

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING AGENDA
For Thursday, February 25, 2010

- I. Call to Order (7:00 p.m. at the CBJ Assembly Chambers.)
- II. Roll (Etheridge, Jardell, Jebe, Kueffner, Mehrkens, Preston, Williams and Wostmann).
- III. Approval of Agenda

MOTION: TO APPROVE THE AGENDA AS PRESENTED.

- IV. Approval of Previous Meeting Minutes.

MOTION: TO APPROVE THE MINUTES FROM THE JANUARY 28, 2010 REGULAR BOARD MEETING AS PRESENTED OR AMENDED AND THE MINUTES FROM THE FEBRUARY 16, 2010 SPECIAL BOARD MEETING AS PRESENTED OR AMENDED.

- V. Public Participation on Non-Agenda Items (not to exceed 5 minutes per person, or twenty minutes total time).
- VI. Items for Action.

- 1. Amendment to Docks and Harbors Regulation – Passenger for Hire
Presentation by the Finance Chair

Public Comment

MOTION: TO ADOPT AN AMENDMENT TO THE PORT FEE REGULATIONS ADDRESSING PASSENGER FOR HIRE CHARGES AND FORWARD TO THE CBJ ASSEMBLY FOR APPROVAL AND ASK UNANIMOUS CONSENT.

Board Discussion/Action

- 2. Amendment to Docks and Harbors Regulation – Residence Surcharge
Presentation by the Finance Chair

Public Comment

MOTION: TO ADOPT AN AMENDMENT TO THE PORT FEE REGULATIONS ADDRESSING RESIDENCE SURCHARGES AND FORWARD TO THE CBJ ASSEMBLY FOR APPROVAL AND ASK UNANIMOUS CONSENT.

Board Discussion/Action

- 3. Purchase of Lot 4, USS 2664 for the Statter Harbor Launch Ramp Project
Presentation by CIP/Planning Committee Chair

MOTION: TO BE DEVELOPED AT MEETING (THE BOARD MAY ENTER INTO EXECUTIVE SESSION TO DISCUSS THIS MATTER)

VII. Items for Information/Discussion.

VIII. Committee and Board Member Reports

1. Operations Committee Meeting – February 16, 2010
2. CIP/Planning Committee Meeting – February 18, 2010
3. Finance Committee Meeting– February 23, 2010

IX. Administrative Officer's Report.

X. Port Engineer's Report

XI. Harbormaster's Report

XII Port Director's Report.

XIII Committee Administrative Matters

1. Operations Committee Meeting – March 16, 2010
2. CIP/Planning Committee Meeting – March 18, 2010
3. Finance Committee Meeting– March 23, 2010
4. Board Meeting – March 25, 2010

XIV. Adjournment

MOTION: ASK UNANAMOUS CONSENT TO ADJOURN THE REGULAR BOARD MEETING.

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES
For Thursday, January 28, 2010

I. Call to Order.

Mr. Preston called the Regular Board Meeting to order at 6:59 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

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

The following member was in attendance via teleconference: Mr. Wostmann.

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

Also present were the following: Mr. Stone – Port Director, Mr. Gillette – Port Engineer, Mr. McLeod – Administrative Officer, Mr. Benner – Harbormaster and Ms. Hood – Parks & Rec. Liaison.

III. Approval of Agenda.

Mr. Stone said he would like to change the motion for action item #4-Award of Bid for North Douglas Sectional Floats. The motion will be to award the bid to Alpine Lumber & Building Supply for the amount of \$69,777.

We are also adding an Executive Session as XV. With the following action items:

1. The Port Directors Evaluation.
2. The Lenhart Appraisal/Purchase.

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

The motion passed without objection.

IV. Election of a New Vice Chair for the Docks and Harbors Board.

Mr. Preston said Mr. Fisk has resigned his position on the Board as a result of a conflict of interest with his employment. Mr. Fisk was the Vice-Chair for the Regular Board and Mr. Preston did not feel comfortable appointing a Vice-Chair because it is an elected position.

Mr. Williams volunteered to be the Vice-Chair for the Docks & Harbors Board.

MOTION by Mr. Preston: TO MAKE MR. WILLIAMS THE NEW VICE-CHAIR OF THE DOCKS & HARBORS BOARD AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

CBJ DOCKS AND HARBORS BOARD
REGULAR BOARD MEETING MINUTES

January 28, 2010

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V. Approval of Previous Meeting Minutes.

MOTION by Mr. Etheridge: TO ASK UNANIMOUS CONSENT TO APPROVE THE MINUTES FROM THE REGULAR BOARD MEETING HELD ON DECEMBER 3, 2009 AS PRESENTED.

The motion passed without objection.

VI. Public Participation on Non-Agenda Items.

There was none.

VII. Items for action.

1. Amendment to Docks and Harbors Regulation – Passenger for Hire.

Mr. Kueffner said this is an attempt make the Passenger for Hire fees equitable among the passenger vessels doing business from the Intermediate Vessel Float (IVF) and the Marine Park Lightering Float as well as other CBJ facilities.

MOTION by Mr. Kueffner: TO RECOMMEND THE BOARD PROPOSE AN AMENDMENT TO THE PORT FEE REGULATIONS ADDRESSING PASSENGER FOR HIRE CHARGES. TO HOLD PUBLIC HEARINGS AT THE FEBRUARY 23, 2010 FINANCE COMMITTEE MEETING AND THE FEBRUARY 25, 2010 REGULAR BOARD MEETING AND TO TAKE FINAL ACTION IMMEDIATELY AFTER THE PUBLIC HEARING AT THE FEBRUARY 25 REGULAR BOARD MEETING AND ASK UNANIMOUS CONSENT.

The Motion Passed without objection.

2. Amendment to Docks and Harbors Regulation – Residence Surcharge.

Mr. Kueffner said this amendment would take into account vessels with numerous on-board residents. The regulation would require vessels with more than three residents to pay an additional fee of \$23 for each resident above three. The regulation is intended to provide equity in the residence surcharge and was brought about from certain vessels being used as boarding houses.

MOTION by Mr. Kueffner: TO RECOMMEND THE BOARD PROPOSE AN AMENDMENT TO THE PORT FEE REGULATIONS ADDRESSING RESIDENCE SURCHARGES. TO HOLD PUBLIC HEARINGS AT THE FEBRUARY 23, 2010 FINANCE COMMITTEE MEETING AND THE FEBRUARY 25, 2010 REGULAR BOARD MEETING AND TO TAKE FINAL ACTION IMMEDIATELY AFTER THE PUBLIC HEARING AT THE FEBRUARY 25 REGULAR BOARD MEETING AND ASK UNANIMOUS CONSENT.

The Motion Passed without objection.

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REGULAR BOARD MEETING MINUTES

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VII. Items for action (continued).

3. Moorage Rate 2010 CPI Adjustments.

Mr. Kueffner said every year we adjust the moorage rates according to the Anchorage CPI. This year the CPI increase was 1.2%. If the Board does nothing, the increase will take effect because it is an automatic adjustment. Included in the packets are moorage rate charts reflecting the CPI increases for the moorage year beginning July 1, 2010.

Ms. Jebe said she objected to the CPI increase. We have had some large increases in the past and although this is a small increase, the increases discourage patrons from using the Harbor facilities.

Mr. Kueffner did not feel the small increase would discourage patrons. He felt the way to encourage use of the facilities is to provide more services.

Mr. Etheridge said even a small increase in fees adds up for patrons with large vessels and we are pricing our customers right out of the harbors.

Mr. Wostmann said he felt the rate structure needed to be maintained and that increases were a normal part of doing business to stay inline with expenses.

Mr. Kueffner asked if Harbor staff had ever done a graph representing the number of boats in the harbors according to size to see who the rate increase is affecting most.

Mr. Stone said Harbor staff did a graph in 2004 and 2005 and at that time the average size of vessels in the harbor was 32 feet.

MOTION by Ms. Jebe: TO NOT ACCEPT THE PORT DIRECTOR'S RECOMMENDATIONS FOR THE MOORAGE RATE 2010 CPI ADJUSTMENTS AND DEFER THE INCREASE UNTIL NEXT YEAR AND ASK UNANIMOUS CONSENT.

Mr. Kueffner said he would second the motion.

The motion failed with 3 Board Members in favor and 3 opposed.

4. Award of Bid for North Douglas Sectional Floats.

Mr. Gillette said this project went out to bid. We received four bids for this project and the lowest bid came from Alpine Lumber & Building Products for the amount of \$69,777.00.

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VII. Items for action (continued)

MOTION by Mr. Etheridge: TO APPROVE THE AWARD OF BID FOR THE NORTH DOUGLAS SECTIONAL FLOATS TO ALPINE LUMBER & BUILDING PRODUCTS IN THE AMOUNT OF \$69,777.00, DUE BY JUNE 1, 2010 AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

5. 2010 Budget.

Mr. McLeod provided a handout that included the 2011-2012 budget projections.

Mr. Kueffner said we reviewed the budget at the Finance Committee Meeting and were satisfied with the projected net profit of \$493,500 in Docks and \$224,719 in Harbors.

Mr. McLeod said at the Finance Meeting he was asked for a breakdown of what came out of the Board Contingency Fund and what that was used for. The following unexpected expenses used funds from the Contingency account:

Tideland signal buoy: \$13,000

Auke Bay Parking Meter: \$16,500

Buoy Anchor (4,000lbs): \$1,700

Mr. Kueffner had a question about the Harbors Budget, line 41(Miscellaneous) which is \$113,477 for FY09, but only \$50,000.00 is budgeted for FY10 and FY11.

Mr. McLeod said line 41 represents bad debts and we are going to increase our collections efforts in hopes of greatly reducing this amount.

Mr. Williams asked Mr. McLeod for three items on the budget that should be watched closely.

Mr. McLeod said the three expenses he would closely monitor in FY11 and FY12 were: employee overtime, bad debts and water expenses.

MOTION by Mr. Kueffner: TO ADOPT THE FY 2011/2012 BUDGET AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

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VII. Items for action (continued).

6. Cruise Ship Terminal and Columbia Lot Parking and Staging Area Reconfiguration.

Mr. Gillette said Docks and Harbors staff in association with PND Engineers, Kittleson Associates, JYI Architects and McDowell Group have been working on Cruise Terminal Uplands Improvements for the past year.

The project goals are to reduce congestion; improve safety; increase capacity; improve loading zones; Improve pedestrian and vehicular circulation; and maintain existing public parking.

Mr. Gillette provided a handout showing the recommended parking layout for the Cruise Terminal and Columbia Lot. The Harbor CIP Committee has recommended the Board approve the proposed design which includes a designated passenger shuttle lane.

Mr. Gillette gave a brief presentation.

Ms. Hood asked how many public parking spaces would be available with the new configuration at the Columbia Lot.

Mr. Gillette said not including the 25 spaces belonging to Taku Smokeries, there would be 38 spaces managed by the Harbor Department. We will have 6 spaces designated for the IVF Dock, 2 for the visitor center, 2 for customs, 1 for the customs van and 2 for staff, leaving 23-25 spaces left for public parking.

MOTION by Mr. Etheridge: TO APPROVE THE GENERAL DESIGN FOR PARKING AND STAGING RECONFIGURATION AT THE CRUISE SHIP TERMINAL AND COLUMBIA LOT AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

VIII. Items for Information/Discussion.

There were none.

IX. Committee and Board Member Reports.

1. Operations Committee Meeting- January 19, 2010.

Ms. Jebe said the OPS Committee discussed crane warm-up time software and the installation of heating magnets, a new plow blade for the Auke Bay F350, Douglas power pedestal failure and flat rate fees back 12mos, and management of non-moving vehicles in permit parking to storage areas.

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IX. Committee and Board Member Reports (continued).

2. CIP/Planning Committee Meeting – January 21, 2010.

Mr. Williams said the CIP Committee discussed the following issues: The Lenhart property purchase, the Cruise Ship Dock planning design, installation of a 480 volt power outlet at Auke Bay for \$6,000, and the Customs building within the visitor center at the Cruise Ship Dock.

3. Finance Committee Meeting – January 26, 2010.

Mr. Kueffner said all items discussed at the Finance Committee are on the Regular Board Agenda.

X. Administrative Officer's Report.

There was none.

XI. Port Engineer's Report.

Mr. Gillette said his report was in the packet and he provided some color renderings of the Port Visitor Center Design.

XII. Harbor Master's Report.

Mr. Benner said he wanted to address some steps the Harbor staff is taking to manage the Permit parking areas. He said we are posting standard parking signs in Aurora and Harris Harbor Parking lots as well as some three day parking space signs. This will help us transition non-moving vehicles to our storage areas.

XIII. Port Director's Report.

Mr. Stone said he will be attending the Seattle Boat Show February 4, 5 and 6. He will be manning the Alaska Harbormaster's booth. He also said he would like to have a lunch to thank Greg Fisk for serving as a Docks and Harbors Board Member.

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XIV. Committee Administrative Matters.

A. Meeting Calendar for February 2010.

Operations Committee Meeting – February 16, 2010

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

CIP/Planning Committee Meeting – February 18, 2010

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

Finance Committee Meeting – February 23, 2010

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

Regular Board Meeting – February 25, 2010

7.00 p.m. at the CBJ Assembly Chambers

MOTION by Mr. Williams: TO GO INTO EXECUTIVE SESSION ASK UNANIMOUS CONSENT.

The motion passed without objection.

XV. Executive Session. (Start: 8:21, End: 8:40)

1. Port Director Evaluation.
2. Lenhart Appraisal/Purchase.

XVI. Adjournment.

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

The motion passed without objection.

The Regular Board Meeting was adjourned at 8:41 p.m.

CBJ DOCKS & HARBORS BOARD
SPECIAL MEETING MINUTES
For Tuesday, February 16, 2010

I. Call to Order.

Mr. Preston called the Special Board Meeting to order at 5:00 p.m. in the CBJ Aurora Harbor Office.

II. Roll Call.

The following members were present: Mr. Preston, Mr. Etheridge, Mrs. Jebe and Mr. Wostmann, Mr. Jardell, Mr. Williams,

The following members were absent: Mr. Kueffner, Mr. Mehrkens.

Also present were the following: Mr. Stone – Port Director, Mr. Gillette – Port Engineer

III. Approval of Agenda.

MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS PRESENTED.

The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

There were none.

V. Items for action.

1. Approval of Construction Award-Douglas, Harris, Aurora and Statter Harbors Upland Improvements.

Mr. Gillette said on February 2, 2010 they received three bids for the construction of the Douglas, Harris, Aurora and Statter Harbors Uplands Improvements Projects. The PND Engineering estimate was \$637,000.00 dollars which included 20% for contingencies for the administration inspection and this was included in the agenda packet.

The Harbors deferred maintenance account which is to fund this project as well as the old Douglas Harbor and the deferred maintenance projects has a balance of \$4,497,476.70 dollars as of February 2, 2010. Mr. Gillette said they anticipate additional 2 million plus dollars from Department of Transportation once we get the Corps of Engineering permit. This money has been awarded but they are holding it because once they sign it over, we have 18 months to use it.

Mr. Gillette said in regards to the Douglas Harbor, we anticipate at least another \$40,000.00 dollars for permitting. This is to get through the Mercury issue and we are in the process of resolving it. If we total up the Uplands Improvements Project through all of the additive alternates that we hoped to be awarded we will not have enough money in the account. (See Attachment C) We actually would wipe out the account and still need another \$11,000.00 dollars. Mr. Gillette said if we award through alternate C we are left with \$343,000.00 dollars. This will give us a little extra money for the Douglas Harbor Project and other deferred maintenance projects that may come up.

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V. Items for action (continued)

Mr. Gillette said we have enough money to do base bids plus alternates A, B, and C but if we add alternate D it will put us in the Negative. (See attachment C in the Agenda) We are recommending the Harbor Board approve and recommend to the assembly for their approval to award the Douglas, Harris, Aurora and the Statter Harbors Upland Improvements in the amount of \$353,390.00 dollars to Admiralty Construction Inc.

Mrs. Jebe asked Mr. Gillette what exactly is going to be done in alternate D. Mr. Gillette said we call it a sea walk. It's a sidewalk similar to what is at Statter Harbor in front of the parking lot by the ramp. it will go from the ramp to the float at the end of the sea wall at Douglas Harbor. The base bid plus Alternates A, B, & C would build a concrete pad at the approach to the main ramp and put in an kiosk for the phone & cable equipment, dumpsters, and a bulletin board for posting notices for the harbor department.

Mr. Wostman asked when we would get the money and be able to start the work of the Douglas Harbor Rebuild Project. Mr. Stone said if we get awarded the money we should be able to start in early fall of 2010. Mr. Williams asked if \$20,000.00 is less then what the estimated bid was Estimated for. Mr. Gillette said yes

Mrs. Jebe asked how much is Admiralty Construction Inc. going to receive. Mr. Gillette said the bid amount is for \$353,390.00. Mrs. Jebe said is this what the bid is that we are talking about for Admiralty Construction. Mr. Gillette said yes.

Mr. Preston asked if there were any other questions for Mr. Gillette before we open for public comment?

There were none.

Public Comment

Mike Sturrock: Project Manager of North Pacific Erectors.

The engineer estimate is between \$550,000 and \$650,000 dollars and there is one apparent low bidder within that range. The city was supposed to have money for the funded projects. Was the priority award including the alternatives A, B, C, & D and was it within the estimated cost? Mr. Preston said we had enough money for the base, then we had to see if we had enough money to add the rest of the projects into the equation.

Mr. Preston said first thing is to bid on the base bid then alternates A, B, C, & D are thrown in if the bids fall within the money we actually have. There is the engineers estimate as to how much it will cost although it is not connected to how much money we do have. Harris Harbor and the Auke Nu project that we just completed had alternates but we did not have the money to add them in.

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Public Comment (Continued)

Mr. Gillette also added that the outcome is the base bid plus A, B alternative then North Pacific Erectors would get the job. With the base bid plus alternatives A, B, + C, then Admiralty Construction would get the job. Then the base bid plus alternatives A, B, C + D then North Pacific Construction would get this job. Mr. Preston asked Mr. Sturrock if they had answered his questions. Mr. Sturrock said yes.

Mr. Gillette said that the construction bids were so close there was only a \$600.00+/- difference between the bids for Admiralty and North Pacific with the base bid plus A, B, and C.

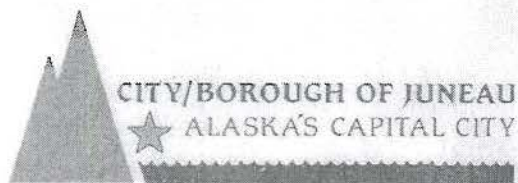
MOTION by Mr. Etheridge: TO RECOMMEND TO THE ASSEMBLY TO APPROVE THE AWARD THE CONSTRUCTION CONTRACT FOR THE DOUGLAS, HARRIS AURORA AND STATTER HARBORS UPLAND IMPROVMENTS TO THE APPARENT LOW BIDDER, ADMIRALTY CONSTRUCTION TO THE AMOUNT OF \$353,390.00. DOLLARS AND ASK UNAMIOUS CONSENT.

Motion passed without objection

MOTION by Mr. Etheridge: ASKED TO ADJOURN THE SPECIAL BOARD MEETING AND ASKED UNANAMOUS CONSENT.

Motion passed without objection

Meeting adjourned at 5:20 P.M.



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

Port of Juneau

To: Docks and Harbors Finance Committee
CC:
From: John M. Stone, P.E. Port Director
Date: December 24, 2009
Re: Amendment to Port Fee Regulations for Passenger-for-Hire

We are recommending the Committee consider amendments to the port fee regulations as they relate to the assessment of passenger-for-hire fees for day tour boats.

As you know, the Board adopted comprehensive passenger-for-hire fee regulations in 2006 for the small boat harbors and launch ramps. These regulations were intended to account for extra operating costs associated with day tour vessels and their passengers. At the time of adoption, the Board did not extend the fees to the cruise ship docks, the Intermediate Vessel Float (IVF), and the Marine Park Lightering Float. The Board reasoned that the moorage fees at these facilities were higher than the small boat harbors. Therefore, the assessment of a passenger-for-hire fee on top of the higher moorage fee was not equitable.

Over the past few years, it has become clear that several companies are conducting day tours at the IVF and the Marine Park Lightering Float. In addition, we have been charging two of the operators the passenger-for-hire fee in lieu of the higher moorage fee. This was done at the request of the two companies and because the companies use the facilities in a manner similar to the no charge loading zones at the small boat harbors. Another company doing day tours opted to pay the higher moorage fee, though they use the facilities similar to the two companies paying the passenger-for-hire fees.

In an effort to standardize the assessment of fees, we are recommending the Board amend the fee regulations. The intent of the amendment is to assess passenger-for-hire fees in lieu of moorage fees to companies that use the port facilities for day tours.

Call me at 586-0294 if you have questions.

Attachment

A REGULATION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Adoption of Amendments to Title 05, Chapter 15 Fees and Charges

PURSUANT TO AUTHORITY GRANTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, THE DOCKS AND HARBORS BOARD IS PROPOSING TO ADOPT THE FOLLOWING AMENDMENT TO REGULATIONS:

Section 1. Authority. This regulation is proposed for adoption pursuant to CBJ 01.60 and CBJ 85.02.060 and 85.02.100.

Section 2. Amendment of Regulation. Section 05 CBJAC 15.030(e), (f), and (h) of the City and Borough of Juneau Administrative Code is amended as follows:

05 CBJAC 15.030 Dockage Charges.

(e) *From May 1 to September 30, dockage for all vessels, except as provided in 05 CBJAC 50.030(f) and (h), will be assessed for each 24-hour period or portion thereof as follows:*

- (1) \$1.50 per foot for vessels less than 65 feet in length overall;
- (2) \$2.50 per foot for vessels with a length overall from 65 feet up to 200 feet; and
- (3) \$3.00 per foot for vessels greater than or equal to 200 feet in length overall.

(f) *From May 1 to September 30, fishing vessels will be assessed dockage at \$0.75 per foot of length overall for each 24 hour period or portion thereof, except there will be no charge to vessels staging to offload at Taku Fisheries, provided the duration of staging is less than 4 hours.*

(h) *From May 1 to September 30, vessels loading passengers as part of a for-hire tour or experience with a duration less than 24 hours shall comply with the requirements set out in 05 CBJAC 20.080(c) and shall pay passenger-for-hire fees as set out in 05 CBJAC 20.080(d).*

Section 3. Notice of Proposed Adoption of a Regulation. The notice requirements of CBJ 01.60.200 were followed by the agency. The notice period began on January 29, 2010, which is not less than 21 days before the date of adoption of these regulations as set forth below.

Adoption by Agency

After considering all relevant matter presented to it, the agency hereby amends these regulations as set forth above. The agency will next seek Assembly review and approval.

Date: _____

John M. Stone, P.E.
Port Director

Legal Review

These regulations have been reviewed and approved in accordance with the following standards set forth in CBJ 01.60.250:

- (1) Consistency with federal and state law and with the charter, code, and other municipal regulations;
- (2) The existence of code authority and the correctness of the required citation of code authority; and
- (3) Its clarity, simplicity of expression, and absence of possibility of misapplication.

Date: _____

John W. Hartle
City Attorney

Assembly Review

These regulations were presented to the Assembly at its meeting of _____. They were adopted by the Assembly.

Date: _____

Laurie J. Sica, Clerk

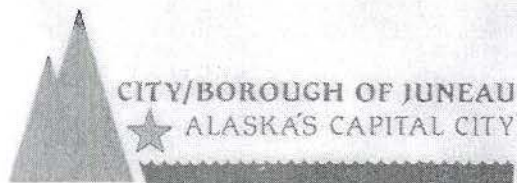
Filing with Clerk

I certify, as the clerk of the City and Borough of Juneau, that the following statements are true:

1. These regulations were accepted for filing by the office of the clerk at ____:____ a.m./p.m. on the ____ day of _____, _____.
2. After signing I will immediately deliver or cause to be delivered copies of this regulation to the attorney and the director of libraries.
3. A permanent file of the signed originals of these regulations will be maintained in this office for public inspection.
4. Effective date: _____.

Date: _____

Laurie J. Sica, Clerk



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

Port of Juneau

To: Docks and Harbors Finance Committee
CC:
From: John M. Stone, P.E. Port Director
Date: December 24, 2009
Re: Residence Surcharge Amendment

As mentioned during the November 19, 2009 Committee meeting, I am providing an amendment to the residence surcharge regulations that would take into account vessels with numerous on-board residents. The regulation would require vessels with more than three residents to pay an additional fee of \$23 for each resident above three. This regulation is intended to provide equity in the residence surcharge and was brought about from certain vessels being used as boarding houses.

I recommend the Board propose the regulation for public comment at its January 28, 2009 meeting, hold public hearings at the February 23 Finance Committee meeting and the February 25 Regular Board meeting, and take final action immediately after the public hearing at the February 25 Regular Board meeting.

Call me at 586-0294 if you have questions.

Attachment

A REGULATION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Amendments to CBJ Administrative Code Title 05, Chapter 20 Docks and Harbors Small Boat Harbor Fees and Charges

PURSUANT TO AUTHORITY GRANTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, THE DOCKS AND HARBORS BOARD HEREBY PROPOSES TO ADOPT AMENDMENTS TO REGULATIONS AS FOLLOWS:

Section 1. Authority. The legal authority for these regulations is set out in CBJ Ordinances 01.60 and 85.02.100.

Section 2. Adoption of Regulations. The City and Borough of Juneau Administrative Code is amended by the repeal and adoption of regulations in Title 05, Chapter 20 as follows:

Repeal 05 CBJAC 20.050(d) and readopt as follows:

(d) *Residence surcharge.* The owner shall pay a residence surcharge of \$69 per calendar month, or portion thereof, for each vessel used as a residence. For a vessel with more than three residents, the owner shall pay an additional surcharge of \$23 per calendar month, or portion thereof, for each additional resident.

Section 3. Notice of Proposed Adoption of a Regulation. The notice requirements of CBJ 01.60.200 were followed by the Docks and Harbors Board. The notice period began on January 29, 2010, which is not less than 21 days before the date of adoption of these regulations as set forth below.

Adoption by Agency

After considering all relevant matter presented to it, the agency hereby amends these regulations as set forth above. The agency will next seek Assembly review and approval.

Date:

John M. Stone
Port Director

Legal Review

These regulations have been reviewed and approved in accordance with the following standards set forth in CBJ 01.60.250:

- (1) Its consistency with federal and state law and with the charter, code, and other municipal regulations;
- (2) The existence of code authority and the correctness of the required citation of code authority following each section; and
- (3) Its clarity, simplicity of expression, and absence of possibility of misapplication.

Date: _____

John W. Hartle
City Attorney

Assembly Review

These regulations were presented to the Assembly at its meeting of _____. They were adopted by the Assembly.

Date: _____

Laurie J. Sica, Clerk

Filing with Clerk

I certify, as the clerk of the City and Borough of Juneau, that the following statements are true:

1. These regulations were accepted for filing by the office of the clerk at ____:____ a.m./p.m. on the _____ day of _____, _____.
2. After signing I will immediately deliver or cause to be delivered copies of this regulation to the attorney and the director of libraries.
3. A permanent file of the signed originals of these regulations will be maintained in this office for public inspection.
4. Effective date: _____.

Date: _____

Laurie J. Sica, Clerk

PORT ENGINEER'S PROJECT STATUS REPORT

Gary Gillette, Port Engineer/Architect

Project	Status	Schedule	Contractor	Notes
Auke Bay Loading Facility	Construction	Complete 8/20/09	Trucano	Completing final close out
TIGER Grant Application	Awarded	Sept 15, 2009		Awaiting award letter
ADNR Land Conveyance - Facility	Submitted	Spring 2010		Final determination out for public review
ADNR Land Conveyance - Mitigation	Submitted	Spring 2010		Preparing supplemental info requested by DNR
Douglas Harbor Floating Breakwater				
Breakwater Construction	Construction	Fall 2009	COE	Will deliver to Juneau - Spring 2010
Breakwater Installation	Hold	Unknown	TBD	Currently no funding
Old Douglas Harbor Reconstruction	Hold		TBD	
Permitting	Hold	Spring 2010	PND	Public Notice in progress - Meeting Mar 5, 2010
Final Engineering and Design	Design	Spring 2010	PND	
Statter Harbor Improvements				
EA Process	In Progress	Spring 2010	PND	EA Document being finalized
DNR Property at Glacier Conveyance	In Progress	Spring 2010		Survey in progress
DNR Tideland Conveyance	In Progress	Spring 2010		Application Submitted
Lehnhart Property	In Progress			Negotiation continuing
Permitting	Hold		PND	Awaiting completion of EA
Final Engineering and Design	Hold		PND	Awaiting completion of EA
Begin Construction		Spring 2011	TBD	Awaiting full funding
Municipal Harbor Matching Grant	Submitted	July 1, 2009	PND	Awaiting Legislative approval
Cruise Ship Dock Reconfiguration				
Uplands Operations Analysis	Planning	Winter 09/10	PND	Awaiting final report & recommendations
Port-Customs-Visitors Buildings				
Site Planning	Complete		JYL Architects	
Building Design	Design	Bid April 2010	JYL Architects	Awaiting final documents
Port Repair and Major Maintenance				
Transfer Bridge Maintenance	Hold		PND	Awaiting Inspection Report
Transfer Bridge Inspection	In Progress	Apr 27, 2009	PND	Awaiting report
Cathodic Protection	Design		Norton Corrosion	Joint with Engineering (parking garage)
Harbor Upland Improvements	Construction	Feb 2, 2010	PND	Awaiting approval by Assembly
North Douglas Boarding Float	Construction	June 1, 2010	Moeser	Alpine Lumber & Building Products
Aurora Harbor Reconfiguration	Planning	Spring 2010	PND	
Miscellaneous - Small Projects				
Marine Park Site Furniture	Installation	Spring 2010	Site Lines	Install in spring 2010
Norway Point Net Float	Design	Plans Complete		No funds to construct - Est. \$50K+/-
Security Grant				Harbor Improvements
Archie Van Winkle Memorial	In Progress			Transfer to City



Port of Juneau

CBJ Docks and Harbors Department 2009 Waterfront Loading Zone Permit Application Title 5 CBJAC Chapter 10

Applications must be complete with all required attachments included. Incomplete applications will be considered.

I. Applicant Information – Names and Addresses

Permittee

Permittee Mailing Address

Designated Individual for Service of Notice and Legal Proceedings:

Name

Title

Physical Address

City, State, Zip

Mailing Address

City, State, Zip

Business Phone

Home Phone

Fax

Cell

Email Address

Alaska Business License Number

II. Applicant Eligibility. An applicant for a loading permit must show that use of the permit will be limited to transportation of passengers and/or crew to or from cruise ships. If the applicant will be transporting passengers, at least one of the following is required:

- ☐ a tour sales permit in the applicant's name;
- ☐ a contract for the sale of tours onboard a cruise ship;
- ☐ a contract with a cruise ship for the transportation of passengers;
- ☐ a contract for the sale of tours with a tour sales permit holder. An applicant may enter into a contract with one tour sales permit holder only; or
- ☐ if the applicant sells tours without the aid of the cruise lines, a cruise ship, or a tour sales permit holder, the applicant must show that it will only transport persons who have purchases tours directly from the applicant, and that applicant shall, upon request, provide the Port Director with a daily manifest showing the names of passengers to be transported.

III. Permit Type

- ☐ A Zone (vehicles containing eighteen or more passenger seats)
- ☐ B Zone (vehicles containing fewer than eighteen passenger seats)
- ☐ Crew Shuttle
- ☐ Limited Loading Permit (Se 05 CBJAC 10.060(d))

IV. Other Required Attachments (All required attachments must be provided prior to approval.)

- ☐ A copy of a current Alaska Business License.
- ☐ A copy of a certificate of insurance or a binder, naming City and Borough of Juneau as an additional insured in the amounts and for the risks as required by Title 5 CBJAC Chapter 10.
- ☐ Completed Vehicle Information Form (please note that decals are not transferable between vehicles)
- ☐ Completed Vehicle Driver Information Form
- ☐ Completed Non-Driver Employee Information Form

V. Permit Fees

- ☐ Permit fee: \$300 + _____ (number of seats) x \$7.00 seat = \$_____
- ☐ Limited Loading Permit Fee of \$15.00 plus CBJ sales tax @ 5% per vehicle for each permit day or \$250.00 per year, whichever is less. Attach a schedule stating the dates and times proposed for each use of a limited loading permit.

VI. Certification of Responsible Official

I, _____, certify that the information provided in this application is true, complete and accurate.

Signature

Date

- ☐ Please call me, I'd prefer to pick up my permit and decals
- ☐ Please mail my permit and decals to the address provided above.

Received By: _____ Date: _____

ASSIGNMENT OF LEASEHOLD INTEREST

THIS ASSIGNMENT made this 21st day of November, 1995, by AJT Mining Properties, Inc., whose address is 612 West Willoughby Avenue, Juneau, AK 99801 ("AJT") to Franklin Dock Enterprises LLC, whose address is ²⁴⁰420 Main Street, Suite 600, Juneau, AK 99801 ("FDE").

For and in consideration of the payment of Ten Dollars and other good and valuable consideration, receipt of which is acknowledged, AJT assigns to FDE all of AJT's right, title and interest in that certain lease (the "Lease") dated November 21, 1995, by and between the City and Borough of Juneau ("CBJ"), as Lessor, and AJT Mining Properties, Inc., as Lessee, covering the premises described on the attached Exhibit A.

This assignment shall entitle FDE and its assigns to hold and possess the leased premises from the date hereof for the rest of the term of the Lease, subject to the rents, covenants, conditions and provisions of the Lease.

IN WITNESS WHEREOF, AJT has executed and acknowledged this instrument the date first above mentioned.

AJT MINING PROPERTIES, INC.

By William A. Corbus
William A. Corbus, President

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NOTARY PUBLIC
STATE OF ALASKA
FIRST JUDICIAL DISTRICT

)
) ss:
)

THIS CERTIFIES that on this 21st day of November, 1995, before me, a Notary Public in and for the State of Alaska, personally appeared William A. Corbus, to me known and

known to me to be the person whose name is subscribed to the foregoing instrument, and after being first duly sworn according to law he stated to me under oath that he is the President of AJT Mining Properties, Inc., a corporation organized under the laws of Alaska, that he has been authorized by said corporation to execute the foregoing instrument on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

WITNESS my hand and official seal the day and year in this certificate above written.

S.A. Miller

Notary Public for Alaska

My Commission Expires 6/29/96

APPROVAL AND CONSENT TO ASSIGNMENT

Pursuant to Section 12 of the Lease, CBJ hereby approves of the form of this assignment and consents to the assignment of the leasehold interest from AJT to FDE.

DATED: 11/27/95

City & Borough of Juneau

Approved as to form:

Barbara R. Craver
City & Borough Attorney

By *Donna Blum*
Acting City Manager

11555\agreement\assignment

**CITY AND BOROUGH OF JUNEAU
STANDARD LAND LEASE**

THIS INDENTURE (this "Lease") made this 21 day of November, 1995, by and between the CITY AND BOROUGH OF JUNEAU, ALASKA, a municipal corporation (hereinafter called "Lessor"), and AJT MINING PROPERTIES, INC., whose address is 612 West Willoughby Avenue, Juneau, Alaska 99801 (hereinafter called "Lessee").

WITNESSETH:

1. **AUTHORITY.** This Lease is entered into pursuant to the authority of the City and Borough of Juneau Ordinance 94-43.
2. **PREREQUISITE.** Lessee and Lessor affirm that Lessee has complied with the application, fee, and deposit requirements of CBJ 53.20.030 (new leases) or CBJ 53.20.090 (lease renewals) as the case may be.
3. **LEASED PREMISES.** Lessor does hereby lease and Lessee does hereby take from Lessor, the premises comprised of unfilled tidelands described as follows and as further shown in Exhibit A attached hereto and incorporated herein (hereinafter called "Leased Premises"), situated in the Juneau Recording District, State of Alaska:
4. **USE OF PREMISES.** The Lessee agrees to use the Leased Premises for the following purpose only: a dock for vessels and other marine related activities but not including lightering passengers to or from cruise ships, provided that if the dock is damaged or otherwise rendered not functional for tie-ups, passengers of vessels which had been scheduled for tie-up may be transferred across the dock to or from such vessels. The dock and other improvements placed by Lessee upon the Leased Premises shall remain Lessee's property throughout the term of this Lease and any extensions.

The Leased Premises shall be used only for purposes within the terms of this Lease, and in conformity with the provisions of the City and Borough code, and applicable state and federal laws and regulations. Use or development for other than the allowed uses shall constitute a violation of this Lease and subject this Lease to cancellation at any time.

5. **TERM.** (a) The term of this Lease shall be for a period of 35 year(s) commencing on the effective date of this Lease, unless sooner terminated as provided herein. The effective date of this Lease shall be the date of its execution.

(b) Lessee shall have the right to renew this Lease for an additional thirty-five years

commencing at the end of the initial term except the Lessor may deny renewal for good cause shown. "Good cause" must relate to acts and omissions under this Lease.

(c) The Lessee shall have eighteen months from the effective date of this Lease to begin construction. If after eighteen months, construction has not begun, this Lease shall automatically terminate.

6. RENT. The annual rent shall be 10 percent of the estimated value of the Leased Premises as determined by the assessor of the City and Borough of Juneau. For the first year of the lease term and until adjusted by the Lessor as provided herein, the rent shall be \$25,299.60 dollars per year based on a value of \$2.00 per square foot for the land, to be paid each year in twelve equal installments of \$2108.25 at the beginning of each month of the lease term. Rent shall begin to accrue on the effective date of this Lease.

7. ADJUSTMENT OF RENTAL. The Lessee agrees to a review and adjustment of the annual rental payment by the Lessor not less often than every third year beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable tidelands in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the tidelands, to which the City and Borough has right or title excluding landfill and other improvements placed upon the tidelands by the Lessee except that the value of any improvements credited against rentals shall be included in the value. (Refer to Paragraph 42.) The Lessee may protest the adjustment to the Lessor, and if denied wholly or in part, an appeal may be taken to the Assembly. The decision of the Assembly shall be final.

8. HOLDING OVER. If Lessee holds over beyond the expiration of the term of this lease and the term has not been extended or renewed in writing, such holding over shall constitute a tenancy from month-to-month only on the same terms and conditions set forth in this Lease.

9. INTEREST ON LATE PAYMENTS. Should any installment of rent or other charges provided for under the terms of this Lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.

Lessee hereby covenants and agrees to pay the rent when due and understands that payment of rent is a condition precedent to the continuance of this Lease.

10. TAXES, ASSESSMENTS, AND LIENS. During the term of this Lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills which Lessee may become liable to pay including any tax on leaseholds imposed generally on lessees, and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, other than mortgage lien, against the Leased Premises or the improvements placed thereon.

11. SUBLEASING. The Lessee may sublease the Leased Premises or any part thereof, provided, that the proposed sublessee receives written approval of the Lessor, which approval shall not be unreasonably withheld; and further provided, that the improvements constructed by Lessee on the Leased Premises are the substantial reason for the sublease. Leases not having improvements thereon shall not be sublet. Subleases shall be in writing and a copy shall be provided to Lessor prior to any approval hereunder, provided that the copy need not include the sublease rental rates. Subleases shall be subject to the terms and conditions of this Lease; all terms, conditions, and covenants of this Lease which may be made to apply to the sublease are hereby incorporated into the sublease; provided, however, that in any sublease, the Lessee and the sublessee may, as between themselves but without relieving Lessee of its obligations hereunder, allocate responsibility for compliance with Lessee's obligations under this Lease.

12. ASSIGNMENTS. Lessee may assign its interest in this Lease and the Leased Premises; provided, the proposed assignment shall be first approved by the Lessor in writing. The assignee shall be subject to all of the provisions of this Lease. All terms, conditions, and covenants of this Lease which may be made applicable to the assignment are hereby incorporated into the assignment.

13. WARRANTY. The Lessor does not warrant by its classification or leasing of Leased Premises that the tidelands are suited for the use authorized under this Lease and no guaranty is given or implied that it shall be profitable to employ Leased Premises to said use. In particular, but without limitation on the foregoing, Lessor makes no warranty regarding the Public Trust Doctrine and representation that the soil or subsurface conditions are suitable for the construction of any dock or other structure.

14. EASEMENTS. Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements of record.

15. ENCUMBRANCE OF PARCEL. The Lessee, during the term of this Lease, shall not encumber or cloud the Lessor's title to the Leased Premises or any portion thereof, nor enter into any lease, easement, or other obligation of the Lessor's title without the prior written consent of the Lessor; and any such act or omission, without the prior written consent of the Lessor, shall be void against the Lessor.

16. VALID EXISTING RIGHTS OF RECORD. This Lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this Lease.

17. MODIFICATION. This Lease may be modified only by an agreement in writing signed by all parties in interest or their successor in interest.

18. CANCELLATION AND FORFEITURE. (a) This Lease may be canceled in whole or in part, at any time, upon mutual written agreement by the Lessee and the Lessor, and if Lessee has

granted a security interest in Lessee's interest in this Lease to any lender, or has entered into a sublease approved by Lessor, the consent of such lender and such sublessee, as applicable, to a cancellation of this lease shall also be required.

(b) If the Lessee shall default in the performance or observance of any of the lease terms, covenants, or stipulations thereto, or of the regulations now or hereafter in force, or any of the provisions of the City and Borough code, and should the default continue for thirty calendar days after service of written notice by the Lessor without remedy by the Lessee of the conditions warranting default, or if such default requires more than thirty days to cure, Lessee has not commenced the cure within thirty days of Lessor's notice and does not thereafter diligently proceed to complete such cure, the Lessor may subject the Lessee to appropriate legal action including, but not limited to, forfeiture of this Lease. No improvements may be removed by the Lessee or other person during any time the Lessee is in default. Lessor shall concurrently provide a copy of any notice of default given to Lessee to any lender holding a security interest in Lessee's interest in this Lease and to any sublessee under a sublease approved by Lessor, provided that such lender or such sublessee has requested Lessor in writing to provide such notice and has provided Lessor with an address at which notice can be given.

19. RE-ENTRY. These entire agreements are upon the condition that if the Lessee shall be in arrears in a payment of rent for a period of thirty days; or if Lessee abandons Leased Premises; or if the Lessee shall fail or neglect to do or perform or observe any of the terms, agreements, covenants, or conditions contained herein on its part to be kept and performed and such failure or neglect shall continue for a period of not less than thirty days after the Lessor has notified Lessee in writing of Lessee's default hereunder and Lessee has failed to correct such faults within thirty days; or if Lessee shall be declared to be bankrupt or insolvent according to law; or if any assignment of its property shall be made for the benefit of creditors, then, in any of the said cases or events, the Lessor may, at its option, immediately or at any time thereafter, without demand or notice, enter into and upon the Leased Premises or any part thereof and in the name of the whole and repossess the same and expel said Lessee and those claiming by, through, or under it, remove its effects and improvements (if any) forcibly, if necessary, without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or breach of covenant or condition. On the re-entry aforesaid, this lease shall terminate.

20. LANDLORD'S LIEN. In addition to its other remedies, Lessor shall have a landlord's lien upon all of Lessee's property on the Leased Premises for any rents in arrears, and Lessor shall have a right to the common law, nonjudicial remedy of distress for rents in the event of any arrearage.

21. WASTE AND INJURY TO LEASED OR PREMISES. Lessee shall be liable to and promptly pay Lessor for any waste or injury to the Leased Premises. The Lessee shall take all prudent precautions to prevent or suppress pollution of the ground surface, water, air, or land. If Lessee commits waste, or trespass or injury upon Leased Premises or Lessor, the Lessee, in addition

to being civilly liable for any damages caused, shall be criminally liable as provided by law.

22. ENVIRONMENTAL MATTERS.

(a) Lessee's Responsibility for Environmental Laws. Lessee shall, at its own expense, comply with all existing and hereafter enacted environmental responsibility laws, hereafter "Environmental Laws". Lessee shall, at its own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority, hereafter "Authority," under the Environmental Laws.

Should the Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of any spills or discharges of or contamination by Hazardous Materials, as hereafter defined, on the Leasehold Lands that occur during the term of the Lease, or arise out of or in connection with Lessee's use or occupancy of the Leasehold Lands, then Lessee shall, at its own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. Lessee's obligations under this section shall arise if there is any event or occurrence on the Leasehold Lands during the term of the Lease or arising out of or in connection with the Lessee's use or occupancy of the Leasehold Lands that requires compliance with the Environmental Laws.

At no expense to Lessor, Lessee shall promptly provide all information reasonably requested by Lessor for preparation of affidavits or other documents required by Lessor to determine the applicability of the Environmental Laws to the Lease, and shall sign the affidavits regarding information provided by Lessee promptly when requested to do so by Lessor.

(b) Indemnification by Lessee. Lessee shall indemnify, defend and hold harmless Lessor from all fines, suits, procedures, claims, liabilities, and actions of any kind arising out of or in any way connected with any spills or discharges of or contamination by Hazardous Materials on the Leasehold Lands that occur during the term of the Lease or arise out of or in connection with Lessee's use or occupancy of the Leasehold Lands; and from all fines, suits, procedures, claims, liabilities, and actions of any kind arising out of Lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spills or discharges or contamination that occur during the term of the Lease or arise out of or in connection with Lessee's use or occupancy of the Leasehold Lands.

(c) Lessee's Assurances to Lessor. Lessee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals or Hazardous Materials upon the Leased Lands except when fully in compliance with the Environmental Laws. Lessee agrees that it will not construct any aboveground or underground fuel or chemical tanks without the written consent of Lessor.

(d) Enforcement Rights of the City and Borough of Juneau. This section of the Lease does not in any way alter the powers and rights of the City and Borough of Juneau, Alaska, or Lessee's duties and liabilities under Title 46 (or its successor) of Alaska Statutes or other state or federal statutes regarding Environmental Laws. For example, notwithstanding the provisions of the Lease, the City and Borough of Juneau, Alaska, shall not be precluded from claiming under any statute that Lessee is strictly liable for damages and costs incurred by the City and Borough of Juneau, Alaska, for cleanup of contamination of the Leasehold Lands.

(e) Notice of Environmental Problems. Lessee agrees to immediately notify Lessor if Lessee becomes aware of (1) any Hazardous Material or other environmental problem or liability with respect to the Leasehold Lands or (2) any lien, action, or notice resulting from the claimed or actual violation of Environmental Laws, including but not limited to the generation, recycling, reuse, sale, storage, handling, transport, and disposal of any Hazardous Material.

(f) Lessee's Obligations Unconditional. Lessee's obligations under this section regarding environmental compliance are unconditional and shall not be limited by any nonrecourse or other limitations of liability provided for in the Lease or any document executed in connection with the Lease. The representations and covenants of Lessee set forth in the Lease, including without limitation the indemnity for environmental compliance provided herein, are (1) separate and distinct obligations from Lessee's obligations under the Lease, (2) shall not be discharged or satisfied by lease compensation or other payment under the Lease, and (3) shall continue in effect after any further transfer of the Leasehold Lands.

(g) "Environmental Laws" Defined. For purposes of the Lease, "Environmental Laws" is defined to include, but shall not be limited to, the Comprehensive Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. 9601, et. seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6901, et. seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251, et. seq., the Clean Air Act, 42 U.S.C. 7401, et. seq. and AS 46.03.710-.850, and any other local, state and federal laws or regulations, whether currently in existence or hereafter enacted, that govern (1) the existence, cleanup or remedy of contamination on property, (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination, (3) the control of hazardous wastes, or (4) the use, generation, transport, treatment, removal or recovery of Hazardous Material.

(h) "Hazardous Material" Defined. For purposes of the Lease, "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by the City and Borough of Juneau, Alaska, the State of Alaska, or the United States government. It is any substance which at any time shall be listed as "hazardous" or "toxic" or in the regulations implementing the CERCLA, RCRA, and AS 46, or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Environmental Laws. The term "Hazardous Material" shall also include, without limitation, petroleum, oil, and source, special nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as

amended (42 U.S.C. 301 1, et. seq., as amended)

(i) Pre-Construction Audits.

(1) Lessee shall engage a qualified contractor to conduct a Phase I environmental audit of the Leased Premises. The Phase I audit shall be performed prior to the effective date of the Lease. The cost of the Phase I audit shall be paid by Lessee. The results of the Phase I audit shall be available to the authorized employees or agents of Lessor and Lessee as designated by the respective party.

(2) In the event the Phase I environmental audit reveals reasonable cause to believe the Leased Premises are contaminated or polluted in such a manner as to require cleanup or remediation under applicable law, Lessee shall engage a qualified contractor to conduct a Phase II environmental audit and evaluation of the Leased Premises prior to the commencement of any construction on the Leased Premises. The cost of the Phase II audit shall be borne solely by Lessee.

(3) In the event the Phase II audit demonstrates contamination or pollution of the Leased Premises in such a manner as to require cleanup or remediation under applicable law, Lessor shall immediately notify the proper governmental authorities, and shall comply with all lawful directions of said authorities. In such event, Lessee shall have the right, in its sole discretion, to terminate the Lease upon 30 days written notice to Lessor.

(j) Termination Audits

(1) One year prior to termination of the Lease, Lessee shall engage and pay for a qualified contractor to conduct a Phase I environmental audit of the Leased Premises applying the standards, criteria and testing methods then commonly used to obtain the same type of information which was obtained from the Phase I environmental audit conducted at the inception of this Lease. The results of the Phase I audit shall be available to the authorized employees or agents of Lessor and Lessee as designated by the respective party.

(2) In the event the Phase I environmental audit reveals reasonable cause to believe the Leased Premises are contaminated or polluted in such a manner as to require cleanup or remediation under applicable law, Lessee shall engage and pay for a qualified contractor to conduct a Phase II environmental audit and evaluation of the Leased Premises.

(3) In the event the Phase II audit demonstrates contamination or pollution of the Leased Premises in such a manner as to require cleanup or remediation under applicable law, Lessee shall immediately notify the proper governmental authorities, and shall comply with all lawful directions of said authorities.

(4) As used in this paragraph (j), the terms "Phase I Audit" and "Phase II Audit" shall

be construed according to the standards applicable at the time the audit or audits are conducted.

23. RIGHTS OF MORTGAGEE OR LIENHOLDER. In the event of cancellation or forfeiture of a lease for cause, the holder of a properly recorded mortgage, conditional assignment, or collateral assignment of the leasehold, will have the option within 60 days of such termination to acquire the lease for the unexpired term thereof, subject to the same terms and conditions as in the original lease. Lessor shall have no duty to notify any such security interest holder of any termination.

24. RE-LEASE. In the event that this lease should be terminated as herein provided, or by summary proceedings, or otherwise, the Lessor may offer the Leased Premises for lease or other appropriate disposal pursuant to the provisions of the City and Borough code.

25. FORFEITURE OF RENTAL. In the event that this lease should be terminated because of any breach by the Lessee, as herein provided, the annual rental payment last made by the Lessee shall be forfeited and retained by the Lessor as partial or total damages for the breach.

26. WRITTEN WAIVER. The receipt of rent by the Lessor with knowledge of any breach of the lease by the Lessee or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of the lease, shall not be deemed to be a waiver of any provision of the lease. No failure on the part of the Lessor to enforce any covenant or provision herein contained, nor any waiver of any right thereunder by the Lessor unless in writing, shall discharge or invalidate such covenants or provisions, or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt, by the Lessor, of any rent or other sum of money after the termination, in any manner, of the term demised, or after the giving by the Lessor of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term therein demised, or destroy, or in any manner impair the efficacy of such notice of termination as may have been given thereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by the Lessor.

27. EXPIRATION OF LEASE. Unless the lease is renewed or sooner terminated as provided herein, the Lessee shall peaceably and quietly leave, surrender, and yield up unto the Lessor all of the Leased Premises on the last day of the term of the lease.

28. REMOVAL OR REVERSION OF IMPROVEMENTS UPON TERMINATION OF LEASE. Improvements owned by the Lessee shall within sixty calendar days after the termination of the lease for any reason be removed by Lessee, at the request of Lessor; provided such removal will not cause injury or damage to the lands or improvements demised; and further provided that the Lessor may extend the time for removing such improvements in cases where hardship is proven. If Lessee, upon expiration of the time for removal, fails to so remove such improvements, they shall be removed and disposed of by Lessor as provided by law.

29. RENTAL FOR CHATTELS NOT REMOVED. Any chattels belonging to the Lessee or

placed on the Leased Premises during the Lessee's tenure with or without permission (but not including the dock and other improvements constructed by Lessee on the Leased Premises) and remaining upon the premises after the termination date of the lease shall entitle the Lessor to charge a reasonable rent therefor.

30. RENEWAL PREFERENCE. Any renewal preference granted the Lessee is a privilege and is neither a right nor bargained for consideration. The lease renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the Lessor.

31. COMPLIANCE WITH REGULATIONS AND CODE. The Lessee shall comply with all regulations, rules, and the code of the City and Borough of Juneau, and with all state and federal regulations, rules and laws as the code or any such rules, regulations, or laws may affect the activity upon or associated with the Leased Premises; and Lessee's failure to do so shall be considered a breach of this lease agreement.

32. INSPECTION. The Lessee shall allow an authorized representative of the Lessor to enter the Leased Premises for inspection at any reasonable time.

33. UNSAFE USE. The Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

34. RIGHTS-OF-WAY. The Lessor expressly reserves the right to grant easements or rights-of-way across the Leased Premises if it is determined in the best interest of the Lessor to do so provided that such easements or rights-of-way do not unreasonably interfere with Lessee's or a sublessee's use of the Leased Premises. If the Lessor grants an easement or right-of-way across any of the Leased Premises, the Lessee shall be entitled to damages for all Lessee-owned improvements or crops destroyed or damaged. Damages shall be limited to improvements and crops only, and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate Lessee for loss of use.

35. HOLD HARMLESS. Lessee agrees to indemnify, defend, and save Lessor harmless to the maximum extent allowable under Alaska law from any claim or liability (of whatever kind including attorney fees) for damages to property or injury to persons arising out of Lessee's use and occupancy of the Leased Premises, excepting, however, any liability resulting from Lessor's negligence including, without limitation on the foregoing, any damages to property (including Lessor's property outside Leased Premises) or injury to persons, whether by allision, collision, or otherwise, caused by vessels approaching, tying up to, lying alongside, letting go from, or departing from the Leased Premises.

36. INSURANCE. Lessee shall, during the entire term of this lease, keep in full force and effect

a policy of public liability and property damage insurance with respect to Lessee's use of and operations at the Leased Premises. Lessee shall maintain or cause its sublessee to maintain, with insurance companies which are financially sound, commercially reputable and authorized to conduct insurance business in the State of Alaska, insurance for not less than \$1,000,000 per occurrence. The policy shall name Lessor as an additional insured and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor thirty days' prior written notice addressed to the following:

Risk Manager
City and Borough of Juneau
155 South Seward
Juneau, Alaska 99801

Lessee shall provide Lessor with a certificate of insurance on a form to be provided by the Lessor prior to the commencement date of this lease; or if this lease is signed subsequent to its commencement, then Lessee shall deliver the certificate of insurance to Lessor simultaneously with execution of this lease.

Lessee understands that Lessor carries no fire insurance on the Leased Premises or improvements located thereon belonging to Lessee, and that it is Lessee's obligation to obtain adequate fire insurance for protection of Lessee's buildings, fixtures, or personal property located on the Leased Premises.

37. SUCCESSORS. This lease shall be binding on the successors, administrators, executors, heirs, and assigns of the Lessee and Lessor.

38. CONDITION OF PREMISES. The Lessee shall, during the demised term, at Lessee's own cost, cause the Leased Premises and any improvements thereon to be kept in good repair and kept in a neat, clean, sanitary, and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or uncontrolled grass, brush, or other fire on the Leased Premises. The Lessee shall not undertake any activity which causes or increases a sloughing of or loss of surface materials of the Leased Premises. The Lessee shall not in any manner, substantially change the contour or condition of the land without prior written permission of the Lessor.

39. USE OF MATERIAL. The Lessee of the surface rights shall not sell or remove for any use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved in writing by the Lessor.

40. LEASE RENTAL CREDIT. When requested by Lessee in writing and authorized in writing by the Lessor prior to the commencement of any work, the Lessee may be granted credit against current or future rent; provided, the work accomplished on or off the Leased Premises, results in increased valuation of the Leased Premises or other City and Borough-owned lands. The

authorization may stipulate type of work, standards of construction, and the maximum allowable credit for the specific project. Title to improvements or chattels credited against rent under this section shall vest immediately and be in the City and Borough and shall not be removed by the Lessee upon termination of this lease. The parties agree that the initial improvements to be constructed by Lessee are not subject to the provisions of this paragraph and shall remain the property of Lessee throughout the lease term and any extensions.

41. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES. It shall be the responsibility of the Lessee to properly locate Lessee and Lessee's improvements on the Leased Premises and failure to so locate shall render the Lessee criminally liable as provided by law.

42. APPROVAL OF OTHER AUTHORITIES. The issuance by the City and Borough of this lease does not relieve the Lessee of responsibility of obtaining licenses or permits as may be required by the city and borough or by duly authorized state or federal agencies.

43. NOTICE OR DEMAND. Any notice or demand, which under the terms of this lease or under any statute must be given or made by parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address herein given. However, either party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.

LESSOR'S ADDRESS: CITY AND BOROUGH MANAGER
City and Borough of Juneau
155 South Seward Street
Juneau, Alaska 99801

LESSEE'S ADDRESS: AJT MINING PROPERTIES, INC.
612 West Willoughby Avenue
Juneau, Alaska 99801

44. ENTIRE AGREEMENT, AMENDMENTS. This document excluding any words or paragraphs struck out and including any language added, in either case, initialed and dated by both parties and including exhibits attached hereto contains the entire agreement between the parties, and said agreement may not be modified except in writing. There are no oral promises, representations, or warranties between the parties regarding any matter or thing connected with or related to the

matters and things which are the subject of this lease.

IN WITNESS WHEREOF, the Lessor and Lessee have caused this lease to be executed and their respective seals affixed the day and year first above written at Juneau, Alaska.

LESSOR: CITY AND BOROUGH OF JUNEAU, ALASKA

By: 
David R. Palmer
City & Borough Manager

Approved as to form:


John R. Corso
City & Borough Attorney

LESSEE: AJT MINING PROPERTIES, INC.

By: William A. Corbus
Title: President

ACKNOWLEDGMENT BY LESSEE

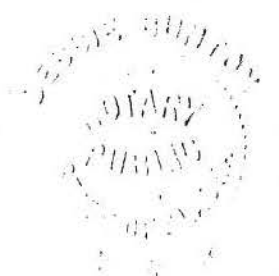
STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 17 day of November 1995, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared William A Corbus to me known and known to me to be the person

CBJ-AJT Mining Properties, Inc.
Land Lease

named in and who executed the Lease and acknowledged voluntarily signing the same.

WITNESS my hand and official seal the day, month, and year in this certificate first above written.



Deldine Burton
Notary Public, State of Alaska
My Commission Expires: 9/6/97

ACKNOWLEDGMENT BY LESSOR

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 21 day of NOVEMBER, 1995, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared DAVID R. PALMER to me known and known to me to be the Manager of the City and Borough of Juneau, Alaska who acknowledged to me that he executed the foregoing Lease as the free act and deed of the City and Borough for purposes therein mentioned, being fully authorized to do so.

WITNESS my hand and official seal the day, month, and year in this certificate first above written.

Danna M. Hatten
Notary Public, State of Alaska
My Commission Expires: 9-11-96

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METES AND BOUNDS
SOUTHERLY FRACTION BLOCK 87
ALASKA TIDELANDS SURVEY NO. 3

A CERTAIN TRACT OR PARCEL OF LAND, LYING AND BEING SITUATE WITHIN A FRACTION OF BLOCK 87, ALASKA TIDELANDS SURVEY NO. 3, FIRST JUDICIAL DISTRICT, CITY AND BOROUGH OF JUNEAU, STATE OF ALASKA, BEING MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS;

BEGINNING AT THE S.W. CORNER OF LOT 17, BLOCK 83, COMMON WITH A POINT ON THE NORTHERLY BOUNDARY OF THE SOUTHERLY FRACTION, BLOCK 87, A.T.S. NO. 3; THENCE N55°40'E - 108.80' TO THE N.E. CORNER OF THE SOUTHERLY FRACTION, BLOCK 87, A.T.S. NO. 3, IDENTICAL WITH THE N.W. CORNER OF LOT 18, BLOCK 83, A.T.S. NO. 3 AND A POINT ON THE SOUTHERLY BOUNDARY OF LOT 17, BLOCK 83, A.T.S. NO. 3; THENCE ALONG THE COMMON BOUNDARY BETWEEN BLOCKS 83 AND 87, A.T.S. NO. 3, THE FOLLOWING COURSES; S33°42'E - 37.11'; S30°25'E - 400.06'; N58°28'E - 95.62'; S30°15'E - 300.68' TO THE S.E. CORNER OF BLOCK 87, A.T.S. NO. 3, IDENTICAL WITH THE S.W. CORNER OF BLOCK 83, A.T.S. NO. 3; THENCE S87°44'11"E - 79.50' ALONG THE SOUTHERLY BOUNDARY OF BLOCK 87, A.T.S. NO. 3, COMMON WITH THE NORTHERLY BOUNDARY OF A.T.S. NO. 201, TO A POINT IDENTICAL WITH THE S.W. CORNER OF BLOCK 86, A.T.S. NO. 3; THENCE, ALONG THE COMMON BOUNDARY BETWEEN BLOCKS 86 AND 87, A.T.S. NO. 3, THE FOLLOWING COURSES; N50°38'W - 29.76'; S39°22'W - 20.00'; S50°38'E - 7.26' TO THE SOUTHERLY BOUNDARY OF BLOCK 87, A.T.S. NO. 3, IDENTICAL WITH THE S.E. CORNER OF BLOCK 86, A.T.S. NO. 3 AND THE N.W. CORNER OF A.T.S. NO. 201; THENCE S87°44'11"W - 100.82' TO THE S.W. CORNER OF BLOCK 87, A.T.S. NO. 3; THENCE N42°14'32"W - 635.14' ALONG THE WESTERLY BOUNDARY OF BLOCK 87, A.T.S. NO. 3, TO THE N.W. CORNER OF THE SOUTHERLY FRACTION, BLOCK 87, A.T.S. 3; THENCE N55°40'E - 110.55' ALONG THE NORTHERLY BOUNDARY OF THE SOUTHERLY FRACTION, BLOCK 87, A.T.S. 3, THE TRUE POINT AND PLACE OF BEGINNING.

CONTAINING 126,498 SQUARE FEET (2.904 ACRES) MORE OR LESS.



3/29/95, 1995
DATE

SAS Project No. 941662

RSM

Exhibit A