

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING AGENDA
For Tuesday, September 27th, 2011

- I. Call to Order** (5:00 pm 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 August 23rd, 2011 Finance Committee Meeting Minutes.**
- VI. Items for Action.**

None

- VII. Items for Information/Discussion.**
 - 1. Fee Structure for Boom Truck
 - 2. Fee structure Boat Lift
 - 3. Lease charges to Juneau Convention & Visitor's Bureau for new Visitor's Center
 - 4. \$120K for electrical pedestals – potentially offset by delay of hiring Harbor Officer at Auke Bay?
 - 5. Update on pending auction vessels
 - 6. Fee structure for new Statter Floats
 - 7. 1% for Art
 - 8. 2012 Committee and Board Meeting Calendar Draft.

VIII. Staff & Member Reports.

IX. Committee Administrative Matters.

- 1. Next Finance Committee Meeting October 25th at 5:00 pm in CBJ Room 224.

X. Adjournment.

CBJ DOCKS & HARBORS
FINANCE COMMITTEE MEETING MINUTES
For Tuesday, August 23, 2011

I. Call to Order.

Eric Kueffner called the Finance Committee Meeting to order at 5:01 p.m. in room 224 of the Assembly Building.

II. Roll Call.

The following members were present: Tom Donek, Kevin Jardell, Wayne Wilson, John Bush and Eric Kueffner.

The following members were absent: Michael Williams.

Also in attendance were the following: Carl Uchytel-Port Director, Ruth Danner-Assembly Liaison and Heather Marlow-CBJ Lands and Resources Manager.

III. Approval of Agenda.

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

IV. Public Participation on Non-Agenda Items.

George Danner III – The north end of the power transformer at Aurora is not up to date. He has seen no pro-active maintenance to take care of this. He has worked on ships for 35 years and on the Marine Highway system. In this case he was not sure who was keeping an eye on the power situation. There are other problems. The fish tables are gone and floats are missing. He wanted to bring it to the Board's attention.

Mr. Kueffner-suggested Mr. Danner talk to the Harbormaster. He would be in charge of maintenance and he will bring it to the attention of staff.

Mr. Danner said Ruth brought these issues up with the Harbormaster about a year ago.

V. Approval of previous meeting minutes.

Hearing no objection, the minutes of the June 28, 2011 Finance Committee Meeting were approved as presented.

VI. Items for Action.

1. Tideland Lease Memo on ATS 123, Lot 2.

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VI. Items for Action. (Continued)

Mr. Uchytel said Mr. Trucano would like to lease tideland parcel ATS 123, Lot 2. If approved, he has agreed to the \$.05 X 45,433 square foot suggested in the 2004 Horan & Company appraisal.

Ms. Danner expressed concern that the appraisal was 7 years old and the lease rate seems low compared to other rates she has seen.

Mr. Kueffner said this appraisal amount is to be used as a starting point in the bid.

Mr. Jardell said sometimes it is not cost effective to get a whole new appraisal on such a small tideland lease. He asked the Port Director if staff is asking for the board to move forward on this tideland lease.

Mr. Uchytel said staff is looking for approval from the Board to move forward with lease negotiations at this point. Horan did not recommend a change in the lease rate even after 7 years because the land has been unused and unimproved the whole time.

Ms. Danner asked if leases go to the law department before they are approved. She did not feel like the committee was comfortable with the item being presented.

Mr. Kueffner said at this time we are considering the request to lease tideland property and we have not yet agreed on lease term or rate. We are not at that point in the approval process yet.

Mr. Jardell said he was comfortable with the lease and stated that in its current condition the property was not terribly useful and it would be good to lease it out.

MOTION by Mr. Jardell: TO RECOMMEND THE PORT DIRECTOR MOVE AHEAD AND PUT TOGETHER A LEASE PROPOSAL FOR ATS 123, LOT 3 AND BRING IT BACK TO THE FULL BOARD FOR CONSIDERATION.

VII. Items for information/Discussion.

1. Archipelago Property Update.

Heather Marlow gave an overview of the events and valuation of the Archipelago Property acquisition. The CBJ currently has a floating easement down the middle of the property. Archipelago Properties is looking to sell the property.

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VII. Items for information/Discussion. (Continued)

The property starts at the south side of the parking garage and it runs down to the white building just prior to Warner's Wharf. The property is bisected by an existing pier that ties out to CBJ dock. The pier extends out to a crosswalk and is an existing CBJ easement. This is a floating easement which means it can be relocated within the property.

We would like to purchase a small portion of this property. Docks and Harbors has worked with Corbus Design to come up with a potential design scheme for the property. We would like to create another public waterfront feature possibly a space for the U.S.S. Juneau Memorial.

Several different appraisers have looked at this property as well as the CBJ Assessor and they have all come up with different methods of valuations and different values for the land. Ms. Marlow outlined those methods and values in the Archipelago Acquisition Summary of Events and Valuation Activity. She said we will continue to work on finding an acceptable valuation of the property.

Mr. Jardell said Horan seems to have said that the 25ft easement is worth \$45 per Square foot. The value of the property was much less because there is an existing easement floating easement rate. It is not clear if he was considering the side walk as well.

Ms. Marlow said I think that is a summary of the values and what he is suggesting is on page 5. He has the easements split out between the uplands (42%) and tidelands (58%)

Mr. Jardell said the latest comparable for any cell is going to be the \$300 per square ft. we just offered for the sidewalk that has an easement on it. My rough numbers say we offered \$500,000 for 17,000 square feet and we just paid \$426,000 for 1,500 square feet.

Ms. Marlow said that is the standard logic that people want to apply to this valuation and this is in my opinion where the seller has gotten tricked up as well. What is not represented in the Wold valuation and the appraiser's valuation are the special benefits that come along with our project. The adjoining property will get \$330 per square foot Benefit from waterfront feature on the CBJ portion.

Mr. Jardell said it is hard for him to appreciate that concept because a value is a value. If he had a parcel next to them that had nothing to do with the purchase and they were doing something next to me that makes my property more valuable, they could not come to me and demand more money because they made my property more valuable. I may pay more taxes for the increased value.

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VII. Items for information/Discussion. (Continued)

Ms. Marlow said in her opinion, no one else other than the CBJ is going to come along and acquire a piece of property and make it right of way that will allow for utilities and delivery access that will benefit the adjoining properties.

Mr. Jardell said he did not feel this valuation was reasonable.

Ms. Marlow said we will always have that floating easement to have good connection on the waterfront.

Mr. Bush asked if we have considered purchasing the whole property.

Ms. Marlow said we have not really considered that because the total price is 10 Million.

Mr. Wilson asked what the tax base for this parcel of property would be and if CBJ Docks and Harbors would get enough return on the purchase.

Ms. Marlow said you could not guess what the tax value would be unless you know what will be built there.

Ms. Marlow said the City Manager has been authorized by the Assembly to negotiate with the owner. The owner has not yet acknowledged the methodology we are looking to agree upon. The city manager did want the additional sidewalk. We have been enjoying a free easement since 2006 and we are trying to consider that.

Murray Walsh said he was part of the Archipelago team in Juneau. Mr. Bud Simpson is in charge of Archipelago but must be recused from this Item because he is also on the Harbor Board. He said the special benefits proposal did not seem reasonable.

Mr. Kueffner asked what Archipelago's plan for the property was.

Mr. Walsh said they would like to see a waterfront feature and the utility and delivery access. It is the largest piece of undeveloped waterfront property in downtown Juneau. The property is currently for sale. He said he would report to the team what was discussed at the Finance Meeting.

Ms. Danner asked about how many standard size jewelry stores would fit in this property.

Ms. Marlow said the property would fit 10 jewelry stores on each side.

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VII. Items for information/Discussion. (Continued)

2. Update on funding Sources.

Mr. Kueffner said the whole Idea behind this item was to talk about where some of our money comes from. The Harbors side is fairly straight forward. We sell moorage, electricity, launch permits and other misc. fees.....On the port side we have Marine passenger fees, tonnage fees, head taxes and vendor fees. We do not have complete access to all the port funds. We have a lot of expenses and we have to make these balance. We do not have control over marine passenger fees. We do get grants from time to time as well. We also have tideland lease income which goes toward the Harbors side.

Mr. Wilson asked where the property purchase would come from.

Mr. Kueffner said this would be purchased through the lands committee with marine passenger fees for the purchase of tidelands.

Mr. Bush said for open space acquisitions it would be better to acquire the whole thing if it is coming from marine passenger fees.

Ms. Marlow said we have three acquisitions we are working on right now out of those funds. We are pursuing acquisition of the spit property over by the under-bridge park and the sea walk piece coming off of Marine Park.

VIII. Staff and Member Reports.

Mr. Kueffner welcomed Mr. Uchytel to his first Finance Committee Meeting. He Asked him to take the testimony from George Danner to Phil Benner, Harbormaster.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting – September 27, 2011.

X. Adjournment.

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

The meeting adjourned at 6:13p.m.

2012

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■ Operations-Johanna
 ■ CIP-Ronda
 ■ Finance-Heidi
 ■ Board-Teena

2012
DOCKS & HARBORS BOARD
COMMITTEE MEETINGS
& REGULAR MEETINGS SCHEDULE

JANUARY 2012

01/17/12	Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Port/Customs Conference Room
01/19/12	CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
01/24/12	Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
01/26/12	Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

FEBRUARY 2012

02/14/12	Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Port/Customs Conference Room
02/16/12	CIP/Planning Committee Meeting	5:00p.m. – 6:30 p.m.	CBJ Assembly Chambers
02/21/12	Finance Committee Meeting	5:00p.m. – 7:00 p.m.	CBJ Room 224
02/23/12	Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

MARCH 2012

03/20/12	Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Port/Customs Conference Room
03/22/12	CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
03/27/12	Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
03/29/12	Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

APRIL 2012

04/17/12	Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Port/Customs Conference Room
04/19/12	CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
04/24/12	Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
04/26/12	Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

MAY 2012

05/22/12	Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Port/Customs Conference Room
05/24/12	CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
05/29/12	Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
05/31/12	Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

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JUNE 2012

06/19/12 Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Aurora Harbor Office
06/21/12 CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
06/26/12 Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
06/28/12 Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

JULY 2012

07/17/12 Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Aurora Harbor Office
07/19/12 CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
07/24/12 Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
07/26/12 Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

AUGUST 2012

08/21/12 Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Aurora Harbor Office
08/23/12 CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
08/28/12 Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
08/30/12 Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

SEPTEMBER 2012

09/18/12 Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Aurora Harbor Office
09/20/12 CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
09/25/12 Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
09/27/12 Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

OCTOBER 2012

10/16/12 Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Port/Customs Conference Room
10/18/12 CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
10/23/12 Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
10/25/12 Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

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NOVEMBER 2012

11/13/12	Operations Committee Meeting	5:00 – 7:00 p.m.	Port/Customs Conference Room
11/15/12	CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
11/27/12	Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
11/29/12	Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers

DECEMBER 2012

12/11/12	Operations Committee Meeting	5:00 p.m. – 7:00 p.m.	Port/Customs Conference Room
12/13/12	CIP/Planning Committee Meeting	5:00 p.m. – 6:30 p.m.	CBJ Assembly Chambers
12/18/12	Finance Committee Meeting	5:00 p.m. – 7:00 p.m.	CBJ Room 224
12/20/12	Regular Board Meeting	7:00 p.m. – 10:00 p.m.	CBJ Assembly Chambers