

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING AGENDA
For Tuesday, March 26th, 2013

- I. Call to Order** (5:00 p.m. to 7:00 p.m.) in the **Room 224, City Hall.**
- II. Roll Call** (John Bush, Tom Donek, Kevin Jardell, Scott Spickler, Michael Williams, and Eric Kueffner).
- III. Approval of Agenda.**

MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED.

- IV. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total).
- V. Approval of February 26th, 2013 Finance Committee Meeting Minutes.**
- VI. Items for Action.**

- 1. Mt. Roberts Tram Lease Rent Adjustment
Presentation by Goldbelt

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

- 2. Harbor Truck Purchase
Presentation by the Harbormaster

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

- 3. DOT Round – About Easement
Presentation by the Port Director

Committee Questions

Public Comment

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Committee Discussion/Action

MOTION: TO BE DEVELOPED AT MEETING

VII. Items for Information/Discussion.

None

VIII. Staff & Member Reports.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting April 23rd, 2013 in CBJ Room 224 at 5:00 p.m.

X. Adjournment.

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I. Call to Order

Mr. Donek called the Finance Committee Meeting to order at 5:02 p.m. in CBJ Room 224.

II. Roll Call

The following members were present: John Bush, Michael Williams, and Tom Donek.

Via Telephone – Kevin Jardell

Absent: Scott Spickler and Eric Kueffner.

Also in attendance were the following: Carl Uchytel – Port Director

III. Approval of Agenda

Mr. Uchytel asked to move Action Item #2 to the end of the meeting.

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

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items – None

V. Approval of the Finance Committee Meeting Minutes.

Hearing no objection, the January 29th, 2013 Finance Committee Meeting Minutes were approved as presented.

VI. Items for Action.

1. Special Moorage Rate M/V Malaspina/50th Anniversary AMHS

Mr. Uchytel said he received a request from Alaska Marine Highway System to tie up the Malaspina at the Cruise Ship Terminal dock on May 4th as part of the 50th Anniversary community celebration. The Docks and Harbors Board can waive the moorage fees for this special event. This event is also on the same day as the Fisherman's Memorial blessing of the fleet. Mr. Uchytel said he made sure to have AMHS coordinate with Bruce Wheyrock so the two events don't interfere. Mr. Uchytel said he recommends that the Board approve waiving the moorage fees.

Committee Questions - None

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Public Comment – None

Committee Discussion/Action

MOTION By MR. WILLIAMS: APPROVE AND RECOMMEND TO THE FULL BOARD TO WAIVE THE MOORAGE FEES FOR THE MALASPINA FOR AMHS 50TH ANNIVERSARY AND ASK UNANIMOUS CONSENT.

Motion passed without objection.

2. FY13/FY14 Budget Submission

Mr. Uchytel handed out the following budget sheets.

FY14 Staffing Schedule, Harbor Revenue, Docks Revenue, Harbor Expense, and Docks Expense- Mr. Uchytel discussed the reports line by line. Mr. Uchytel said working on the budget, he looks at past number and current numbers, and tries to come up with a good future number. Mr. Uchytel said the harbor revenue's include invoiced amounts and not just actual cash on hand. Attached to these minutes are the Harbor Revenue, Docks Revenue, Harbor Expense, and Docks Expense reports.

Committee Comments –

The Committee asked questions and overall was pleased that the budget was easier to understand.

Public Comment – None

Committee Discussion/Action

MOTION By MR. WILLIAMS: TO APPROVE THE FY13/FY14 BUDGET SUBMISSION AND FORWARD TO THE FULL BOARD FOR APPROVAL AND ASK UNANIMOUS CONSENT.

Motion passed without objection.

3. FY14 Moorage Rates

Mr. Uchytel said this is a rate increase effective July 1st, unless the Board takes action not to increase. The Anchorage CPI is 2.2%.

Committee Questions

Mr. Donek asked if this increase was needed from a budgetary stand point?

Mr. Uchytel said Docks and Harbors is doing well. We could do more maintenance with additional money.

Mr. Williams asked if this gradual annual increase has been working?

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Mr. Uchytel said patrons have come accustomed to this increase. If it is removed, they might have a problem with an increase every couple of years.

Mr. Bush said deferred maintenance could be done to keep the harbors in good shape.

Public Comment

Paul Swanson, Juneau, AK, asked why Statter Harbor patrons pay \$2.79 more than downtown?

Mr. Uchytel said that is what the market bears.

Mr. Swanson asked why Docks and Harbors is building less slips. He also wanted to know if this price increase includes parking?

Mr. Uchytel said less slips are being built because of space and money. The moorage cost does include parking. DeHarts patrons will have the same parking as last year. In the future, every annual Statter Harbor slip holder will get one free parking pass annually.

Mr. Swanson wanted to know how many people are on the Statter Harbor waiting list currently?

Mr. Uchytel said he did not know how many is on the waiting list.

Mr. Swanson said Docks and Harbors will be losing revenue.

Mr. Uchytel said the demand was met.

Discussion continued on number of slips being built and length of boats allowed in the 32' slips.

Committee Discussion/Action

MOTION By MR. WILLIAMS. TO APPROVE THE CPI INCREASE AND SEND TO THE FULL BOARD AS AN INFORMATION ITEM AND ASK UNANIMOUS CONSENT.

Motion passed without objection.

VII. Items for Information/Discussion.

1. Adjustment of Rental Law 53.20.190

Mr. Uchytel said rental law 53.20.190 states that every five years leases are to be reviewed, and possibly adjusted. Mr. Uchytel said he adjusted Mr. Huemann's lease by using 8% of the assessed value. Mr. Huemann is contesting this because he is saying the increase should not be based on the improvements he made to the property. The CBJ assessor is also saying that tideland property should not be figured on assessed values because it does include the improvements. Mr. Uchytel said he can have

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the property appraised. Per 53.20.190 the rent should be based on unimproved comparable values. He said he is trying to work in the framework of the lease to provide something that is fair and reasonable and is looking for recommendations.

More discussion followed on amount of increase and improvements that were made.

The Committee recommended to get an appraisal to stay with a transparent process.

2. Update of ADOT Property Activity

Mr. Uchytel said he has received the paperwork for the S. Franklin sidewalk that was needed to move forward with the uplands cruise ship terminal project.

Mr. Uchytel said Charles Horan was hired by ADOT to appraise the property needed for the easement to Dick Deems property. ADOT's offer was \$50,000, but based on value of land Mr. Uchytel was requesting \$83,000. Mr. Uchytel said he told Mr. Horan the new appraisal should include the total ownership for this property, improvements and the cost for the removal of asbestos. The most valuable piece of property is the part that ADOT wants.

VIII. Staff & Member Reports – None

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting March 26th, 2013 at 5:00 p.m. in CBJ room 224.

X. Adjournment

The Finance Committee adjourned at 6:37 p.m.



Port of Juneau

155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

To: Finance Committee
From: Dwight Tajon- Harbormaster
Date: March 14, 2013
Re: Truck Procurement

Docks and Harbors has two vehicles that have mechanical and plow issues that prevent them from being used during the winter months.

They are as follows:

Vehicle #475: 2004 Chevrolet 2500HD with 75,624 miles. The check engine light will not reset, speedometer is broken, heat selector switch does not work, Meyers snowplow not working and the drivers side door opens up beyond its hinge stops. Blue book value is estimated to be \$10,310 dollars.

Vehicle #473: 1998 Chevrolet 3500 with 122,417 miles on the body with about half as much on its second engine. This vehicle has a non-operational Meyer snow plow and heat selector switch issues that do not make it safe to utilize during the winter. Blue book value is estimate to be \$3,670 dollars.

In a report generated by the CBJ Streets Department their replacement schedule for vehicles for their section is at every 8-9 years and dump trucks every 12 years. Our replacement schedule has not been on par with the Street Department.

The intent Docks & Harbors has is to surplus vehicles #473 & #475 and replace them with one new 1 ton truck that is plow ready. Plow ready is meaning that we will also purchase the plow frame so that we can utilize the plow from our gravel spreader truck on the new 1 ton.

Price for the new truck from the State Procurement website is at about \$28,849.00. The City utilizes the State Procurement website since they have already completed the leg work on procurement of vehicles varying in size and equipment.

Recommendation:

The Finance committee approves the purchase of the 1 ton truck for 28k and forwards the recommendation to the full board for approval.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Transportation
and Public Facilities

SOUTHEAST REGION
DESIGN & ENGINEERING SERVICES
Preconstruction

6860 Glacier Highway
PO Box 112506
Juneau, Alaska 99811-2506
Main: 907 465 4444
Toll free: 800 575 4540
Fax: 907 465 4414

March 7, 2013

LETTER OF OFFER
For Hand Delivery

Mr. Carl Uchtyl
Port Director
City and Borough of Juneau,
155 South Seward Street
Juneau, Alaska 99801

Re: Project No. 69003
JNU – Glacier Highway Loop Road Safety Improvements
Parcel No. E-3

Dear Mr. Uchtyl,

As according to the City and Borough's requirements, this department engaged a professional appraiser to appraise the value of the easement (Parcel E-3) which we seek to acquire from the City and Borough. We engaged Mr. Charles Horan, MAI, of Horan & Company, LLC to appraise the property. A copy of his appraisal, dated March 6, 2013 accompanies this letter. Mr. Horan determined the value of the acquisition including damages to the remainder to be \$86,522. Mr. Horan's appraisal was reviewed by one of the department's review appraisers, Mr. Bruce Bowler. Mr. Bowler approved of the appraisal and issued a Determination of Just Compensation in the amount of **\$86,600**. A copy of his determination, dated March 6, 2013 also accompanies this letter.

The easement that is needed is actually for the benefit of adjacent residential property owned by the Richard and Sylvia Deems Living Trust. Our project will unfortunately block Mr. and Mrs. Deems' existing access to their property. This easement will provide replacement access to their residence.

The Department hereby offers to purchase the easement for the sum of **\$86,600**.

Also accompanying this letter is a proposed easement deed. It is structured as a non-exclusive easement. I wish to thank you for sending me the information regarding the city's standard easement provisions. However, the enclosed easement does not include most of your standard provisions as they either appear not to apply to this particular easement, or they are simply not necessary. We have

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a particular concern about Paragraph K of the sample easement you provided. We simply cannot agree to any type of hold harmless and indemnification provision. In fact, all state agencies are prohibited from agreeing to any hold harmless and indemnification provision by dint of a 2005 Attorney General's opinion. Your legal department is probably aware of this. We also have concerns about other of your standard provisions in the sample provided. Paragraphs IV.(c), (d), (e), (f), (h), and (i) are of concern because of the circumstances involved, particularly the fact that the whole reason for this acquisition is to replace access to the Deem property that will be lost because of our project. If it is not possible to convey the interest directly, we fully intend to re-convey the property interest to Mr. and Mrs. Deems. Given, this, we would like the easement to be as simple as possible, free of unnecessarily onerous requirements and free of requirements which simply do not fit the situation. Subparagraph (c) refers to pedestrian access whereas here there will be a sidewalk in front of the properties involved. Paragraph (d) states that "Grantor reserves the right to use portions or all of the driveway alignment for a dedicated public street." This clause would be completely out of place. Subparagraph (e) refers to a gate which does not fit the circumstances here. Subparagraph (f) should not apply to this department. While this department is bound to obtain local concurrence, it has never had to obtain such things as grading permits for its projects. Subparagraph (h) is a good example of overkill and something that is out of place here. The same goes for Subparagraph (i). The idea of this easement being converted to a dedicated right-of-way is simply out of place. I ask consideration toward eliminating all of these provisions, as I have in the enclosed easement.

If the amount offered for this easement is acceptable, I have enclosed other documents that are necessary to complete the transaction. They include a Memorandum of Agreement, a Purchase Voucher, and a W-9 form.

I thank you for your consideration. If you have any questions or concerns, I can be reached at 465-4519 or by E-mail at: ray.preston@alaska.gov

Yours truly,

A handwritten signature in black ink, appearing to read "Ray C. Preston", written over a horizontal line.

Ray C. Preston
Right of Way Agent

SUMMARY APPRAISAL

PARCEL E-3, 2272 SF
JUNEAU - GLACIER HIGHWAY LOOP ROAD
SAFETY IMPROVEMENTS PROJECT (PROJECT NO. 69003)
A PORTION OF LOT 4, USS 2664
11755 GLACIER HIGHWAY
JUNEAU, ALASKA



024313 0237- LARGER PORTION LOT 4 LOOKING NORTH FROM WATER ACROSS
BUILDING PAD TOWARD ROADWAY ABOVE

Prepared For: Ray Preston, Right of Way Agent IV
Department of Transportation and Public Facilities
6860 Glacier Highway
Juneau, Alaska 99801

Prepared By: Charles E. Horan MAI AA41
Horan & Company, LLC
403 Lincoln Street, Suite 210
Sitka, Alaska 99835

Effective Date: February 13, 2013

Report Date: March 6, 2013

Our File: #13-016

HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN MAI / WILLIAM G. FERGUSON, JOSHUA C. HORAN, JAMES A. CORAK,
SLATER FERGUSON, SARAH ADAY AND KAREN FUSSELMAN

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835

PHONE NUMBER: (907)747-6666

FAX NUMBER (907)747-7417

commercial@horanappraisals.com

March 6, 2013

Ray C. Preston, Right of Way Agent IV
Department of Transportation and Public Facilities
6860 Glacier Highway
Juneau, Alaska 99801

Sent via email: ray.preston@alaska.gov

Re: Summary Appraisal Parcel E-3 2272 SF, Juneau - Glacier Highway Loop Road; Safety
Improvements Project (Project No. 69003), a Portion of Lot 4, USS 2664; 11755 Glacier
Highway, Juneau, Alaska. Our File # 13-016

Dear Mr. Preston,

At your request, we have made a market value appraisal of Parcel E-3 of the above referenced project, which the Department of Transportation and Public Facilities (DOT/PF) is negotiating to purchase from the City and Borough of Juneau (CBJ) Docks and Harbor Department. This parcel will give access to the neighboring property (Richard Deems) that may be lost by constructed barriers in the project.

The Department of Transportation is our client and intended user. The CBJ Dock and Harbor Department is also an intended user. The intended use of the appraisal is to assist in the negotiations to acquire the property. The appraisal has been completed in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Department's Right-of-Way Manual and the requirements of the Appraisal Institute.

I inspected the property on February 13, 2013 with Mr. Carl J. Uchytel, PE, Port Director of the CBJ Dock and Harbor Department, which is the effective date of the appraisal. Parcel E-3 Easement 2272 SF represents a virtual taking of the usable property rights within that area. The property owner will retain full rights of access across the easement area to its property but will perpetually allow the neighbor, Deems, and his successors continued access to its property. This area covers some of the best level land at the highway's grade and leaves the remainder property somewhat less suitable for development. Therefore, in addition to the value of the part taken, I have estimated damages to the remainder as part of the easement value.

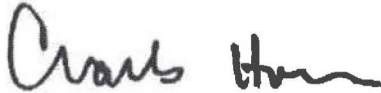
13-016 / 11755 Glacier Hwy

Based on my analysis and subject to the Assumptions and Limiting Conditions, Certification of Appraisal, Definitions and information contained in this report, I have estimated the following value:

Value of Larger Parcel (17,133 SF)	\$428,325	
Value of the Acquisition as Part of the Whole (2,272 SF)		\$ 56,800
Value of the Remainder as Part of the Whole (14,861 SF)	\$371,525	
Value of Remainder After Acquisition (14,861 SF)	<u>\$341,803</u>	
Damages to the Remainder		<u>\$ 29,722</u>
Value of Acquisition		\$ 86,522

Thank you for this opportunity to be of service. If you have any questions or comments, please do not hesitate to call.

Sincerely,



Charles Horan, MAI
HORAN & COMPANY, LLC