

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 28th, 2013

I. Call to Order.

Mr. Jardell called the Regular Board Meeting to order at 5:33 p.m. in the Assembly Chambers

II. Roll Call.

The following members were present: Greg Busch, John Bush, Tom Donek, Eric Kueffner, David Logan, Budd Simpson, Scott Spickler, Michael Williams, and Kevin Jardell.

Also present were the following: Carl Uchtyl – Port Director, Gary Gillette – Port Engineer, Dwight Tajon – Harbormaster, Loren Jones –Assembly Liaison, Dixie Hood – PRAC Liaison, Amy Mead – CBJ Law Department, Rob Steedle – Deputy City Manager, and Bob Loiselle – President/CEO Goldbelt Inc.

III. Approval of Agenda.

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

Motion was approved with no objection.

IV. Approval of Previous Meeting Minutes.

Hearing no objection, the February 28th, 2013 Regular Board Meeting Minutes were approved as amended with a correction from Ms. Hood.

V. Public Participation on Non-Agenda Items - None

VI. Items for Action.

1. Establishment of new loading zone area for Statter Harbor to accommodate new permanent moorage floats.

Mr. Tajon said there were four loading zone areas proposed and discussed at the Operations Committee meeting on March 19th. The Operations Committee approved Concept C, which is 130' of space near the end of the existing A-float for general use as a loading zone and allowed the DeHart's customers to retain the new stall assignments. Mr. Tajon read the 05 CBJAC 25.010 Designated Moorage Areas regulation. At any time during the year, the harbormaster, in his discretion, may designate moorage areas within the harbor for specific uses, such as the loading and unloading of

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passengers, crew, or cargo, fish cleaning, boat repair. Commercial, recreational, and other types of moorage.

Mr. Tajon said he received a letter from the Juneau Inspected Tour Vessel Operators outlining what they are asking for consideration. The tour operators are saying that the end of A float would be problematic because of the distance their customers would have to walk and would cause congestion in the parking area. The Horseshoe area that was proposed would be feasible plus 120' that larger vessels could use. The other option proposed in their letter is the Horseshoe area only for boats that were six passenger charter. The larger boats, such as the Allen Marine Boats and the Fjordland would use the dock at the end of the gang ramp. They were also asking for consideration to free up transient moorage in Statter Harbor to allow charter operators to use the Horseshoe area for moorage after they are finished for the day.

Mr. Tajon said he received an email from the Operation Maintenance Supervisor at Statter Harbor and he suggested leaving the second gangway in, which is a temporary access now at the southeast end of the Harbor office, to alleviate congestion. Mr. Tajon said he looked at that and it is not ADA. There would need to be some modifications to the gangway for wheelchair access to the wood float. The recommendation he had originally may change because of the letter from the Tour Operators.

Board Comments

Mr. Kueffner said he received calls about the loading zone area from stall holders concerned about their stalls being lost. Where does that come in?

Mr. Tajon said originally the new DeHart's area was built for 66 stalls and four where to stay open for general loading and unloading. He said in his error, he instructed staff to assign those four stalls out taking eight people off the wait list. Last year the charter operators used the inside of the work float without any problems and inside the Horseshoe for loading and unloading.

Mr. Jardell said neither Mr. Tajon or Mr. Uchytel were in previous Board discussions to leave stalls open for loading and unloading, and in the transition the two stalls that were to be left open were assigned and now is the problem of where to find the loading area.

Mr. Kueffner asked what is the recommendation now?

Mr. Tajon said to allow the charter operators to use the entire inside portion of the wood float. The sportsman float would become the new area for fish

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sales. Add an area in front of the proposed horseshoe, equal to the area at the end of the gangway used currently as the loading zone area. This would be added due to safety concerns for the larger boats shoreward on minus tides.

Mr. Busch asked how many of the charter operators are represented in the letter received from the Juneau Inspected Tour Vessel Operators? At the February Operations meeting there were a number of operators that said the Horseshoe area would have safety concerns and congestion.

Mr. Tajon said he was not sure.

Mr. Williams asked if Mr. Tajon could give an approximate number of users for the ramp to the Main A float on an average day in the summer?

Mr. Tajon said 800 plus people per day.

Mr. Williams asked Mr. Tajon if safety played into the equation when the loading and unloading areas are farther out in the harbor?

Mr. Tajon said if the loading and unloading areas were closer it would be better managed. The complaints he hears from the general users are that the buses block everything.

Mr. Williams asked if spreading out the loading and unloading area would be beneficial?

Mr. Tajon said he would have to look into it and measure out areas. This would cut off transient space and general users and he is not sure that is the correct thing to be doing.

Mr. Spickler asked if all the options presented are going to displace the individuals that were told they were to get a stall?

Mr. Tajon said all but one option kept them in their stalls.

Mr. Busch asked how many feet of space did the operators have in 2012?

Mr. Tajon said about 250'.

Mr. Jardell said the Operations Committee made a recommendation for using the end of A float. Since then, the Charter operators came back and suggested to re-look at the Horseshoe. Mr. Jardell asked what Mr. Tajon recommends?

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Mr. Tajon said based on his observation from last year. He said the inside face of the Horseshoe, which is 150' of the float and 60' on the fish sales area and possibly another 150' is the best choice and recommend.

Public Comment

Chris White, Juneau, AK

He was going to originally support the recommendation by the Operations Committee, but now he is in support of the recommendation put forward from the Charter Operators. As much traffic as possible moved out of the main basin of the Harbor will be a benefit. He said he does not recommend to give up the slips. He also wanted to clarify that anything set up for loading zone would not just be for the Charter Operators, but general use.

Mr. Jardell said in the past all loading zones have been open to the general public. In this case the Charter Operators have asked to have the Horseshoe so they can stay there overnight, and that will be something for the Board to determine.

Mr. White said that is generally a good idea, but the Charter Operators don't all end their day at the same time.

Paul Hoffman, Juneau, AK

He said he thinks what the Harbormaster has proposed will work. He hadn't heard about this until last Friday from Dennis Watson. As long as the patrons are not being displaced from their stalls, working this out is appropriate. Mr. Hoffman has wondered why the commercial users don't use the Auke Bay Loading facility because the parking lot is always empty and the dock is not used that much. This would be a good area for the catamarans and larger vessels. Moving the patrons that waited a long time for a stall just causes a domino effect. He also said this was discouraging to not have notice.

Paul Swanson, Juneau, AK

He said Mr. Tajon was not wrong to assign the slips. A & B floats are DeHart's customers. The main problem is still the inadequate slips being built. He said he knows a lot of the DeHart's patrons left DeHart's because lack of maintenance, floats sinking, electrical problems, and the fuel dock almost sank. He said the Horseshoe is adequate and should work.

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Jeremy Geiser, Juneau, AK

He said he is with Gastineau Guiding and is speaking on behalf of people with inspected vessels paying a passenger fee and operate out of Auke Bay on a daily basis. Mr. Geiser showed a power point presentation with the inspected vessels recommendation of the loading and unloading area. With this recommendation, safety, efficiency, accessibility and consideration for other users were very important. Mr. Geiser said based on what the Charter Operators currently understand, with the stalls not being made available to the operators, the Charter Operators recommend the inside of the Horseshoe area up to A float and the area at the end of the gang ramp that is currently used, for the following reasons:

Safety: The closer to the loading zone the better. Larger vessels over 40' need more room than just the Horseshoe area to operate and load safely.

Efficiency: Close and quick loading will keep the traffic moving quickly. Operationally, split loading zones will cause delays and could be problematic.

Accessibility: The bottom line for people with disabilities would be the closer the better.

Consideration: Compliance with TBMP (Tourism Best Management Practice) is to have consideration for other users and minimize the tour groups impact on the community. Others can still continue to use the current loading zone at the end of the gang ramp and it would not need to be used by the smaller operators.

The recommendation does include overnight moorage and he said the Charter Operators have a good enough working relationship that coming in at different hours shouldn't be an issue. This will free up some transient moorage.

Mr. Kueffner asked what Mr. Geiser thought about using the Auke Bay Loading Facility for loading and unloading of passengers?

Mr. Geiser said he hadn't looked at that area, but just wants a place that can be used and not bother anyone.

Mr. Williams asked if the inspected vessel operators were notified when the two moorage spaces were no longer available?

Mr. Geiser said they were not notified.

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Mr. Williams asked if he was notified when the changes were made to the loading area.

Mr. Geiser said no, he was only notified when their Safety Operations Committee notified them to get their input before their proposals were made.

Mr. Busch asked how large of a group does Mr. Geiser represent.

Mr. Geiser said almost the majority of the Charter Operators.

Mr. Jardell said the Auke Bay Loading Facility is not permitted for passenger embarkment and disembarkment. The float is actually higher than would be adequate for passenger loading. This is not an option for tonight.

Louis Juergens, Juneau, AK

The option that Mr. Geiser proposed makes sense because the added area to the Horseshoe makes it work for the larger vessels. The overnight moorage area will be a great option because it will utilize that space at night and free up additional transient moorage.

Douglas Ward, Juneau, AK

He said he owns and operates Dolphin Tours, he has been a Statter Harbor user since 1994 and he represents 28 to 30 business' that are dependent upon their business at Statter Harbor. He said he was not notified of committee meetings prior to this, and no input has been solicited. He said he is mostly interested in smooth running of the Harbor. The proposal submitted by the Operations Committee will cause unnecessary congestion to all users, not only on the docks but the parking lot also. This will be a temporary fix until the permanent facility can be built. He said he recommends to not approve the proposal by the Operations Committee. He requests to solicit additional input from the significantly impacted users. He said he was not informed of these changes. Mr. Ward said he would be willing to contribute his time and energy as best needed to make the loading zone area work. He said the aspect of loading his people at the Auke Bay Loading Facility which is two miles apart by a highway is horrific. Splitting the loading area is a big challenge for the Operators.

Bob Janes, Juneau, AK

He said he is the owner of Gastineau Guiding. He wants to make sure that the Board knows this proposal is a compromise. He thought the slips would be left unassigned and available for the tour operators to use. He said he was very leery of the horseshoe at first and that is because of the tight

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working area, but with the extra space that should work. The trade off for this would be to keep their larger vessels out of the front loading zone and make available for Allen Marine, Fjordland, the six pack boats, the fishing boats and all the other users.

Chris Meier, Juneau, AK

He said the key to making the Horseshoe work is the additional space in front of the original Horseshoe area for the larger vessels.

Tom Dawson, Juneau, AK

He said this will be a temporary situation for the next four years. He asked why the ramp, that is on shore at the Douglas Boat Harbor, can't be reinstalled. A short deck could be put in using the current by-pass float. He said this would then become the whole loading zone for passenger for hire vessels. It was his understanding that this was talked about but he said he doesn't know why this wasn't considered when this whole plan was set up.

Dick Deems, Juneau, AK

He said he likes the idea of the Horseshoe plus extending over to A float. This will give the charter operators their own area. When the boats come in, there is so much congestion you can't even get out of your stall sometimes. There is no perfect answer to this. Maybe some of the old DeHart's could have been left in for loading and unloading of passengers, but that is not an option now.

Dennis Watson, Juneau, AK

He said it is nice to see a compromise taking place. He has a concern with the intensity this Harbor is being used, and the controversy that was starting to develop. He said he talked to Kirby Day with TBMP and said if all users don't get along and make the best of a temporary issue this will blow up and be in the newspaper as putting tourism against people who live here year around. The increase in moorage rates will cover any loss in revenue for the few slips. This facility was funded by the State of Alaska with \$5 million. Mr. Watson said it is sad that the other users of Statter didn't recognize an opportunity as the users of DeHart's did to work with the Legislature to get money for DeHart's replacement. The efforts to get the \$5 million came from the DeHart's patrons. He said he encourages the Charter Operators to get involved with the Legislature so the burden of finding money to build the loading zone area is not put solely on the Harbor Board. There is a limited amount of money and a lot of things need to take place. It is important for

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people to work together. He also said if the Auke Bay Loading Facility is going to be used for loading of passengers, it will require a variance from the Planning Commission, and that is a reasonably short process. Another comment he said was only one ramp would need to be ADA compliant. He hopes the Harbor Board recognizes other Charter concerns and takes action with solutions.

Mr. Williams asked Mr. Watson if he agreed with the configuration going on at Statter now and this is a balance to accommodate people and also look for the least impact on all user groups?

Mr. Watson said right now the presentation by staff better meets those requirements than the suggestion to remove eight patrons from their slip. He said there should have been more thought to possibly driving more piles to provide a temporary loading area that would have accommodated everyone.

Board Discussion/Action

Mr. Busch said he apologized to all the users that were not contacted on the changes, he thought staff had been contacting patrons. Mr. Busch said to provide a brief history, about two years ago at the Finance Committee there were two 42' slips that were to be left open and five 32' slips. At the time, that was the amount of people left on the swap list. This was looking at the first two sets of the new A and B floats, but not necessarily the 42' slips. It was originally just along the head float that was going to be left open. Unfortunately, that concept got buried over time with change of personnel. Right or wrong, the Board was considering moving the four assigned stall holders to accommodate the original plan. The Board has heard loud and clear that is not the way to treat patrons. The recommendation from the Operations Committee from the last meeting weighed heavily from input received from the February meeting that the horseshoe was not going to be a safe solution. He appreciated the work Gastineau Guiding has put into this alternative to address the safety concerns and take care of the issues that would come about looking at the end of A float. Mr. Busch said he fully supports going with the recommendation from the Juneau Inspected Tours proposal that would included the extended area at the head float and include using that area at night. With that, transient moorage is not displaced at night. Mr. Busch said he spoke with Allen Marine and they have about 70 trips that are loaded at the end of the gangway. They are in favor of working with staff to see if some of their trips could be accommodated from the Auke Bay Loading Facility and pursuing a variance. The issue could be requirements for parking.

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Mr. Simpson said it is interesting that this topic receives the most testimony and yet all the Charter Operators say they were not notified. Furthermore at last week's Operations Committee meeting it was practically unanimous testimony from the public to move the loading operations out to the end of the old A float because the horseshoe was too confined, dangerous, inconvenient because you couldn't see if there was space, and the end of A float wasn't really too far to make people walk. This week the story changed. He can see the logic in the presentation tonight and does not have a problem with this. He will support the loading zone areas for all users and not exclusive for a specific group. He will also be in support of the overnight use from 9 pm to 7am. The people moved from DeHart's do not own a perpetual right to the new slips. Docks & Harbors staff is doing their best to accommodate these people. The idea with fewer slips there now than before is compelling because staff has been able to take people off the wait list. He said he hopes all the bases have been covered and this can be adopted.

Mr. Logan asked Mr. Tajon for a number of current 6-pack users and local users that use the loading zone area? He also does not like the idea of exclusive use for the charter operators.

Mr. Tajon said he doesn't have a number but there is a lot.

Mr. Kueffner asked if the horseshoe isn't good for big boats, what is it good for?

Mr. Tajon said it is limited on the number of boats that can access that area. He instructed the Operations Maintenance Supervisor at Statter Harbor to have the Charter Operators use that area last year and they used it with no complaints.

Mr. Spickler asked if there were problems with this area, would it be possible to change this in a couple of months?

Mr. Tajon said yes.

Mr. Logan asked how large the new area would be?

Mr. Tajon said about 620'.

Mr. Busch said in terms of the waitlist brought up by Mr. Simpson, he does share a lot of the concerns brought up by Mr. Swanson and Mr. Watson that there has been a net loss of slips and why there wasn't a waitlist is because the condition of the old DeHart's and also the decision by the Board not to build 24' slips. This lost an entire user group and so those vessels are no longer on the wait list. There is no permanent moorage for that size vessel

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anymore. He said a long term project would be to look at additional moorage at Statler Harbor.

Mr. Jardell said this is a good solution to move forward on. He likes the idea of overnight parking, but is not in favor of being exclusive.

Mr. Logan asked how problematic will it be if the area at the end of the gang ramp is the only area Allen Marine and Fjordland can load and unload?

Mr. Tajon said it shouldn't be an issue. They have already given a schedule.

MOTION By MR. SIMPSON: TO ESTABLISH A LOADING ZONE AREA THAT IS AVAILABLE TO ALL USERS REFERRED TO AS THE HORSESHOE (CONSISTING OF THE OLD WORK FLOAT AND GOING AROUND TO THE MAIN FLOAT ON THE SHOREWARD SIDE UP TO THE OLD A FLOAT AS SHOWN ON THE PRESENTED PICTURE FROM THE HARBORMASTER, PLUS THE EXISTING LOADING ZONE THAT IS AT THE BASE OF THE MAIN GANGWAY) AND THAT THE LOADING ZONE AREA THAT IS WITHIN THE HORSESHOE AREA WILL ALSO BE AVAILABLE FOR OVERNIGHT MOORAGE DURING THE HOURS OF 9:00 P.M. TO 7:00 A.M ONLY.

Mr. Jardell requested a friendly amendment to not use the time in the motion and to allow the Harbormaster to establish times.

Mr. Simpson accepted the friendly amendment.

Mr. Logan seconded the motion.

Motion passed by unanimous vote.

2. 2012-49 (Ordinance amending the Land Management Code)

Mr. Steedle said Lands and Resources staff have been working on revisions to Title 53. In the packet is the section of code that deals with land disposal. This was referred to this Board by the Assembly Committee of the Whole at their November 19th meeting. This probably won't be of much interest because this section of the code deals with land disposal.

Board Questions - None

Public Comments -None

Board Discussion/Action

Mr. Busch asked what motion is needed from the Board?

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Mr. Steedle said to send back concurrence.

MOTION By MR.BUSCH: MOVE TO RESPOND TO THE ASSEMBLY THAT DOCKS AND HARBORS DOES NOT OBJECT TO THE 2012-49 ORDINANCE AMENDING THE LANDS MANAGEMENT CODE AND ASK UNANIMOUS CONSENT.

Motion passed without objection.

3. Aurora Harbor Contract Amendment – Expand Phase I

Mr. Gillette said this is a contract amendment for PND Engineers for the Aurora Harbor rebuild project. It was decided at the January 31st meeting to expand Phase I of the Aurora Harbor project from approximately \$4 million to \$11 million to reflect the available funding that Docks & Harbors has currently. This phase has more than doubled in size. With the additional work for this expansion it represents 8.7% of the construction costs which is consistent for projects of this nature.

Mr. Jardell said this was also recommended by the Finance Committee.

Board Questions - None

Public Comment- None

Board Discussion/Action

MOTION By MR.KUEFFNER: TO ADOPT THIS CONTRACT AMENDMENT AS RECOMMENDED BY THE FINANCE COMMITTEE AND ASK UNANIMOUS CONSENT.

4. Cruise Ship Terminal Staging Area Contract Amendment – Phase II

Mr. Gillette said this project is the Cruise Ship Terminal Staging Area which is the parking and staging area in front of the Tram. The original contract included the replacement of the dock behind the Tram with removal of the transfer bridge and the staging area. Staff ran into a problem with ADOT and to keep the project moving, the project was split. The work on the dock behind the Tram is currently under way. This remaining phase will address the parking lot and staging area. With splitting this project, additional costs and changes happened. PND proposed \$74,690 for this work and consistent with the work that is left to do. This contract represents getting the final design, getting a second bid, and taking it through the second bid process. This is under \$100,000 so does not need to go to the Assembly. This needs to go out to bid by mid summer if the project is to start in the fall.

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Mr. Jardell said this was also recommended from the Finance Committee.

Board Questions-None

Public Comment -None

Board Discussion/Action

Mr. Kueffner said he asked Mr. Gillette at the Finance Committee if this price was consistent with this type of a project and Mr. Gillette said it was.

Mr. Jardell said DOT's director Al Clough involvement to work with Docks and Harbors on this issue and other DOT staff was very much appreciated.

MOTION By MR.WILLIAMS: TO APPROVE THE CRUISE SHIP TERMINAL CONTRACT AMENDMENT FOR \$74,690 AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

5. Statter Harbor Launch Ramp – Contract Amendment

Mr. Gillette said this is additional work to move forward with the Statter Harbor Launch Ramp project. Staff is currently working on the permitting phase for the conditional use permit and there is additional work. There are some areas that are softer than originally thought so additional geotechnical work is required. This work has been added to the project scale. We are embarking on some traffic studies to satisfy DOT's requirements for the driveway permits. He said staff is also working to acquire additional tidelands for this project. All of these planning and permitting tasks fall under work that can be funded by the Fish & Game grant to assist this project. With approval from the Board to use those funds this project could move forward.

Board Questions

Mr. Jardell asked what extra tidelands are needed?

Mr. Gillette said the area the ramp will be on.

Public Comment -None

Board Discussion/Action

MOTION By MR.WILLIAMS: TO APPROVE THE STATTER HARBOR LAUNCH CONTRACT AMENDMENT PRESENTED BY MR. GILLETTE WITH PND FOR THE SUM OF \$74,948 AND ASK UNANIMOUS CONSENT.

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Motion passed with no objection.

6. ADOT Round – About Easement

Mr. Uchytel said back in December this Board approved a permanent easement for 2300 sq/ft of Docks & Harbors property. This easement is needed by ADOT to construct a driveway for Mr. Dick Deems.

This was ready to go to the Assembly for approval when the process was delayed for not having a current appraisal and ADOT not agreeing to a price. Since then, Horan & Company has re-appraised the property and the State is willing to pay \$86,600 for a non-inclusive easement to be issued to the State with the understanding it will be reassigned to Mr. Dick Deems for access to his property. The CIP Committee approved this but wanted to have CBJ legal here to answer questions, and the Finance Committee approved the sum of \$86,600.

Board Questions

Mr. Logan asked Ms. Mead if she could give a quick overview on what Mr. Ray Preston was referencing problematic in his letter, and what does this mean for the land in the future with mixed uses in the area?

Ms. Mead said primarily the concerns in the letter were over the indemnity provisions, and all of the State's concerns have been addressed.

Mr. Logan asked in the future, if something changes overtime and the structures are no longer present, will future Boards be limited on usage?

Ms. Mead said that is something that needs to be considered by the Board in thinking of the terms of the resolution. The resolution gives the Port Director the power to add additional terms as he may deem necessary prior to the creation of the easement. Some rights are given away with this easement. The way Ms. Mead sees this easement is that it would run tied to the residential lot it is benefiting, and may only be used as a driveway for that residential lot. If the circumstances changed in the future, the easement would revert back to Docks & Harbors.

Mr. Uchytel said the retaining wall will not be included in the easement. This will be in a MOA with the State to add language for cost sharing in the event a retaining wall is needed. Mr. Clough has been briefed on this and has accepted.

Public Comment

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Dick Deems, Juneau, AK

He said his property is Waterfront Commercial. When there is talk about not having any business on this easement is troublesome. It doesn't matter now, but it could in the future.

Mr. Uchytel said there is no legal standing between Dock & Harbor and Mr. Deems on this easement.

Board Discussion/Action

Mr. Kueffner said he is going to support this and Docks & Harbors shouldn't slow down the process for ADOT's project.

Mr. Logan asked Mr. Uchytel if he can protect Docks & Harbors interest moving forward with this easement?

Mr. Uchytel said yes, and Docks & Harbors does not want to slow up their project.

Mr. Williams agreed that Docks & Harbors shouldn't hold up this project that will help the community.

MOTION By MR. SPICKLER: TO PROCEED WITH THE RECOMMENDATION TO THE ASSEMBLY TO MOVE FORWARD WITH THE EASEMENT AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

7. Board Member selection for 1% for Art at the Cruise Dock

Mr. Gillette said the 1% for Art panel for the Cruise Dock is being assembled. The process is that two members are identified from the Juneau Arts and Humanities Council, one member is appointed by the City Manager (working in conjunction with the Port Director), one member is representative of the user or owner of the project (Docks & Harbor Board), and two are at large that the Assembly picks. Those two positions are currently being advertised. Applications will close at the end of the month and the plan is to go to the Human Resources Committee at the end of April. This will then go to the Assembly at their first meeting in May. Because this is the last Board meeting before the Human Resources meeting, Mr. Gillette requested that a Board member be appointed tonight.

Board Questions - None

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Public Comment - None

Board Discussion/Action

Mr. Logan volunteered to be on the 1% for Art panel and there was no objection from the Board.

No motion required.

8. Harbor Truck Purchase

Mr. Tajon said staff is looking at purchasing a new vehicle for \$28,849. After the purchase, two vehicles would go to surplus that have a lot of miles and have numerous costly repairs. Mr. Tajon said he is asking the Board to approve the purchase of a new vehicle. If the truck was ordered in the next couple of weeks, it would probably be three months before Docks & Harbors received it.

Board Questions

Mr. Busch asked where the money was coming from?

Mr. Uchtyl said the funds would come from the vehicle replacement budget item. Funds are set aside each year toward this item. There is approximately \$56,000 currently in that fund.

Mr. Jardell asked Mr. Tajon with working off the State's procurement for this truck, does he know where this vehicle will be coming from?

Mr. Tajon said it would be in state. He said they go with the lowest bidder and the last one was out of Anchorage.

Mr. Jardell asked if there was any way to buy local?

Mr. Tajon said to buy local, staff would have to go out for a formal bid, and that would take a long time.

Mr. Williams said using the State's procurement will be saving staff time and money.

Public Comment

Ms. Hood, Juneau, AK

She asked if the \$56,000 that was mentioned by Mr. Uchtyl was the amount going to be used to purchase the truck?

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Mr. Jardell said that is the budgeted amount, and not the amount being authorized to use. He said the amount to be used is approximately \$28,849 which is from the State's procurement system.

Mr. Jardell explained that business' put out a procurement to participate on the State's procurement system and there is an open competition throughout the State. They are put on a master list and the lowest bidder can be picked. The purpose is to save money by making it more efficient.

Board Discussion/Action

MOTION By MR.KUEFFNER: TO AUTHROIZE THE HARBORMASTER TO PURCHASE A TRUCK FOR \$28,849 AND SURPLUS TWO VEHICLES AND ASK UNANIMOUS CONSENT.

VII. Items for Information/Discussion.

1. Mt. Roberts Tram Update

Mr. Uchytel said at the Finance meeting there was discussion and a process to move forward with the lease rent for the Mt. Roberts Tram. Currently staff is at an impasse with Goldbelt what the market rent revaluation should be. Docks & Harbors has an appraisal from Horan & Company suggesting the property is worth \$3.3 million and the extraordinary assumption by Golbelt's attorney's to suggest the property is of no economic value. Both sides have acted in good faith, but are at an impasse. There is a letter in the packet from Mr. Loiselle. The letter points out that in the lease it allows for a third appraiser to choose either the Horan valuation or the appraisal conducted by Reliant that suggests the no economic value.

Bob Loiselle, President/CEO, Goldbelt, Inc.

He said the main difference in the appraisals is the legal theory in which each one was performed. The one performed by Reliant says the restraints that the property is put under to conform to the terms of the lease need to be taken into account. This property can only be used as an aerial tramway and because of the economics of that particular venture, the current value was zero. The Horan appraisal did not operate under those same constraints and so there are two appraisals that are very different. The legal opinion on this matter by Mr. Spitzfaden shouldn't be characterized as extraordinary, but rather what Goldbelt believes to be the correct approach. The results of having a third appraiser choose, is if Goldbelt's appraisal was deemed to be correct, it would default back to a base rent of \$30,000 annually compared to the \$104,000 that is currently being paid. On the other hand if Mr. Horan is correct, Golbelt's rent goes from \$104,000 to \$300,000 annually. There

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has been various mean's over the last couple months to bridge the gap. Goldbelt had another appraisal done using the same terms that the Horan appraisal was done. The new appraisal was not deemed to be of any value by Docks & Harbors representatives. Goldbelt also showed opinions of other appraisers that would approach this appraisal in a similar manner. Essentially we are at an impasse, but not sure all options have been exhausted. If the assumption is that we need to come to an agreement based on the current terms and conditions of the lease and those terms and conditions cannot be modified or amended then we are at a broad impasse. It was suggested to approach this in a different perspective. The current numbers could be escalated to current escalated values adjusted for inflation, but that suggestion was not well received. The matter before the Board is whether to go to the provision of the lease that suggests selecting a third appraisal to choose between the two appraisals and deem one to be correct. The difficulty with that is there are two different assumptions based on legal opinion. Mr. Loiselle said he still hopes to address this in a different fashion. He said Goldbelt knows this is an important income for Docks & Harbor. Goldbelt is looking for a way to come up with a number Docks & Harbors is comfortable with and one Goldbelt can live with, and they are not suggesting the current rent to drop.

Mr. Jardell said the next step to move forward will be to put this before the Board at the next meeting. He said the direction Goldbelt would like to go is renegotiation of the contract, and that has been difficult for the sub-committee and Finance committee to go there.

Mr. Simpson asked if the appraisal performed with the same assumption as Horan used is a matter of public record or is it confidential?

Mr. Loiselle said the summary has been shared, but if the whole appraisal is useful it could be made available.

Mr. Simpson asked what was the value in the appraisal?

Mr. Loiselle said he believed the value of the unimproved land was \$260,000.

Mr. Simpson said this would be back to the \$30,000 annual rent.

Mr. Loiselle said yes.

VIII. Committee and Board Member Reports

1. Operations Committee Meeting – March 19th, 2013

Mr. Busch said the main item was figuring out the loading zone area at Statter, and that was discussed here.

2. CIP/Planning Committee Meeting – March 21st, 2013

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Mr. Williams said all the action items covered at the meeting has been covered here. He said Mr. Uchytel talked about capping issues for capping the dredge spoils out of Douglas, and work is in progress on the Petro Marine Services fuel dock lease.

3. Finance Committee Meeting – March 26th, 2013

Mr. Kueffner said all the Finance Committee items were discussed here tonight.

4. Member Reports - None

IX. PRAC Representative Report

Ms. Hood said she had nothing to report.

X. Port Engineers Report

Mr. Gillette's said his report is in the packet. There are currently two projects under construction. Statter Harbor and the Downtown Cruise Ship Terminal Staging Area. Both are moving along smoothly.

XI. Harbormaster's Report

Mr. Tajon said all the North Douglas boarding floats should be in place by April 10th.

XII. Port Director's Report

Mr. Uchytel said Mr. Kueffner will be termed out and he asked the Board to start recruiting for other Board members.

He said he received a request from Richard Burns to have the Rotary Duck Derby in Douglas Harbor on the 4th of July. He asked the Board if this would be acceptable. Mr. Uchytel said 5,000 ducks would be put in the Douglas Harbor and then winners would be picked out. There was more discussion on having the duck derby at Douglas. Mr. Williams wanted a plan for the Duck Derby before agreeing to this. Mr. Simpson said he would work with the Rotary Club for a positive solution.

Mr. Uchytel said May 1st Docks & Harbors is on the Assembly agenda to present the FY13/FY14 budget.

Mr. Uchytel said he will be speaking with the Harbormaster at KINY action line tomorrow. He said it is bothersome to hear that people were not notified because he works very hard to get the word out on things affecting patrons.

XIII. Assembly Liaison Report- Mr. Jones said he suggested to be prepared to answer questions on added significant amounts of money to contracts. He will not be able to attend the April 25th Board meeting.

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XIV. Committee Administrative Matters

- a. Operations Committee Meeting – Next meeting is April 16th at the Aurora Harbor.
- b. CIP/Planning Committee Meeting – Next meeting is April 18th, 2013 in the Assembly Chambers at 5:00 p.m.
- c. Finance Committee Meeting – Next meeting is April 23rd, 2013 in CBJ Room 224 at 5:00 p.m.
- d. Board Meeting – Next meeting is April 25th, 2013 in the Assembly Chambers at 5:30 p.m.

XV. Adjournment

The regular Board Meeting adjourned at 7:58 p.m.