

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, September 23rd, 2014

I. Call to Order The Finance Committee meeting was called to order at 5:00pm in **Room 224, City Hall.**

II. Roll Call The Following Finance Committee Members were present: Greg Busch, David Logan, Mike Peterson, and Tom Donek.
Also present were Carl Uchytel –Port Director, Howard Lockwood – Juneau Port Development LLC, Derek Duncan – Goldbelt, and Robert Loiselle – Goldbelt.

III. Approval of Agenda.

MOTION: BY MR. GREG BUSCH TO APPROVE THE AGENDA AS AMENDED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

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

V. Approval of August 26th, 2014 Finance Committee Meeting Minutes.

MOTION: BY MR. GREG BUSCH TO APPROVE THE AUGUST 26, 2014 MEETING MINUTES AS AMENDED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

VI. Consent Agenda

A. Public Requests for Consent Agenda Changes

B. Committee Member Requests for Consent Agenda Changes

C. Items for Action

1. SALMON CREEK DEVELOPMENT – LEASE RENEWAL

Recommendation: That the Docks & Harbors Finance Committee, under CBJ 85.02.060(a)(5), directs the Port Director to commence a lease agreement with Salmon Creek Development for Alaska Tidelands Survey No. 1277 consistent with CBJ 53.20.

2. MEMORANDUM OF AGREEMENT – STATTER HARBOR LAUNCH RAMP

Recommendation: That the Docks & Harbors Finance Committee approve the Port Director entering into a Memorandum of Agreement with the adjacent property owner to provide access necessary to construct the Statter Harbor Launch Ramp facility.

No objection- the Consent agenda was approved.

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VII. New Business

1. Douglas Harbor Rebuild Options

Presentation by Port Director – Carl Uchtyl

Mr. Uchtyl referred to the attached memo prepared by the Port Engineer for the Harbor Ops Committee meeting for the Douglas Harbor Re-Build project. There was a motion to bring to the Finance Meeting. Mr. Uchtyl advised we are currently working to secure the permits and discussing which plan to move forward with. There are five options for rebuilding floats A, B, and C. Each option has the cost/funding options as well.

Committee Questions

Mr. Peterson asked if the Core of Engineers will contribute any funding.

Mr. Uchtyl answered no, there is no option of funding from them.

Mr. Busch asked if the skiff slips are being reduced, which stalls would that be.

Mr. Uchtyl answered there are unused skiff space we would not replace.

Mr. Busch asked if we do a replace in kind option E would we have more moorage space.

Mr. Donek answered floats D and E did not exist and were brand new therefore added moorage space to Douglas Harbor overall.

Mr. Donek asked about the funding available and where the funds come from.

Mr. Uchtyl answered it is from the harbors maintenance bond and harbor revenues.

Mr. Busch asked about the dredging for Douglas and if it could be included with other dredging.

Mr. Uchtyl answered he would like to get them all combined to get a contractor to be able to complete our projects as well as others such as the Salmon Creek project so it can be mutually beneficial.

Dr. Logan asked if the Core of Engineers will do the Douglas dredging depth to minus 12 and is it only for the old part of the harbor.

Mr. Uchtyl answered yes he believes so but it may take a while to wait for the Core of Engineers but they have been very helpful getting the dredge permit.

Public Comment – None.

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Committee Discussion/Action

Mr. Peterson advised he supports option E.

Dr. Logan said he would like to pursue an option that will dredge to minus 12 and the dock configuration can be figured out later.

Mr. Busch also agreed with moving forward with option E and not to wait for the Core of Engineers to do the dredging to minus 12 and use whatever funds we have for dock configuration.

Mr. Donek added he does not believe we are in high demand for larger stalls in Douglas and what we have now is working.

Mr. Peterson asked if the second phase of Aurora re-build will add larger stalls.

Mr. Uchytel answered we need to balance enough room for the smaller vessels and future demand for larger stalls.

Mr. Donek added we could maybe just change some 32 foot slips to 38 foot slips for the future in Aurora.

MOTION BY DR. DAVID LOGAN TO REFER THIS TO THE BOARD MEETING FOR THURSDAY FOR A RECOMMENDATION THAT WE PROCEED WITH OPTION "E" DREDGING DOWN TO MINUS TWELVE WITH THE UNDERSTANDING THAT THE FINAL DESIGN AND DOCK CONFIGURATION WILL BE WORKED ON AS TIME GOES ON.

MR. DONEK ASKED IF ANY OBJECTIONS.
NO OBJECTIONS.
SO MOVED THIS WILL GO TO THE BOARD.

VIII. Items for Information/Discussion.

1. Mount Robert's Tramway Lease

Presentation by Port Director

Mr. Uchytel advised he and Mr. Peterson met with Goldbelt again regarding the lease. The current negotiation is to have a three year appraisal cycle starting July of 2012 to July 2015. The past due lease settlement will be worked out through CBJ law with Goldbelt. We are suggesting moving forward with using the Horan appraisal at 3 million dollars and use a 9% lease rate plus the \$2,000 air rights making the lease rent \$272,000.00 for eight consecutive years. The next appraisal would be in 2020. We want to do away with royalties completely. We would add the retail option. We would also simplify the dispute resolution process for future rent increases. Each party would have the option to get an appraisal and if

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necessary due to the appraisals being more than 10% different a third appraiser would obtained to negotiate the lease rent.

Mr. Busch asked if we are still considering a CPI increase for the lease rent.

Mr. Uchytel answered he took the direction from the last committee meeting to simplify the lease and not change to a CPI increase since no other CBJ Docks & Harbor leases have a CPI.

Mr. Loiselle, from Goldbelt, added he appreciates the hard work of Mr. Uchytel and Mr. Peterson to get this resolved as soon as possible.

2. Juneau Port Development Update

Presentation by Howard Lockwood-Manager, Juneau, AK

Mr. Lockwood advised he will presenting a site plan and concept design subject to approval to the full board on Thursday for his development project located near the little rock dump. He has been working PND engineering. Mr. Lockwood stated there are two different teams working together. A mining team for building the uplands and the Port Development team for building the docks and harbor facility.

Dr. Logan asked about the permit for the dredging that was presented at the Ops meeting if it was for mining or just dredging.

Mr. Uchytel answered the general purpose permit from natural resources for surface mining that Mr. Lockwood obtained does not authorize construction of a harbor or dredging.

Mr. Lockwood stated he will obtain a different permit in the future after the completion of the surface mining general purpose permit.

Dr. Logan asked if the requirements of the lease that Mr. Lockwood has with CBJ Harbors department allows him to use a permit for the surface mining without doing the actual dredging for the harbor construction.

Mr. Uchytel answered within 36 months of signing the lease the permits must be in place. Then within 24 months the construction must begin. It does not clearly state which permits must be in place.

Mr. Busch asked if the space is in demand for any other development.

Mr. Uchytel answered Petro Marine was interested in a new fuel dock. There had also been unofficial interested in housing and a zip line but nothing has been pursued since it is currently leased under Mr. Lockwood.

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Dr. Logan asked if the Harbor Board is in charge of checking the validity of the permits or if that falls to the regulatory agencies.

Mr. Uchytel answered that we would want due diligence and that we would hope the agencies see it the same way to ensure Mr. Lockwood would not get shutdown once construction began.

Mr. Lockwood said he did talk with Petro for a possible fuel dock as well as the people interested in doing a zip line.

Dr. Logan asked Mr. Uchytel what permits does Mr. Lockwood need for Thursday's meeting.

Mr. Uchytel answered the permit 404B for the discharge of dredging which is very similar to the permit we need from the Core of Engineers for Douglas Harbor. Mr. Lockwood does not have that one yet.

Mr. Lockwood said he will fly to Anchorage if necessary to get the required permits. He also stated he was given a two year extension and he believes he will have everything in place by the expiration of the extension on October 25, 2014.

3. CY2015 – Finance Committee Meeting Schedule
Discussion by Port Director

The committee discussed moving the Finance meeting to the same week of the Ops meeting which is the third week of the month and keeping the Full Board meeting on the last Thursday of the month. This change would be effective in January of 2015. These changes will be discussed and decided at the full board meeting.

X. Staff & Member Reports.

Mr. Uchytel referred to the FY14 Financial Summary the estimated revenue for the Harbor Department and advised we will be able to contribute to Douglas Harbor re-build fund. Mr. Spickler requested Mr. Uchytel provide a summary.

Mr. Donek asked to postpone this summary review until next meeting when Mr. Spickler is present.

XI. Committee Administrative Matters.

1. Next Finance Committee Meeting October 28th, 2014

XII. Adjournment.

The Finance Committee meeting adjourned at 6:33pm.