CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, January 31, 2013

I. Call to Order.

Mr. Jardell called the Regular Board Meeting to order at 5:32 p.m. in the Assembly Chambers

II. Roll Call.

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

Absent: Greg Busch, and Eric Kueffner

Also present were the following: Carl Uchytil – Port Director, Gary Gillette – Port Engineer, Loren Jones –Assembly Liaison, Dixie Hood – PRAC Liaison,

III. Approval of Agenda.
Mr. Uchytil said the Moorage Discount promotion under items for Action should be #4.

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

Motion was approved with no objection.

IV. Approval of Previous Meeting Minutes.

Hearing no objection, the December 20th, 2013 Regular Board Meeting Minutes and January 9th, 2013 Sub-Committee Minutes were approved as presented.

V. Public Participation on Non-Agenda Items
Howard Lockwood, Juneau, AK
Mr. Lockwood said he was invited by the Board Chair to make a quick presentation on the progress of his project as it stands today with the Juneau Port Development on the land he leases from Docks and Harbors. He handed out a nine page summary of the land title issues involved with the project development at this time. Mr. Lockwood said he will go over the summary briefly but will give a detailed power point presentation at the Board's March meeting. The leased property is tideland submerged property. Mr. Lockwood talked about the handout content.

- The first page of the hand out is a picture that shows the location of the property ATS 556A.

- The second page is the original Mega Yacht plan approved by the Board, and the plan given to the industries involved with the yacht industry.
- The third page is the cost estimate associated with moving forward with the plan.
- The fourth page shows the CBJ Public Works proposal for a snow storage area that would go across the west face of this lease (this had a critical effect on the marketing and total Harbor plan). Mr. Lockwood said he is cooperating with the Public Works Department and the Engineering Department facilitating their design criteria, but there are issues with the property titles that need to be addressed before that takes place.
- The fifth and sixth page is the ATS 556A patented to CBJ.
- The seventh page is the States mineral rights.
- The eighth and ninth page is the plat for ATS 556A.

Mr. Lockwood said there are some issues that need to be addressed with this property. There is the mineral stake held by Dr. Roger Eichman. The stake consists of five mining claims. There is also the states requirements for the mineral development of this land. There are very specific laws that need to be addressed before anything can be done with this land. Mr. Lockwood said he has a copy of the letter sent by the director of minerals with DNR outlying the states position on this particular property. Before moving forward with the project Mr. Lockwood said he has to clarify the land title. With another project being laid into this situation, it made his project very difficult to deal with. He said he had everything laid out with the Juneau Port Development project and everything has changed now. Mr. Lockwood said his task now is to first clarify the land title. He said his understanding of the law is, before the Mega Yacht project can move forward, the State of Alaska has to approve it and Dr. Eichman has to approve it. Currently, paperwork is being passed back and forth from DNR, CBJ, and the Attorney General. The next step would be to establish the location of the retaining wall. That property is eroding 25' to 35' per year toward the sewer plant. With CBJ planning a snow storage facility there, his question is, "who is going to build the wall"? The estimated cost for the construction of the wall phase of the Mega Yacht project is $35 million. In order to build the wall, someone has to use the land to create the funding to pay for this. After the wall is figured out, he will go back to PND and draft a new Mega Yacht Harbor plan. The plan will then need to be brought back to this Board for approval and then to the Assembly for approval. He will then re-establish the preliminary marketing and move forward with the permitting application.

Mr. Jardell said Mr. Lockwood was asked to come to the Board quarterly and give an update on his project.

Paul Swanson, Juneau, AK

Mr. Swanson said he was impressed with asking the Harbor patrons suggestions at the last CIP meeting for the Aurora Harbor rebuild project. Out of the six people in the audience, only two were from Aurora. Mr. Swanson said he would like that same acceptance of suggestions from the DeHart's patrons for the construction going on at Statter Harbor Auke Bay. The problem Mr. Swanson said he has is when CBJ bought DeHarts, there were 99 slips. The rebuild plan for Statter Harbor Auke Bay only has 64 slips. He said by eliminating some of the shorter boat slips, the shortest boat that can be at Statter Harbor Auke Bay now is 32'. He said the same matrix should not be applied to Statter Harbor Auke Bay as what is applied downtown. He said he does not see the logic in why Docks and Harbors is hung up on loosing one parking spot to DOT for the round about when loosing 30 plus slips that would generate income has not been an issue. He has never been given an explanation on why the slips have been decreased.

VI. Items for Action.

1. Aurora Harbor Rebuild Plan

Mr. Gillette said in October there was an open house at the Yacht Club that asked for comments on the Aurora Harbor rebuild plan. Docks and Harbors took the comments from that open house back to PND and they integrated into this most recent plan. Some of the comments were to move the 24' vessels back to their current location, design the bridges so the smaller vessels can go underneath to access the inside of the head floats, reorganized the boat houses to have like lengths on the same floats to take advantage of the aisle widths, create a 2' to 3' gap in between the boat houses, and create a slip for the cruise ship tug assist. Docks and Harbors did receive some cruise ship passenger funds for the tug moorage part of the project. Other areas of the project includes updating lighting, change out the water and electrical, and a new float design using polyethylene tubs. The new concept was then presented at the January 24th CIP meeting and had favorable comments. The CIP Committee recommended to the Board to move forward with Phase I and use the polyethylene tub float design. Using the new float design will add approximately $1 million to the entire project.

Mr. Gillette said since the CIP meeting he has looked into other funding. Docks and Harbors currently has $11 million for this project with $2 million being the ADOT matching grant, and $7 million from the bond. Docks and

Harbors matching funds are the $500,000 cruise ship passenger money that will be used on the cruise ship tug float and the $1.5 million from the Harbors fund balance. Phase I of this project is $6.1 million. Phase II is $4 million. Mr. Gillette said the intent was to go forward with Phase I and use some of the money that could be used for Phase II to apply for another matching grant. Investigating additional funding for this project, he found that until the initial matching grant money is used Docks and Harbors can't apply for another grant. Moving forward with Phase I, the construction would be completed in November of 2014. The next cycle to apply for a matching grant would be July of 2015, and that would be decided by the legislature during their budget session in May of 2016. If this is approved, and Docks and Harbors was selected, the money would be available in 2016. Mr. Gillette said he doesn't know any other funding that would be available. With no additional funding in the near future, Mr. Gillette suggested two options.

1. Move ahead with Phase I and use the monies left to leverage for other grant programs.
2. Move ahead with Phase I and Phase II and use $10 million of the $11 million. This would probably save 1 to 2 percent overall just on mobilization costs.

Board Questions

Mr. Jardell asked when the Board would have to make a decision on the options?

Mr. Gillette said probably within the next month.

Mr. Jardell asked what Mr. Gillette recommended?

Mr. Gillette said because no other grants have been identified, he would recommend to move forward with the larger project of Phase I and Phase II.

Mr. Jardell asked if the Board recommends to move forward with Phase I and Phase II tonight, and this question is sent to the Finance Committee and the Committee decides not to move forward with both Phases, will it be a problem if the decision is changed?

Mr. Gillette said no. He can ask the consultants to give a fee proposal for both Phases, and this will take a couple of months to do.

Mr. Donek asked what the current timing was for Phase I.

Mr. Gillette said he doesn't have the design schedule, but the construction schedule would start in June of 2014 and be completed in November of 2014.

Mr. Donek asked if Phase II was added what would be the timeline?

Mr. Gillette said it would be extended probably another 3 months.

Mr. Donek asked if the project could start at the same time?

Mr. Gillette said yes.

Public Comment –None

Board Discussion/Action

Mr. Spickler said with the likelihood that the State funding is dropping, it would make good business sense to move forward with Phase I and II with the money Docks and Harbors currently has.

Mr. Simpson said he agrees to move forward with Phase I and II with the money Docks and Harbors currently has.

Mr. Jardell said he agrees also to move forward with the monies Docks and Harbors currently has. Today's dollar may not be worth tomorrow what it is today.

MOTION By MR. WILLIAMS: TO ADOPT THE AURORA HARBOR REBUILD PLAN CONCEPT II AS PRESENTED AND TO RECOMMEND THE PORT ENGINEER TO MOVE FORWARD WITH THE DESIGN AND CONSTRUCTION OF PHASE I AND PHASE II AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

2. Funds Transfer for Aurora Harbor Rebuild

Mr. Gillette said this action is to transfer the cruise ship passenger fees into the Aurora Harbor rebuild project to make it easier to account for in the ADOT match and have a more accurate accounting of the entire project. This will be heard by the Public Works and Facilities meeting on February 4th, and the Assembly on February 11th.

Board Questions- None

Public Comments – None

Board Discussion/Action

MOTION By MR. SIMPSON: TO AUTHORIZE THE TRANSFER OF THE TUG ASSIST CRUISE SHIP PASSENGER FUNDS TO THE AURORA HARBOR REBUILD FUND AND ASK UNANIMOUS CONSENT.

3. FY14 CIP List

Mr. Gillette said the list in the packet is the annual CIP list that was submitted to the Manager and goes on to the Assembly for part of the budget process. FY14 list is;

1. The New Cruise Ship Berths
2. The Power Capstans
3. Auke Bay Passenger For Hire Facility
4. The Real Time Weathering Communication System
5. Downtown Restrooms
6. The Aurora Harbor Rebuild

Board Questions

Mr. Jardell said $800,000 for design on a $4.6 million project sound like a lot.

Mr. Gillette said that is design and permitting, and may be a little high, but it would be better a little more than not enough.

Mr. Jardell asked Mr. Gillette if this could be fully fundable by passenger fees?

Mr. Gillette said he really hasn't thought about that but this project could be split in Phases.

Public Comment – None

Board Discussion/Action

Mr. Simpson said the downtown restroom item is upsetting to him. Docks and Harbors put up some semi portable restroom structures that were used for a few years and were removed when the Tram building was built because it had restrooms. These portable structures cost thousands to move to the Harris Harbor and became a maintenance nightmare. He doesn't know where they are today, but they are not used. There was a new Port/Customs building built downtown and a new visitors center built downtown that do not have any public restrooms because no one wanted to

deal with maintenance. Now there is a $500,000 line item for public restrooms and he is not confident this is going to be a good idea.

Mr. Williams said he agrees with Mr. Simpsons concerns. He said the maintenance contract for restrooms in the summer goes for $5,000 a month. He said there is a need for restroom in the downtown area. He said he knows Ketchikan locks the restrooms as soon as the last cruise ship leaves for the summer.

Mr. Jardell said he shares those concerns. He has brought up the issue that if these restrooms are funded that passenger fees should be used for the maintenance and upkeep of these facilities. He said he was in the visitor center just after completion of the construction and there was a stream of people that were just asking were a restroom was.

Mr. Donek asked if this was part of the Visitor Center?

Mr. Gillette said no this would be a separate building. The Visitor Center was plumbed as such that the restrooms could be added separately.

Mr. Bush said he works downtown and he said there needs to be more restroom. He would not want this item removed from this list.

Mr. Jardell said he suggests to add an additional line item to ask for support from the cruise ship passenger fees for maintenance and upkeep annually.

MOTION By MR. WILLIAMS : TO MOVE THIS FY14 CIP LIST TO THE ASSEMBLY FOR FUNDING AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

4. Moorage Discount Promotion

Mr. Uchytil said the Harbormaster is at the Seattle Boat Show. The CBJ ordinance allows for Docks and Harbors Board to approve a special temporary promotion rate to encourage use of the Harbor facility to promote revenue development. Mr. Uchytil said the Harbormaster would like to offer a 10% discount on the first nights moorage to people at the boat show that visit Juneau. Last year we asked the Board to authorize a discount of stay two nights and the third night is free. Docks and Harbors had only three takers.

Board Questions- None

Public Comment – None

Board Discussion/Action

Mr. Simpson said this was brought up by the Harbormaster at the Operations meeting last week. The Committee was in support of this and recommended to take this to the full Board for approval. The overall thought was that it was not that much of an incentive and doesn't really cost anything but the Committee supported it because the Harbormaster thought it would be a good idea.

Mr. Jardell said this was also discussed at the Finance meeting and that Committee supported this promotion also.

Mr. Spickler asked for the breakdown on the total cost for attending the Seattle Boat Show. He feels this should be looked at next year to see if this is worth going to.

MOTION By MR. SIMPSON: TO APPROVE THE HARBORMASTERS REQUEST FOR OFFERING A 10% DISCOUNT FOR THE FIRST NIGHT OF THE VISITING BOATERS AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

VII. Items for Information/Discussion.

1. Storis Update

Mr. Joe Geldhof said they are working with Senator Murkowski, Senator Begich and Congressman Young on transferring the Storis from the United States Government to the Storis Museum. There has been a number of difficulties with Congress. There is speculation that Congress could pass the transfer in the next 12 to 18 months from the United States Government to the Storis Museum. Mr. Geldhof said he is anticipating bringing the Storis back to Juneau within the next two to three years. There has been discussions with Docks and Harbors staff on where the Storis could be located. This vessel could be a great historical asset and there needs to be some planning. For a 60 year old ship, this is still a decent vessel even with being in a marine environment because this was built for limited ice breaking.

Mr. Jardell asked about the finance to move this vessel.

Mr. Geldhof said none of the large funders will discuss funding until the title is transferred. The Storis Museum has raised enough money to get the Storis to Alameda, and then they would start actively engaging in the fund raising to get the Storis to Juneau. The Storis Museum is not looking for

passenger fees to fund the Storis. The funding needed for the home of the Storis is estimated in excess of $1 million.

2. Alaska Clean Harbors

Mr. Shane Serrano, Alaska Project manager for the Alaska Clean Harbors program. He said this is a voluntary self check list to confirm that Juneau Harbor is in regulatory compliance with state and federal regulations that are really complicated most of the time and sometimes neglected. This is really a system of best management practices. The intention of the program is to essentially demonstrate the compliance and activities that you do in the Harbor. At this time the Homer Harbor and the Seward Harbor have completed this certification. Valdez, Sitka and Skagway have all taken the pledge and are doing the self evaluation check list. This gives the Harbor a play book for the State and Federal regulations you must comply by. This serves as a tool to demonstrate compliance to the state of Alaska and users. Each certified Harbor ends up with a Harbor map demonstrating and showing where all their facilities are and whether it is sanitary or hazmat. This is a voluntary program that requires the approval of the Assembly to direct the Port Director to do the certification.

Mr. Jardell asked how many Harbors in Alaska are certified?

Mr. Serrano said just two at this time.

Mr. Jardell asked if Juneau's Harbors would comply right now?

Mr. Serrano said the goal of the program is to give you a guide book to achieve compliance. To get the certification you have to accomplish 100% of the regulatory pieces and a lot of additional things, ie, recycling. Really this is just demonstrating that you are committed to making your Harbor clean.

VIII. Committee and Board Member Reports

1. Operations Committee Meeting – January 22nd, 2013.

Mr. Logan reported that a formalized agreement for live-a-boards was discussed and reached, and the Committee talked briefly on vendor booth sales.

2. CIP/Planning Committee Meeting – January 24th, 2013

Mr. Williams reported that Mr. Gillette went over the FY14 CIP list.

3. Finance Committee Meeting – January 29th, 2013

Mr. Donek reported both the action items that were discussed at the Finance were discussed here tonight, the transfer of Aurora Funds and the Moorage Promotion discount. Charles Horan who is the appraiser for the Mt

Roberts Tram gave a power point presentation on what appraisals are all about. Also discussed at the meeting was the Auke Bay round about easement.

4. Member Reports – None

IX. PRAC Representative Report

Ms. Hood reported that PRAC had a four hour public meeting on the usage of motorized vehicles in Auke Lake. The new management proposal, based on studies, would be to limit the lake to only vessels with 10 hp. There were arguments for and against this. This plan will move forward for action to the PRAC's regular meeting on Tuesday. Discussion and action will be taken to send on to the Assembly. Ms. Hood said she heard complaints that this lake is the only area to jet ski or water ski because of restrictions near the cruise ships. Ms. Hood asked the Board if they knew of other areas for the jet skiers.

Mr. Donek said the problem with jet skiing in the ocean is it is very rough if you don't catch it on a very nice day.

Mr. Hood said she heard comments that some jet skiers like it rough, and to go over waves.

Mr. Jardell said he bought a vessel just to use on Auke Lake and routinely uses it with his family. To not be able to use this boat will be greatly missed.

Ms. Hood said some people brought up encouraging education to users. They said Alaska is one of the few places that have lakes that don't require boat safety education, and enforcement.

X. Port Engineers Report

Mr. Gillette said his written report was in the packet. He reported that the Statter Auke Bay Harbor is on schedule and is looking good.

XI. Harbormaster's Report – Mr. Tajon was attending the Seattle Boat Show.

XII. Port Director's Report

Mr. Uchytil said Mary Raster (Dolly) was hired to take the Administrative Assistant III position at the Aurora Harbor and started on January 22nd.

A seasonal hire was hired to take the full time Harbor Officer position that will be at the Aurora Harbor and will start February 5th.

The first on-line launch ramp permit was sold.

Tomorrow is the last day for vendor booth permit applications that will participate in the outcry auction to be held on February 15th. Mr. Uchytil said he sent a letter to potential vendor booth applicants. Staff is taking a more structured view on how to perform the outcry auction this year. One

of the changes is the names of the applicants will not be made public until the time of the auction.
Mr. Jardell said Mr. Uchytil has been working toward trying to ensure the process for competing be a competitive one. Staff has reasons to believe it was not so competitive last year, so Mr. Uchytil has been working with the Law Department to legally make the auction a true competitive process.
Mr. Uchytil said on Tuesday a representative from MARAD will inspect the Auke Bay Loading Facility to close out the Tiger Grant. Staff was holding closing this Tiger Grant in hopes that the remaining funds could be used toward a wash down facility, but that has been ruled out and staff is looking elsewhere for funding for the wash down.

XIII. Assembly Liaison Report- Mr. Jones said he had nothing to report.

XIV. Committee Administrative Matters
a. Operations Committee Meeting – Next meeting is February 19th, 2013 at the Aurora Harbor at 5:00 p.m.
b. CIP/Planning Committee Meeting – Next meeting is February 21st, 2013 in the Assembly Chambers at 5:00 p.m.
c. Finance Committee Meeting – Next meeting is February 26th, 2013 in CBJ Room 224 at 5:00 p.m.
d. Board Meeting – Next meeting is February 28th, 2013 in the Assembly Chambers at 5:30 p.m.

XV. Adjournment
The regular Board Meeting adjourned at 6:49 p.m.