**CBJ DOCKS & HARBORS BOARD**
**FINANCE MEETING AGENDA**
**For Tuesday, January 29th, 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 December 18th, 2012 Finance Committee Meeting Minutes.**

**VI. Items for Action.**

1. Funds Transfer for Aurora Harbor Rebuild
   Presentation by the Port Director

   Committee Questions

   Public Comment

   Committee Discussion/Action

   **MOTION: TO BE DEVELOPED AT THE MEETING**

2. Moorage Discount Promotion
   Presentation by the Port Director

   Committee Questions

   Public Comment

   Committee Discussion/Action

   **MOTION: TO BE DEVELOPED AT THE MEETING**

**VII. Items for Information/Discussion.**

1. Mt. Roberts Tram – Presentation by Mr. Charles Horan

2. Auke Bay Round About Permanent Easement – Presentation by the Port Director

**VIII. Staff & Member Reports.**

**IX. Committee Administrative Matters.**

1. Next Finance Committee Meeting February 26th, 2013

**X. Adjournment.**

**CBJ DOCKS & HARBORS BOARD**
**FINANCE MEETING MINUTES**
**For Tuesday, December 18th, 2012**

## I. Call to Order

Eric Kueffner called the Finance Committee Meeting to order at 5:00 p.m. in CBJ Assembly Chambers

## II. Roll Call.

The following members were present: John Bush, Tom Donek, Scott Spickler, Michael Williams and Eric Kueffner.

Kevin Jardell was absent

Also in attendance were the following: Carl Uchytil – Port Director.

## III. Approval of Agenda.

**The agenda was approved as presented with no objection.**

## IV. Public Participation on Non-Agenda Items.

Mike Peterson, Douglas, AK
He said he wanted to talk about the current status of no plans for a grid to replace the grid in Douglas and he understands there are no plans for a grid at Statter Harbor. Without a grid, those services when needed will be for the haul out. A grid isn't used all that much, but the money used during construction on a grid is well worth it because 10, 20, or even 30 years down the road that grid is still there and serves its single purpose. He just wanted the Committee to think about these grids.
Mr. Kueffner said there isn't a grid at Statter Harbor now.
Mr. Peterson said there used to be one.
Mr. Kueffner asked where the grid was located.
Mr. Donek said right in front of the Statter Harbor office.

## V. Approval of November 27th, 2012 Finance Committee minutes.

Hearing no objection the November 27th, 2012 Finance meeting minutes were approved.

## VI. Items for Action.

1. Gitkov Lease Rent

Mr. Uchytil said this went to the last Board meeting and the Board decided to send back to the Finance meeting to discuss further. Mr. Uchytil was given direction to find out answers to two questions.

1.The Board wanted to know how much latitude the Board has to approve a lease rent amount?

Mr. Uchytil read the ordinance;

**53.20.050 - Minimum acceptable annual rental.**

(a) No land shall be leased for less than the approved, appraised annual rental except that when leased to a governmental unit, agency, department or body for public purposes, or to a nonprofit organization for the purpose of performing a public or quasi-public health function, such minimum rental may be waived by the assembly by resolution; however, such waiver does not constitute a waiver to the requirement for a review and adjustment of rental rates every five years.
(b) The appraisal shall be made by the assessor or a qualified appraiser. The appraisal shall be based on the use of the land specified in the application

Mr. Uchytil contacted the CBJ Law Department about the ordinance and read the response from the Law Department;

*I do not believe you can separate "approved" from "appraised" in 53.20.050. If it were intended that the rent amount could be based on **either** an "approved" amount **or** an "appraised" amount, there would be an "or" separating the two words in the ordinance. The appraisal amount you use has to be either from the assessor, or a qualified appraiser. I highly doubt (am virtually certain) such a reading would not pass a court's review.*

*This reading is consistent with the related D&H reg (which, by definition, is intended to apply to leases under D&H's supervision and which are designed to implement and make specific the code requirements in 53.20.) 05 CBJAC 50.040 requires an appraisal in order to set the annual rent (unless the land in question is being leased to the government, a nonprofit, etc.). (The regs do add some more requirements to the appraisal in 50.050…)*

*So basically, little latitude. The only Board discretion comes in approving the appraisal to be used (which is the goldbelt tram issue….) but even that discretion is somewhat limited by the regs. If the appraiser and appraisal meet the standards laid out in 05 CBJAC 50.050, and if there are no reasons not to, then the appraisal should be approved.*

Mr. Uchytil said the Board doesn't have latitude to say that Docks and Harbors has an approved appraiser, but the Board thinks the rent rate should be less. Options would be to go get another appraisal, or the applicant can go get an appraisal and we could negotiate from that appraisal.

2. Mr. Uchytil said at the last meeting, Mr. Gitkov said there was a statement in the appraisal suggesting the ABLF is actually benefitting his business rather than hurting his business.

Mr. Uchytil said he thought the below paragraph was what Mr. Gitkov was referring to with the suggestion that ABLF construction has enhanced his property value.

***2.1 INTRODUCTION***
*The subject property is at the east end of the waterfront industrial improvements along Glacier Highway, a two-lane highway along the northern shore of Auke Bay. As noted, the subject is a commercial dock, taking advantage of the good location with direct access to the highway link to downtown and the valley. The adjacent waterfront character is primarily industrial or commercial uses, with the Alaska Marine Highway facility, Allen Marine Dock*

*and Alaska Glacier Seafoods all in the immediate neighborhood on the waterfront. Upland development consists primarily of the Stabler's Point municipal rock quarry.*
*This area has importance to Juneau due to its easy access to the marine attractions of Stephens Passage, Lynn Canal, Chatham and Icy Straits as well as the developed transportation infrastructure with the subject and the nearby ferry terminal. Other examples of the area's importance and desirable location are the subject commuter dock for the Greens Creek mine shuttle as well as a SEAL oil response barge, various on-site marine services, Allen Marine's tour dock, the Glacier Seafoods plant and the new CBJ fisherman's float as well as the ongoing development of the CBJ Statter Harbor in the east corner of the bay.*
*The existing tidelands lease allows the use of areas deep enough to moor medium draft vessels. Due to the limited land available for development, it is unlikely there will be any further intense industrial development in the area. The waterfront in this area is zoned Waterfront Industrial or Waterfront Commercial, with the upland portion zoned either residential or rural reserve.*

Committee Question- None

Public comment
John Gitkov, Juneau, AK
If the Board is not authorized to change this than he does not want to get another appraisal. Changing the recommended appraisal rent rate was done before, because of the possible affect from the ABLF. He said he appreciates all the time spent on this lease, but he can't keep stopping his work to keep coming to the meetings.

Mr. Kueffner said he appreciates Mr. Gitkov attending these meetings because it helps the Committee focus on his concerns.

Mr. Donek asked if the Assembly has power to adjust the lease rent.

Mr. Uchytil said reading the ordinance again, he doesn't see any latitude for the Assembly.

Mr. Kueffner said we have the discretion to find the appraiser and approve the appraisal, and that is the Committee's ability to approve or disapprove.

MOTION By MR. DONEK: TO ACCEPT THE RECOMMENDED APPRAISAL LEASE RENT OF $0.15/SQ FOOT AND FORWARD TO THE FULL BOARD FOR ACTION AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

3. Marine Passenger Fees FY14

Mr. Uchytil said this list has gone before the CIP Committee and it was recommended to have staff prioritize.
Mr. Uchytil and Mr. Gillette prioritized the list;

1. Area Wide Port Operations - $154,000 (received this in the past few years)

2. Port-Customs and Visitor Center Buildings Maintenance Support - $133,500 (received this last year)
3. Real Time Monitoring and Communication System - $75,000 (request new this year)
4. Power Capstans at Cruise Dock - $60,000 (request new this year)
5. Downtown Pay Phones - $7,700 (request new this year)
6. Statter Harbor Passenger For Hire Facility - $800,000 (did not get last year)
7. Downtown Restrooms - $500,000 (did not get last year)
8. Future Cruise Terminal Staging - $1,000,000 (did not get last year)

Committee Questions
Mr. Kueffner asked if the priority was based just on staff recommendation
Mr. Uchytil said yes from the direction of CIP. The priority was based on what Docks and Harbors received in the past and then asking for more.

Public Comment - None

Committee Discussion/Action
Mr. Kueffner said changes can be made. He asked if any of the Committee members had suggestions to cross off items, and/or change the order. Docks and Harbors can ask for these, but there is no guarantee that we will get any of money for these projects.
Mr. Uchytil said there are a lot of competing interests.
Mr. Williams recommended to put the pay phones and the restrooms at the bottom of the list.
Mr. Spickler recommended to just move this list to the full Board to decided.
Mr. Bush said this is a good list.

MOTION By MR. WILLIAMS: TO MOVE THIS PRIORITIZED LIST TO THE FULL BOARD WITH THE RECOMMENDATIONS TO MOVE THE DOWNTOWN PAYPHONE TO #7 AND DOWNTOWN RESTROOMS TO #8 AND ASK UNANIMOUS CONSENT.

Mr. Donek said Docks and Harbors is going to pay for the pay phones if we don't get the marine passenger fees for this request.

Mr. Bush said working downtown, restrooms are needed.

Mr. Donek seconded the Motion

**Vote on Motion**
**2 – yes**
**3 - no**

MOTION By MR. DONEK: TO MOVE THIS PRIORITIZED LIST TO THE FULL BOARD AND ASK FOR UNANIMOUS CONSENT.

Mr. Williams seconded the motion.

Motion passed with no objection.

## VII. Items for Information/Discussion.

1. Goldbelt/Mt Roberts Tram Update

Mr. Uchytil said at the last Finance meeting he said he received a two page document from Alaska Appraisal Associated, Kim Wold and Barry Thompson. Mr. Uchytil has asked Horan and Company to write a review of this two page document. Regarding Alaska Appraisal Associates, he has knowledge that they have done appraisal work for CBJ in the past with like property and priced at $150.00 per sq/ft, but priced this property at $26.00 per sq/ft. Mr. Uchytil said CBJ Law Department said he can use this information generally, but not get into specifics. Mr. Uchytil could talk to Goldbelt and tell them that he has a prior appraisal from Mr. Wold pertaining to a different matter where a nearby similar situated property was valued at $100.00 or more per sq/ft. Mr. Uchytil could not share this report with Goldbelt without Mr. Wold's approval.

Mr. Kueffner said Goldbelt's attorney called Mr. Kueffner and he was under the impression that the Sub-Committee for this lease rent was going to meet.

Mr. Uchytil said Mr. Jardell has not been able to meet for a while.

Mr. Kueffner said this is all use full information on what weight to give his appraisal.

Mr. Uchytil said Ms. Scovill found a letter from the Division of Occupational Licensing referencing a complaint filed by Mr. Stone, the previous Port Director, on Mr. Wold and Mr. Thompson regarding another appraisal. Conclusion was the appraisers were in compliance with the regulation.

Mr. Uchytil asked if he should arrange for the Sub-Committee to have another meeting?

Mr. Kueffner said yes even if it is on the phone, but before that meeting he would like to hear back from Horan and Company.

## VII. Staff & Member Reports.

## IX. Committee Administrative Matters.

1. Next Finance Committee Meeting January 29th, 2013.

Mr. Kueffner said he will not be at the Regular Board meeting on Thursday.

## X. Adjournment.

The Finance Committee Meeting Adjourned at 5:45 p.m.

# Port of Juneau

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

# MEMORANDUM

**To:** Docks and Harbors Board

**From:** Gary Gillette, Port Engineer

**Date:** January 25, 2013

**Re:** Transfer Request

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The need for rehabilitation of the cruise ship tug moorage float was identified in 2007. Upon further investigation it was determined the float needed full replacement thus the project has been awaiting the rebuild of Aurora Harbor. The rebuild project is set to begin thus the cruise ship tug moorage work will be incorporated into the overall project. Docks and Harbors received an ADOT Municipal Harbor Grant and the Cruise Ship Moorage Tug Rehab funds were identified as part of the match. Transferring the funds to one account will allow the funds to be counted in the match and more accurately accounted for in the overall project.

| From Account | Project | Amount | Source |
|---|---|---|---|
| H51-096 | Cruise Ship Tug Moorage Rehab | $500,000 | FY08 Cruise Passenger Fees |
| To Account | Project | Amount | |
| H51-100 | Aurora Harbor Rebuild | $500,000 | |

# Port of Juneau

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

**To: Harbor Board**
**From: Dwight Tajon- Harbormaster**
**Date: January 23, 2013**
**Re: Seattle Boat Show Discount**

From 2001 to 2007 the Docks & Harbors Department had been attending the Seattle Boat Show to provide as much information to the visiting boaters and giving out a discount of 10% off the first night of moorage.

We had about a 3-4 year break in attending the boat show and have since then, restarted attending with the Alaska Association of Harbormasters and Port Administrators (AAHPA for short) booth. This year in attendance will be the following;

- Ketchikan
- Kodiak
- Homer
- Haines
- Juneau

Last year the Port Director received approval for a discount to show attendees that were traveling up to Juneau as a confirmed destination. This year, the Harbormaster is traveling to the Seattle boat show and is requesting approval for up to 10% off the first night of moorage to help sell Juneau as a good visiting destination for boaters that are traveling up from the lower 48, and provide as much information as Juneau has to offer.

The requirements for utilizing the discount will be:

- Vessel must be originating from the lower 48
- Be a non-resident of Alaska
- Vessel must be less than 60 feet in length

**Recommendation:**
Approve the Harbormaster to provide a 10% discount off the first night of moorage while attending the Seattle Boat Show for 2013 and track the amount of discount returns.