTS

Local bonus points shall be awarded if Proposer is determined to be a "Juneau proposer" meeting the criteria of CBJ's Purchasing Ordinance 53.50, section 53.50.010(5). CBJ Ordinance 53.50 can be viewed electronically at the following internet address: http://www.juneau.org/law/code/purchasing.pdf

A paper copy of the CBJ Purchasing Ordinance is available upon request from the Port Director, 76 Egan Drive, 2nd floor, (907) 586-0292.

8.0 PROTESTS

The protest period begins with the posting of a notice of apparent successful proposer, in the CBJ Port Director office, and expires at the close of the next business day.

Protests shall be executed in accordance with CBJ Ordinance 53.50.062 PROTESTS and 53.50.080 ADMINISTRATION OF PROTEST. Copies of the ordinances describing protest procedures are available from the CBJ Port Director, 155 South Seward Street, Juneau, Alaska. Questions concerning protests or protest procedures should be directed to the CBJ Port Director, at 586-0294. CBJ Ordinance 53.50 can be viewed electronically at the following Internet address:
http://www.juneau.org/law/code/purchasing.pdf.

9.0 JUNEAU BUSINESS SALES TAX AND PERSONAL PROPERTY TAX

Vendors/merchants conducting business within the CBJ are required by law to register with the CBJ for sales and property taxes. Vendors/Merchants must be in good standing for all amounts owed to the CBJ prior to award and prior to all contract renewals, or no later than five business days following notification by the CBJ of intent to award. Failure to meet these requirements, if so subject, shall be cause for your proposal to be rejected. **To determine if your business is subject to these requirements, or for further information, contact the CBJ Finance Department, Treasury Division, at (907) 586-5265 concerning sales tax and 586-5268 concerning business personal property and real property tax.**

9.1Rejection of Proposals: The CBJ Docks and Harbors reserves the right to reject any proposal which:

- Is conditioned, incomplete, obscure, or irregular,
- Omits a proposal on any item or items on which proposals are required,
- Is accompanied by insufficient or irregular proposal guaranty or,
- Is submitted by proposers who have previously failed to perform properly or to complete contracts as specified.

CBJ Docks and Harbors reserves the right to reject any or all proposals and to determine which proposal, if any, should be accepted in its best interest.

Proposal Evaluation Form

Proposer: _____

Scored By: _____ **Date:** _____

EVALUATION/RANKING

		POINTS AWARDED	
		Points Possible	**Score**
1.	Operations/Business Plan	0 – 35	_____
2.	Capacity of firm	0 – 15	_____
3.	Record or Performance	0 – 15	_____
4.	Established local business	0 – 5	_____
5.	Marine Related Business Activity	0 – 10	_____
6.	Annual lease rent offering (minimum $8600/year)	0 – 20	_____
		Subtotal	_____
	The Port Director will assign points for criteria 7 below.		
7.	Juneau Proposer	0 or 5	_____
		TOTAL POINTS **105**	_____
		INDIVIDUAL RANKING	_____