

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING REVISED AGENDA
For Tuesday, December 13th, 2011

- I. Call to Order** (5:00 p.m. to 7:00 p.m.) at the Port/Customs conference room.
- II. Roll Call** (John Bush, Tom Donek, Kevin Jardell, Michael Williams, Wayne Wilson, 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 November 29th, 2011 Finance Committee Meeting Minutes.**
- VI. Items for Action.**

- 1. Tim Smith et al Lease Rent Adjustment
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. Juneau Convention & Visitor's Bureau Overview.
Presentation by Ms. Lorene Palmer -CEO/President JCVB
- 2. Coast Guard Liberty Letter
Presentation by the Port Director
- 3. Harbor User comments
- 4. Commercial Launch Ramp Question
- 5. FY13 Passenger Fee Proceeds
Presentation by the Port Director

- VIII. Staff & Member Reports.**

- IX. Committee Administrative Matters.**

- 1. Next Finance Committee Meeting January 24th, 2012.

- X. Adjournment**

CBJ DOCKS & HARBORS
FINANCE COMMITTEE MEETING MINUTES
For Tuesday, November 29, 2011

I. Call to Order.

Eric Kueffner called the Finance Committee Meeting to order at 5:04 p.m. in room 224 of the Assembly Building.

II. Roll Call.

The following members were present: Tom Donek, Kevin Jardell, Michael Williams and Eric Kueffner.

The following members were absent: John Bush and Wayne Wilson.

Also in attendance was the following: Carl Uchytel-Port Director.

III. Approval of Agenda.

MOTION by Mr. Williams: TO APPROVE THE AGENDA AS PRESENTED.

The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

There was none.

V. Approval of previous meeting minutes.

Mr. Uchytel noted several grammatical errors in the August 23, 2011 Finance Meeting minutes.

Hearing no objection, the minutes of the August 23, 2011 Finance Committee Meeting were approved as amended.

VI. Items for Action.

1. Alaska Memories LLC, DBA Nordic Tug Charters Sublease Rent Proposal.

Mr. Uchytel said Alaska Memories doing business as Nordic Tug Charters has been trying to sub-lease about 1500 square ft. of Docks and Harbors property since 2008. They have actually started construction on the property described as the Juneau Marine Fisheries Terminal and is a portion of Docks and Harbors State lease. We are proposing a lease rate of \$.25 per square foot which would bring in an annual rent of \$4,365.00. This is the same rate we are charging Maritime Hydraulics for their lease.

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VI. Items for Action. (Continued)

Mr. Uchtyl said there are two motions here. The first motion is to approve the lease rate of \$.25 per square foot and the second motion is to move forward with this item to the full board to sub-lease to Alaska Memories.

Mr. Jardell asked if the Maritime Hydraulics lease area was comparable to the 1,455 square ft. Alaska Memories is requesting.

Mr. Uchtyl said the Maritime lease area is slightly smaller by a few hundred feet.

Mr. Kueffner asked if the lease was inline with the new leasing process.

Mr. Uchtyl said this lease does not fit within the tidelands leasing process because it is a sub-lease with the State of Alaska.

Mr. Williams asked what kind of structure Nordic Tugs is building on the property.

Mr. Uchtyl said Nordic Tugs has a conex and they are building a lean-to over it for storage and a small sitting room for clients. He also outlined the electrical issues the sub-lease has encountered.

Mr. Kueffner said he didn't see any difference between the sub-lease with Maritime Hydraulics and the sub-lease with Alaska Memories and he felt the \$.25 per square ft. was reasonable.

Mr. Donek said Maritime Hydraulics has about the same amount of space as Nordic Tug Charters but they have a building so it seems that they are paying \$.25 per square foot for the land. The sub-leases do not seem comparable because one lease area has a building and the other does not.

Mr. Jardell said this sublease seems like a fair deal.

Mr. Uchtyl said he would find out more about Maritime Hydraulics sub-lease.

Public comment

Mr. Dennis Watson said Juneau Marine Services has been told that their structure is not up to code. At this point they are just getting away with using their structure. He suspects Nordic Tug Charters will have to meet code to get power to the property.

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VI. Items for Action. (Continued)

Mr. Kueffner said he felt that once the lease is in place, any improvements will be the responsibility of Nordic Tugs. They will be responsible for meeting code also.

Mr. Jardell said Nordic Tugs will have to abide by the terms of the State lease.

Mr. Uchtyl said Docks & Harbors lease with the State expires in 2021.

MOTION by Mr. Jardell: TO APPROVE THE RATE OF \$0.25 PER SQUARE FT. PER MONTH TO SUB-LEASE TO ALASKA MEMORIES LLC. DBA NORDIC TUG CHARTERS OF FALL CITY, WA. APPROXIMATELY 1455 SQUARE FT. AT JUNEAU MARINE FISHERIES TERMINAL.

The motion passed with no objection.

MOTION by Mr. Jardell: TO RECOMMEND TO THE REGULAR FULL BOARD, APPROVAL TO SUB-LEASE TO ALASKA MEMORIES LLC, DBA NORDIC TUG CHARTERS OF FALL CITY, WA. APPROXIMATELY 1455 SQUARE FT. AT JUNEAU MARINE FISHERIES TERMINAL.

The motion passed with no objection.

2. Juneau Marine Services Rent Adjustment.

Mr. Uchtyl said this item does not require the approval of the Finance Committee, but he thought it was good for Finance to review the lease rent adjustments. The lease adjustment was due last January and based on the assessed value of \$528,100.00 we have a new lease rent of \$26,405.00. The new annual rent will be paid in 12 equal installments of \$2,200.42. Juneau Marine Services has no problem with this lease adjustment. The lease adjustment will be retroactive back to January 1, 2011.

Mr. Kueffner suggested we collect the back rent in a lump sum if possible.

No Motion required.

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VII. Items for information/Discussion.

1. Mount Roberts Tram.

Mr. Uchytel said the Mount Roberts Tram proposed Rent Adjustment is due and we have had Horan and Company conduct an appraisal. The new appraisal suggests a new lease rent of \$300, 000. Mount Roberts Tram management does not agree with the proposed lease appraisal and they will move forward and choose another appraiser.

Public comment

Mr. Jim Duncan, Jr. (Tram Manager) said his understanding was that this item would go before the Assembly if both parties can not come to an agreement and the Assembly would make the final decision.

Mr. Uchytel said when you read the ordinance; there is final Assembly action, however, within this lease agreement, it does not call for Assembly action. Amy Mead, CBJ Attorney, has said typically the lease trumps the Assembly ordinance.

Mr. Kueffner said the Assembly has already approved the lease so the lease is simply going forward on its terms.

2. CGC Liberty Lease.

Mr. Uchytel said the Liberty is a 110 ft. Coast Guard Vessel Moored in Statter Harbor. The CG currently does not pay anything for the space and their power is metered through AEL&P. The Liberty will be replaced in the next few years with a 154ft patrol boat. In researching leases, our interpretation is the original lease expired in 2004. Since 2004 we should have readjusted the lease from zero to something. The Coast Guard does agree that rent is in order. We could pick a rate based on linear foot or we could charge moorage for the length of the Liberty. We also need to consider if we want to ask for back rent.

Mr. Jardell said we should apply the current regulations and charge the vessel length or the dock length which ever is larger. We should charge for everything from the gate back and charge the whole 300 ft.

Mr. Williams said he was against charging the Coast Guard any excess since their being in the harbor does benefit the community.

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VII. Items for information/Discussion (continued).

Mr. Donek said the base rate is a good starting point but we should give the CG some kind of break on the rate. We don't want to charge them the same rate a 10ft. cruising yacht pays.

Mr. Kueffner said this is more like moorage and not a lease as far as basis for what to charge. He would prefer to charge them what everyone else is paying and as a discount do not ask for rent retroactive back to when the lease started.

Mr. Jardell said there is a glitch in the lease document and two difference lease start dates are noted. By not going back and asking for rent, we are acknowledging the discrepancy and allowing them a discount.

Mr. Williams said he did not feel like there would be recognition for the forgiven years if we did not ask for retroactive rent.

Mr. Uchytel said what he would do is memorialize this discussion with a letter back to the Coast Guard suggesting we charge by linear feet and explain that we will not ask for lease rent back to 2004. He said he could also include in the letter the possibility of a moorage space at Statter Harbor for the new 150 ft. patrol boat.

Public comment

Mr. Dennis Watson said he worked with GSA and the CG and they are privately looking at the NOA Docks. He also liked the Coast Guard presence but did not feel the Federal Government deserved special treatment.

3. Trucano Lease

Mr. Uchytel said we are working on a lease for a small parcel of property adjoining Trucano's current Lease property. He is charging Trucano 16 hours of staff time to process the lease. Doug Trucano has not responded and accepted the lease yet. The lease ordinance does say that you must have an appraisal within 90 days of approving the lease.

Mr. Donek said we discussed this issue before about a lease property where it will take Docks & Harbors 10 years to recoup the Appraisal fees, couldn't we skip the original appraisal.

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VII. Items for information/Discussion (continued).

4. Lease Process Improvements.

Mr. Uchytel said he felt it was onerous to get a new piece of property leased. He provided a new lease process that he would like to follow.

Committee Members agreed that they liked the outline for the new lease process.

Mr. Uchytel said he will be having a discussion with Customs and The Juneau Convention Visitor's Borough and he will be suggesting a minimum lease rent for both office spaces at the Port.

Mr. Jardell said he suggested starting with what the Visitors Borough is currently paying at Centennial Hall. For Customs we are obligated to provide space for them.

VIII. Staff and Member Reports.

Mr. Uchytel said he has approached the Chamber of Commerce with the idea of a Christmas boat lighting contest. He kind of got a go ahead from John Hartle. He feels it is healthy for the Harbors to sponsor events like this. He said Cathy Roemmich would be in charge of gifts which would be donated by businesses.

Board members liked the idea of the community outreach but suggested the event be minimal.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting – December 13, 2011 at 5:00 pm in the Port/Customs Conference Room.

X. Adjournment.

MOTION by Mr. Williams: TO ADJOURN THE FINANCE COMMITTEE MEETING AND ASK UNANIMOUS CONSENT.

The meeting adjourned at 6:12p.m.



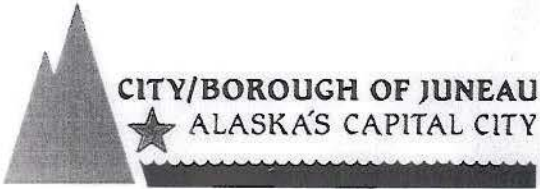
Port of Juneau

To: Docks and Harbors Finance Committee
CC:
From: Carl Uchytel, Port Director
Date: December 9th 2011
Re: Tim Smith Lease et al ADL 102934

I recommend the Committee adjust the Lease rent to the proposed Horan appraisal amount of \$11,957.25 annually from the current rate of \$9,600 and have the effective date retroactive to April 27th, 2009.

Please call me at 586-0294 if you have questions.

Attachments



City & Borough of Juneau • Docks & Harbors
155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

Port of Juneau

October 31, 2011

Tim Smith et al
PO Box 34437
Juneau, AK 99803

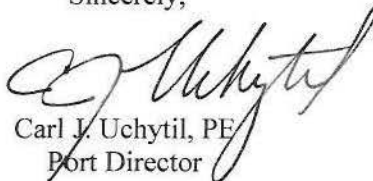
Dear Mr. Smith,

In accordance with Regulations of Docks and Harbors set forth under 05 CBJAC 50.040 (Appraisal, lease rent requirements and dispute resolution), the attached August 31st "Estimated Market Rents of ATS 1277, Plat 83-210, 1.83 Acres Located in Gastineau Channel, Juneau, Alaska, ADL 102934" is proposed as the new rent adjustment. You will note the proposed valuation of the property is \$11,957.25 per year which is an increase from \$9600, the annual amount you have paid over the first 25 years of the lease.

In accordance with 05 CBJAC 50.040(d), the new valuation will be effective date of April 27th, 2009 which is the retroactive date of rent adjustment set out in the lease. In the event you disagree with the lease rent adjustment proposed here, you are entitled to procure appraisal services and have the appraisal undertaken with the requirements in 05 CBJAC 50.050.

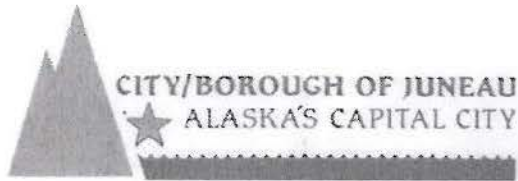
Please respond in writing within 30 days of receiving this letter if you intend to challenge the proposed lease adjustment. Should you have any questions, please do not hesitate to ask me or Ms. Teena Scovill.

Sincerely,



Carl J. Uchytel, PE
Port Director

Encl: (1) Estimated Market Rents of ATS 1277, Plat 83-210, 1.83 Acres Located in Gastineau Channel, Juneau, Alaska, ADL 102934
(2) 05 CBJ50 – Regulations of Docks and Harbors – Lease Administration



City & Borough of Juneau • Docks & Harbors
155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

Port of Juneau

December 7, 2011

Ms. Leslie Decena
U.S. Coast Guard
SILC-PLD (pmb)
1301 Clay Street, Suite 700N
Oakland, CA 94612-5203

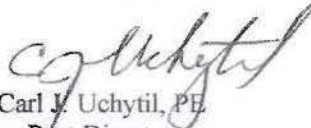
Dear Ms. Decena,

I have met with City & Borough of Juneau (CBJ) Docks and Harbors Finance Committee regarding the CGC LIBERTY's License-Lease which expired on 30 March 2003. I received direction to offer the Coast Guard the same moorage rate that other harbor patrons are subject to (\$6.60 per linear foot). Because of the exclusivities the Coast Guard enjoys at the finger float mooring, it was reasonable to expect the Coast Guard to lease each side of float which is 127 feet per side. I was directed not to pursue any back rent associated with the expiration of the lease. This would set the monthly rate at \$1676.40, a 5% discount would be applied if paid in twelve months in advance.

As mentioned in previous correspondence, CBJ and the citizens of Juneau truly enjoy the presence and service of the LIBERTY and her crew in the local community. I understand that plans are underway to replace the LIBERTY with a 154 foot Fast Response Cutter in the near future. CBJ is designing a new dock configuration at Don Statter/Auke Bay Harbor. If the Coast Guard has operational necessities to moor a FRC in Auke Bay, it would be appropriate to have that discussion now. This could potentially allow our engineers to make accommodations for a larger patrol boat, if the Coast Guard chooses to homeport a Fast Response Cutter at the Don Statter/Auke Bay Harbor in the future.

Please let Ms. Teena Scovill know whether the terms in this letter are acceptable and your desires to move forward with the lease process.

Sincerely,



Carl J. Uchytel, PE
Port Director

Copy: CG Civil Engineering Unit Juneau

Teena Scovill

From: Carl Uchytel
Sent: Monday, December 12, 2011 11:54 AM
To: Teena Scovill
Subject: FW: Harbor user comments

Teena -
Please add this email to the Finance Committee informational discussion.
Thank you,
Carl

From: Peter Metcalfe [mailto:metcom@gci.net]
Sent: Thursday, December 08, 2011 10:36 AM
To: Carl Uchytel
Subject: Harbor user comments

Carl:
I met you briefly at 2nd St. Heritage in the company of Carlton Smith.

As a long time harbor user, I would like to share my observations. Until about six years ago, those of us who rented year-round slips could use the Auke Bay harbor at no extra cost from October 1 through March 31. Unless something has changed, anyone renting year-round has to pay an extra day charge to tie up at Auke Bay at anytime during the year. While your loyal year-round customers pay a monthly rate, when using Auk Bay we are charged a daily rate putting us at a disadvantage to temporary, transient users who pay only a day rate.

While it is far more convenient for me to tie up year-round, and provides me with ready access to recreational boating given good weather, after the winter benefit was dropped, I chose to pay by the month at Auke Bay, launching in late April and pulling in late October.

The arithmetic will show no great loss to Juneau Harbors for my 27' boat, but judging from the dock chatter I hear, many boaters have chosen to trailer sports boats who might otherwise be renting slips, and far too many commercial fishing boats have chosen alternatives to Juneau Harbors by tying up in Hoonah, Sitka, or Petersburg — with a consequent drain on CBJ income from associated sales tax (fuel, supplies, services).

I know the pressure all CBJ managers are under to bring income into line with expenses, but all too often this pressure is applied by those who fail to calculate the indirect benefits of a harbor system that is competitive with other venues.

On behalf of all local boat users, I urge you to reconsider the present structure by which those who rent year-round slips are at a disadvantage to transient boats at Auke Bay.

I understand all the ifs, ands, and buts about Auke Bay — all of which could be resolved by making it known that the daily rate will apply in the winter during high use periods — announcements that could be made via email, giving us a chance to move our boats back to our slips.

Respectfully,

Peter Metcalfe
--
352 Distin Ave.
Juneau, Alaska 99801
907-586-1166
Fax 586-1811
Cell 907-723-3483
www.MetComAlaska.com

12/12/2011

Teena Scovill

From: Carl Uchytel
Sent: Monday, December 12, 2011 11:55 AM
To: Teena Scovill
Subject: FW: Commercial launch ramp question

Teena -

Please add this email to the Finance Committee informational discussion.

Thank you,
Carl

From: Jon and Jessica Geary [mailto:jandjgeary@hotmail.com]
Sent: Friday, December 02, 2011 11:22 AM
To: Carl Uchytel
Subject: Commercial launch ramp question

Hey Carl,

My name is Jon Geary, i am a commercial hand troller and had a question about the new commercial launch ramp. I called the office and to my knowledge, you buy a commercial launch ramp permit \$235.00 and pay 1.50 a minute to use the ramp? Are you allowed to park your truck and trailer at the facility while your out fishing, and is there another cost associated with this?

Why are Carls Marine, mendenhall and willies still using the launch ramp at statter Harbor and only paying a commercial launch ramp fee? Did we build the new launch ramp just for the light weight? What did you guys figure the incentive would be for the commercial companies to use the new facilities if the old one is free and the new one cost 1.50 a minute up to 30 minutes? Im not trying to come off sounding rude, all the projects you guys have done and are doing have greatly helped the boaters of our town, this one is just not adding up to me. Why should i have to pay all the extra fees associated with the new launch ramp, to avoid getting stuck behind willies at Stater Harbor? Seems a little backwards, I appreciate you getting back to me in this matter.

Jon