

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES
For Thursday, May 27, 2010

I. Call to Order.

Mr. Preston called the Regular Board Meeting to order at 7:00 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: Mr. Donek, Mr. Williams, Mr. Wostmann, Ms. Jebe, Mr. Kueffner, and Mr. Preston.

The following members were absent: Mr. Jardell and Mr. Etheridge.

Also present were the following: Mr. Stone – Port Director, Mr. McLeod – Administrative Officer, Mr. Benner, Mr. Gillette, Port Engineer and Mr. Dybdahl, Assembly Liaison (Via Teleconference).

III. Approval of Agenda.

Mr. Stone stated there is one change to action item #3. We can still have the public hearing on this item but we found out today that we will need to provide an additional period of notice before adopting either the proposed regulations or changes to them.

MOTION by Mr. Williams: TO ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS AMENDED.

The motion passed without objection.

IV. Approval of Previous Meeting Minutes.

Ms. Jebe said there are grammatical changes that she has submitted to the Committee Secretary.

Ms. Jebe stated that she noticed on the May 12, 2010 Special Session that it showed that Mr. Mehrkens was absent, he is no longer a board member and Mr. Donek, new Board Member, was not mentioned, but was present. There were some grammatical changes given to the Committee Secretary.

Mr. Kueffner stated that he did not recall asking unanimous consent, of which was a second motion and there was a vote.

Hearing no objection, the minutes of the April 29, 2010 Regular Board Meeting and the minutes of the May 12, 2010 Special Board Meeting were approved as amended.

V. Public Participation on Non-Agenda Items.

There was no public participation at this time.

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VII. Items for action.

1. Discussion and Direction Regarding Application for Municipal Harbors Matching grant in the Amount of \$2.9M for Statter Harbor Improvements.

Mr. Stone stated to the Board that if this application is approved we will submit it to the Alaska Department of Transportation under the Municipal Harbors Matching grant program in the amount stated above. We will then ask the Assembly to adopt a resolution of support, which helps us with the application. Mr. Stone explained to the Board members where this money is coming from.

This sort of grant request has been done in the past for other projects such as the Douglas Harbor and also for Statter Harbor.

Public Comment

There were none at this time.

Further discussion among the committee members took place at this time.

MOTION by Mr. Kueffner: ASK UNANIMOUS CONSENT TO DIRECT THE PORT DIRECTOR TO SUBMIT AN APPLICATION TO ADOT UNDER THE MUNICIPAL HARBOR MATCHING GRANT PROGRAM IN THE AMOUNT OF \$2.9 MILLION FOR STATTER HARBOR IMPROVEMENTS AND TO REQUEST THE ASSEMBLY ADOPT A RESOLUTION OF SUPPORT FOR THE APPLICATION.

The motion passed without objection.

2. Discussion and Direction Regarding Application for Municipal Harbor Matching Grant in the Amount of \$2M for Aurora Harbor Re-Build.

Mr. Stone stated that this is the same sort of application as the one above only this would be the start of the Aurora Harbor Re-Build. He went over the amount expected for the harbor rebuild and if we do get this money we could do about 20% of the rebuild at this time.

Mr. Stone went over where the money would be coming from with the Board members at this time.

Public Comment

There were none at this time.

MOTION by Mr. Wostmann: ASK UNANIMOUS CONSENT TO DIRECT THE PORT DIRECTOR TO SUBMIT AN APPLICATION TO ADOT UNDER THE MUNICIPAL HARBOR MATCHING GRANT PROGRAM IN THE AMOUNT OF \$2.0 MILLION FOR AURORA HARBOR REBUILD AND TO REQUEST THE ASSEMBLY ADOPT A RESOLUTION OF SUPPORT FOR THE APPLICATION.

The motion passed without objection.

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3. Public Hearing for Changes to the Waterfront Sales Permit Regulations.

Mr. Preston stated to the members as a reminder that this again is a hearing only and what we will do is postpone the final action on this item until the next Full Board meeting. This will give more than enough time for the 21 day notice requirement. Mr. Preston stated that the purpose of this public hearing is to allow suggestions to amend either of the two items; one for the actively sell portion and whether a permit holder can have an interest in more than one permit. We will also accept written comments prior to the next meeting.

Mr. Kueffner went over the history of this item with the members. He stated one of the concerns that has been addressed is the permits may be hoarded and also a concern that they may have more than one and not utilize them. He stated that it appears over the years those concerns have not been addressed.

Mr. McLeod clarified the recommended action is not to remove the requirement to actively sell, but to remove the requirement to provide proof of selling to the Port office. He went over the reasoning behind the active selling portion of the regulation with the members.

Public Comment

Larry Dupler-Adventures Unlimited, P.O. Box 35431, Juneau AK 99803

Mr. Dupler stated he is opposed to the having an interest in more than one booth down on the dock. He stated this situation already exists with certain companies. He would like to see an improvement in the enforcement of this act but not to repeal it.

Mr. Dupler was asked by one of the committee members why this is a disadvantage to him. He stated that it creates an atmosphere where there can be a monopoly developed by one or two individuals and this would eliminate others from being there. It originally was developed to help the small businesses not drive them out of business.

Carol Pitts-Orca Enterprises 493 South Franklin St., Juneau AK 99801

She stated she was not aware of this proposed regulation, but is aware of it now. She wanted to bring it to the attention of the committee that the purpose of the waterfront booths were for local tours to sell their experience and brokers can sell any experience that allows them to sell for them. She feels repealing the actively sell requirement is a good decision. She stated repealing the more than one permit regulation isn't a good decision. She believes it opens the booths to monopoly control for multiple booths, and the result could very easily become price fixing.

Further discussion among the committee members and Ms. Pitts took place at this time.

Jeff Fanning- Liquid Alaska Tours 634 6th Street, Juneau, AK 99801

Mr. Fanning gave a brief history of his past experience with working with different outfits in the tourist business and is now the owner of his own company. He is very much opposed to these changes. He feels that we will end up with someone gaining the whole monopoly. He went on to explain his concerns

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regarding the issue of selling the booth permits. He stated that if these changes go through he would be out of business. He stated what he would like to see is the City maintain these regulations, uphold and administer the regulations that have already been set forth. He is strongly against the changes.

Saparna– Last Chance Tours 2 Marine Way Juneau, AK 99801

She stated she is also opposed to proposed changes to the regulations. She feels that it has gotten out of control because there hasn't been enforcement. She feels there is already a small monopoly going on.

Frank Rich-MGT,

He stated that he is also opposed to the multi permit. His permit is up next year and he will have to bid for a new one at that time. He doesn't feel that it is fair that someone can bid on multiple permits. He stated that the current system has worked fine so far.

Further discussion with Mr. Rich and the committee members took place at this time.

Mr. Preston stated that this will come before the Board again in one month and there will probably be some written comments.

This item has been brought back to the Board for further discussion at this time.

MOTION by Mr. Wostmann: TO ADOPT AN AMENDMENT TO THE WATERFRONT SALES PERMIT REGULATIONS REPEALING THE ACTIVELY SELL REQUIREMENT AND TO SEND THE PROHIBITION AGAINST OWNING AN INTEREST IN MORE THAN ONE PERMIT BACK TO STAFF FOR REVIEW AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

4. Harbor Lights Enterprises Request for Early Renewal of Tidelands Lease.

Mr. McLeod addressed the letter that is in the member's packet (See attached). He went over the issue at hand with the members regarding the request for a renewal of the lease.

Further discussion took place at this time among the members and Mr. McLeod regarding when the lease was signed originally and then when the new lease would begin.

MOTION by Mr. Kueffner: ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE ASSEMBLY RENEW THE TIDELAND LEASE FOR LOT 3, BLOCK 51 PLAT No. 3 FOR A PERIOD OF 35 YEARS WITH AN OPTION TO RENEW FOR ANOTHER 35 YEARS IN ACCORDANCE WITH THE CBJ LEASE ORDINANCE.

The Motion Passed without objection.

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VIII. Items for Information/Discussion.

1. Discussion and Direction Regarding the Acquisition of a Portion of Archipelago Property (South of Marine Park Parking Garage) for the Purpose of a Pedestrian Promenade Connection Between South Franklin and the Sea walk and to Develop a New USS Juneau Memorial.

Mr. Gillette stated that as part of the work being down at the Tram area and the Cruiseship terminal Columbia lot there is the USS Juneau Memorial which will have to be removed. Over the past years people have commented that the memorial is not quite fitting for the event it was originally constructed for.

In looking at other options for locations we were approached by Mr. Simpson who represents the owners of this area, which is the open area south of the parking garage and they have some plans to market this property. They offered the City some of this property. We looked into ideas for the purpose of the property and one of them was to create a promenade from South Franklin Street and the dock.

Mr. Gillette went on to explain in detail the power point to the committee members.

The essential purpose is to bring this to the Board's attention and ask for direction. We have met with the owners of the property through Mr. Simpson and they are very eager to work with us if this is what the City would like to pursue. They are comfortable with the size of the area that we have identified for being used for the memorial. They are eager to market the property so we need to make some sort of decision and indicate to them whether the city would be interested in doing so.

Mr. Gillette passed out a cost estimate he prepared for the Board member's and went over it.

Further discussion regarding the property took place among the committee members and Mr. Gillette.

Mr. Gillette stated they are intending on taking this to the Lands Committee on June 14, 2010.

The committee has directed staff to move forward with this at this time.

2. Discussion and Direction Regarding the Decommissioning of the Old Harbor Floats at Douglas Harbor if a permit for rebuilding the harbor is not obtained from the state and federal agencies.

Mr. Preston stated that he has asked Mr. Stone to bring this subject up for discussion and went over the issue at hand with the permit process. He has asked staff to come up with a plan if we have to go the route of decommissioning it. There is a need to get public notice out.

Mr. Stone addressed which portion of the harbor that will be affected. He went over the history of the application process with the Board and some members of the public. He explained there is a possibility of getting the Corp of Engineers to assist with this project, but that it could take quite a long time.

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There are also the issues with the permits and Mr. Stone went over the different agencies involved.

Mr. Stone stated that the floats are extremely bad. The issue is how much longer do we want to run this harbor in the state it is in. In 2000 there was an assessment done on the electrical outlets and they concluded that all the units need to be replaced.

Mr. Stone stated that if we have to close this portion of the harbor down it will not be easy. There are two types of users over there. There are those that have been assigned moorage slip and are there year round. Then there are those folks that only use the facility in the summer months.

He said that if we have to relocate these patrons there are about 60 vessels. He stated the 32' and the 42' size vessel will be very hard to relocate as we just don't have enough space for them around and we would run into the issues of having to bump other patrons that were assigned slips after the others.

One possibility would be to utilize the side tie areas in Harris Harbor if need be.

Mr. Stone went over the issues with the dredging at this time.

Further discussion with Mr. Stone and the committee members took place at this time.

Public Comment

Gary Parker 4403 Portage Blvd. Juneau, AK 99801

Mr. Parker asked Mr. Stone if there were any findings of any detrimental effects of the dredging that was done 2004/2005 timeframe. Mr. Stone stated that there wasn't.

Mr. Parker also wanted to know if there would be a loss in revenue if we were to close down the three specific floats. Mr. Stone said that there could possibly be a loss in the transient revenues.

Jack Brandt – DD-018 Douglas Patron

Mr. Brandt lives in Douglas Harbor and would like to keep his vessel there. He suggested mooring buoys as an alternative if the harbor can not be rebuilt.

Dennis Holloway 620 St. Ann's Street Juneau, AK 99801

Mr. Holloway, who is a harbor employee, stated that he is on the floats almost every day. During the winter months the floats are practically under water. He stated that Douglas is a well liked facility with high demands for use in the summer months.

Mr. Preston stated that our next step is to find some potential ways to accommodate patrons if we have to shut the floats down. This will take some time to complete, and won't be done until we slow down. He stated that staff should still pursue the funding to be requested in a bond from the Assembly also.

The direction of the Board is to have staff draft a proposal to be brought to the next meeting and then present it to the Assembly.

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IX. PRAC Representative Report.

There was nothing to report at this time.

X. Committee and Board Member Reports.

1. Operations Committee Meeting- May 18, 2010

Mr. Williams stated all items discussed at the OPS Meeting were discussed in this meeting.

2. CIP/Planning Committee Meeting – May 20, 2010.

Mr. Williams stated that everything that was discussed at the CIP meeting has been discussed in this meeting.

3. Finance Committee Meeting – May 25, 2010.

Mr. Preston said the items discussed at the Finance Committee have been addressed in the meeting tonight.

XI. Assembly Member Report.

Ms. Danner said she is not here as the assembly liaison. She did come to the meeting with an interest in 3 items. Relating to the Douglas dredging, she thought she had heard that the Corps of Engineers are somehow responsible for this. If this is the case she said at least one assembly member will want to know more of why we are picking up the responsibility before we actually put the tax payers money on the line for it.

Mr. Stone explained the reasons why we are planning on doing the dredging ourselves. Mainly the reason is because the Corps of Engineers could take up to twenty years to complete it. We are working with the Washington D.C. lobbyist to submit a request to dredge the harbor. If this ever went through they would then have the money to go and dredge. We are also asking Congress to make the Corps change the depth of the harbor basin to the same depth as the entrance channel. The depth of the entrance is 14' deep and the basin is 12' deep.

Ms. Danner said that it was her understanding that there is a portion of the head tax for the last ten years at \$300,000.00 that has been paid for which is part of the hot birthing process at the Princes dock and this is the last year for this. She was wondering if we have already absorbed this money into our plans for capital improvements or spending of this money as a part of something already?

Mr. Stone stated it will be up for re-appropriation next year.

Ms. Danner stated she remembered when they did the navigation study and one of the things that they said about down town is we don't have weather, tide and current, the NOAA stuff. She would like to see that we get this monitoring equipment down town.

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Mr. Williams stated that there is a monitoring system at the end of the dock down there.

Mr. Stone stated the equipment does not monitor current and he has looked into purchasing equipment for this. He was given a price quote around \$60,000.00.

Ms. Danner spoke of the non use of the boiler on 16B.

Further discussion took place at this time with Ms. Danner and the committee members.

XII. Administrative Officer's Report.

There was none.

XIII. Port Engineer's Report.

Mr. Gillette's Report was included in the packet.

XIV. Harbor Master's Report.

Mr. Benner said tomorrow from 11am till 1pm there will be customer appreciation day at Aurora office. The cranes were surveyed and there was one refurbished. It is the white knuckle crane right behind Juneau Hydraulic Services. The parking lots have been cleaned up. We started cement work on Aurora Harbor.

We are working on the parking situation out at Statter Harbor. We have come up with some solutions for that.

Further discussion among the committee members and Mr. Benner took place at this time.

XV. Port Director's Report.

Mr. Stone introduce Dennis Holloway one of our harbor staff. He is the main person in charge of managing the space in our harbors.

Mr. Stone stated that we almost thought that we had a major water leak out at Statter Harbor when we received a water bill for \$39,500.00. We have only had the water turned on for 15 days so far. After checking the line they found a small leak, and had the water department go and check and evidently they were converting to a new information system and someone multiplied the reading. It turned out to be a false alarm.

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XVI. Committee Administrative Matters.

A. Meeting Calendar for June 2010.

Operations Committee Meeting – June 16, 2010 and July 21, 2010

5:00 p.m. at the Aurora Harbor Office

CIP/Planning Committee Meeting – June 17, 2010

5:00 p.m. in the CBJ Assembly Chambers

Finance Committee Meeting – June 22, 2010

5:00 p.m. at the CBJ Meeting Room #224

Regular Board Meeting – June 24, 2010

7.00 p.m. at the CBJ Assembly Chambers

Mr. Kueffner complimented on how good the Marine Festival was.

XVII. Adjournment.

MOTION by Mr. Wostmann: TO ASK UNANIMOUS CONSENT TO ADJOURN THE REGULAR BOARD MEETING.

The motion passed without objection.

The Regular Board Meeting was adjourned at 9:10 p.m.