CBJ DOCKS & HARBORS BOARD
<u>OPERATIONS/PLANNING COMMITTEE MEETING AGENDA</u>
For Wednesday, November 14th, 2018

I. Call to Order (5:00 p.m. at the CBJ Assembly Chambers)

II. Roll Call Don Etheridge, Bob Janes, Budd Simpson, David McCasland, Dan Blanchard, James Becker, Bob Wostmann, Mark Ridgway and Weston Eiler.

III. Approval of Agenda

MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED

IV. Public Participation on Non-Agenda Items (not to exceed five minutes per person, or twenty minutes total)

V. Approval of Wednesday, October 17th, 2018 Operations/Planning Meetings Minutes

VI. Consent Agenda - None

VII. Unfinished Business - None

VIII. New Business

1. ~~Yankee Cove Development Lease Appraisal Rent Review~~
~~Presentation by the Port Director~~

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TBD

2. LUMBERMAN Update
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TBD

3. Archipelago Property Update
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TBD

4. Approval of the 2020-2025 Capital Improvement Project (CIP)
Presentation by the Port Engineer

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO APPROVE THE DOCKS & HARBORS 2020-2025 CAPITAL IMPROVEMENT PROJECT (CIP) LIST.

5. Docks: Enhanced Security Facilities
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO RECOMMEND THE TRANSFER OF $170K OF FY19 MARINE PASSENGERS FEES IN THE DOCKS ENTERPRISE OPERATING BUDGET TO A NEW CIP PROJECT FOR ENHANCED SECURITY FACILITIES.

IX. Items for Information/Discussion

1. Annual Report to the Assembly
Presentation by the Port Director

Committee Discussion/Public Comment

2. Small Cruise Ship Infrastruture Master Plan – Request for Proposal
   Presentation by the Port Director

Committee Discussion/Public Comment

3. Safety & Security of Harbor Facilities
   Presentation by the Port Director

Committee Discussion/Public Comment

4. North Douglas Launch Ramp Improvement Concept
   Presentation by the Port Director

Committee Discussion/Public Comment

X. Staff & Member Reports

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting- **Wednesday, December 12th, 2018.**

XII. Adjournment

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, October 17, 2018

I. Call to Order

Mr. Eiler called the meeting to order at 5:00 p.m. in The Assembly Chambers.

II. Roll Call

The following members were present: Jim Becker, Don Etheridge, Bob Wostmann, David McCasland (5:02), Budd Simpson, Mark Ridgway and Weston Eiler.

Absent: Robert Janes, Dan Blanchard

Also present: Carl Uchytil – Port Director, Gary Gillette – Port Engineer, David Borg – Harbormaster and Matthew Creswell – Deputy Harbormaster.

III. Approval of Agenda

Under IX, New Business #1 Yankee Cove Development Lease Appraisal Rent Review has been removed from tonight's meeting. The lessee requested that his appraisal rent review be moved to the November agenda so he can have his attorney present.

MOTION By MR. RIDGWAY: TO APPROVE THE AGENDA AS PRESENTED AND AMENDED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Special Order of Business. Mr. Matthew Creswell, Deputy Harbormaster was introduced by Mr. Uchytil and was presented his award as the City & Borough of Juneau - Docks & Harbors Employee of the Year 2018. This award was presented at the Alaska Association of Harbormasters and Port Administrators annual conference in Seward, Alaska on October 9, 2018. Mr. Creswell was unable to attend the conference. The City & Borough of Juneau Docks & Harbors will be hosting the AAHPA annual conference September 30- October 5, 2019.

V. Public Participation on Non-Agenda Items – Karla Hart, Juneau, Alaska proposed to the Committee details on securing a location at Statter Harbor to store and launch kayaks, rowing shells and paddle boards during the off-season only. There are currently racks in Aurora Harbor near the Yacht Club, but she no longer lives downtown and would like to start using Auke Bay as it is closer to her home. The months she has is mind is mid-October to late-April. She has volunteers who would build the seasonal racks to store the equipment and also help in the install if needed. Dave Borg, Harbormaster said he is aware of her request and will be working with her to try to secure a location that will work for everyone. She is not sure how many users would be using the racks during the winter months. Mr. Borg said he is most concerned with the amount of weight on the float she is proposing. The Board will confer and if any action is needed in the future she will be contacted by staff.

VI. Approval of Wednesday, September 19TH, 2018 Operations/Planning Committee Meetings Minutes

MOTION By MR. RIDGWAY: TO APPROVE THE SEPTEMBER 19TH, 2018 MEETING MINUTES AS PRESENTED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

VII. Consent Agenda - None

VIII. Unfinished Business

1. CCTHITA Cultural Immersion Center
   Presentation by Emily Edenshaw

   Introduction of Emily Edenshaw and her colleague, Jodi Gatti, who will be filling in for Ms. Edenshaw while she is out on maternity leave. At her last meeting with the OPS/Planning Committee, Ms. Edenshaw had asked for permission to move ahead with the spill cleanup on the former Thane Ore House property which was granted. The Central Council of Tlingit and has been working closely with Nortech Environmental Energy Health and Safety Consultants on the cleanup of the spill at the land around the Ore House on Thane Road. The spill was minimal and Alaska Department of Environmental Conservation (ADEC) was asked to close the area as of June 1st, 2018. The bill was minimal, so Tlingit and Haida covered the full cost of the cleanup. Tlingit and Haida have been working on their business and fund raising plans as well as working with Capital City Fire and Rescue on a draft burn plan for the building known as the Thane Ore House. Tlingit and Haida Council held a meeting with the Thane Neighborhood Association on October 16, 2019 regarding the burning of the building. It was a good meeting with great feedback and valid concerns. Tlingit and Haida have their draft burn plan and funding in place and would like to ask the CBJ Docks & Harbors Board permission to move forward with the burn. She has spoken with Todd Chambers, Capital City Fire & Rescue Assistant Fire Chief and he thinks the burn can take place as early as November 3rd, 2018 but more likely it will be mid-November. The burn is also a great opportunity for Capital City Fire to do training during the burning of the building. The weather will be a role in the burn and their back up plan should the burn not occur is a manual demolition of the building. It was questioned whether there needs to be an approval process for the Docks & Harbors Board to sign off on the burn plan. Mr. Chambers has followed up with the Department of Environmental Conservation and was told an official letter needs to be sent stating the area has been cleaned up and once the letter has been received the burn plan can proceed. The authorization for the burn will come from the Department of Environmental Conservation and not Capital City Fire and Rescue.

Committee Discussion:

Mr. Uchytil was present at the CDD sponsored presentation at the downtown library on the Cultural Immersion Center on October 16, 2018. Jansen Yorba Lott Architects gave a very nice presentation on the Cultural Center. The plans show a different entry way into the Center which is further out the road and is very attractive and a lot of thought has gone into the plans.

Public Comment - none

Committee Discussion/Action:

It was noted by Mr. Bob Wostmann that this is a great training opportunity for the Capital City Fire and Rescue Department to be able to be in an actual burning structure. The opportunities are few and far between so this active fire training is a good thing. The amount of time and detail it takes to secure a burn permit is very tedious and congratulations to Tlingit and Haida for going and making it through that process. Mr. Ridgway commented that his recollection that Mr. Janes concerns were not the removing of the building, but Tlingit and Haida having their financial and business plans done so that the Immersion Center would move forward once the Thane Ore House building has been demolished.

MOTION by MR. ETHERIDGE TO SUPPORT CENTRAL COUNCIL TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA PLAN TO RAZE THE FORMER ORE HOUSE BUILDING THROUGH A CONTROL BURN EXECUTED BY CAPITAL CITY FIRE AND RESCUE AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection.

IX. New Business

~~1. Yankee Cove Development Lease Appraisal Rent Review~~
~~Presentation by the Port Director~~.

~~Committee Questions~~

<u>Public Comment</u>

<u>Committee Discussion/Action</u>

~~MOTION:~~

X. Items for Information/Discussion

1. Financial Reports
   Presentation by the Port Director

On page 13 of the agenda packet shows the Docks & Harbors Dock Fund Overview. The graph summarizes the Dock Fund financials on budget revenues, actual revenues, expenses and the fund balance. The Docks Fund balance is $4M. On page 14 of the agenda packet shows the Harbor Fund Overview. The fund balance for Harbors has been drawn down to approximately $900K due to large projects we have been doing the last five years. Mr. Bob Bartholomew, City and Borough of Juneau Finance Director said he doesn't want this amount to go any lower than the $900K as a cushion is needed for emergencies. Mr. Wostmann wanted clarification that the drawdown of the Harbor Fund balance was due to capital expenditures and not operating expenses which Mr. Uchytil confirmed. Mr. Uchytil also noted is important when strategic planning to know where we are heading and that Docks & Harbors revenue exceeded expenditures.

The results of the Alaska Department of Transportation Grant Ranking for matching grants are in. We submitted two projects: Aurora Harbor Phase III for $2M and Harris Harbor Anodes for $125K. We were third on the list for Aurora Harbor Phase III and seventh on the list for Harris Harbor Anodes. It is hoped that the Governor will appropriate at least $5M which would give us the funding we need.

Staff has been working on the listed FY19-FY21 projects:

- Amalga Fish Cleaning Station (Alaska Fish and Game Grant)
- AMBA Shared costs with University of Alaska
- Aurora Harbor Phase III Design
- Statter Harbor Phase IIIA (15% Match using head tax)
- Statter Harbor Phase IIIB (potential of a land exchange in lieu of money)
- Aurora Harbor Phase III (construction match)
- Douglas Harbor Zinc Anodes
- Harris Harbor Zinc Anodes
- Statter Harbor Phase IIIC (uplands, restrooms and bus staging)
- ABMS Wave Attenuator USACE Study Match

Committee Discussion/Public Comment

Mr. Eiler let the Committee know that he is an employee of the University of Alaska doing government relations, so he would abstain from any decisions regarding the University.

The funds available after close outs are in addition to the remaining fund balance of $900K for Harbors plus the $1.2M from completed projects. The funds are being held in a CIP account.
Mr. Uchytil wanted to make sure Docks & Harbors staff is executing what the Board wants. Tracking is done by a CBJ Finance Department accountant and Gary Gillette, Port Engineer who also keeps track of all of the funding. The unexpected increase in revenue came from cruise ship revenues. This list is consistent with the last strategic planning retreat.

2. Lumberman Update
   Presentation by the Port Director

On September 27, 2018 Mr. Uchytil received an email for Mr. Aaron Timian, ADNR that stated there is no update. ADNR was sent information for a NOAA grant for marine debris removal. Mr. Uchytil has asked the United States Coast Guard Sector Commander to reengage the parties and to bring everyone together. CBJ Docks & Harbors has no jurisdiction over the Lumberman where it currently sits. If the Board want gives Mr. Uchytil permission to make it go away, he will do so, but at the expense of spending funds meant for another project. He can get this done in three months if it is the will of the Board. Mr. Uchytil does not feel that is the best use of Docks & Harbors monies. The Marine Exchange of Alaska is monitoring the movement of the vessel. The vessel has not moved and will probably not float southeast under the bridge. If it comes back into our waters, it will be the City and Borough of Juneau's responsibility. The Lumberman is just outside of the navigable part of the channel and is in Alaska State waters. We have no contractual obligation to remove the vessel. Mr. Wostmann asked if there is a possibility to ask other groups to help fund the removal of the vessel. Mr. Uchytil stated again that if it is the will of the Board he will make it go away. DNR is reluctant to remove the vessel. Mr. Ridgway said he thinks the approach Mr. Uchytil is taking is the right approach. Since it is not in our waters we should not spend our funds to dispose of the vessel. Mr. Uchytil stated that if it were in our jurisdiction, the first thing he would do is put it up for auction and try to sell it.

Committee Discussion/Public Comment – none.

3. Strategic Planning Coordination Efforts
   Presentation by the Port Director

It was asked if the Board wants to schedule a Strategic Planning Retreat and is their value in a Strategic Meeting. Only five members responded to a poll with available dates. Mr. Eiler said there is a lot of value to having strategic planning meetings if everyone can agree on a time to meet. If not, maybe the Committee should use one of the scheduled meetings dates for strategic planning. Mr. Wostmann suggested that a survey go out to participants and they prioritize a list on what they would like to discuss in a strategic planning meeting. The lists then would go to a moderator who would facilitate the results and be tasked with creating an agenda for a strategic retreat. It is agreed that strategic planning is very important and it needs to be prioritized. The Committee should direct Mr. Uchytil to compile and list the priorities and move forward with a time to hold a retreat(s). Committee members should do this via email to Mr. Uchytil for him to schedule between now and the Board Meeting in November. An inventory of tideland leases is a priority for some. Short term and long term goals should be listed and broken down for strategic planning. The Board needs to come up with a process before a meeting, and then send it to Staff to implement. If the Board individually wants to come up with two or three things then he will put together an agenda and move forward with a retreat.

Committee Discussion/Public Comment – none.

4. November/December 2018 and 2019 Board Calendar Planning
   Presentation by the Port Director

   If the Board is not going to meet for Strategic Planning, it is recommended that the dates for November and December 2018 not be changed. It is recommended that the same Wednesdays and Thursdays be calendared for 2019. The Board would like to hold both monthly meetings in Assembly Chambers when available and if it is not available then schedule Room 224.

   Committee Discussion/Public Comment – none.

5. Title 85 Review
   Presentation by the Port Director

   Mr. Uchytil is waiting on the CBJ Law Department to review the changes that the Board has requested. He will bring it back next month for review and approval.

   Committee Discussion/Public Comment – none.

6. New Visitor's Kiosk Update
   Presentation by the Port Engineer

   Gary Gillette, Port Engineer explained the current Visitor's Information kiosk was built in the mid 1970's and was moved to its current location in recent years. It does not meet American Disabilities Act (ADA) requirements and has a very poor design and needs replaced. Docks & Harbors received a $25K design grant from CBJ passenger fees fund. Gary Gillette has been meeting with Travel Juneau who operates the Visitor Center with their volunteers for their input on the design and location. The kiosk and smaller size meets their needs best. Docks & Harbors received $150K from Marine Passenger Fees to construct the kiosk which is a tight budget for design and building. He presented a floor plan drawing of the design and location. It showed an ADA ramp and location for where it would be built. It would be nine feet by thirteen feet, and would allow two to three volunteers in the kiosk at one time. It would also provide cover for visitors at the counter and also space to store information materials. It would have different operable windows and heights for ADA compliance and a roof overhang for visitors to stand or sit under for protection from the rain and weather. The final and preferred option was shown on an overhead projector.

Committee Discussion/Public Comment – none.

XI. Staff & Member Reports

On Monday, October 22, 2018 Docks & Harbors is holding a public meeting at the Mendenhall Valley Public Library regarding the Amalga Harbor Float Extension. Everyone is invited to attend.

When do we want to schedule our first joint meeting with the Assembly now that our new liaison, Mary Becker has been assigned to Docks & Harbors.

Mr. David Borg, Harbormaster informed the Board that winterization of the Harbors is in full motion. The grid is turned off for power and water in the Harbors. Mr. Borg received a report regarding three boats that were vandalized in the harbor. Crime has been down in the Harbors. There are cameras in place but it is still hard to get good coverage and information. There has been talk about installing gates but it has been met with resistance in the past by Harbor tenants. There is a full time Harbor Officer job opening and we have seven applicants for that position. Dennis Holloway who was the full time Harbor Officer has retired after 14 years.

The Salmon Resolution did not make the deadline needed to be a part of the statewide support of the Hatchery programs with the Juneau Assembly. The Board of Fish has postponed the discussion until March.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting- **Wednesday, November 14th, 2018.**

XII. Adjournment- The meeting was adjourned at 6:55pm.

Respectfully submitted, Mary Wolf

November 6, 2018

Carl Uchytil
CBJ - Docks and Harbors
155 S. Seward Street
Juneau, AK 99801

Subject: Yankee Cove Development, LLC Tideland Lease

Dear Mr. Carl:

We look forward to working with CBJ – Docks and Harbors (CBJ) to sort out the details of our lease. We'd like to recap what has occurred over the last year and what triggered this path of discovery.

Please refer to the following timeline:

- May 17, 2017 – Coeur notification of legal discrepancies (incorrect ATS number and owner name) in our lease with CBJ.
- June 25, 2017 – CBJ hires Horan and Company to do new appraisal with incorrect parcel areas and correct ATS number.
- June 26, 2017 – Notification letter of Lease Correction and Rent review.
- October 12, 2017 – New appraisal complete with incorrect parcel areas and correct ATS number.
- Date unknown - Amendment #1 – with correct parcel areas and ATS number provided for signature.

The original lease contract is in order except for the incorrect ATS number, and the owner name. These items can be corrected via a simple amendment. It is unclear why a full appraisal for new areas within the corrected ATS was warranted.

Our contract states that every 5 years the "Lessee shall pay all appraisal costs associated with re-evaluating and adjusting the annual lease payments." The Scope of Work provided to Horan by CBJ has a significant error and cannot be used to assess the value or our documented lease. The "Project Issues" section of the Scope of Work states:

"In the lease, the ATS number is 1347 with parcel A consisting of 0.59 acres (25,912 sq ft) and parcel B consisting of 0.25 acres (10,874 sq ft). The new ATS number is 1677 with parcel A consisting of 2.77 acres and parcel B consisting of 0.84 acres."

The areas of parcel A and B within ATS 1677 should be the same as they were within ATS 1347. These areas, 0.59 acres and 0.25 acres, were negotiated to establish our original contract with CBJ in 2008 and are documented within the recorded CBJ Ordinance Lease.

Yankee Cove Development (YCD) paid for this recent appraisal because our contract says we are responsible to "*… pay all appraisal costs associated with re-evaluating and making adjustments to the annual lease payments.*" Yet the appraisal was requested by CBJ with a Scope of Work written by CBJ that requested new areas be evaluated that are not part of the documented lease area. The level of effort required to fulfill the Scope of Work as written by

CBJ compared to what should have been done, that is, "re-evaluate and make adjustments" per the contract is not the same and the latter would have cost much less. YCD requests a full refund for the amount paid to Horan & Company so YCD can have a proper "re-evaluation" completed.

Thank you for your consideration in this matter.

Sincerely,
Yankee Cove Development, LLC

Marion Hobbs
Member
YCD LEASE.doc

Appraisal Report of
Annual Market Rent for Tidelands
Yankee cove development company
0.844 acres within ATS 1677
Juneau, Alaska

Photo 071317_O875 taken July 13, 2017 by C. Horan

Prepared For: Carl Uchytil, PE, Port Director
Teena Larson, Project Manager
City and Borough of Juneau, Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

Prepared By: Charles E. Horan, MAI
Horan & Company, LLC
403 Lincoln Street, Suite 210
Sitka, AK 99835

Effective Date: July 13, 2017

Report Date: September 28, 2017

Our File #: 17-092

HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN, MAI / WILLIAM G. FERGUSON,
JOSHUA C. HORAN, AND SLATER FERGUSON

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835

PHONE NUMBER: (907)747-6666 FAX NUMBER (907)747-7417 commercial@horanappraisals.com

September 28, 2017

Carl Uchytil, PE, Port Director
Attention: Teena Larson, Project Manager
City and Borough of Juneau, Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

Sent via Email: carl.uchytil@juneau.org
teena.larson@juneau.org

Re: Appraisal Report of Annual Market Rent for Tidelands, Yankee Cove Development Company, .844 Acres Within ATS 1677, Juneau, Alaska; Our File # 17-092

Dear Mr. Uchytil,

At your request, I have developed an appraisal of the estimated market rent for the tidelands referenced above. I contacted and interviewed the lessee, inspected the property and made a market analysis of the tidelands and waterfront real estate market to determine the market rent for the subject.

Based on my investigation and analysis as of the effective date, July 13, 2017, it is my opinion the annual market rent for the tidelands lease is as follows:

36,786 SF at 12¢/SF= $4,414.32/ year rent

This appraisal is completed under the hypothetical condition that the subject is undeveloped tidelands and includes no value attributable to the improvements made by the lessee.

Your attention is invited to the remainder of this report which sets forth the Assumptions and Limiting Conditions, Certification of Appraisal, and the most pertinent data considered in estimating the market rent value of the subject property. This appraisal report is intended to comply with the rules and regulations as set forth by the Uniform Standards of Professional Appraisal Practice (USPAP), the City & Borough of Juneau appraisal instructions and the Standards and Bylaws of the Appraisal Institute.

Thank you for this opportunity to be of service to you. If you have any questions or comments, please feel free to contact me at your convenience.

Respectfully Submitted,

Charles E. Horan, MAI AA41
HORAN & COMPANY, LLC

TABLE OF CONTENTS

CERTIFICATION OF APPRAISAL

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.

- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

- My engagement in this assignment was not contingent upon developing or reporting predetermined results.

- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

- The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.

- I have made a personal inspection of the property that is the subject of this report.

- No one provided significant real property appraisal assistance to the person signing this certification.

- I have not performed any services regarding the subject property, as an appraiser or in any other capacity, within the three year period immediately preceding acceptance of this assignment.

- As of the date of this report, Charles Horan has completed the continuing education program for Designated Members of the Appraisal Institute.

Charles Horan

Charles E. Horan, MAI, APRG 41
HORAN AND COMPANY, LLC

Effective date July 13, 2017
Report date September 28, 2017

1 INTRODUCTION

Figure 1.1 - Subject Lease Parcels are within the Tideland Tracts A & B. Note: Supporting 9 Acre Upland Tract to the North.

1.1 PROPERTY IDENTIFICATION

Two companion tideland tracts within ATS 1677 are the subject of this report. They are identified as the Yankee Cove dock (in Tract A) and breakwater (in Tract B) leased from the City and Borough of Juneau. The Yankee Cove dock has been developed on the leased lands which are appraised for the annual market rent as if undeveloped. The property is located adjacent to Favorite Channel, approximately 34.5 miles north of Juneau, Alaska.

The tidelands are adjacent to accreted lands seaward of USS 571 and ASLS 96-37. See figure 1.1 for a visual reference of the subject's location.

Legal Description:	The subject lease area is within Alaska Tidelands Survey 1677, Juneau Recording District, First Judicial District. See the lease document for the actual lease tract areas.
Assessor's Parcel #:	3B4401000052

1.2 PROPERTY RIGHTS APPRAISED

The market rent estimate is for the subject in fee simple interest and property rights less mineral rights, in its pre-lease unimproved condition.

1.3 CLIENT, OSTENSIBLE OWNER & LESSEE

Client and Ostensible Owner:	City and Borough of Juneau, Docks and Harbors.
Lessee:	Marion Hobbs, Yankee Cove Development LLC

1.4 THREE-YEAR PROPERTY HISTORY

The subject tidelands have been leased by the current lessee since 2004. The property was leased to Coeur Alaska, a mining company, in 2007 for $10,000 per month net lease with a property tax split between lessee and lessor. Their rent is adjusted annually by the Anchorage CPI. In addition Coeur paid approximately $225,000 for the floating dock, ramp and steel piling. Hobbs did the site work including rip rap rock wall and breakwater.

A complete copy of the lease is contained in the addenda.

1.5 LESSEE CONTACT, INSPECTION AND EFFECTIVE DATE

Mr. Marion Hobbs, the owner's representative, met Charles Horan, MAI on the site for a walk around inspection July 13, 2017. This is the effective date of the appraisal.

1.6 PURPOSE, INTENDED USE AND USER

Purpose: The purpose of this appraisal is to estimate the annual market rent for the subject in its prelease unimproved condition.

Intended Use: This valuation is to be used to help establish market rent per the rental adjustment provisions of the lease.

Intended Users: City and Borough of Juneau, as Lessor, and Marion Hobbs Yankee Cove Development LLC Incorporated, as Lessee.

1.7 APPRAISAL METHODOLOGY

The most direct way to value the subject's lease rent is on a rent per square foot comparison basis. We considered a wide variety of market information displayed in Section 2 of this report. In the subject instance we will use the three comps. Due to the limitation of sales, this analysis has been facilitated by developing a market relationship between tideland rents as a percentage of the estimated fee value. We have used a rate of 8% to calculate fee values from rental indicators in our broader analysis. Also, the nominal unit value of tidelands as developed through the ratio between unit values of related uplands to the tidelands was considered as background. These rates and ratios are discussed specifically in Section 2 of this report and are further analyzed and explained in the "Tidelands Lease Rents-Ratios and Percentages" section of the addenda.

We identified comparable information through interviews with knowledgeable participants in the real estate markets such as local appraisers, other lessors and lessees, discussions with municipal property assessment personnel, and others who are familiar with the real estate market in Southeast Alaska. A search was performed of similarly used properties in the communities throughout Southeast Alaska. Information was collected from reliable sources as available.

Our office maintains market data information on sales and transfers, and on a geographic location basis for those rural properties not connected to a road system. Within each of these areas, the data is further segmented into commercial and residential properties. Within these divisions of separation are divisions for zoning and whether the properties are waterfront or upland parcels. Horan & Company, LLC, maintains and continually updates this library of sale transactions throughout the Sitka and Southeast Alaska region and has done so for over 25 years.

1.8 SYNOPSIS OF LEASES

The major points of the lease are summarized below. A copy of the lease is included in the addenda of this report. The lease began in July 2004 and was amended in September 2006 when the subject was surveyed, resulting in changes in the lease area.

Legal Description/Leased Premises:	The leased premises parcel depicted on Exhibit "A" consists of 0.59 acres (25,912 SF) of tidelands property for the dock facility and related marine activities. The lease premises parcel depicted on Exhibit "B" consists of 0.25 acres (10,874 SF) of tidelands property for the breakwater and related marine activities. The lease parcels are within Alaska Tideland Survey 1677.
Lessor/Ostensible Owner:	City and Borough of Juneau, Alaska.
Lessee:	Marion Hobbs, Member. Yankee Cove Development, LLC.
Term of Lease:	35 years
Annual Lease Payment:	The original lease payments in February, 2007 were $1,295.60 ($0.05/SF) for Exhibit "A" and $543.70 ($0.05/SF) tax for Exhibit "B". Total annual lease $1,839.30 ($0.05/SF).

Lease Dates:	Began February 27, 2008, expires February 26, 2043. There is an option to extend for an additional 35 years with the city approval.
Rental Adjustment Period:	Every five years. It appears as though the 2013 rental adjustment was not made.
Use:	Construction, operation, and maintenance of a dock, a breakwater, and related marine activities.
Property Rights Included:	Normal rights conveyed by lease.
Property Rights Excluded:	No mineral rights are conveyed by lease.
Other Terms of Lease:	Typical full net lease indemnifying lessee.
Easements:	None known other than the 50 foot access easement seaward of the mean high water line as noted on ATS 1677.
Removal or Reversion of Improvements:	Retained by Lessee or its successor if all obligations of lease have been fulfilled. Specified removal at Lessor's option with no injury or damage to the lands demise.
Improvements Included:	None. All improvements to be provided by lessee.
Size:	36,786 SF or 0.844 AC.

1.9 ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report and valuation contained herein are expressly subject to the following assumptions and/or conditions:

Hypothetical Conditions

HC 1 – This report is made under the hypothetical condition that the subject is in its unimproved prelease condition.

General Assumptions and Limiting Conditions

1. It is assumed the data, maps and descriptive data furnished by the client or his representative are accurate and correct. Photos, sketches, maps, and drawings in this appraisal report are for visualizing the property only and are not to be relied upon for any other use. They may not be to scale.
2. The valuation is based on information and data from sources believed reliable, correct and accurately reported. No responsibility is assumed for false data provided by others.
3. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property.
4. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraisers' estimate of the highest and best use.
5. It is assumed the title to the property is marketable. No investigation to this fact has been made by the appraisers.
6. No responsibility is assumed for matters of law or legal interpretation.
7. It is assumed no conditions existed that were undiscoverable through normal diligent investigation which would affect the use and value of the property. No engineering report was made by or provided to the appraisers.
8. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
9. The value estimate is made subject to the purpose, date and definition of value.
10. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.
11. Any distribution of the valuation in the report between land, improvements, and personal property applies only under the existing program of utilization. The separate valuations for land, building, and chattel must not be used in conjunction with any other appraisal and is invalid if so used.
12. The signatory of this appraisal report is an associate member of the Appraisal Institute. The bylaws and regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety to such third parties as selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media

for public communication without the prior written consent of signatories of this appraisal report.

13. The appraisers shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.

1.10 TERMINOLOGY

Market Rent

The most probable rent that a property should bring in a competitive and open market.

Rental Rate

The percentage of market value that a comparable class of private property would bring in the open market with the same conditions of lease as offered by the state.

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 97

The use of hypothetical conditions or extraordinary assumptions may affect the assignment results.

Tidelands

All areas which are at or below mean high tide and coastal wetlands, mudflats, and similar areas that are contiguous or adjacent to coastal waters and are an integral part of the estuarine systems involved. Coastal wetlands include marshes, mudflats, and shallows and means those areas periodically inundated by saline waters.

Market Value is defined as:

> "The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restriction of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements."

The Appraisal of Real Estate Appraisal Institute, 14th Edition, Page 447

Exposure Time

The exposure time is estimated at between one and two years. These properties do not often sell and would require some time for due diligence and the finding the right buyer. Market exposure time is retrospective of the appraisal date and linked to the Opinion of Market Value. It considers the depths of supply, availability of funds for purchased, the depth of demand, and the functional utility of the property. It assumes that the property would be professionally marketed and would allow a reasonable period of time for due diligence.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 123

2 MARKET AREA ANALYSIS

2.1 JUNEAU AREA ANALYSIS

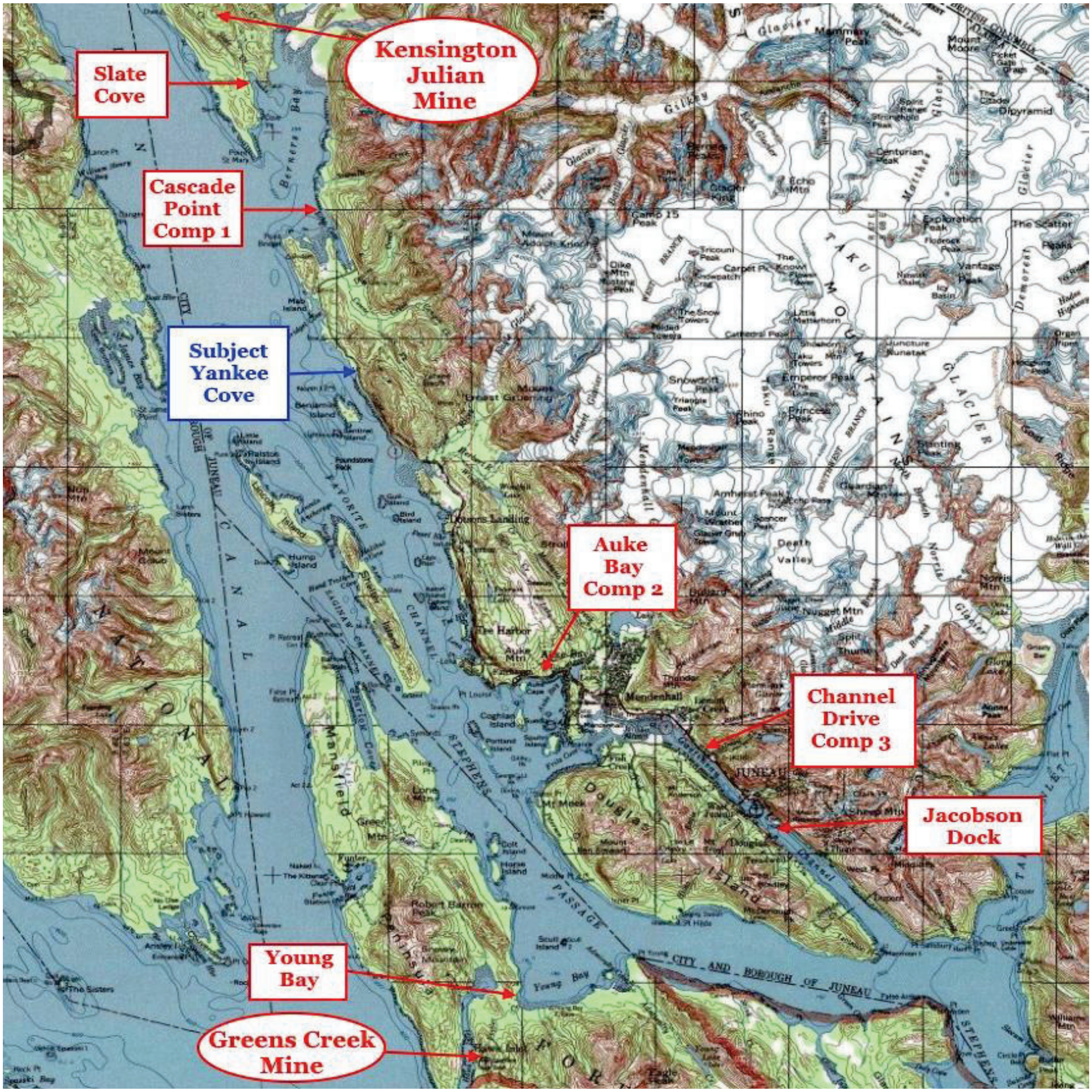


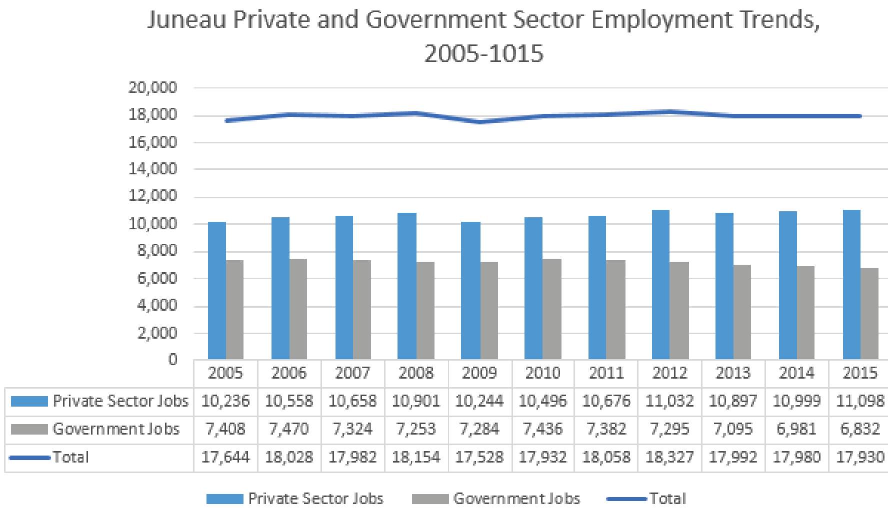
FIGURE 2.1 - MAP SHOWING SUBJECT, COMP LOCATIONS, AND TIDELAND LEASE SITES FOR INDUSTRIAL AND MINE TRANSPORTATION DOCK USES.

Overall Market

The demand for property is driven by population, which is in large part driven by employment.

The Juneau economy is primarily driven by the government. 40% of all jobs and 50% of all wages in Juneau are Federal, State or Tribal Government. Being the state capitol, State of Alaska employment makes up about a quarter of this payroll.

Diversifying elements of Juneau's economy include tourism, two nearby major gold mines (Greens Creek and Kensington), regional and local health care, and the seafood industry. The Juneau and Southeast Alaska Economic Indicators July 2016 released by the Juneau Economic Development Council (JEDC-2016), indicates a very slight contraction of combined government and private sector jobs of less than 1%. See Figure 2.2 extracted from JEDC reports. The federal civilian sector was most significantly impacted by the reduction, losing a total of 15 jobs, but saw no reduction in wages paid. Healthcare, construction, mining, and state government all saw reductions in the numbers of jobs, but actual small gains in payroll as part-time and lower paying jobs were reduced or consolidated. Job gains were concentrated in Juneau's tourism sector and administrative service jobs.State government lost the most jobs, contracting by 4%. Local government made up for some of the loss with an additional 38 jobs in 2015. The employment outlook will have Juneau's economy strongly impacted by the approach the legislature takes to solve the state's budget deficit. With continued diminution of state and federal employment,the community may experience an out-migration that effects all aspects of the economy.

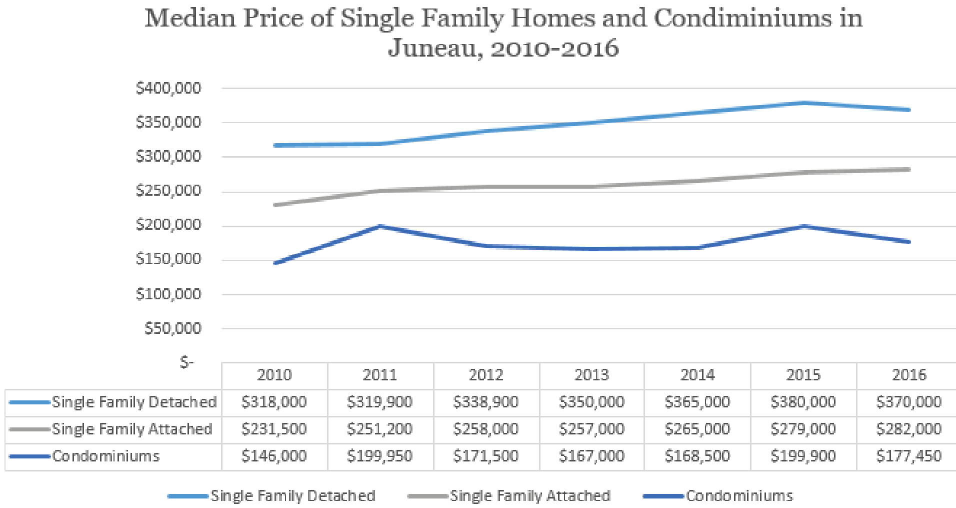


	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Private Sector Jobs	10,236	10,558	10,658	10,901	10,244	10,496	10,676	11,032	10,897	10,999	11,098
Government Jobs	7,408	7,470	7,324	7,253	7,284	7,436	7,382	7,295	7,095	6,981	6,832
Total	17,644	18,028	17,982	18,154	17,528	17,932	18,058	18,327	17,992	17,980	17,930

FIGURE 2.2– EMPLOYMENT TRENDS
SOURCE: JEDC.ORG

According to the JEDC, Juneau's population leveled off in 2014 after six years of continuous growth from a low in 2007 of 30,350 to 33,030 in 2013 and 33,026 in 2014. This compounded annual growth of 0.5% is less than the state growth of 1.0%, but more than Southeast Alaska's 0.2% compounded growth rate. JEDC states that the population and economy will be impacted by the legislature's approach to solving the state's budget deficit.

The JEDC Economic Indicators Report confirms that Juneau's housing market has witnessed relatively stable growth. Home sales were up by 10% in 2015 over 2014, with increased sales in all residential types with the exception of single family detached. Prices have continued to

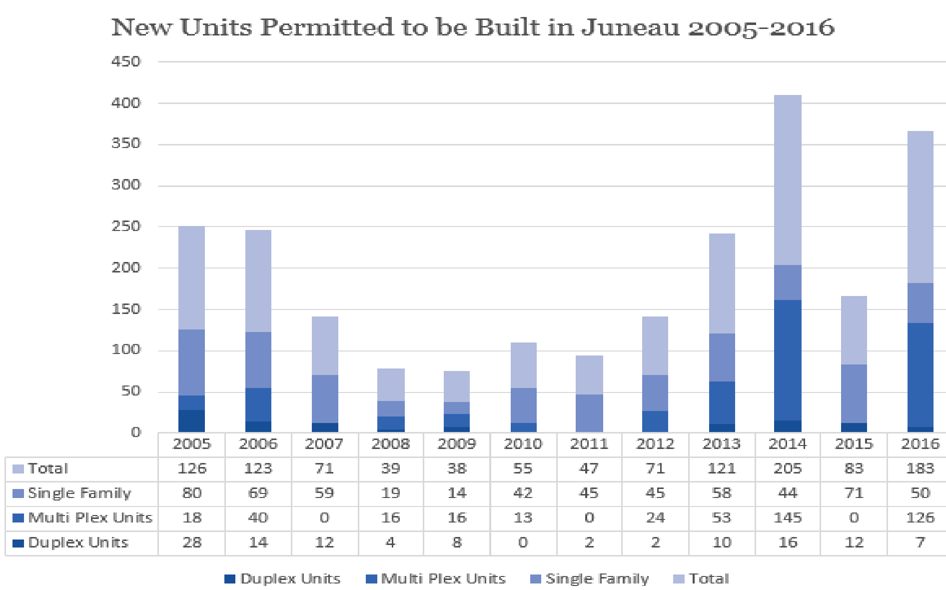


	2010	2011	2012	2013	2014	2015	2016
Single Family Detached	$318,000	$319,900	$338,900	$350,000	$365,000	$380,000	$370,000
Single Family Attached	$231,500	$251,200	$258,000	$257,000	$265,000	$279,000	$282,000
Condominiums	$146,000	$199,950	$171,500	$167,000	$168,500	$199,900	$177,450

FIGURE 2.3 – MEDIAN HOUSE PRICE TRENDS
SOURCE: SOUTHEAST ALASKA MULTIPLE LISTING SERVICE

increase, with single family homes gaining 5.5% in 2015 and rising to the date of the JEDC report in 2016. According to the report, there were 202 sales of single-family detached residences in 2015, compared to 209 in 2014 and 219 in 2013. The median price has remained relatively stable in recent years within 4%, between $365,000 and $380,000. These trends seem to indicate that Juneau has recovered from the volume and price lows of the mid 2000's. Please see Figure 2.3.

Trends in new construction indicate a large number of multiplex units permitted. Permits for single family residential was up to 71 in 2015 from 44 in 2014 and 50 permits were issued for SFR's in 2016. Please see Figure 2.4 extracted from JEDC's data (http://www.jedc.org/Housing-Indicators).



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total	126	123	71	39	38	55	47	71	121	205	83	183
Single Family	80	69	59	19	14	42	45	45	58	44	71	50
Multi Plex Units	18	40	0	16	16	13	0	24	53	145	0	126
Duplex Units	28	14	12	4	8	0	2	2	10	16	12	7

FIGURE .2.4 – NEW CONSTRUCTION TRENDS
SOURCE: CBJ BUILDING PERMIT OFFICE

Given the above information, market conditions in Juneau may change depending on the state's approach to budget deficits. The Juneau economy needs to continue to diversify. The outlook based on these trends appears to favor steady growth in Juneau's residential real estate market for the near future; however commercial demands may diminish with employment. These are trends that impact the overall market closer to the Juneau core. The spinoff demand and impact to property nearly 40 miles out of Juneau in the subject neighborhood is relatively limited given the behavior in that market over the last several years. This is further described in the following section.

NEIGHBORHOOD/SUBMARKET ANALYSIS

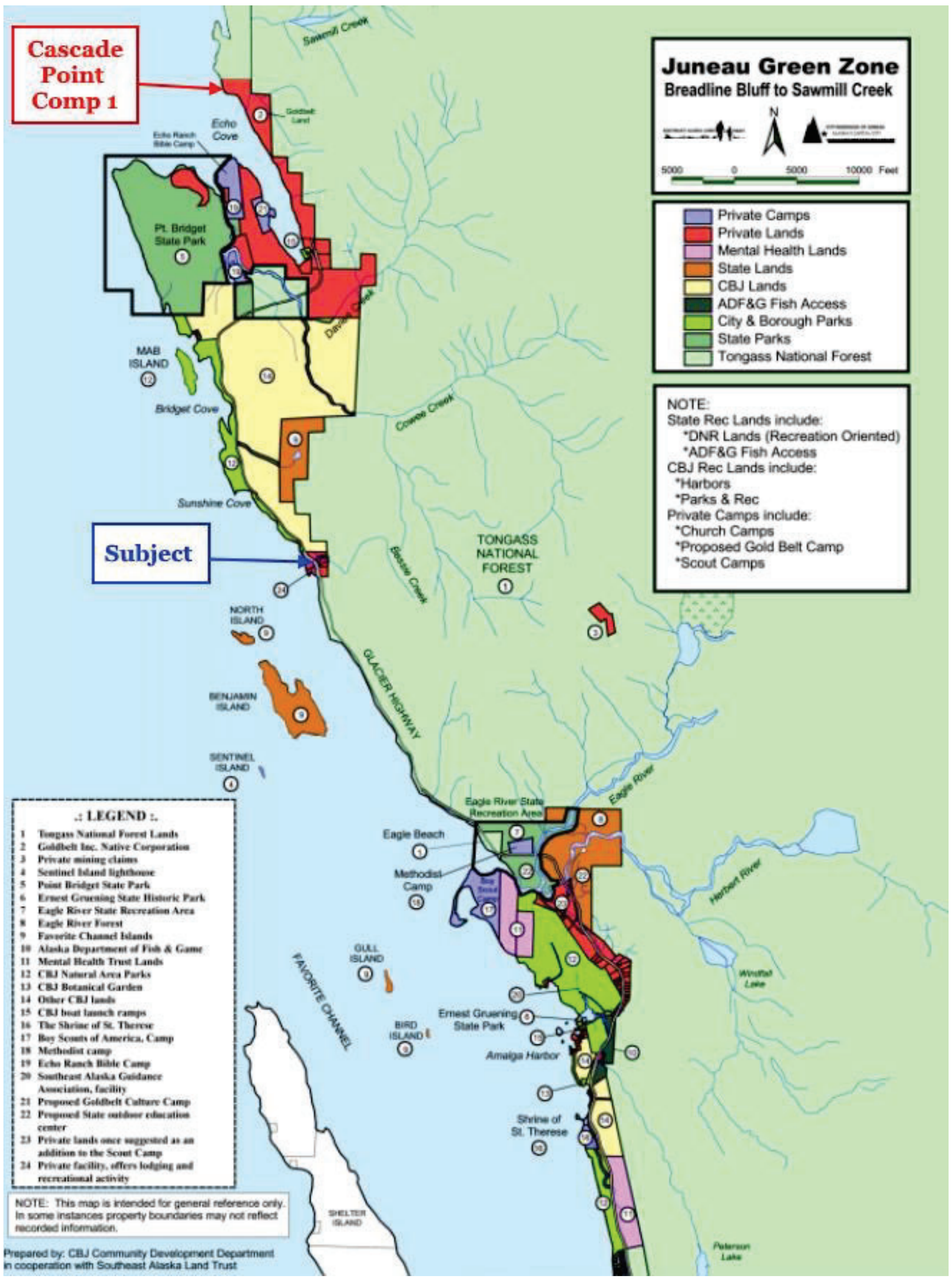


FIGURE 2.5 - NEIGHBORHOOD MAP SHOWING OWNERSHIP

The subject property is at Yankee Cove, adjacent to Favorite Channel. The tidelands lease services a medium draft vessel dock, which currently caters to transporting Kensington mine employees and materials to Slate Cove across Berners Bay, a distance of about 16 miles. The subject is located about 10 miles south of Echo Cove at the end of the paved road public system. The road continues about 3 miles north to Cascade Point. There is a tidelands lease at this location in anticipation of a shorter ferry run distance to Slate Cove.

The subject neighborhood is typical of many rural highway waterfront communities in Southeast Alaska. Glacier Highway generally follows the coastline in a northerly direction from the Mendenhall Valley and downtown Juneau. Its penetration into the interior lands is limited by topography and other developmental restrictions and demand. The immediate area near the subject is known as Yankee Cove. The area is characterized by steep slopes and heavy forest terminating in the shallows of the estuary of Bessie Creek and its associated drainages.

There are very few sales in the area. Comparable market indicators are found in other competing areas throughout the Juneau road system. The market demand is static.

FIGURE 2.7 - JACOBSON CRUISE SHIP DOCK SHOWING UPLAND LEASE AND THE ADJACENT TIDELAND LEASE

COMPETITIVE COMMERCIAL WATERFRONT PROPERTIES-

As a dock site, competitive properties along the Juneau road system would generally be south of the subject. There are no recent industrial waterfront site sales. The most recent lease was in 2016 at 3155 Channel Drive, a 6 ½ acre site to SECON for just over 90¢/SF per year. This fully developed barge landing site had an underlying tideland lease similar to the subject situation in its pre developed state at 15¢/SF. The undeveloped land lease rent is 16.7% of the upland lease unit value (15¢/SF divided by 90¢/SF). This undeveloped tideland lease is typical of the Channel Drive area, 3 miles from downtown Juneau.

Cruise ship docks raw tidelands in the Juneau area are leasing at 40¢/SF to 60¢/SF. These are far superior to the subject in location and economic demand. One leased parcel at 40¢/SF has an adjacent upland lease at $1.60/SF per year. Both these leases reflect undeveloped land whereby the lessee built out the up land and tidelands docking and staging structures. This indicates a ratio of undeveloped tideland lease at 25% of the unit value of the adjacent upland lease rate.

FIGURE 2.8 - ALASKA GLACIER SEAFOODS LEASE ADJACENT TO FEE OWNED UPLANDS.

There are several leases in Auke Bay. The most recent is the Alaska Glacier Seafoods lease, submerged lands adjacent to the fee owned tidelands renting for 18¢/SF. This is in a superior location to the subject but has similar inferior land characteristics in that it is wholly submerged lands only. This Tideland lease is adjacent to the uplands which have been filled behind the seawall, similar to the subject dock site. The cost of filling these lands in creating the seawall is well over $30.00/SF.

FIGURE 2.9 - CASCADE POINT TIDELAND LEASE.

In consideration for the subject's rural location 34 miles out Glacier Highway, we also looked at remote lease sites including Slate Creek Cove; the Kensington Mine drop off site north of Berners Bay. The five acre lease is for just over 3¢/SF, set back in 2014. There's a 4.4 acre lease tract in Greens Bay that serves for the drop off site at Greens Creek Mine on Admiralty Island, which lease was adjusted in January 2015 at 3.2¢/SF. The sites are obviously inferior having no connection to the Juneau road system. By contrast there is a 5.6 acre lease tract at Cascade Point at the very end of the Juneau road system which rents for just over 6¢/SF. One of the significant issues that would influence the lease rate per SF is that these sites are large and square off sites, not as narrowly described as the subject, which minimizes the subject area. The economic influence here would be that the rent may be somewhat lower on a direct comparison basis but the SF rent would be significantly higher.

3 PROPERTY DESCRIPTION

3.1 SITE DESCRIPTION

The subject is located in Yankee Cove approximately 34.5 miles north on Glacier Highway from Juneau, Alaska. This is a relatively well protected cove from north, east and northwest weather. The cove has exposure on the west which has been mitigated by a rock breakwater built on a portion of the subject lease lands by the lessee. The subject lease tracts are negotiated remnants of the larger area that had been covered by a corps permit for dredge and fill (see Figure 3.3 for an excerpt of that drawing). These lands have been conveyed to the city for management purposes since the lease began. The conveyance which approximates the original lease negotiation tracks include Alaska Tideland Survey 1677 (an excerpt of which is included below in Figure 3.1) and Bessie Creek, an anadromous stream bisects the cove restricting development in that area.

The subject lands have been developed by the lessee with the aforementioned breakwater, east of Bessie Creek and a filled parking/staging area with a ramp and floating dock west of Bessie Creek as noted in these drawings.

Site Size and Shape
Per the lease, the square foot areas of the subject are 10,876 SF of the west side of Bessie Creek supporting the breakwater and 25,912 SF on the east side of the creek supporting the rip rap rock fill parking area, ramp and float areas. Total indicated lease area 36,786 SF.

The subject actual lease areas are contrasted with the surveyed areas to the CBJ in the following table.

TABLE 3.1 - SUMMARY LEASE AREA COMPARISON TO COMPACT TRACT (PARENT TRACT) FROM WHICH LEASE MADE.

	Tr B-west of creek	Tr A-east of creek	Total areas
Parent Tract ATS 1677	0.84 acres	2.77 acres	3.51 acres
Leased Parcels	0.25 acres	0.59 acres	0.844 acres
Use Ratio	29.8%	21.3%	23.9%

The lease parcels give the subject an effective usable water front of just over 160 feet (65 feet seaward and of submerged float extension and 97.81 feet frontage along staging area loading zone).

The tidelands shallow up in this area due to the influence of Bessie Creek and it is unlikely there will be any other commercial development in the cove due to access and size.

Although the lands have been dredged, filled and developed by the lessee with a dock, for the purpose of this appraisal for estimating the annual market lease rate they are appraised in their pre development condition.

Enhanced Utility of Subject Parcels

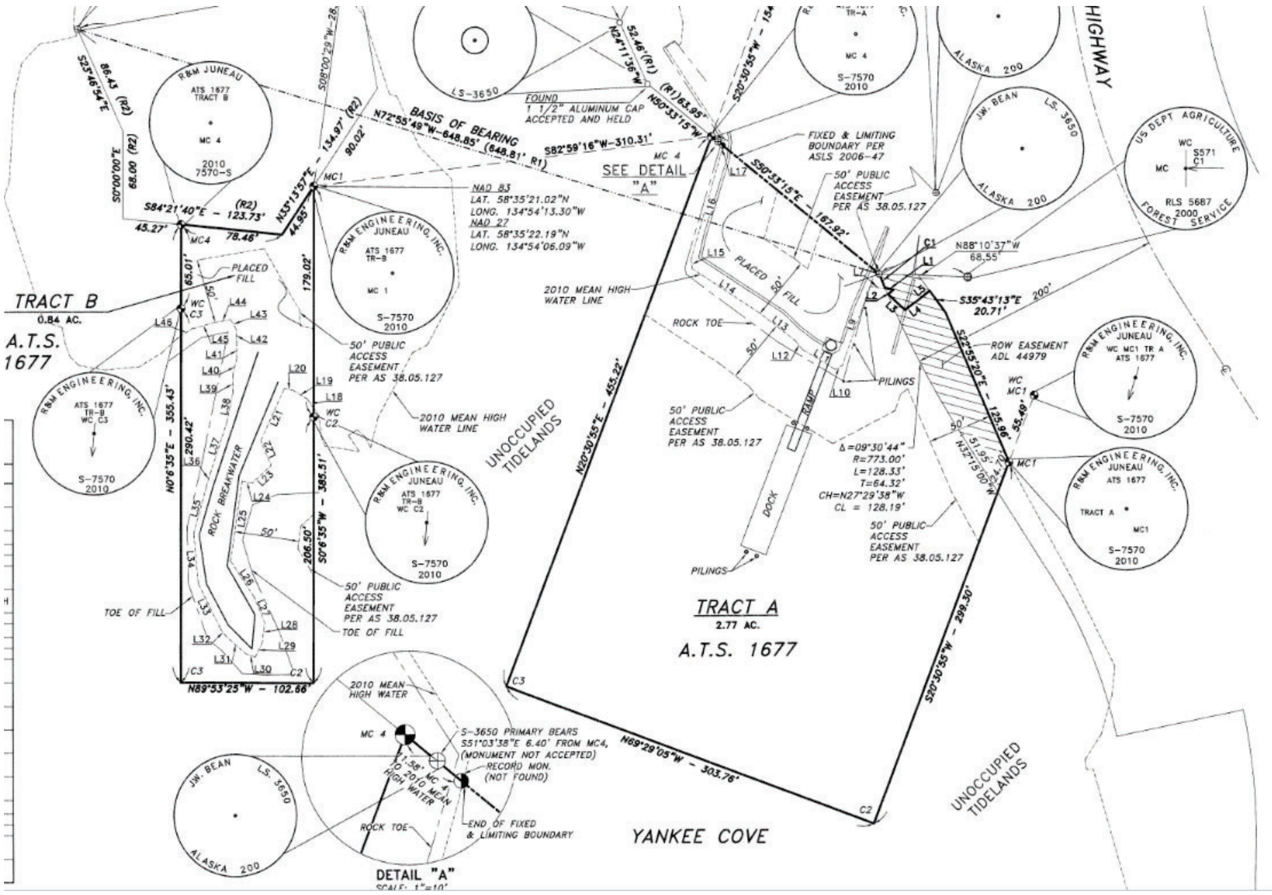


FIGURE 3.1 EXCERPT OF ATS 1677. PLEASE SEE A COMPLETE COPY OF ATS 1677 IN THE ADDENDA. THIS FIGURE SHOWS THE AREA AS CONVEYED FROM THE STATE TO THE CITY FROM WHICH THE LEASE PARCELS ARE DESIGNATED. IT SHOWS THE SQUARED OFF AREAS SIMILARLY SHAPED AS OTHER TIDE LAND LEASES IN THE MARKET. THESE AREAS CONTRAST TO THE SUBJECT'S "COOKIE CUTTER" OR NARROWLY SCRIBED AREAS OUTLINED IN THE LEASE.

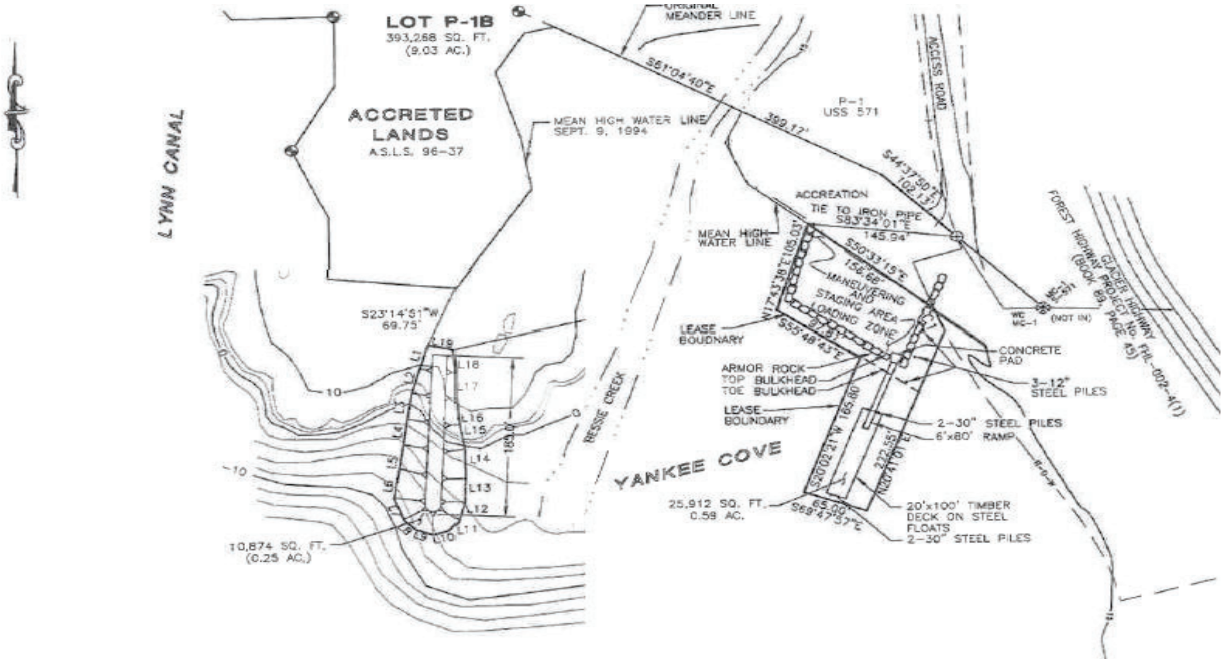


FIGURE 3.2 - COMPOSITE MAP FROM EXISTING LEASE EXHIBIT A. ALTERED TO SHOW BOTH PARCELS. HORAN & CO. NOT TO SCALE.

The subject parcels and boundaries generally scribe the exact use areas, leaving other areas that would normally be required for maintenance, navigation and generally squaring off the properties to define them as distinct from other adjacent properties. The "leavings" around the edge of the subject's narrowly scribed parcels have little remaining utility to the underlying property owner (lessor). This enhances the value of the smaller circumscribed parcels as compared to typically leased parcels that are normally squared off. In other words, the subject and another property could have similar utility. However, the subject's narrowly defined property has less square footage as designated in the lease. Therefore, the lesser area of the subject has a greater value than the nominal area of competitive parcels and are squared off.

It appears the 200 feet ROW from Glacier Highway center line shown in Tract A is not on the subject lease parcel. This is a sloping beach area at an extremely lower elevation than the roadway. There is a 50 foot wide public access easement, standard for waterfront properties, which does imprint on the subject lease areas but does not inhibit the subjects use or its highest and best use as leased.

ATS 1677 Plat Notes

GENERAL NOTES

1. THE BASIS OF BEARING FOR THIS SURVEY WAS BETWEEN TWO RECOVERED PRIMARY MONUMENTS FOR A.S.L.S. NO. 2006-47, HAVING A COMPUTED BEARING OF N72°55'49"W.

2. WHERE RECORD SURVEY COURSES (BEARINGS AND/OR DISTANCES) DIFFER FROM THAT OF ACTUAL FIELD MEASURED AND/OR COMPUTED SURVEY COURSES, THE RECORD BEARING AND/OR DISTANCE IS SHOWN WITHIN PARENTHESIS WHILE THE ACTUAL MEASURED AND/OR COMPUTED SURVEY COURSE IS SHOWN WITHOUT PARENTHESIS.

3. THIS SURVEY IS BASED UPON THE FOLLOWING DOCUMENTS ON FILE IN THE JUNEAU RECORDERS OFFICE: A.S.L.S. 96-37 (PLAT NO, 99-12), A.S.L.S. 2006-47 (PLAT NO. 2009-10)

4. THIS SURVEY WAS ACCOMPLISHED IN ACCORDANCE WITH A.S. 38.05.825 AND ALASKA TIDELANDS SURVEY SI NO. 1677.

5. ALL BEARINGS SHOWN ARE TRUE BEARINGS AS ORIENTED TO THE BASIS OF BEARINGS AND DISTANCES SHOWN ARE REDUCED TO HORIZONTAL FIELD DISTANCES.

6. THE ERROR OF CLOSURE FOR THIS SURVEY IS NOT GREATER THAN 1:5000.

7. WITH THE EXCEPTION OF AREAS WHERE FILL HAS BEEN PLACED IN THE TIDELANDS, THE NATURAL MEANDERS OF THE LINE OF MEAN HIGH WATER FORM THE TRUE BOUNDS OF ATS 1677. THE APPROXIMATE LINE OF M.H.W. AS SHOWN IS FOR AREA COMPUTATIONS ONLY, WITH THE TRUE CORNERS BEING ON THE EXTENSION OF THE SIDE LINES AND THEIR INTERSECTION WITH THE NATURAL MEANDERS.

8. MEAN HIGH TIDE WAS DETERMINED BY TIME COORDINATED TIDAL OBSERVATIONS ON MARCH 22, 2010 AS EXTRAPOLATED FROM THE NOAA PUBLICATION FOR THE PREDICTIONS OF HIGH AND LOW WATERS FOR 2007.

9. PARTS OF THIS SUBDIVISION ARE LOCATED IN A VELOCITY (V) FLOOD ZONE ACCORDING TO THE DIRECTOR OF THE COMMUNITY DEVELOPMENT DEPARTMENT OF THE CITY AND BOROUGH OF JUNEAU, ALASKA AS PROVIDED BY THE FLOOD INSURANCE RATE MAP (FIRM) 02009-0850B. SPECIAL DEVELOPMENT REGULATIONS APPLY.

10. BESSIE CREEK IS DESIGNATED AS AN ANADROMOUS CREEK BY THE 2008 COMPREHENSIVE PLAN OF THE CITY AND BOROUGH OF JUNEAU, ALASKA. SPECIAL DEVELOPMENT REGULATIONS APPLY.

11. PER AS 38.05.127, THE STATE OF ALASKA RESERVES A PUBLIC ACCESS EASEMENT ALONG AND 50' SEAWARD OF THE CURRENT LINE OF MEAN HIGH WATER, IN AREAS WHERE FILL HAS BEEN PLACED ON STATE OWNED TIDE AND SUBMERGED LANDS, THE STATE OF ALASKA ALSO RESERVES A PUBLIC ACCESS EASEMENT 50' UPLAND OF THE CURRENT LINE OF MEAN HIGH WATER, OR TO THE TRACT BOUNDARY.

12. THE BASIS OF COORDINATES USED WERE CONSTRAINED TO THE NATIONAL SPATIAL REFERENCE SYSTEM (NSRS) USING CORS STATIONS JNU-1 , WHIT , AND GUS6.

13. UPLAND BOUNDARY OF TRACT B IS "FIXED AND LIMITING" IT HAS BEEN FILLED.

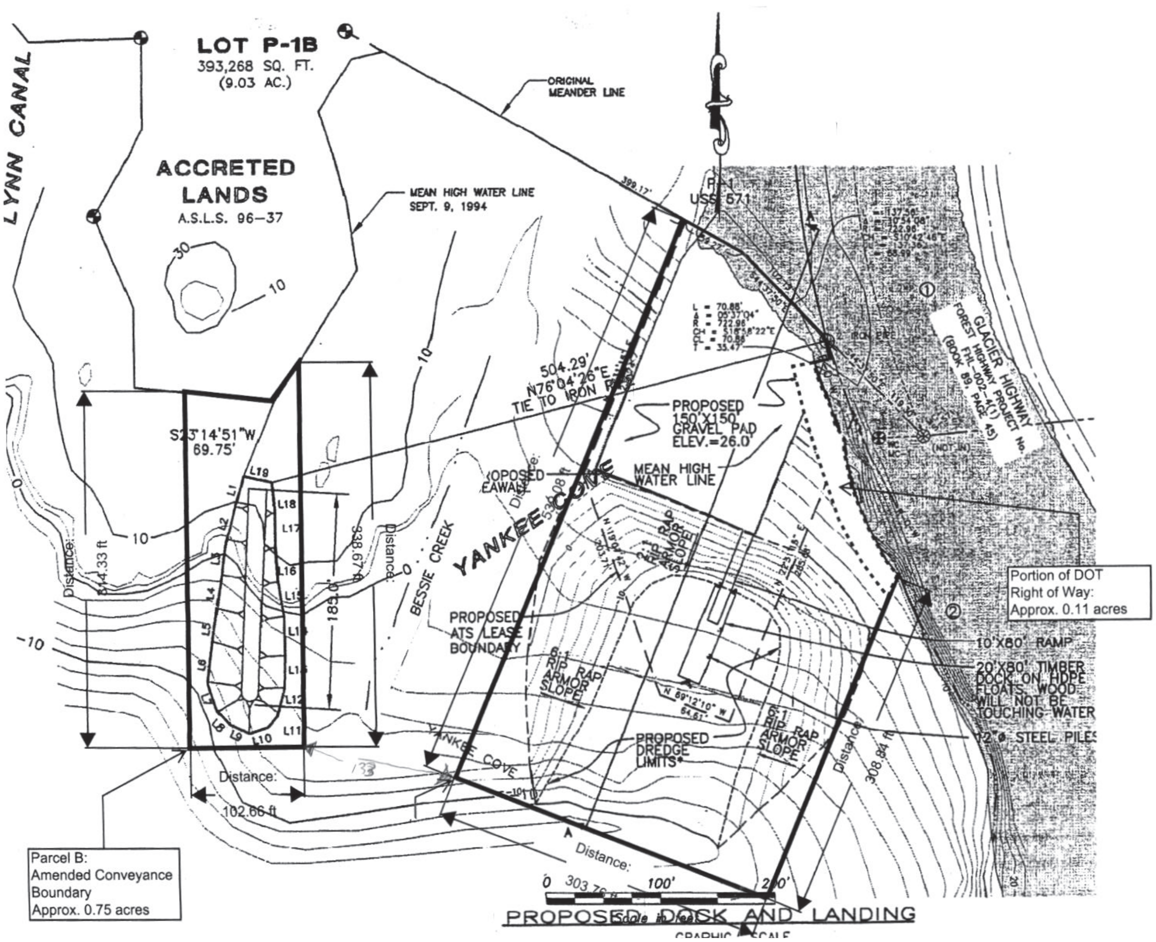


FIGURE 3.3 - THIS IS AN OLDER CORP PERMIT DRAWING FROM THE ORIGINAL LEASE NEGOTIATIONS SHOWS THE BATHOMETRIC TOPOGRAPHY AND ORIGINAL AREAS TO BE DREDGED OR FILLED.

Access

The subject site is accessed through the adjacent privately owned land by gravel roads maintained by the lessee. They connect to Glacier Highway state owned and maintained paved two way roadway. The site has good waterfront access as well but required dredging to accommodate larger mid-draft vessels.

Utilities

There are no public utilities developed into the subject area. Power is usually generated with onsite generators. Septic sewage systems have to be developed in accordance with state requirements. Onsite water is typically generated by catchment or surface systems.

Zoning

The properties are adjacent to uplands zoned Rural Reserve (RR). It is assumed that the subject tidelands would take on the zoning of the adjacent property. According to the City and Borough of Juneau, the RR, or rural reserve zoning district, is intended for lands primarily in public ownership managed for the conservation and development of natural resources and for future community growth. In addition, recreation cabins, lodges and small seasonal recreational facilities may be allowed. Minimum lot size is 36,000 SF>

Assessed Valuation and Taxes

The assessment account which would cover the subject parcels are consolidated and carried on Parcel number 3B4401000052. The exceprt from the 2015 Assesment records show the subject land as a possessory interests (POSS. INTR.). See figure 3.4 below shows the calculation of the current land assessment covering the subject Tideland lease areas and the 9.488 acre fee owned uplands.

2015 LAND VALUATION FOR ECONOMIC UNIT 3B4401000052 (0053, 0054)
YANKEE COVE DEVELOPMENT LLC
ALL VALUE IS ON PCN 3B4401000052

Areas (sf) for the leased parcels are taken from the lease document, pg 3

PCN			AREA ACRES	AREA SF	RATE	AMOUNT	
3B4401000052	FEE SIMPLE	UPLAND	9.48	412,844	1.70 AC	703,000	
3B4401000053	POSS. INTR.	FILLED	0.264004	11,500	6.00 SF		
3B4401000053	POSS. INTR.	SUBMERGED		14,412	0.75 SF	74,300	POSS. INTR. ADJ AMT
3B4401000054	POSS. INTR.	FILLED		10,874	6.00 SF	60,700	POSS. INTR. ADJ AMT
				449,630		838,000	

These three parcels, 3B4401000052, 0053 and 0054 are treated as an Economic Unit. All values, both land and improvements, are on 0052. 0052 is the upland parcel which consists of 9.48 acres with the lodge building and several smaller cabins and storage buildings. 3B4400053 is a possessory interest leased area which consists of a fraction of ATS 1347 TR A. The leased area totals 25,912 sf of which 11,500 sf is estimated to be filled. The remaining 14,412 sf is submerged. 3B4401000054 is also a possessory interest leased area which consists of a fraction of ATS 1347 TR b. The leased area totals 10,874 sf all filled area (breakwater).

Figure 3.4 excerpt from CE BJ assessment record showing a land value calculation.

The following assessment parcel summary shows the entire property's current assessment.

Parcel #	Street Address	Legal Description 1	
3B4401000052	GLACIER HWY 35000	USS 571 LT P1C	

Owner's Name and Address

YANKEE COVE TRUST & MARION HOBBS TRUSTEE
2280 BRANDY LN SP 4
JUNEAU AK
99801

Previous Owner	Site Value	Building PV	Total PV
MARION B HOBBS	$ 838000.00	$ 613300.00	$ 1451300.00
Use Code	**Exempt**	**Zoning**	**Tax Year**
Commercial Misc	No Data	Rural Reserve	2017
Number of Units	**Year Built**		**Gross Living Area**
001	1981		004073 sq.ft.
Garage	**Garage Area**	**Lot Size**	**Last Trans**
No	N/A	9.48 acres	0000
City Water Available	**City Sewer Available**		
No	No		
Exempt Land	**Exempt Building**	**Exempt Total**	**Road/No Road**
N/A	N/A	N/A	No Data

Figure 3.5 CBJ assessment record

Improvements

The site is appraised as hypothetically unimproved. Actual improvements include the rubble mound breakwater west of Bessie Creek and the dock site and staging area east of the creek. The dock is a 20' x 100' wood deck on steel floats with a 6' access ramp 80' long. There are seven existing steel pilings, a gravel boat ramp and an adjacent armor, rocked-raised pad of approximately 14,000 SF for maneuvering, staging and loading area for wharfage uses. The entire dock rests in a large, dredged, underwater basin approximately 300' by 300', with a 6:1 rip rap armor slope developed in it. The existing dock/marine improvements were permitted by the Army Corp of Engineers in July 2004 and developed in 2005 and 2006.

4 VALUATION

4.1 HIGHEST AND BEST USE

Highest and best use is defined as "the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property– specific with respect to the user and timing of the use–that is adequately supported and results in the highest present value.”

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 93

There are four criteria that highest and best use must meet which include: legal permissibility, physical possibility, financial feasibility, and maximum productivity. The site is physically suited for the dock development which has been completed by the lessee. It is presumed to be legally permissible as developed. There are a limited number of alternative feasible uses such as small marina, residential view site with small boat launch and the commercial/industrial dock as developed. As developed, the subject site is under lease as outlined earlier in this report. In addition to the Kensington Mine/Coeur Alaska departure site, the subject has occasionally been used by tour boats and other operators as a jumping off point from the Juneau road system to Lynn Canal and other parts north. The highest and best use of the site is a commercial boat dock and launching facility as developed.

4.2 RENTAL COMPARISON APPROACH

The most direct way to value the subjects’ lease rent is on a rent per square foot comparison basis. In the subject instance we will use the three comps selected as the most representative of the market based on the competitive market discussion in Section 2 of this report.

For the purpose of estimating the rents here we will use the annual rent per square foot indicated by the three main comps which are summarized in Table 4.1 - Qualitative Rating Grid. Details of these comps are contained in the addenda.

Qualitative Ranking

The difference between the subject and the comps would ideally be explained by measurable objective differences found in the market. There is not enough sales information to make discreet quantitative adjustments for differences for things such as location, extreme size differences, quality of the tidelands, etc. In this instance we will use a qualitative rating to help bracket the subject on a nominal square foot rent basis.

A qualitative rating has been developed to weigh the differences between the subject and the comparables whereby, if a comparable attribute is superior to the subject, a minus rating of -1, -2, or -3 is given, depending on its severity. Conversely, if a comparable attribute is inferior to the subject, a plus rating of +1, +2, or +3 is given, depending on its severity, to weight this with other attributes towards the subject. The gradation of weighting 1 to 3 is used since all qualitative attributes are not, in the appraisers’ opinion, equally weighted within the market.

These ratings will be discussed below and summarized in Table 4.1. Some of the significant market driven issues are discussed below.

The **titled interest** is rated similar between the subject and comparables. The subject lease specifies leasehold interest in fee simple less mineral rights. This is a typical arrangement for State of Alaska or municipal land leases and has nominal impact on value.

All comparables were found to be similar in the **conditions of sale**, all being supported by reasonable market evidence such as an appraisal.

The **market conditions** are similar. While the market may have fluctuated somewhat since 2010, there is not consistent rational evidence for adjustment in this limited market in this instance.

Location in this instance notes the general market preference for one location over another. The availability of utilities inconvenience to population areas influence this rating. Comp 1 is over 10 miles north of the subject, further away from town services by a gravel road. It is inferior in location at Cascade Point by +1. Comps 2 and 3 are much closer to town and service by utilities. They are superior in location by -1 each.

The subject and the comps are all **zoned** similarly and have similar highest and best use for commercial or industrial waterfront application.

The **size** of the site influences the value per square foot only for extreme differences in these types of commercial/industrial properties. Some sites need a critically large area in order to function. Some large sites present excess land and are more difficult to sell or rent because there are a limited number of users for the entire parcel. Where there are extreme size differences, the unit values of the larger parcels tend to be less due to the lack of current demand. In the subject case, Comp 1 is over 6 ½ times the subject size and is rated inferior on a price per square foot basis by+1. There is no rating difference for Comps 2 and 3.

Shape is very important in the subject instance. The subject site required significant area in that it needed to have control of an area to build a breakwater and dredge a tidal basin taking up nearly four acres of size. The final lease configuration was a narrowly scribed parcel of less than one acre. Comp 1 is inferior in that it is a large rectangular site which allows space for building a breakwater and dock similar to the subject. Its shape is inferior to the subject by +1. Comps 2 and 3 were compact sites nearly all developed for a planned development and to moor ships and are rated similar in shape.

Waterfront access quality is important for the sites as transfer points for marine transportation. The subject is not well protected from the westerly weather and required significant dredging. This is similar to Comp 1 and will also require a breakwater when fully developed. Comp 2 was for deep water where the lessee owned in fee the sloping tidelands. In this respect it is on balance rated similar. Comp 3 had dredging issues and is also rated similar.

This discussion and the various ratings are outlined in summarized in Table 4.1

TABLE 4.1 - QUALITATIVE RATING GRID							
Comparable Elements	**Subject** 34.5 Mile Glaicer Hwy	**Comp 1** – 46 Mile Glacier Hwy, (5868)		**Comp 2** – 13555 Glacier Hwy Drive (2783)		**Comp 3** – 3155 Channel Drive (9573)	
Annual Rent		$14,800		$3058		$11,957	
Annual Rent/SF		$0.06/SF		$0.18/SF		$0.15/SF	
Titled Interest	Leasehold	Similar	0	Similar	0	Similar	0
Conditions of Sale	Cash	Similar	0	Similar	0	Similar	0
Market Conditions	07/17	04/13	0	7/15	0	4/14	0
Location	Yankee Cove	Cascade Point	+1	Auke Bay	-1	Chanel Drive	-1
Zone	RR	RR	0	WI	0	WI	0
Size	36,786 SF	246,114 SF	+1	16,888 SF	0	79,715 SF	0
Shape	Narrowly Scribed	Open spaces	+1	Similar	0	Similar	
Waterfront Access Quality	Unprotected from the west needed breakwater.	Similar	0	Similar	0	Similar	0
Overall Rating		Inferior	+3	Superior	-1	Superior	-1

If a comparable attribute is **superior** to the subject, a minus rating of -1, -2, or -3 is made, depending on its severity.
If a comparable attribute is **inferior** to the subject, a plus rating of +1, +2, or +3 is made, depending on its severity.

Based on the foregoing, comparable rent bracket the subject as indicated in Table 4.2 below.

TABLE 4.2 - COMPARABLE SF PRICE RANKING GRID			
Comp #	**Location**	**Annual Rent/AC**	**Ranking**
1	46 Miles Glacier Highway (5868)	6¢/SF	Inferior+ 3
Subject		Solve	Solve
3	3155 Channel Drive (9573)	15¢/SF	Superior -1
2	13555 Glacier Hwy Drive (2783)	18¢/SF	Superior -1

The market is not perfectly consistent due to the limited number of transactions and other inconsistent market forces. These rental rates suggest that the subject would be somewhat less than 15¢/SF but significantly more than 6¢/SF. The higher end of this range is obviously more comparable to the subject. Based on the foregoing, the indicated current market rent for the subject tidelands is 12¢/SF. The market rent is estimated as follows:

36,786 SF at 12¢/SF= $4,414.32/ year rent

ADDENDA

SUBJECT PHOTOGRAPHS

PHOTO 1 – SUBJECT ADJACENT FILLED UPLANDS LOOKING IN A SOUTHEASTERLY DIRECTION. SUBJECT DOCK SITE PHOTO DISTANT CENTER. (071317_0865)

PHOTO 2 – LOOKING DOWN RAMP TO THE SOUTH ONTO SUBJECT SUBMERGED LANDS. (071317 – 0853)

Subject Photographs

Photo 3 – Looking north across subject submerged lands and float onto subject filled staging area-loading zone at rock wall comprising westerly side of dock site. (071317_0855)

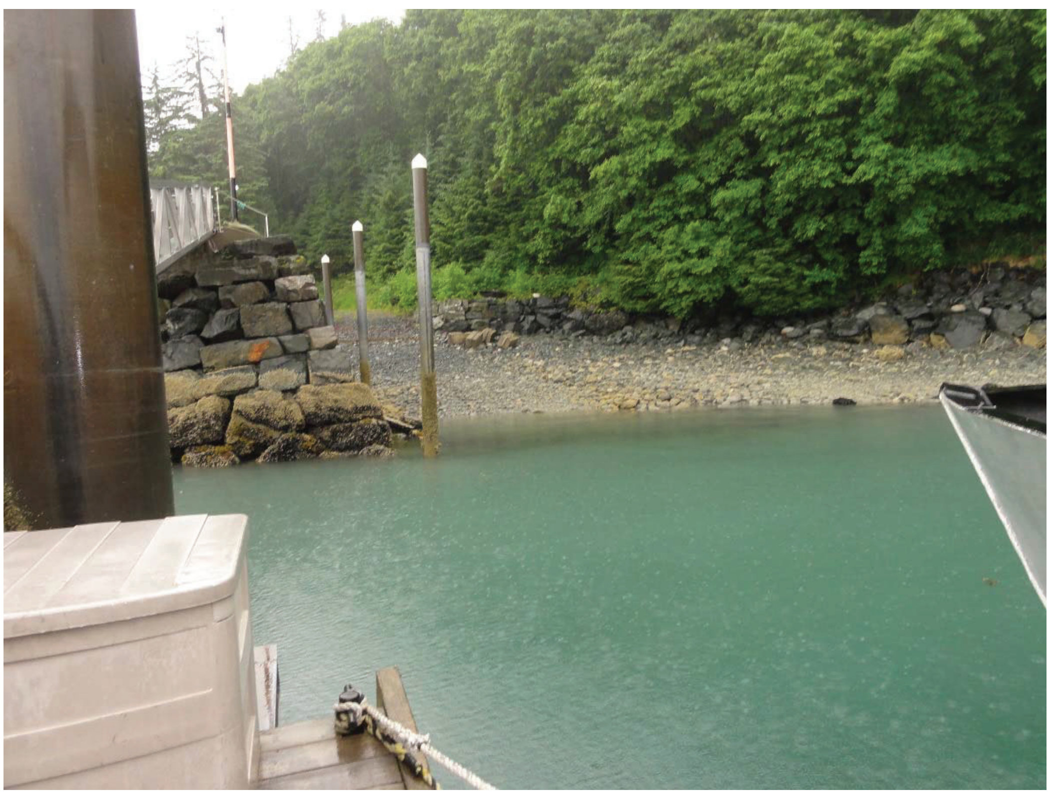


Photo 4 – Looking northerly along subject submerged lands and adjacent uplands at gravel ramp along easterly side of dock site. (071317_0857)

Subject Photographs

Photo 5 – Looking in the opposite, southerly direction down sloping ramp at easterly side of dock site. (071317_0859)

Photo 6 – Looking southerly from uplands towards subject breakwater site showing east side of breakwater. (071317_0870)

SUBJECT PHOTOGRAPHS

PHOTO 7 – LOOKING NORTH FROM END OF SUBJECT BREAKWATER. (071317_0874)

PHOTO 8 – LOOKING SOUTH AT WESTERLY SIDE OF BREAKWATER. (071317_0877)

HORAN & COMPANY, LLC — LAND COMPARABLE NUMBER 1

Community: 33 CBJ - Mainlands **Recording District:** Juneau
Address: Cascade Point, Berners Bay **City:** **State:** **Zip:**
Location: Cascade Point, Berners Bay, north of Echo Cove, 42 miles north of Juneau within 36S, 63E, S32
Legal: ATS 1654, ADL #107152, Plat 2007-25;

Instrument: Tidelands **Serial:**
Trans.Type: Land Lease
Rights: Lease
Terms: Adjustable every five years.

Annual Rent: $14,800
Trans. Date: April 30, 2013
Grantor: State of Alaska, DNR
Grantee: Goldbelt, Inc.

Size (SF): 246,114
Frontage:
Zone: RR

Topography: Sloping, tidelands
Vegetation: Tidelands
Soil: Tidelands

Utilities: None
Access: Rough road
Improvements: None
Land Class: Remote, Vacant, Tidelands

Present Use: Vacant
Intended Use: Dock and land - see comments.
Highest and Best Use:

Comments
The intended use is to dredge and build a small level mound and develop a pier, gangway and float supported by galvanized piling for a ferry that will run between Cascade Point and Slate Cove, supporting the Kensington Mine 100-140 employees.

Analysis:

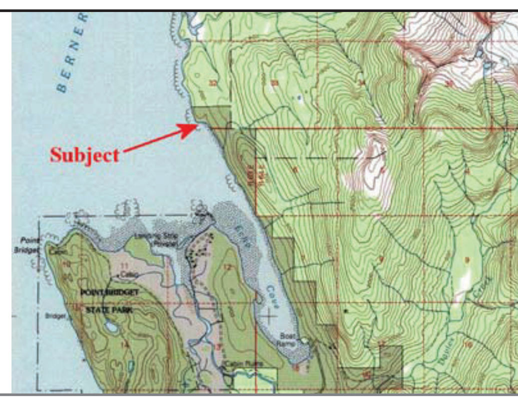
This lease has been completed for issues unrelated to the property value. The appraisal has been accepted by the Dept. if the lease does proceed. This indicates the following effective 4/1213; $14,800/year ÷ 5.65AC = $2619AC per year.

Marketing Info: Negotiated tidelands lease with uplands preference rights. Note: early entry permit beginning 9/01/06. Appraisal date 4/12/07, appraisal approved 6/21/07.The site has been reappraised in April 2013 to $14,800 per year for lease payment.

Confirmed with:	DNR WEBsite	John Thomas
Confirmed date:	11/27/2013	3/7/2008
Confirmed by:	J.Corak	C.Horan

Revision Date: 7/8/2015
Record Number: 5868

Untitled.wmf 050108_3323



Untitled.wmf

Community: 03 CBJ - Auke Bay **Recording District:** Juneau
Address: 13555 Glacier Highway **City:** Juneau **State:** AK **Zip:** 99801
Location: Seaward of Alaska Glacier Seafoods, Auke Bay
Legal: ATS 1644 Tidelands seaward of Lot 2, ATS 357,Plat 2006-50, ADL 106170 ; Parcel Number: 4B3101000230

Instrument: Lease **Serial:**
Trans.Type: Land Lease
Rights: Lease
Terms: 35 years, reappraisal in 5 years, 35 year lease with city; 35 year potential renewal

Annual Rent: $3,057.84
Trans. Date: July 1, 2015
Grantor: City and Borough of Juneau
Grantee: Glacier Holdings, LLC, Mike Erickson (Alaska

Size (SF): 16,888
Frontage: 102.35'
Zone: WC

Topography: Submerged
Vegetation: None
Soil: Tidelands

Utilities: Water, Sewer, Electric, Telephone
Access: Road, paved, Boat
Improvements: None as lease, dock
Land Class: Tidelands, Commercial, Waterfront

Present Use: Vacant
Intended Use: Build Dock to support adjacent sea food processing plant.
Highest and Best Use: Commercial Water Related Expansion

Comments
Leased tidelands near ferry terminal; access through adjacent recently developed lot. The subject is occupied by the concrete dock serving the Alaska Glacier Seafoods Plant.

Analysis:

Leased at $3,057.84 /year/ 16888 SF = $0.18/SF

Marketing Info: Non competitive lease, original lease 7/1/2004, rent $2,530, based on appraisal updated June 30, 2016 appraisal (#16-097) to $3,057.84 ($0.18/SF).

Confirmed with: Mike Krieber
Confirmed date: 11-17-2004
Confirmed by: W.Ferguson

Revision Date: 9/22/2017
Record Number: 2783


KING NE FROM CITY DOCK TOWARDS GLACIER SEAFOODS DOCK & LEASE AREA (081716_159827)

FIGURE 2.6 – WATERFRONT IN WESTERN PORTION OF AUKE BAY. NOTE CBJ LOADING FACILITY PHOTO LEFT, THE SUBJECT PROPERTY IS NEXT WITH THE STATE FERRY TERMINAL, GITKOF DOCK AND ALLEN MARINE DOCK PHOTO RIGHT OF SUBJECT.

HORAN & COMPANY, LLC **LAND COMPARABLE NUMBER 3**

12 CBJ - Salmon Creek **Recording District** Juneau

Address: 3155 CHANNEL DR **City:** Juneau **State:** AK **Zip:** 99801
Location: 3 miles north of downtown Juneau
Legal: ATS 1277 (Plat 83-210) Portion of Section 9, T41S, R67E, ATS 1277; ADL 102934; Parcel Number: 7B0901300101

Instrument: Lease **Serial:**
Trans.Type: Land Lease
Rights: Lease
Terms: 35 years, rent adjusted every 5 years. One 35 year option to extend

Annual Rent: $11,957
Trans. Date: April 27, 2014
Grantor: City and Borough of Juneau
Grantee: Salmon Creek Development (Smith)

Size (AC): 1.8300
Frontage: Water Front
Zone: WI
Topography: Gradual sloping/beach
Vegetation: Cleared
Soil: Gravel, Tidelands

Utilities: Water, Sewer, Electric
Access: Road, gravel
Improvements: None
Land Class: Tidelands, Waterfront, Vacant

Present Use: Vacant- As leased
Intended Use: Marina- Barge landing
Highest and Best Use: Marine related Commercial/Industrial

Comments:
Thirty year lease, ATS 1277, intended use as a marine, gently sloping uplands. Photos taken after area was filled.

Analysis:
Annual Rent:
$11,957.25 ÷ 79,715 SF = $0.15/S

Marketing Info: Rental amount based on market appraisal. This is a new lease after the old one expired. The land has been filled and improved with a Dock and sublet. See our Record #9574.

Confirmed with: Teena Larson- CBJ &
Confirmed date: 9/2/16
Confirmed by: C.Horan

Revision Date: 9/2/2016
Record Number: 9573

EXHIBIT- TIDELANDS LEASE RENTS - RATIOS AND PERCENTAGES

Estimating market value or market rents for tidelands has always been a challenge in the State of Alaska. In terms of the overall real estate market, transactions for tidelands alone are very infrequent. Once Alaska became a state in 1959 they acquired ownership of most navigable water-tidelands. There are a few patented tidelands sites and municipalities had some patented tidelands which could be leased or sold. The Constitution of the State of Alaska prohibits the sale of its tidelands parcels. The state and most municipal governments view tidelands as a critical component for public access to the waterways and economic development. As a result, they are generally leased to ensure continual productive use and public access.

When tidelands do sell, they are usually associated with waterfront uplands forming a functional property unit between the water and public roadways. This would be the case; for instance, where there is a dock or barge landing facility requiring tidelands for marine improvements and an uplands staging area. Sometimes these facilities sell where the uplands are owned in fee simple interest and the tidelands are leased. In these instances, the contributory value of the tidelands can be estimated as the residual of the allocated value of the uplands portion of the sales price. There are frequently more market transactions to indicate the value of the uplands than tidelands. It has then become a common practice to value tidelands as a percentage of the unit value of their adjoining uplands.

Uplands to Tidelands Unit to Value Ratio

Over time we have isolated the value of tidelands which have sold, leased or otherwise been valued based on transactions whereby an allocation is made between uplands and tidelands components. The following Table 1.1 summarizes 11 observations of the ratio (%) of tidelands square foot values to the square foot value of the uplands. This allocation is based on the sales of similar uplands, allocations by the buyers, sellers or appraisal analysis. In some instances, such as observations 9 and 11, there is a range of value based on differing views by the participating parties or a range of comparable sales in that area compared to the value of the known component.

The tidelands to uplands unit value ratios range from 12% to 40% in these observations. In other instances the range can even be wider from 5% to more than 50%. The driving factors in this ratio are how effectively the tidelands are used as compared to the uplands value. For instance, if the tidelands serve as a good, compact dock site and the adjacent uplands are filled, have a contained shore line and efficiently complement the use of the tidelands, the ratio would be lower than if the uplands were unfilled, low value raw land needing to be developed. This latter situation would impact the ratio due to the relatively lower value of the uplands as compared to the utility of the tidelands. Conversely, if the tidelands are oversized and extend an excessive distance from the shore, diminishing their utility due to shallow run out or other site limitations, may mean a lower unit value and subsequently a lower tidelands to uplands ratio. This is due to the parcel being larger than would otherwise be necessary as compared to a more efficient, smaller site which would have a higher ratio of unit value.

TABLE 1.1 - RANGE OF TIDELAND UNIT VALUE RATIO (%) OF UPLAND UNIT VALUE

No.	Location	Date	Size in SF	SF Value	Ratio
			Upland	Upland	Tideland as
			Tideland	Tideland	% of Upland
1	4100 Tongass Ave., Ketchikan	2003	26,915	$16.03	
			14,275	$1.94	12%
2	1000/1010 Stedman, Ketchikan	2005	76,597	$16.00	
			102,133	$4.99	31%
3	1007 Water St., Ketchikan	2001	61,000	$17.25	
			40,594	$4.19	24%
4	Mile 4 Mitkof Hwy, Petersburg	2010	170,772	$2.50	
			346,720	$0.57	23%
5	4513 HPR, Sitka	2005	179,507	$10.72	
			42,035	$2.74	26%
6	111 JT Brown St., Craig	2009	62,340	$8.00	
			50,890	$2.00	25%
7	76 Egan Drive, Juneau	2013	8,692	$51.50	
			12,918	$20.55	40%
8	108 Egan Drive, Juneau	1995	NA	$55.00	
			NA	$16.00	29%
9A	Alaska Glacier Seafood's, Juneau	2000	NA	$22.00	
	Range of Comp Unit Values		NA	$3.04	14%
9B	Alaska Glacier Seafood's, Juneau	2000	NA	$8.00	
	Range of Comp Unit Values		NA	$3.04	38%
10	Jacobson Dock, Juneau	2013	100,000	$20.05	
			379,694	$5.00	25%
11A	2691 Channel Dr., Juneau	2003	51,231	$9.00	
	Range of Comp Unit Values		51,401	$1.08	12%
11B	2691 Channel Dr., Juneau	2003	51,231	$5.31	
	Range of Comp Unit Values		51,401	$1.58	30%

If no comparable tidelands sales are available, it makes sense to estimate the value of suitably complementary uplands and apply a ratio to the unit value of these uplands from 10% to 40% to indicate the value of the tidelands under appraisal.

Land Lease Percentage Rates

If the purpose of the appraisal is to estimate annual market rent, the best method is to use directly comparable annual rents on a price per square foot or price per acre basis.

Sometimes there are no directly comparable rents available or it is desirable to check against the limited rent data that may be available for estimating rents. The commercial land rent market oftentimes sets rents by calculating a percentage of the estimated market value of the land being rented.

Land leases are most often granted by public or private institutions. Sometimes leases state the rates, other times the rents are informally calculated based on a rate. Land lease rates range from about 4% to 12% of the market value of the land on an annual basis. Over a long period of time these rates may fluctuate with the institutional land owners' anticipation of return on investment; however, they are more stable than short term changes in interest or bond rates. We have kept track of these land lease percentage rates over a long period of time. The following summarizes our most recent discussions with various institutions who lease land.

The Alaska Railroad, the University of Alaska and the Alaska Mental Health Trust all lease land at various rates depending on location. Urban lands have targeted rates of 10-12% per year, but are leasing at lower rates of 7-8% depending on negotiations. The Alaska Railroad leases urban, commercial, and industrial waterfront land from 7% to 10% with the higher rates in Seward and Anchorage's Ship Creek areas. Their leases are typically 35 years in length and are adjusted every five years based on appraisals. The rents are capped at a 35% increase and a floor of minus 35%. Short term year to year rates are higher. Long term leases over five years have lower rates. Generally these types of leases are adjusted every three to five years based on reappraisal or the Consumer Price Index.

Municipalities throughout the state lease tidelands based on a lease percentage rate. Over the last 20 years we have seen these lease rates range from as low as 4% to as high as 12%. In the last 10 years or so these rates have settled between the 7% to 9% range. Several municipalities, such as Craig and Skagway, have a legislated 8% per year rate. The City and Borough of Sitka has been leasing land at the Gary Paxton Industrial Park for 9%. Several municipalities, such as Ketchikan and Petersburg, have adopted lower rates for certain lands as an economic incentive for business development. In 2014 Ketchikan dropped its rate to 4% and Petersburg's' rates are as low as 6%.

For most private commercial leases these rates have not changed in the past several years and are best described as stable. A market rate of 8% is well supported.

CERTIFICATE OF OWNERSHIP AND DEDICATION

I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE DIRECTOR, DIVISION OF MINING, LAND AND WATER AND THAT THE STATE OF ALASKA IS THE OWNER OF A.T.S. NO. 1677, AS SHOWN HEREON. I HEREBY APPROVE THIS SURVEY AND PLAT FOR THE STATE OF ALASKA, AND DEDICATE FOR PUBLIC OR PRIVATE USE AS NOTED, ALL EASEMENTS, PUBLIC UTILITY AREAS, AND RIGHTS-OF-WAY AS SHOWN AND DESCRIBED HEREON.

DATED Nov 29, 2013 Gerald Jennings
For DIRECTOR, DIVISION OF MINING, LAND & WATER

APPLICANT CERTIFICATE

I, THE UNDERSIGNED, HEREBY CERTIFY THAT I AM THE APPLICANT AS SHOWN HEREON. I HEREBY APPROVE THIS SURVEY AND PLAT. A.D.L. NO. 106678, TRACT A AND TRACT B.

C. Uchytil 9.19.2013
CARL UCHYTIL, DIRECTOR
DOCK & HARBOR
CITY AND BOROUGH OF JUNEAU
DATE

NOTARY ACKNOWLEDGMENT

UNITED STATES OF AMERICA)
)ss.
STATE OF ALASKA)

OFFICIAL SEAL
State of Alaska
Daniel Beutel
NOTARY PUBLIC
My Commission Expires with Office.

THIS IS TO CERTIFY THAT ON THIS [illegible] 2013 BEFORE ME THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED Gerald Jennings TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE ABOVE AND FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT THEY SIGNED AND SEALED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN MENTIONED.

WITNESS MY HAND AND OFFICIAL SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST ABOVE WRITTEN.

Daniel Beutel
NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES: with office

NOTARY ACKNOWLEDGMENT

UNITED STATES OF AMERICA)
)ss.
STATE OF ALASKA)

THIS IS TO CERTIFY THAT ON THIS 19th DAY OF Sept. 2013 BEFORE ME THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED CARL UCHYTIL TO ME KNOWN TO BE THE PERSON DESCRIBED IN AND WHO EXECUTED THE ABOVE AND FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT THEY SIGNED AND SEALED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN MENTIONED.

WITNESS MY HAND AND OFFICIAL SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST ABOVE WRITTEN.

Elizabeth J. McEwen
NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES: 5/6/14

STATE OF ALASKA
OFFICIAL SEAL
Elizabeth J. McEwen
NOTARY PUBLIC
My Commission Expires 5/6/14

TYPICAL MONUMENTS

(ESTABLISHED THIS SURVEY)

RBM ENGINEERING, INC.
RM-2
ATS
1677
7570-S
2010

RM
20.0
WCC1
ATS
1677
7570-S

PRIMARY MONUMENT

3" DIA. ALUMINUM BERNSTEN FEDERAL A-1 MAGNETIZED CAP ON 2-1/2" DIA. x 30" SHANK SET 24" IN GROUND

SECONDARY MONUMENT

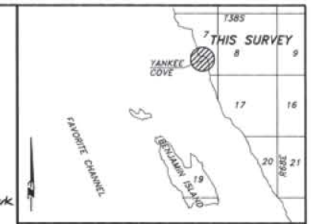
2" DIA. AL. CAP ON 5/8" DIA. x 30" RE-BAR SET 28" IN GROUND

CERTIFICATE OF PLAT APPROVAL

I HEREBY CERTIFY THAT THE PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE TITLE 04 COMMUNITY DEVELOPMENT REGULATIONS AND TITLE 49 OF THE CODE OF THE CITY AND BOROUGH OF JUNEAU AND IS APPROVED BY THE CITY AND BOROUGH OF JUNEAU DEPARTMENT OF COMMUNITY DEVELOPMENT FOR RECORDING IN THE OFFICE OF THE JUNEAU RECORDING DISTRICT, JUNEAU, ALASKA.

DATED: 6th January 2014 Hal Hart Director
HAL HART, DIRECTOR
CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT DEPARTMENT

ATTEST:
Elizabeth J McEwen, Deputy Clerk
CLERK,
CITY AND BOROUGH OF JUNEAU



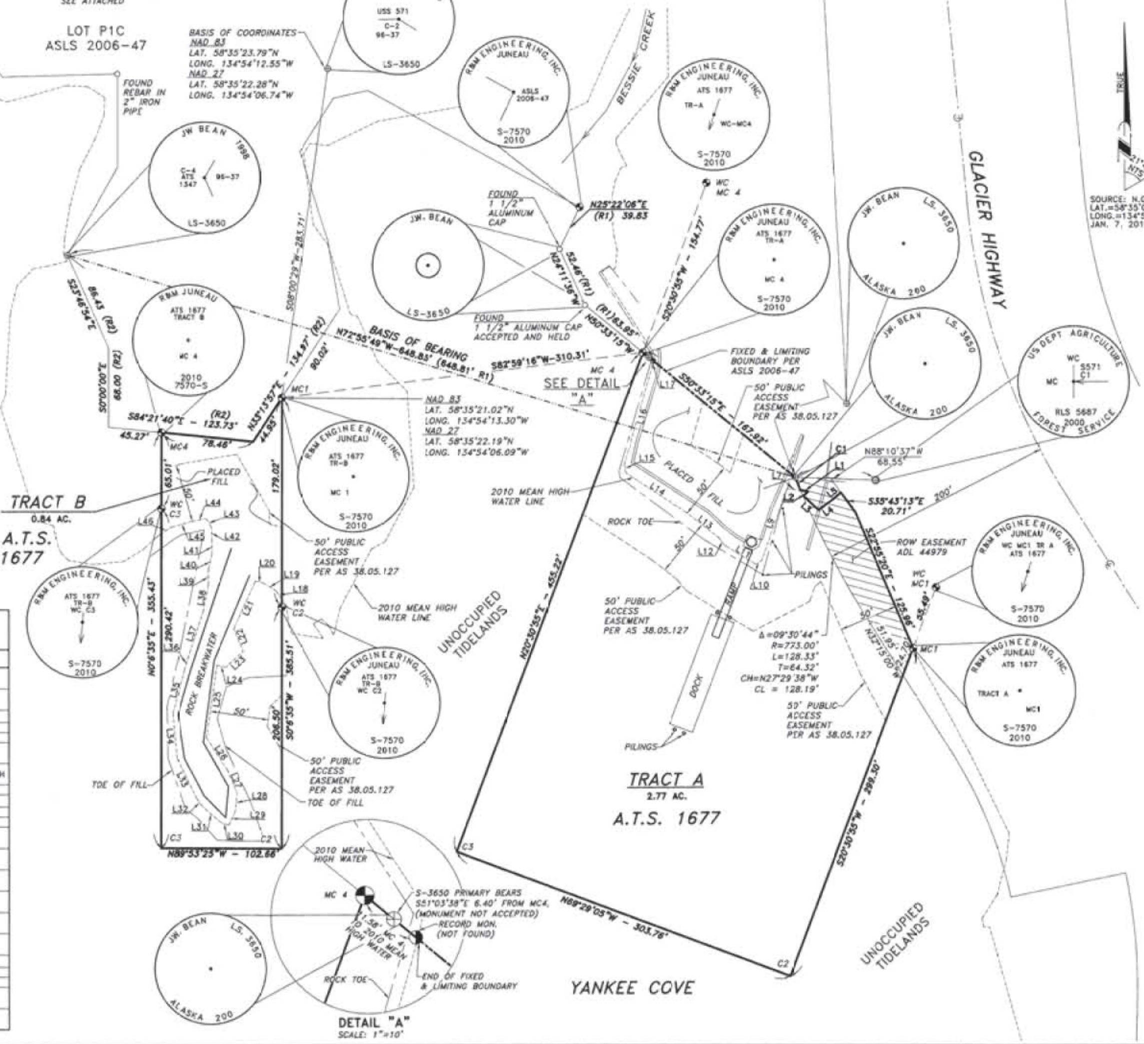
VICINITY MAP

SOURCE: U.S.G.S. QUADRANGLE JUNEAU (C-3), ALASKA
SCALE: 1" = 1 MILE

DATE: 1996

TAX CERTIFICATE

SEE ATTACHED



GENERAL NOTES

1. THE BASIS OF BEARING FOR THIS SURVEY WAS BETWEEN TWO RECOVERED PRIMARY MONUMENTS FOR A.S.L.S. NO. 2006-47, HAVING A COMPUTED BEARING OF N72°55'49"W.

2. WHERE RECORD SURVEY COURSES (BEARINGS AND/OR DISTANCES) DIFFER FROM THAT OF ACTUAL FIELD MEASURED AND/OR COMPUTED SURVEY COURSES, THE RECORD BEARING AND/OR DISTANCE IS SHOWN WITHIN PARENTHESIS WHILE THE ACTUAL MEASURED AND/OR COMPUTED SURVEY COURSE IS SHOWN WITHOUT PARENTHESIS.

3. THIS SURVEY IS BASED UPON THE FOLLOWING DOCUMENTS ON FILE IN THE JUNEAU RECORDERS OFFICE: A.S.L.S. 96-37 (PLAT NO, 99-12), A.S.L.S. 2006-47 (PLAT NO. 2009-10)

4. THIS SURVEY WAS ACCOMPLISHED IN ACCORDANCE WITH A.S. 38.05.825 AND ALASKA TIDELANDS SURVEY SI NO. 1677.

5. ALL BEARINGS SHOWN ARE TRUE BEARINGS AS ORIENTED TO THE BASIS OF BEARINGS AND DISTANCES SHOWN ARE REDUCED TO HORIZONTAL FIELD DISTANCES.

6. THE ERROR OF CLOSURE FOR THIS SURVEY IS NOT GREATER THAN 1:5000.

7. WITH THE EXCEPTION OF AREAS WHERE FILL HAS BEEN PLACED IN THE TIDELANDS, THE NATURAL MEANDERS OF THE LINE OF MEAN HIGH WATER FORM THE TRUE BOUNDS OF ATS 1677. THE APPROXIMATE LINE OF M.H.W. AS SHOWN IS FOR AREA COMPUTATIONS ONLY, WITH THE TRUE CORNERS BEING ON THE EXTENSION OF THE SIDE LINES AND THEIR INTERSECTION WITH THE NATURAL MEANDERS.

8. MEAN HIGH TIDE WAS DETERMINED BY TIME COORDINATED TIDAL OBSERVATIONS ON MARCH 22, 2010 AS EXTRAPOLATED FROM THE NOAA PUBLICATION FOR THE PREDICTIONS OF HIGH AND LOW WATERS FOR 2007.

9. PARTS OF THIS SUBDIVISION ARE LOCATED IN A VELOCITY (V) FLOOD ZONE ACCORDING TO THE DIRECTOR OF THE COMMUNITY DEVELOPMENT DEPARTMENT OF THE CITY AND BOROUGH OF JUNEAU, ALASKA AS PROVIDED BY THE FLOOD INSURANCE RATE MAP (FIRM) 02009-08508. SPECIAL DEVELOPMENT REGULATIONS APPLY.

10. BESSIE CREEK IS DESIGNATED AS AN ANADROMOUS CREEK BY THE 2008 COMPREHENSIVE PLAN OF THE CITY AND BOROUGH OF JUNEAU, ALASKA. SPECIAL DEVELOPMENT REGULATIONS APPLY.

11. PER AS 38.05.127, THE STATE OF ALASKA RESERVES A PUBLIC ACCESS EASEMENT ALONG AND 50' SEAWARD OF THE CURRENT LINE OF MEAN HIGH WATER, IN AREAS WHERE FILL HAS BEEN PLACED ON STATE OWNED TIDE AND SUBMERGED LANDS, THE STATE OF ALASKA ALSO RESERVES A PUBLIC ACCESS EASEMENT 50' UPLAND OF THE CURRENT LINE OF MEAN HIGH WATER, OR TO THE TRACT BOUNDARY.

12. THE BASIS OF COORDINATES USED WERE CONSTRAINED TO THE NATIONAL SPATIAL REFERENCE SYSTEM (NSRS) USING CORS STATIONS JNU-1, WHIT, AND GUS6.

13. UPLAND BOUNDARY OF TRACT B IS "FIXED AND LIMITING" IT HAS BEEN FILLED.

CORNER & ACCESSORY SUMMARY ALASKA TIDELANDS SURVEY NO. 1677

CORNER	ACCESSORY ESTABLISHED	BEARING	DISTANCE	MARKING
MC 1 TR. A	5/8"x 30" IRON PIN & 2" AL. CAP	S69°37'02"E	5.00'	RM-1
		N20°24'06"E	9.00'	RM-2
WC MC1 TR. A	10" ALDER	N09°00'00"E	5.45'	BT TAG
	10" ALDER	S29°30'00"W	6.61'	BT TAG
	6" ALDER	N84°30'00"E	2.21'	BT TAG
MC 4 TR. A	3'x2' ROCK MOUND	N43°00'00"W	7.33'	CENTER
	2"x2" "X" CUT IN ROCK	N20°30'49"W	15.12'	WAIST HIGH
	PRIMARY	S51°03'38"E	6.40'	S-3650
WC MC4 TR. A	6" SPRUCE	N44°00'00"E	14.30'	BT TAG
	8" HELMOCK	S89°30'00"E	21.25'	BT TAG
	6" SPRUCE	S21°00'00"E	25.21'	BT TAG
MC 1 TR. B	5/8"x 30" IRON PIN & 2" AL. CAP	N00°06'58"E	10.00'	RM-1
		S90°00'00"E	10.00'	RM-2
WC C2 TR. B	5/8"x 30" IRON PIN & 2" AL. CAP	N89°35'00"E	5.00'	RM-1
		N00°01'47"W	7.00'	RM-2
WC C3 TR. B	5/8"x 12" IRON PIN IN 6" DRILL HOLE	N89°56'40"E	4.95'	RM-1
		N24°08'27"W	13.15'	RM-2
MC 4 TR. B	16" SPRUCE	N20°00'00"E	20.05'	BT TAG
	8" ALDER	S17°30'00"E	6.35'	BT TAG
	4" SPRUCE	S87°00'00"W	2.00'	BT TAG
ASLS 2006-47	5/8"x 30" IRON PIN & 2" AL. CAP	S60°56'53"E	5.00'	RM-1
		N29°05'49"E	5.00'	RM-2

TIDAL DATUM

GASTINEAU CHANNEL LAT.=58°17.9'N/LONG.=134°24.7'W	
M.H.H.W.	16.30'
M.H.W.	15.34'
M.S.L.	8.56'
M.L.W.	1.60'
M.L.L.W.	0.00'

LEGEND

- USFS MONUMENT 3" BRASS CAP RECOVERED THIS SURVEY
- 7570-S PRIMARY MONUMENT ESTABLISHED THIS SURVEY
- 7570-S SECONDARY MONUMENT ESTABLISHED THIS SURVEY
- PRIMARY MONUMENT BY OTHERS, RECOVERED THIS SURVEY (3" ALUM. CAP)
- SECONDARY MONUMENT BY OTHERS, RECOVERED THIS SURVEY
- MONUMENT OF RECORD (NOT FOUND)
- SURVEYED LINE
- UNSURVEYED
- 2010 MEAN HIGH WATER
- 50' PUBLIC ACCESS EASEMENT LINE
- ROCK TOE
- CENTERLINE GLACIER HIGHWAY
- ADL 44979
- FIXED AND LIMITING BOUNDARY PER ASLS 2006-47
- BASIS OF BEARING LINE
- R1 ASLS NO.2006-47, JRD PLAT NO.2009-10
- R2 ASLS NO.96-37, JRD PLAT NO.99-12
- R3 A PLAT OF LOT P1B, JRD PLAT NO.2006-19

BOUNDARY CURVE TABLE

NUMBER	DELTA ANGLE	CHORD DIRECTION	TANGENT	RADIUS	ARC LENGTH	CHORD LENGTH
C1	00°54'17"	S22°17'07"E	6.10'	773.00'	12.21'	12.21'

BOUNDARY LINE TABLE

NUMBER	DIRECTION	DISTANCE
L1	S81°34'43"E	6.34'
L2	S47°30'32"W	5.45'
L3	S47°18'36"E	17.77'
L4	N52°54'06"E	15.54'
L5	N50°07'33"E	8.73'

MHW LINE TABLE

NUMBER	DIRECTION	DISTANCE
L7	N81°34'43"W	11.94
L9	N19°11'28"E	65.21
L10	S62°07'07"W	6.44
L11	S58°29'42"E	29.46
L12	S39°00'36"E	9.05
L13	N52°12'18"W	36.51
L14	N56°30'12"W	60.64
L15	N07°46'13"W	7.43
L16	S15°51'53"W	86.99
L17	N14°02'43"E	4.29
L18	N34°23'46"W	8.53
L19	N58°00'35"W	12.64
L20	N76°36'54"W	7.23
L21	N24°16'46"E	44.79
L22	S22°50'45"E	20.70
L23	S47°02'18"W	20.14
L24	N77°44'32"W	7.88
L25	S08°18'30"W	62.57
L26	S32°41'08"E	33.97
L27	S22°16'55"E	20.65
L28	N05°48'10"E	15.76
L29	S25°55'45"W	12.78
L30	N70°03'33"W	8.02
L31	S48°07'34"E	20.71
L32	S36°18'56"E	6.57
L33	S26°00'00"E	39.12
L34	S05°02'58"E	38.98
L35	S15°00'47"W	38.31
L36	N16°46'28"E	11.42
L37	N17°58'50"E	40.12
L38	N11°19'02"E	23.67
L39	N00°00'00"E	13.92
L40	S14°02'43"W	12.76
L41	S00°00'00"W	12.89
L42	S02°51'52"E	10.33
L43	S29°45'42"E	8.32
L44	S80°08'27"W	12.05
L45	S74°03'53"W	18.78
L46	N56°19'40"E	10.15

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, THAT THE MONUMENTS SHOWN HEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.

DATE 9-16-13 REGISTRATION NO. LS 7570
REGISTERED LAND SURVEYOR

2014-2
Plat #
Juneau
Rec Dist
January 14, 14
Date
Time 12:56 P.M.

STATE OF ALASKA
49TH
MARK A. JOHNSON
LS 7570
REGISTERED PROFESSIONAL LAND SURVEYOR

SCALE: 1" = 50' (15.24 Meters)

0' 25' 50' 100' 150' 200' 250'
0 m 25 m 50 m 75 m

METER = 3.2808333 U.S. SURVEY FEET
U.S. ACRE = 0.4047 HECTARES

DATE OF SURVEY	NAME OF SURVEYOR
Beginning MARCH 22, 2010	R&M ENGINEERING, INC. 6205 GLACIER HIGHWAY JUNEAU, ALASKA 99801 R&M PROJ. No. 091812
Ending MAY 26, 2010	

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
ANCHORAGE, ALASKA

ALASKA TIDELANDS SURVEY No. 1677

CREATING TRACT A AND TRACT B

LOCATED SEAWARD OF LOT P1C, USS 571
WITHIN PROTRACTED SECTION 7
TOWNSHIP 38 SOUTH, RANGE 64 EAST,
COPPER RIVER MERIDIAN
CITY AND BOROUGH OF JUNEAU, ALASKA
JUNEAU RECORDING DISTRICT

CONTAINING 3.61 ACRES

DRAWN BY: GDM	APPROVAL RECOMMENDED Statewide Platting Supervisor	11/21/2013 Date
DATE: 2-04-11		
SCALE: 1"=50'	CHECKED M.A.J.	FILE NO. ATS 1677

A
L
A
S
K
A

2008-001696-0

Recording Dist: 101 - Juneau
3/7/2008 9:21 AM Pages: 1 of 12

Recorder return to: ***City and Borough of Juneau***
Attn: John M. Stone
155 S. Seward Street
Juneau, AK 99801

CC

YANKEE COVE DEVELOPMENT LEASE AGREEMENT

PART I. PARTIES. This lease is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, hereafter "City," and Marion Hobbs, Member, Yankee Cove Development LLC, a limited liability company licensed to do business under the laws of the State of Alaska, hereafter "Lessee."

PART II. LEASE ADMINISTRATION. All communications about this lease shall be directed as follows, and any reliance on a communication with a person other than that listed below is at the party's own risk.

City:	**Lessee:**
Attn: John M. Stone, P.E. Port Director City and Borough of Juneau	Attn: Marion Hobbs, Member Yankee Cove Development LLC Lessee
155 S. Seward Street Juneau, AK 99801 Phone: (907) 586-0294 Fax: (907) 586-0295	P.O. Box 210477 Auke Bay, AK 99821 Phone: (907) 789-5856 Fax: (907) 789-5856

PART III. LEASE DESCRIPTION. This lease agreement is identified as: Yankee Cove Development Lease. The following appendices are attached hereto and are considered a part of this lease agreement as well as anything incorporated by reference or attached to those appendices.

Appendix A: Property Description & Additional Lease Provisions
Appendix B: Lease Provisions Required by CBJ Chapter 53.20
Appendix C: Standard Provisions

If in conflict, the order of precedence shall be: this document, Appendix A, B, and then C.

PART IV. LEASE EXECUTION. City and Lessee agree and sign below. This contract is not effective until signed by the City.

City:	Lessee: Y.C.D. LLC.
Date: FEBRUARY 27, 2008	Date: 2.27.08
By: [signature] Authorized Representative John M. Stone, Port Director	By: [signature] Authorized Representative Marion Hobbs, Member Yankee Cove Development LLC

CITY ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

This is to certify that on the 27th day of February, 2008, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared John M. Stone to me known to be the Port Director of the City and Borough of Juneau, Alaska, a municipal corporation which executed the above and foregoing instrument, who on oath stated that he was duly authorized to execute said instrument on behalf of said corporation; who acknowledged to me that he signed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

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

NOTARY PUBLIC

Elizabeth J McEwen
Notary Public in and for the State of Alaska
My Commission Expires: May 6, 2010

LESSEE ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

This is to certify that on the 27th day of February, 2008, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Marion Hobbs to me known to be the identical individual described in and who executed the foregoing instrument for and on behalf of Yankee Cove Development LLC, as Lessee, which executed the above and foregoing instrument; who on oath stated that he was duly authorized to execute said instrument; who acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein mentioned.

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

NOTARY PUBLIC

Elizabeth J McEwen
Notary Public in and for the State of Alaska
My Commission Expires: May 6, 2010

Risk Management Review: ____________________, Risk Manager

Approved as to Form: Barbara Ritchie, Law Department

2 of 12
2008-001696-0

APPENDIX A:

PROPERTY DESCRIPTION & ADDITIONAL LEASE PROVISIONS

1. DESCRIPTION OF PROPERTY

The property subject to this lease is two parcels of certain tidelands property, collectively referred to as "the Leased Premises" or "the Property," described as follows:

> Two parcels of City and Borough tidelands property, located at Yankee Cove, totaling approximately 0.84 acres (40,786 square feet), located within Alaska Tidelands Survey No. 1347, Juneau Recording District, First Judicial District, State of Alaska, as depicted on Exhibits "A" and "B" to CBJ Ordinance No. 2007-62, both of which exhibits are attached hereto and incorporated in this lease.
>
> The Leased Premises parcel depicted on Exhibit "A" consists of 0.59 acres (25,912 square feet) of tidelands property for the dock facility and related marine activities. The Leased Premises parcel depicted on Exhibit "B" consists of 0.25 acres (10,874 square feet) of tidelands property for the breakwater and related marine activities.

2. AUTHORITY

This lease is entered into pursuant to the authority of City Code: CBJ 85.02.060(a)(5) and CBJ Chapter 53.20; and CBJ Ordinance No. 2007-63 enacted by the City and Borough Assembly on January 7, 2008, and effective on February 6, 2008.

3. TERM AND RENEWAL OPTION

(a) The effective date of this lease shall be the date this lease is signed by City. The term of the lease is 35 years, commencing on the effective date of the lease, unless sooner terminated.

(b) Lessee shall have an option to renew this lease for one successive period of 35 years, subject to City approval of any renewal. Lessee shall exercise this option, if at all, by written notice given to City during the first six months of the last year of the underlying lease term.

4. LEASE PAYMENTS AND ADJUSTMENTS

(a) Lessee shall pay City an annual lease payment for the Leased Premises. Except as provided in this section, the annual lease payments shall be made by Lessee to City at the start of each year of the term, with the first payment due on the effective date of this lease.

(b) The annual lease payment for the first five-year period of the lease term shall be $.05 per square foot per year, plus sales tax ($1,295.60 per year for the parcel depicted on Exhibit "A", and $543.70 per year for the parcel depicted on Exhibit "B"; plus sales tax).

(c) Beginning with the first year after the initial five-year period of the term, the Port Director will re-evaluate and adjust the annual lease payment for the Leased Premises for the next five-year period of this lease, and then every five years thereafter, pursuant to Appendix B, Section 3(2) of this lease. The new annual lease payment amount shall be paid retroactively to the beginning of that lease payment adjustment period. The adjusted annual lease payment shall include any lease rental credit approved by the Port Director as authorized in Appendix B, Section 3(23) of this lease.

(d) Lessee shall pay all appraisal costs associated with re-evaluating and making adjustments to the annual lease payment.

5. AUTHORIZED USE OF LEASED PREMISES

Lessee is authorized to use the Leased Premises for the construction, operation, and maintenance of a dock, a breakwater, and related marine activities. Lessee shall be responsible for obtaining all necessary permits and approvals for any further development of the Leased Premises. Lessee is required to obtain approval of its construction plans from the City Docks and Harbors Board prior to any further development of the Leased Premises.

6. INSURANCE

Commercial General Liability Insurance
Lessee shall maintain at all times during this lease commercial general liability insurance, including marina operator's liability insurance, in the amounts of $1,000,000 per occurrence and $2,000,000 general aggregate. The insurance policy, including the marine operator's liability insurance, shall name City as an "Additional Insured" and shall contain a clause that the insurer will not cancel or change the insurance without first giving City 31 days' prior written notice. Lessee will provide evidence of this insurance to City in a form acceptable to the City Office of Risk Management.

Property Insurance
Lessee acknowledges that City carries no fire or other casualty insurance on the Leased Premises or improvements located thereon belonging to Lessee, and that it is Lessee's obligation to obtain adequate insurance for protection of Lessee's buildings, fixtures, or other improvements, or personal property located on the Leased Premises, and adequate insurance to cover debris removal.

APPENDIX B: LEASE PROVISIONS REQUIRED BY CBJ CHAPTER 53.20

1. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES.
As required by CBJ 53.20.160, it shall be the responsibility of Lessee to properly locate Lessee's improvements on the Leased Premises and failure to so locate shall render Lessee's liable as provided by law.

2. APPROVAL OF OTHER AUTHORITIES.
As required by CBJ 53.20.180, the issuance by City of leases, including this lease, under the provisions of CBJ Title 53 does not relieve Lessees of responsibility for obtaining licenses, permits, or approvals as may be required by City or by duly authorized state or federal agencies.

3. TERMS AND CONDITIONS OF LEASES REQUIRED BY CBJ 53.20.190.
As required by CBJ 53.20.190, the following terms and conditions govern all leases and are incorporated into this lease unless modified by the Assembly by ordinance or resolution for this specific lease. Modifications of the provisions of this Appendix B applicable to this specific lease, if any, must specifically modify such provisions and be supported by the relevant ordinance or resolution to be effective.

(1) **Lease Utilization**. The Leased Premises shall be utilized only for purposes within the scope of the application and the terms of the lease, and in conformity with the provisions of City code, and applicable state and federal laws and regulations. Utilization or development of the Leased Premises for other than the allowed uses shall constitute a violation of the lease and subject the lease to cancellation at any time.

(2) **Adjustment of Rental**. Lessee agrees to a review and adjustment of the annual rental payment by the Port Director not less often than every fifth year of the lease term beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the land, to which City has right or title, excluding landfill placed upon the land by Lessee, except that the value of any improvements credited against rentals shall be included in the value. Lessee may protest the adjustment to the Port Director, and if denied wholly or in part, an appeal may be taken to the City Docks and Harbors Board.

(3) **Subleasing**. In accordance with Ordinance No. 2007-62, Section 3(g), City and Lessee agree that the following provision shall govern subleasing and this provision replaces CBJ 53.20.190(3) for purposes of this lease: Lessee may sublease the Leased Premises or any part of the Leased Premises, provided, that Lessee must first obtain the prior written consent of the Port Director. Subleases shall be in writing and be subject to the terms and conditions of the original Lease; all terms, conditions, and covenants of the underlying Lease that may be made to apply to the sublease are hereby incorporated into the sublease.

(4) **Assignment**. Lessee may assign its rights and obligations under this lease; provided that the proposed assignment shall be approved by City prior to any assignment. The assignee shall be subject to all of the provisions of the lease. All terms, conditions, and

covenants of the underlying lease that may be made applicable to the assignment are hereby incorporated into the assignment.

(5) **Modification**. The lease may be modified only by an agreement in writing signed by all parties in interest or their successor in interest.

(6) **Cancellation and Forfeiture**.

(A) The lease, if in good standing, may be canceled in whole or in part, at any time, upon mutual written agreement by Lessee and City.

(B) City may cancel the lease if it is used for any unlawful purpose.

(C) If 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 this code, and should the default continue for thirty calendar days after service of written notice by City without remedy by Lessee of the conditions warranting default, City may subject Lessee to appropriate legal action including, but not limited to, forfeiture of the lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.

(D) Failure to make substantial use of the land, consistent with the proposed use, within one year shall in the discretion of City with the approval of the Assembly constitute grounds for cancellation.

(7) **Notice or Demand**. Any notice or demand, which under the terms of a lease or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address of record. 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.

(8) **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 will have the option to acquire the lease for the unexpired term thereof, subject to the same terms and conditions as in the original lease.

(9) **Entry and Reentry**. In the event that the lease should be terminated as hereinbefore provided, or by summary proceedings or otherwise, or in the event that the Leased Premises, or any part thereof, should be abandoned by Lessee during the term, City or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of the Leased Premises or such thereof, and remove all persons and property there from either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefor. No reentry by City shall be deemed an acceptance of a surrender of the lease.

(10) **Release**. In the event that the lease should be terminated as herein provided, or by summary proceedings, or otherwise, City may offer the Leased Premises for lease or other appropriate disposal pursuant to the provisions of City code.

(11) **Forfeiture of Rental.** In the event that the lease should be terminated because of any breach by Lessee, as herein provided, the annual rental payment last made by Lessee shall be forfeited and retained by City as partial or total damages for the breach.

(12) **Written Waiver.** The receipt of rent by City with knowledge of any breach of the lease by Lessee or of any default on the part of Lessee in observance or performance of any of the conditions or covenants of the lease, shall not be deemed a waiver of any provision of the lease. No failure on the part of City to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by City unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same in the event of any subsequent breach or default. The receipt, by City, of any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by City 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 any such notice or termination as may have been given thereunder by City to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by City.

(13) **Expiration of Lease.** Unless the lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender and yield up unto City all of the Leased Premises on the last day of the term of the lease.

(14) **Renewal Preference.** Any renewal preference granted 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 designated official.

(15) **Removal or Reversion of Improvements upon Termination of Lease.** Improvements owned by Lessee shall within sixty calendar days after the termination of the lease be removed by Lessee; provided, such removal will not cause injury or damage to the lands or improvements demised; and further provided, that City may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by Lessee may, with the consent of City, be sold to the succeeding Lessee. All periods of time granted Lessee to remove improvements are subject to Lessee's paying to City pro rata lease rentals for the period.

(A) If any improvements and/or chattels not owned by City and having an appraised value in excess of five thousand dollars as determined by the assessor are not removed within the time allowed, such improvements and/or chattels shall upon due notice to Lessee, be sold at public sale under the direction of City. The proceeds of the sale shall inure to Lessee preceding if Lessee placed such improvements and/or chattels on the lands, after deducting for City rents due and owing and expenses incurred in making such sale. Such rights to the proceeds of the sale shall expire one year from the date of such sale. If no bids acceptable to the Port Director are received, title to such improvements and/or chattels shall vest in City.

(B) If any improvements and/or chattels having an appraised value of five thousand dollars or less, as determined by the assessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, City.

(16) **Rental for Improvements or Chattels Not Removed.** Any improvements and/or chattels belonging to Lessee or placed on the Lease Premises during Lessee's tenure with or without Lessee's permission and remaining upon the Premises after the termination date of the lease shall entitle City to charge Lessee a reasonable rent therefor.

(17) **Compliance with Regulations and Code.** 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.

(18) **Condition of Premises.** Lessee shall keep the Leased Premises in 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. Lessee shall not undertake any activity that causes or increases a sloughing off or loss of surface materials of the Leased Premises.

(19) **Inspection.** Lessee shall allow an authorized representative of City to enter the Leased Premises for inspection at any reasonable time.

(20) **Use of Material.** Lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, top soils, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the Leased Premises may be used, if its use is first approved by City.

(21) **Rights-of-Way.** City expressly reserves the right to grant easements or rights-of-way across the Leased Premises if it is determined in the best interest of City to do so. If City grants an easement or right-of-way across any of the Leased Premises, 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.

(22) **Warranty.** City does not warrant by its classification or leasing of land that the land, or the Leased Premises described in this lease, is ideally suited for the use authorized under the classification or lease and no guaranty is given or implied that it shall be profitable to employ the land or Leased Premises to said use.

(23) **Lease Rental Credit.** When authorized in writing by City prior to the commencement of any work, 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 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 City and shall not be removed by Lessee upon termination of the lease.

APPENDIX C: STANDARD PROVISIONS

(1) **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 will be a tenancy from month-to-month only.

(2) **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.

(3) **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 for the Leased Premises and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, against the Leased Premises or the improvements placed thereon.

(4) **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.

(5) **Encumbrance of Parcel**. Lessee shall not encumber or cloud City's title to the Leased Premises or enter into any lease, easement, or other obligation of City's title without the prior written consent of City; and any such act or omission, without the prior written consent of City, shall be void against City and may be considered a breach of this lease.

(6) **Valid Existing Rights**. 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.

(7) **State Discrimination Laws**. Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska law prohibiting discrimination, particularly Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited). In the event of Lessee's failure to comply any of the above non-discrimination covenants, City shall have the right to terminate the lease.

(8) **Unsafe Use**. 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.

(9) **Hold Harmless**. Lessee agrees to defend, indemnify, and save City, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of the use and occupancy of the Leased Premises by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, and without limitation as to any damages resulting from settlement, judgment, or verdict, and includes the award of any attorneys fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice to City of any action, claim, or lawsuit. City shall notify Lessee in a timely manner of the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and

may be waived where Lessee has actual notice. This agreement applies, and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against City.

(10) **Successors**. This lease shall be binding on the successors, administrators, executors, heirs, and assigns of Lessee and City.

(11) **Choice of Law; Venue**. This lease shall be governed by the law of the State of Alaska. Venue shall be in the State of Alaska, First Judicial District at Juneau.

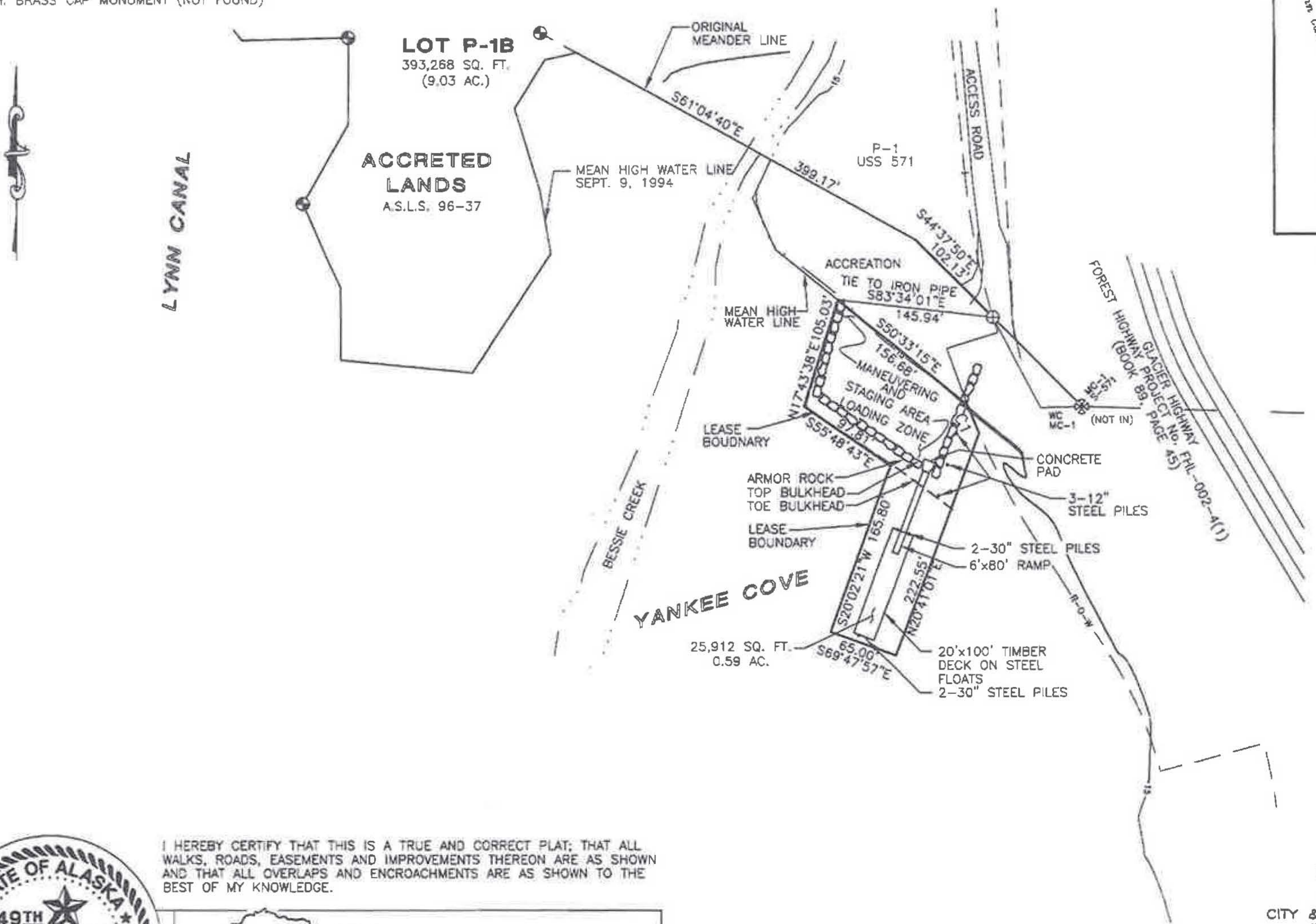
Exhibit "A" to Ordinance No. 2007-62

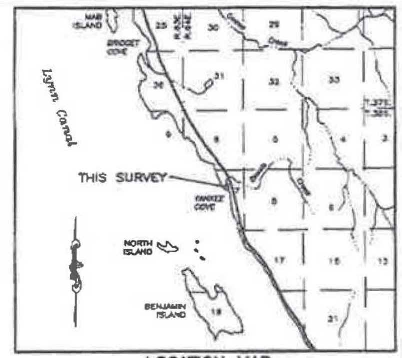
LEGEND:

- PRIMARY MONUMENT RECOVERED THIS SURVEY BY J.W. BEAN
- PRIMARY MONUMENT SET BY OTHERS, RECOVERED THIS SURVEY
- B.L.M. BRASS CAP MONUMENT (NOT FOUND)

CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH	CHORD BEARING
C1	2°02'53"	772.95	27.63	S22°50'59"E 27.63'





LOCATION MAP
SOURCE: U.S.G.S. QUADS "JUNEAU (C-3), ALASKA" (1951) REV. 1975
SCALE: 1" = 2 MILE

11 of 12
2008-001696-0

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT PLAT; THAT ALL WALKS, ROADS, EASEMENTS AND IMPROVEMENTS THEREON ARE AS SHOWN AND THAT ALL OVERLAPS AND ENCROACHMENTS ARE AS SHOWN TO THE BEST OF MY KNOWLEDGE.

STATE OF ALASKA
49TH
J.W. BEAN
No. 3650-S
REGISTERED PROFESSIONAL LAND SURVEYOR

J.W. BEAN INC.
PROFESSIONAL SURVEYOR
1070 ARCTIC CIRCLE
JUNEAU - ALASKA
(907) 789-0590
SURVEYOR - PLANNER

0 100' 200'
Scale in feet
SCALE: 1"=100'

LEASE LAND
SITE PLAN
REF. #POA-1998-782
FAVORITE CHANNEL

CITY & BOROUGH OF JUNEAU, ALASKA
JUNEAU RECORDING DISTRICT

OWNERS:
MARION HOBBS
PO BOX 210447
JUNEAU, ALASKA 99821

SURVEYOR:
JW BEAN, INC.
PROFESSIONAL SURVEYOR
1070 ARCTIC CIRCLE
JUNEAU, ALASKA 99801

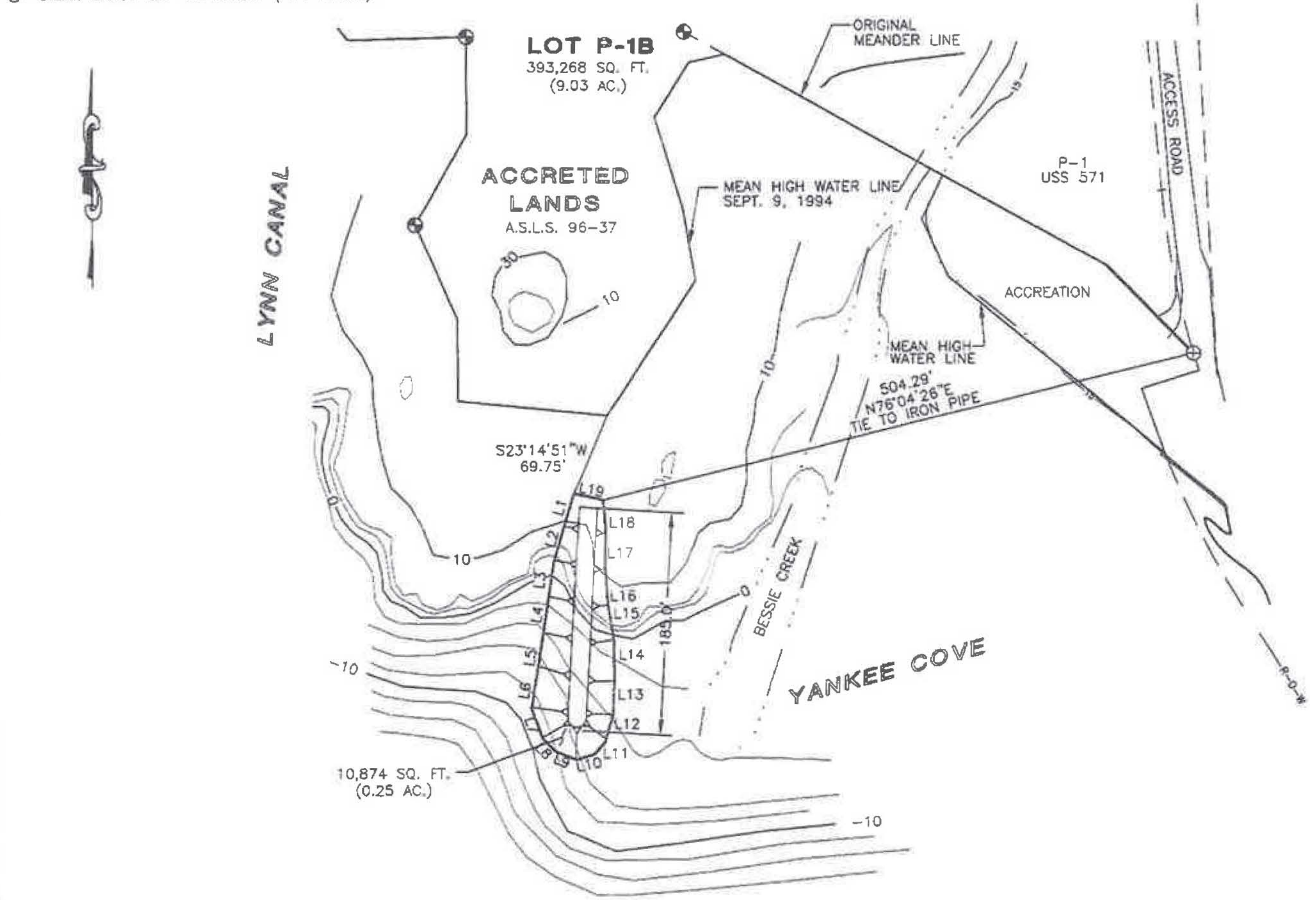
SHEET 1 OF 1

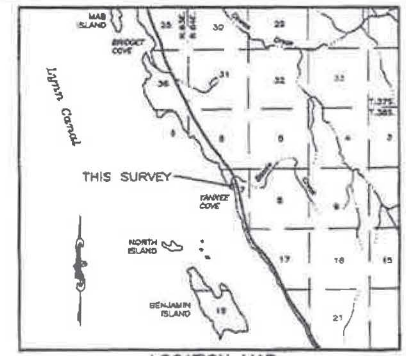
SCALE: 1"=100' DATE: 11-16-2007 PROJ: JOB No.: 8948-HOBBS-LEASE-LAND

G:\Bean\8948-Hobbs\8948-Hobbs-Lease-Land.dwg 11/16/2007 8:58:41 AM AST

Exhibit "B" to Ordinance No. 2007-62

LEGEND:
- PRIMARY MONUMENT RECOVERED THIS SURVEY BY J.W. BEAN
- PRIMARY MONUMENT SET BY OTHERS, RECOVERED THIS SURVEY
- B.L.M. BRASS CAP MONUMENT (NOT FOUND)





LOCATION MAP
SOURCE: U.S.G.S. QUADS "JUNEAU (C-3), ALASKA" (1951) REV. 1975
SCALE: 1" = 2 MILE

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S17°00'06"W	29.99'
L2	S16°16'14"W	29.88'
L3	S08°14'27"W	30.59'
L4	S09°05'46"W	30.26'
L5	S08°38'34"W	31.83'
L6	S08°34'30"W	29.41'
L7	S19°32'56"E	26.21'
L8	S43°43'43"E	14.99'
L9	S67°45'51"E	18.95'
L10	N72°29'08"E	15.89'
L11	N41°22'01"E	13.27'
L12	N16°37'03"E	23.70'
L13	N02°15'43"E	30.30'
L14	N00°43'00"W	31.87'
L15	N08°58'43"W	30.65'
L16	N03°46'00"W	30.34'
L17	N00°45'52"E	29.88'
L18	N04°28'13"W	25.57'
L19	N77°47'56"W	24.88'

12 of 12
2008-001696-0

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT PLAT; THAT ALL WALKS, ROADS, EASEMENTS AND IMPROVEMENTS THEREON ARE AS SHOWN AND THAT ALL OVERLAPS AND ENCROACHMENTS ARE AS SHOWN TO THE BEST OF MY KNOWLEDGE.

STATE OF ALASKA
49TH
J.W. BEAN
No. 3650-S
REGISTERED PROFESSIONAL LAND SURVEYOR

J.W. BEAN INC.
PROFESSIONAL SURVEYOR
1070 ARCTIC CIRCLE
JUNEAU - ALASKA
(907) 789-0590
SURVEYOR - PLANNER

0 100' 200'
Scale in feet
SCALE: 1"=100'

LEASE LAND
SITE PLAN
REF. #POA-1998-782
FAVORITE CHANNEL

CITY & BOROUGH OF JUNEAU, ALASKA
JUNEAU RECORDING DISTRICT

OWNERS:
MARION HOBBS
PO BOX 210447
JUNEAU, ALASKA 99821

SURVEYOR:
JW BEAN, INC.
PROFESSIONAL SURVEYOR
1070 ARCTIC CIRCLE
JUNEAU, ALASKA 99801

SHEET 1 OF 1

SCALE: 1"=100' DATE: 11-16-2007 PROJ: JOB No.: 8949-HOBBS-LEASE-LAND

G:\Bean\8948-Hobbs\8948-Hobbs-Lease-Land.dwg 11/16/2007 9:58:41 AM AST

QUALIFICATIONS OF CHARLES E. HORAN, MAI

Professional Designation	MAI, Member Appraisal Institute, No. 6534
State Certification	State of Alaska General Appraiser Certification, No. APRG41
Bachelor of Science Degree	University of San Francisco, B.S., Business Administration, 1973

Employment History:

8/04 – now	Owner, HORAN & COMPANY, LLC
3/87 –7/04	Partner, HORAN, CORAK AND COMPANY
1980 –2/87	Partner, The PD Appraisal Group, managing partner since November 1984 (formerly POMTIER, DUVERNAY & HORAN)
1976 – 80	Partner/Appraiser, POMTIER, DUVERNAY & COMPANY, INC., Juneau and Sitka, Alaska
1975 – 76	Real Estate Appraiser, H. Pomtier & Associates, Ketchikan, AK
1973 – 75	Jr. Appraiser, Ketchikan Gateway Borough, Ketchikan, AK

Lectures and Educational Presentations:

2007, "Conservation Easements" Presentation - Alaska Association of Assessing Officers, Fairbanks, AK
1998, "Easement Valuation Seminar," Alaska Chapter Appraisal Institute, Anchorage, AK
1998, "Easement Valuation Seminar," Seal Trust, Juneau, Alaska
1997, "Sitka Housing Market," Sitka Chamber of Commerce
1997, developed and taught commercial real estate investment seminar for Shee Atika, Inc.
1994, developed and taught seminar "Introduction to Real Estate Appraising," UAS, Sitka Campus
1985, Speaker at Sitka Chamber of Commerce, "What is an Appraisal? How to Read the Appraisal"
1984, Southeast Alaska Realtor's Mini Convention, Juneau, Alaska
Day 1: Introduction of Appraising, Cost and Market Data Approaches
Day 2: Income Approach, Types of Appraisals, AIREA Accredited Course
1983, "The State of Southeast Alaska's Real Estate Market"
1982, "What is an Appraisal?"

Types of Property Appraised:

Commercial - Retail shops, enclosed mall, shopping centers, medical buildings, restaurants, service stations, office buildings, auto body shops, schools, remote retail stores, liquor stores, supermarkets, funeral home, mobile home parks, camper courts. Appraised various businesses with real estate for value as a going concern with or without fixtures such as hotels, motels, bowling alleys, marinas, restaurants, lounges.
Industrial - Warehouse, mini-warehouse, hangars, docks barge loading facilities, industrial acreage, industrial sites, bulk plant sites, and fish processing facility. Appraised tank farms, bulk terminal sites, and a variety of waterfront port sites.
Special Land - Partial Interest and Leasehold Valuation - Remote acreage, tidelands with estimates of annual market rent. Large acreage land exchanges for federal, state, municipal governments and Alaska Native Corporations; retail lot valuations and absorption studies of large subdivisions; gravel and rock royalty value estimates; easements, partial interests, conservation easements; title limitations, permit fee evaluations. Appraised various properties under lease to determine leasehold and leased fee interests. Value easements and complex partial interests.
Special Projects - Special consultation for Federal land exchanges. Developed Land Evaluation Module (LEM) to describe and evaluate 290,000 acres of remote lands. Renovation feasibilities, residential lot absorption studies, commercial, and office building absorption studies. Contract review appraiser for private individuals, municipalities, and lenders. Restaurant feasibility studies, Housing demand studies and overall market projections. Estimated impact of nuisances on property values. Historic appreciation / market change studies. Historic barren material royalty valuations, subsurface mineral and timber valuation in conjunction with resource experts. Mass appraisal valuations for Municipality of Skagway, City of Craig, Ketchikan Gateway Borough and other Alaska communities. Developed electronic/digital

assessment record system for municipalities. Developed extensive state-wide market data record system which identified sales in all geographic areas.

Expert Witness Experience and Testimony:

2016 Expert Witness – D's Investment Group, LLC vs Erwin Enterprises, et al 1JU-15-971CI, settled
2012 Expert Witness – Dukowitz vs Chamberlain and First American Title Insurance Co. 1JU-12-778CI, settled
2011 Expert Witness – Wise and Wise vs City and Borough of Juneau. 1JU-10-584CI, settled
2009 Expert at mediation - Talbot's Inc vs State of Alaska, et al. IKE-07-168CI
2008 Albright vs Albright, IKE-07-265CI, settled
2006 State of Alaska vs Homestead Alaska, et al, 1JU-06-572, settled
2006 State of Alaska vs Heaton, et al, 1JU-06-570CI, settled
2006 State of Alaska vs Jean Gain Estate, 1JU-06-571, settled
2004 Assessment Appeal, Board of Equalization, Franklin Dock vs City and Borough of Juneau
2000 Alaska Pulp Corporation vs National Surety - Deposition
U.S. Senate, Natural Resources Committee
U.S. House of Representatives, Resource Committee
Superior Court, State of Alaska, Trial Court and Bankruptcy Courts
Board of Equalization Hearings testified on behalf of these municipalities: Ketchikan Gateway Borough, City of Skagway, City of Pelican, City and Borough of Haines, Alaska
Witness at binding arbitration hearings, appointed Master for property partitionment by superior state court, selected expert as final appraiser in multi parties suit with settlements of real estate land value issues

Partial List of Clients:

<u>Federal Agencies</u>
Bureau of Indian Affairs
Bureau of Land Mngmnt
Coast Guard
Dept. Of Agriculture
Dept. Of Interior
Dept. Of Transportation
Federal Deposit Ins Corp
Federal Highway Admin.
Fish & Wildlife Service
Forest Service
General Service Agency
National Park Service
USDA Rural Develop.
Veterans Administration

<u>Municipalities</u>
City & Borough of Haines
City & Borough of Juneau
City & Borough of Sitka
City of Akutan
City of Coffman Cove
City of Craig
City of Hoonah
City of Ketchikan
City of Klawock
City of Pelican
City of Petersburg
City of Thorne Bay
City of Wrangell
Ketchikan Gateway Borg.
Municipality of Skagway

<u>Lending Institutions</u>
Alaska Growth Capital
Alaska Pacific Bank
Alaska Ind. Dev. Auth.
ALPS FCU
First Bank
First National Bank AK
Key Bank
Met Life Capital Corp.
National Bank of AK
Rainier National Bank
SeaFirst Bank
True North Credit Union
Wells Fargo
Wells Fargo RETECHS

<u>Other Organizations</u>
BIHA
Central Council for Tlingit & Haida Indian Tribes of Alaska (CCTHITA)
Diocese of Juneau
Elks Lodge
Hoonah Indian Assoc.
LDS Church
Moose Lodge
SE AK Land Trust (SEAL)
SEARHC
Sitka Tribe of Alaska
The Nature Conservancy

<u>ANCSA Corporations</u>
Cape Fox, Inc.
Doyon Corporation
Eyak Corporation
Goldbelt
Haida Corporation
Huna Totem
Kake Tribal Corporation
Klawock-Heenya Corp.
Klukwan, Inc.
Kootznoowoo, Inc.
Sealaska Corporation
Shaan Seet, Inc.
Shee Atika Corporation
TDX Corporation
The Tatitlek Corporation
Yak-Tat Kwan

<u>State of Alaska Agencies</u>
Alaska State Building Authority (formerly ASHA)
Attorney General
Dept. of Fish & Game
Dept. of Natural Service, Div. of Lands
Dept. of Public Safety
DOT&PF
Mental Health Land Trust
Superior Court
University of Alaska

<u>Companies</u>
AK Electric Light & Power
AK Lumber & Pulp Co.
AK Power & Telephone
Allen Marine
Arrowhead Transfer
AT&T Alascom
Coeur Alaska
Delta Western
Gulf Oil of Canada
Hames Corporation
HDR Alaska, Inc.
Holland America
Home Depot
Kennecott Greens Creek
Kennedy & Associates
Madsen Construction, Inc.
Service Transfer
Standard Oil of CA
The Conservation Fund
Union Oil
Ward Cove Packing
White Pass & Yukon RR
Yutana Barge Lines

Education

Valuation of Conservation Easements, Fairfield, CA, Sept 2016 Business Practices and Ethics, Seattle, WA, Jan 2016 7-Hour National USPAP Update Course, Seattle, WA, Jan 2016 Online Small Hotel/Motel Valuation, Chicago, IL June 2015 Advanced Spreadsheet Modeling for Valuation Applications, Rockville, MD April 2015 7-Hour National USPAP Update Course, Seattle, WA January 2015 7-Hour National USPAP Update Course, Mount Vernon, WA, April 2013 Fall Real Estate Conference 2012, Seattle, Wa November, 2012 Appraising the Appraisal: Appraisal Review-General, Rockville, MD, May 2012 Information Security Awareness for Appraisal Professionals Webinar, December, 2012 Fall Real Estate Conference 2011 Seattle, WA October, 2011 Appraisal Curriculum Overview (2-day General) Milwaukee, WI, August 2011 Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), Rockville, MD, Oct 2010 Business Practices and Ethics, Seattle, WA, Apr 2010 Fall Real Estate Conference, Seattle, WA, Dec 2009 7-hour National USPAP Update Course, Seattle, WA, May 2009 Fall Real Estate Conference, Seattle, WA, Nov 2008 Attacking and Defending an Appraisal in Litigation, Kent, WA, Sep 2008 Sustainable Mixed-Use N.I.M., Seattle, WA, Feb 2008 Appraising 2-4 Unit Properties, Bellevue, WA, Sep 2007 Business Practices and Ethics, Seattle, WA, Jun 2007 7-hour National USPAP Update Course, Seattle, WA, Jun 2007 Residential Market Analysis and Highest and Best Use, Seattle, WA, Apr 2007 Basic Appraisal Procedures, Seattle, WA, Feb 2007 USPAP Update Course, Anchorage, AK, Feb 2005 Rates & Ratios: Making Sense of GIMs, OARs, and DCF, Anchorage, AK, Feb 2005 Best Practices for Residential Appraisal Report Writing, Juneau, AK, Apr 2005 Scope of Work - Expanding Your Range of Services, Anchorage, AKMay 2003 Litigation Appraising - Specialized Topics and Applications, Dublin, CA, Oct 2002 UASFLA: Practical Applications for Fee Appraisers, Jim Eaton, Washington, D.C., May 2002	USPAP, Part A, Burr Ridge, IL, Jun 2001 Partial Interest Valuation - Undivided, Anchorage, AK, May 2001 Partial Interest Valuation - Divided, Anchorage, AK, May 2001 Easement Valuation, San Diego, CA, Dec 1997 USPAP, Seattle, WA, Apr 1997 The Appraiser as Expert Witness, Anchorage, AK, May 1995 Appraisal Practices for Litigation, Anchorage, AK, May 1995Forestry Appraisal Practices, Atterbury Consultants, Beaverton, OR, Apr 1995 Advanced Sales Comparison & Cost Approaches, Univ. of Colorado, Boulder, CO, Jun 1993 Computer Assisted Investment Analysis, University of Maryland, MD, Jul 1991 USPAP, Anchorage, AK, Apr 1991 General State Certification Review Seminar, Anchorage, AK, Apr 1991 State Certification Review Seminar, Dean Potter, Anchorage, AK, Apr 1991 Highest and Best Use and Market Analysis, Baltimore, MA, Mar 1991 Financial Institution Reform, Recovery & Enforcement Act of 1989, Doreen Fair Westfall, Appraisal Analyst, OTS, Juneau, AK, Jul 1990 Real Estate Appraisal Reform, Gregory Hoefer, MAI, OTS, Juneau, AK, Jul 1990 Standards of Professional Practice, Anchorage, AK, Oct 1987 Federal Home Loan Bank Board Memorandum R41C Seminar, Catherine Gearhearth, MAI, FHLBB District Appraiser, Juneau, AK, Mar 1987 Market Analysis, Boulder, CO , Jun 1986 Federal Home Loan Bank Board Regulation 41b, Instructor Bob Foreman, MAI, Seattle, WA, Sep 1985 Litigation Valuation, Chapel Hill, North CA, Aug 1984 Standards of Professional Practices, Bloomington, IN, Jan 1982 Course 2B, Valuation Analysis & Report Writing, Stanford, CA, Aug 1980 Course 6, Introduction to Real Estate Investment Analysis, Aug 1980 Course 1B, Capitalization Techniques, San Francisco, CA, Aug 1976 Course 2A, Case Studies in Real Estate Valuation, Aug 1976 Course 1A, Real Estate Principles and Valuation, San Francisco, CA, Aug 1974

SIX-YEAR DEPARTMENT IMPROVEMENT PLANS

Division	Project	Priority	FY20	FY21	FY22	FY23	FY24	FY25	Future
Docks & Harbors									
Docks									
	Dock Waterside Safety Railings	1		$ 2,000,000					
	Deck Over at People's Wharf	2		$ 4,000,000					
	Shore Power at Cruise Ship Berths	3							$ 25,800,000
Docks Total:			**$ -**	**$ 6,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 25,800,000**
Harbors									
	Aurora Harbor Rebuild-Phase III	1	$ 4,000,000						
	Annode Installation Matching Funds - Harris, Douglas	2	$ 300,000						
	Auke Bay Passenger for Hire IIIB - Cost Share	3	$ 690,000						
	Cost Share w/ ACOE - Statter Breakwater Feasibility	4	$ 500,000						
	Juneau Fisheries Terminal Development	5	$ 25,000,000						
	Marine Services Center	6	$ 25,000,000						
	Auke Bay Non-Motorized Coastal Transportation Link	7	$ 12,500,000						
	North Douglas Boat Ramp Improvements	8		$ 5,000,000					
	Auke Bay Net Repair Float	9		$ 300,000					
	Aurora Harbor Dredging	10		$ 350,000					
	Wayside Float Maintenance Dredging	11		$ 350,000					
	Aurora Harbormaster Building and Shop	12							$ 3,000,000
	Douglas Harbor Uplands Improvements	13							$ 2,000,000
	Statter Harbor Shop/Garage/Storage Facility	14							$ 1,500,000
	Fish Sales Facility/Seaplane Float	15							$ 1,000,000
	Taku Harbor Stockade Point Float Replacement	16							$ 300,000
Harbors Total:			**$ 67,990,000**	**$ 6,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,800,000**
Docks & Harbors Total:			**$ 67,990,000**	**$ 12,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 33,600,000**
	6 Year Improvement Totals:		**$ 67,990,000**	**$ 12,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 33,600,000**

FY20 CAPITAL IMPROVEMENTS

Enterprise	Division	Priority	Project	Funding Source	Amount
Docks & Harbors					
	Harbors				
		1	Aurora Harbor Rebuild - Phase III	ADOT Grant/Harbor Funds	$4,000,000
		2	Anode Installation Matching Funds - Douglas Harbor	Harbor Funds	$140,000
		3	Anode Installation - Harris Harbor	ADOT Grant/Harbor Funds	$250,000
		4	Auke Bay Passenger For Hire IIIB - Cost Share	Harbor Funds	$690,000
		5	Cost Share w/ ACOE - Statter Breakwater Feasibility	Harbor Funds	$500,000
		6	Juneau Fisheries Terminal Development	BUILD Grant	$25,000,000
		7	Juneau Marine Services Center	BUILD Grant	$25,000,000
		8	Auke Bay Non-Motorized Coastal Transportation Link	BUILD Grant	$12,500,000
				Harbors Total Funding:	**$68,080,000**

Port of Juneau

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

Carl J. Uchytil

From: Carl Uchytil, Port Director
To: Rorie Watt, City Manager
Date: October 22nd, 2018
Re: FY19 Marine Passenger Fee List

In the FY19 Marine Passenger Fee assignment, $170K was allocated to purchase biometric TWIC card readers for each of the four cruise ship berths, the Port Field Office lightering float, one spare and maintenance from the Marine Exchange of Alaska. The requirement for TWIC card readers has been proposed for several years under the US Coast Guard TWIC Reader Final Rule which was to go in effect on August 23rd, 2018. The Port of Juneau and several of its SE Alaska partners drafted correspondence to the Coast Guard and to the federal delegation explaining that the Final Ruling would not increase the level of security at cruise ship facilities in SE Alaska.

On September 4th, we were notified by the Coast Guard that the TWIC Reader Final Rule would be indefinitely delayed. This decision negates the need to purchase TWIC card readers using FY19 MPF.

Docks & Harbors had intended to submit a MPF request for enhanced security facilities at the Cruise Ship Terminal and the Alaska Steamship approach docks for FY19. The completion of the CBJ cruise ship dock facilities have resulted in new security requirements and additional responsibilities by Docks employees to visually screen every passenger/crew returning to the vessels. The existing facilities do not lend itself to proper screening of thousands of returning passengers in a very short period. Docks & Harbors would like to design and construct a "check-point" which would provide a covered structure for security personnel and a controlled access facility in which passengers/crew can be monitored in an efficient manner.

Docks & Harbors request that the MPF which were originally targeted for TWIC card readers be reprogramed for enhanced security check points at the Cruise Ship Terminal and Alaska Steamship approach docks.

#

Encl (1) Docks & Harbors FY19 MPF Request
(2) FY19 Marine Passenger Fee Allotment
(2) Docks & Harbors Letter of July 2nd , 2018 to Coast Guard Headquarters
(3) Coast Guard Headquarters Letter of September 4th, 2018

Port of Juneau

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

From: Port Director

To: Assembly

Thru: (1) Docks & Harbor Board

(2) City Manager

Date: November 9th, 2018

Re: FY2018 Review - Docks & Harbors Operations

1. In accordance with 85.02.045, Docks and Harbors Board shall, no later than November 30 each year, provide the assembly with a written review of docks and harbors department operations during the preceding fiscal year.

2. The FY18 end of year financial report suggest the department is fiscally sound:

	Harbor Enterprise	Docks Enterprise
Revenue	$4,374,735	$1,964,484
Expenditure	$3,702,155	$ 1,663,167[1]
FY18 Net	$672,580	$301,317
Fund Balance	$ 895,149	$ 4,009,076

3. The number of cruise ship passengers who arrived to the Port of Juneau continues to increase:

	2013	2014	2015	2016	2017	2018
Large Cruise Ships[2]	940,447	944,239	965,731	992,092	1,046,587	1,118,897
Small Cruise Ships	5,459	10,216	11,426	8,727	8,658	9,729
Total	945,906	954,455	977,157	1,000,819	1,055,245	1,128,626

4. Docks & Harbor has been engaged in several capital improvement projects in the course of FY18.
   a. Aurora Harbor Rebuild (Phase II) - complete. This $4M project replaced E, F & G main floats and required the contractor to relocate the boat shelters in the performance of the work. The project was funded with Harbor funds and a $2M ADOT Harbor Grant. The initial work was completed under budget which allowed Docks & Harbors to amend the contract for installation of zinc anodes throughout Aurora Harbor as a preventative maintenance measure.
   b. Statter Harbor Phase III (For Hire Commercial Float and associated uplands). This effort remains delayed as we are applying for an Incidental Harassment Authorization (IHA) permit.

[1] Does not include $200,000 transfer into CIP project for Downtown Waterfront Development

[2] Revenue producing cruise ship passenger data only which is less than the total passenger embarkation

Within the past two-years, newly enacted NOAA National Marine Fisheries Service guidelines are requiring additional permitting and monitoring in waters in which protected marine mammal species are present. We are hopeful that all permits will be secured in December 2018 to allow for award of the first phase (dredging/rock removal/retaining wall) early this winter.

5. Other ongoing CIP planning efforts include:
   a. Downtown Waterfront Improvement ($23M)
   b. Marine Park Retaining Wall Cathodic Protection ($260K)
   c. Aurora/Harris Harbors maintenance dredging coordination with USACE ($6M)
   d. Aurora Harbor Phase III ($4M)
   e. Amalga Harbor Launch Ramp Extension ($280K)
6. Docks & Harbors completed several important but relatively unheralded projects in FY18:
   a. Downtown Seawalk Safety Improvement ($450K)
   b. Statter Harbor Breakwater Safety Improvement ($110K)
   c. Taku Harbor Maintenance ($125K)
   d. Harris Harbor Restroom Recommissioning ($120K)
   e. Auke Bay Float Extension ($210K) – placed into service in August
7. In July, Docks & Harbors submitted three federal BUILD (Better Utilizing Investments to Leverage Development) grant applications:
   a. $25M for Marine Services Yard
   b. $25M for Juneau Marine Fisheries Terminal
   c. $12M for an elevated "bay-walk" between Statter Harbor and ABMS

   Docks & Harbors has been unsuccessful each of the past 4 years when applying for a $3M "TIGER" grant to expand the downtown Juneau Fisheries "crane dock".
8. With the new hire of the downtown Harbor Operations Supervisor in April, the Harbor enterprise is fully staffed for the first time since 2016. Over $125K was spent addressing derelict vessels in the harbors in FY18. The derelict tug LUMBERMAN remains on ADNR managed lands but Docks & Harbors remain in dialogue with stakeholders.
9. The Port Director has met senior level NOAA officials with the goal to encourage homeporting NOAA vessels in Juneau.
10. In January, Docks & Harbors acquired 2-acres of the former NOAA Laboratory through a quitclaim deed from General Services Administration. Docks & Harbors successfully encouraged the Alaska Trooper Vessel ENFORCER to relocate to Juneau from Ketchikan. We continue to seek tenants for the four vacant buildings at the Auke Bay Marine Station. Two dilapidated buildings have been razed since acquisition of the property. As mentioned above, an 100-foot float extension was added to the existing 120-foot float and we hope to mitigate some charter vessel congestion in Statter Harbor with this extension.
11. In FY18, two Docks & Harbors employees received state awards. Port Engineer Gary Gillette was recognized by the Alaska Municipal League as the Municipal Employee of the Year. Harbormaster Dave Borg was recognized by the Alaska Association of Harbormasters and Port Administrators as the Harbormaster of the Year. Juneau will host the Alaska Association of Harbormaster and Port Administrators annual conference in September 2019.
12. The fee schedule for FY18 is attached as enclosure (1).
13. The Board looks forward to a joint meeting with the Assembly in the very near future.

#

Encl: (1) FY2018 & FY2019 Fee Schedule

REQUEST FOR PROPOSALS

RFP DH19-0xx

PROFESSIONAL DESIGN SERVICES
for
SMALL CRUISE SHIP INFRASTRUCTURE
MASTER PLANNING

Issued By: ______________________________
Carl J Uchytil, Port Director

Date: November xx , 2018

PROFESSIONAL DESIGN SERVICES
for
SMALL CRUISE SHIP INFRASTRUCTURE MASTER PLANNING
RFP DH19-0xx

SCOPE AND INTENT: The City and Borough of Juneau Docks and Harbors (D&H) is requesting proposals from qualified consultants to provide professional design services to plan for the unmet needs of the small cruise ship market niche within the Borough. The increased number of small cruise ships have adversely impacted and strained Docks and Harbors' ability to provide suitable dock space to some industry users. This master planning effort would examine the future business need and develop a holistic plan which would enable this industry to thrive in a sustainable manner.

The desired services would: validate small cruise ship forecast market trends; evaluate opportunities for infrastructure investment; and, develop cost estimates and options through schematic design in producing a document to guide D&H for the next decade. The work may be phased to accommodate a time-line dependent upon available funding. Upon receipt of the final deliverable, D&H may elect to amend the scope of services to include design through final design and construction documents of specific elements including Bidding, Construction Administration, Inspection, and other related services.

DOCUMENTS: Request for Proposal (RFP) documents may be obtained from the CBJ Port Director's Office, 76 Egan Drive, Juneau, AK 99801, telephone (907) 586-0292. Documents may also be obtained on-line at: http://www.juneau.org/harbors/proposed_regulations.php. Proposers are encouraged to register as a plan holder to assure notification of addenda or other information regarding this RFP.

QUESTIONS REGARDING THIS RFP: Teena Larson, Administrative Officer, is the sole point of contact for all issues pertaining to this RFP (phone (907) 586-0292, fax (907) 586-0295, e-mail teena.larson@juneau.org). No oral interpretations concerning the RFP will be made to any person. Requests for interpretation must be made in writing and delivered, sent by fax, or e-mailed to CBJ Docks and Harbor at least four (4) days prior to submittal deadline.

PRE-PROPOSAL CONFERENCE: A non-mandatory pre-proposal conference about the scope and process will be held at 10:00 a.m. Tuesday, December 11th, 2018 in the CBJ Municipal Building Room 224 at 155 South Seward Street, Juneau, Alaska. Persons interested in submitting proposals are encouraged to attend. Conference call capability may be available for the Pre-Proposal Conference. Proposers intending to participate via teleconference shall notify the Port Director's Office, at (907) 586-0292 prior to the meeting.

DEADLINE FOR PROPOSALS: Six (6) copies of the proposal, in a sealed envelope, will be **received until 2:00 p.m., Alaska Time on Tuesday, January 15th, 2019**, or such later time as the Port Director may announce by addendum to holders of the RFP documents at any time prior to the submittal date. Late proposals will not be accepted and will be returned unopened. Faxed or e-mailed proposals will not be accepted.

Please affix the label below to outer envelope in the lower left hand corner.

<table>
<tr><td colspan="3">IMPORTANT NOTICE TO PROPOSER</td></tr>
<tr><td colspan="3">To submit your Proposal:
1. Provide your company name and address on the upper left corner of your envelope.
2. COMPLETE THIS LABEL AND PLACE IT ON THE LOWER LEFT CORNER OF YOUR ENVELOPE.</td></tr>
<tr><td>S
E
A
L
E
D</td><td>Proposal Number: RFP DH19-0xx

Project: Downtown Waterfront Improvements

DEADLINE DATE:

____
PRIOR TO 2:00PM ALASKA TIME</td><td>R
F
P</td></tr>
</table>

Proposal documents delivered in person or by courier service must be delivered to:

<u>PHYSICAL LOCATION:</u>
City and Borough of Juneau
Docks and Harbors – Port Director's Office
Second Floor – Seadrome Building
76 Egan Drive
Juneau, AK 99801

NOTE: Mailing/delivery times to Alaska may take longer than other areas of the U.S.

Proposal documents delivered by the U.S. Postal Service must be mailed to:

<u>MAILING ADDRESS:</u>
City and Borough of Juneau
Port Director's Office
Docks and Harbors
155 South Seward Street
Juneau, AK 99801

The CBJ Docks and Harbors phone number is (907) 586-0292 and fax number is (907) 586-0295.

TABLE OF CONTENTS

1.0 GENERAL INFORMATION

CBJ Docks and Harbors (D&H) is requesting proposals for professional design services. This Request for Proposals (RFP) defines the scope of the requested services, explains the procedures for selecting a firm to provide the requested services, and defines the documents required to respond to the RFP.

Late proposals will not be accepted and will be returned unopened. CBJ Docks and Harbors reserve the right to reject any or all proposals.

1.1 PURPOSE

The purpose of this document is to solicit proposals from qualified consultants to evaluate and provide opportunities to serve the small cruise ship market within the City & Borough of Juneau. The intent is to create a master plan for future development to support the commercial passenger industry for vessels less than 275 feet in overall length. The planning effort would identify economic measures for consideration to the future growth and sustainability of the proposed harbor related infrastructure.

The successfully selected consultant would evaluate harbor facilities, existing or undeveloped, within the City & Borough of Juneau to provide for new or expanded moorage opportunities for the small cruise ship industry. The evaluation will consider, at a minimum, the following locations:

- Juneau Harbor (including the Intermediate Vessel Float, National Guard Float)
- NOAA Dock
- Little Rock Dump
- Aurora Harbor
- Harris Harbor
- D&H managed tidelands in vicinity of Gold Creek
- Don D. Statter Harbor Facilities
- Auke Bay Marine Station

The intent is to create a master plan for future development to support commercial use of the harbor facilities. The contract resulting from this RFP may be amended to include design, bidding assistance; construction administration; inspection services; and other related services deemed necessary for this project.

1.2 BACKGROUND

Juneau is Alaska's Capital City. The City and Borough of Juneau (CBJ) municipal offices are located at 155 South Seward Street, Juneau, Alaska 99801. The Port Director's Office is located on the 2nd floor of the Seadrome Building at 76 Egan Drive, Juneau, Alaska 99801.

The Port of Juneau hosts in excess of 1.25 million cruise ship passengers annually from “large” vessels. Cruise ships make calls at four permanent berths and one at-anchor position. Two cruise ship berths are owned by the City and Borough of Juneau (CBJ) and managed by Docks & and Harbors (D&H), an enterprise of CBJ.

Small cruise activity within CBJ over the past five years is listed below. These visits provide an economic benefit to the Juneau community which is not captured by the large cruise ship industry. Local entrepreneurs involved with retail, transportation, hospitality, hotels, bed & breakfast typically benefit from this industry as passengers often overnight awaiting departure or extend their visits following a cruise. Additionally, numerous businesses see growth to provision vessels as they use the Juneau facilities as a turnaround port for embarkation. Services to provide grocery delivery, beverage distribution, fuel, parts & suppliers, flowers and laundry are a few opportunities available to Juneau businesses.

Small Cruise Ship Visits within the City & Borough of Juneau

2014	2015	2016	2017	2018	
10,216	11,426	8,727	8,658	9,729	Total Passengers
137	143	166	172	167	Total Visits
12	11	14	15	15	Total Ships

D&H attempts to provide moorage to niche cruise ships at the downtown Intermediate Vessel Float (IVF) and at the Statter Harbor Breakwater. During the height of the summer season, scheduling luxury yachts and niche cruise ships for the finite available moorage usually results in frustration by someone. Vessels that have been unable to secure moorage at D&H facilities will utilized private docks in Auke Bay or have moved operations to other SEAK communities.

The small cruise ship industry would also benefit from a deliberate plan to access the proposed moorage by providing for delivery vehicles as well as ADA accessible ramp and transportation staging. These amenities would allow for ease of resupplying as a turnaround port and for local tour excursions.

1.3 PROJECT DESCRIPTION

The proposed project area is located within the City & Borough of Juneau. Paragraph 1.1 provides a list of facilities which shall be considered in this study. It should not be considered as limiting and the consultant is encouraged to evaluate other waterfront locations. Attachment A provides a map of facilities which D&H currently manages.

The intent of the project is to determine appropriate location(s) to invest in infrastructure in support of the small cruise ship industry. Reasonable services to accompany the recommended moorage facilities should include: pier/wharf/float, uplands access and water. Other services desired, but not required, may include fuel, electricity, sewage and oily waste pump-out facilities.

1.4 SCOPE OF SERVICES

The Consultant shall provide professional services to study, evaluate and provide a recommended master plan (to a conceptual level with cost estimates) for consideration by Docks & Harbors. D&H may, at its own discretion, extend the master planning effort to include additional design level efforts, permitting, cost estimating, construction documents, as well as scheduling and construction phasing recommendations.

The scope of services is anticipated will include but not limited to the following milestones/deliverables:

- Meeting with Docks & Harbors Staff
- Meeting with small cruise ship operators, coordinated by D&H Staff
- Evaluation report of available waterfront/uplands locations
- Presentation to Docks & Harbors Board
- Small Cruise Ship Infrastructure Master Plan Report

The product of the Consultant's work will be phased and managed as specific milestones/deliverables are achieved. Future design elements, bidding assistance, construction administration, and inspection services may be amended to the contract if desired by the Port Director as result of final deliverables.

1.5 SCHEDULE OF WORK

The schedule for specific elements of the project will be determined based upon contract award. It is anticipated and desired by D&H to receive the final deliverable within 9 months of award.

A tentative schedule should be proposed in the RFP that would result in the desired timeline as identified above. The Consultant shall propose a schedule of work that identifies tasks necessary to accomplish the work.

The Consultant should anticipate a notice to proceed for professional services not later than January 29, 2019.

1.6 QUESTIONS

Questions regarding this proposal should be directed to:

Teena Larson, Administrative Officer
City and Borough of Juneau
Docks and Harbors
76 Egan Drive, 2nd Floor
Juneau, Alaska 99801

Phone: (907) 586-0292
Fax: (907) 586-0295
E-mail: teena.larson@juneau.org

Office hours are 8:00 a.m. to 4:30 p.m. local time, Monday through Friday.

1.7 STANDARD CONTRACT LANGUAGE

Attached to this RFP is a CBJ standard contract sample (Attachment E) which should be carefully reviewed by proposers, as it is the form of agreement that the CBJ intends the selected consultant to sign in the event of acceptance of its proposal.

1.8 CONTRACT TERMS

It is anticipated that this RFP would result in a contract for professional services. Fees would be negotiated and result in a lump sum and/or a not-to-exceed time and materials contract. The contract fees will be based on the proposed billing rates for the life of the contract, unless adjustments are approved in writing by CBJ.

2.0 RULES GOVERNING COMPETITION

2.1 PRE-PROPOSAL

Proposers should carefully examine the entire RFP and any addenda thereto, and all related materials and data referenced in the RFP. Proposers should become fully aware of the nature of the services requested and the conditions likely to be encountered in performing the services. It is the sole responsibility of the proposer to assure they are in receipt of any and all addenda.

2.2 PROPOSAL DEVELOPMENT

2.2.1 General

The content of proposals will be kept confidential until the selection of the Consultant is publicly announced. All materials submitted in response to this RFP will become the property of the CBJ Docks and Harbors. One copy will be retained for the official files of the CBJ Docks and Harbors and will become public record after signing a contract with the successful Proposer. CBJ Docks and Harbors will not return proposals to the Proposer. CBJ Docks and Harbors reserves the right to reject any or all proposals.

2.2.2 Proposal Submission Process

Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of the Proposer's capabilities to satisfy the requirements of this RFP. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.

This solicitation does not commit CBJ Docks and Harbors to select any Consultant(s) for the requested services. All costs associated with the respondents' preparations, submission and oral presentations (if applicable) shall be the responsibility of the Proposer.

All proposals must be signed. Proposals must be received in the number of copies stated in the RFP no later than the date and time specified in the cover sheet or issued addenda. All copies of the proposals must be under sealed cover and plainly marked. Proposals not received by the date and time specified in the cover sheet will not be considered.

3.0 PROPOSAL CONTENT REQUIREMENTS

To achieve a uniform review process and obtain the maximum degree of comparability for the Selection Committee, proposals should be organized in the manner specified below:

3.1 TITLE PAGE

Show the RFP subject and contract number; the name of the firm; address; telephone numbers; name of contact person; and date of submission.

3.2 TABLE OF CONTENTS

Clearly identify the materials by section and page number.

3.3 LETTER OF TRANSMITTAL

Limit to one (1) or two (2) printed pages.

3.3.1 Briefly state your firm's understanding of the proposal requirements and summarize your capability to meet same.

3.3.2 Give names of the person(s) who will be authorized to represent your firm, their title(s), address (es) and telephone number(s).

3.3.3 The transmittal letter must be signed by a corporate officer who has authority to bind the firm. Name and title of the individual signing the proposal must be printed below or adjacent to the signature.

3.3.4 Acknowledge receipt of all addenda. Failure to acknowledge addenda may result in the proposal being considered non-responsive and subject to rejection.

3.4 SCOPE OF SERVICES AND WORK PLAN

3.4.1 Discuss the Scope of Services and how the firm will provide the desired services. Include a statement of approach and methodology for accomplishing the requested services.

3.4.2 Provide a work plan, which includes a proposed project schedule. This schedule should identify major tasks and critical components of the project. If the Consultant's team anticipates delays or problems with the design schedule, describe these issues in detail.

3.4.3 Discuss the incorporation of this project into the firm's current workload and the ability of the Consultant's team to meet the project schedule. Provide a staff schedule, identifying primary personnel and sub-consultants and their proposed work schedule during different phases of the project. How much priority can/will this project be given?

3.5 HISTORY AND EXPERIENCE

3.5.1 Provide company names, individual contacts, and telephone numbers of references for at least three recent projects similar in scope and scale to the project subject of this RFP.

3.5.2 Provide general background information on the firm including specialized experience, capabilities, and unique qualifications in the field. This should include information outlining the firm's experience in the specific professional services requested. Provide examples of projects that demonstrate unique, well planned, and executed solutions to program, budget, and design challenges.

3.5.3 Provide information to establish a high level of client satisfaction for the firm's previous work with CBJ, other government agencies, and private clients.

3.5.4 Provide information that demonstrates the ability of the firm to deliver design services that result in project construction within established budget and on schedule.

3.5.5 Provide information that demonstrates ability of firm to negotiate and secure federal, state, and local permits for projects of the scope and scale of the subject project.

3.6 PROPOSER'S ORGANIZATION AND PERSONNEL QUALIFICATIONS

3.6.1 Describe the organizational structure of the Consultant team for this project with an organizational chart or other diagrammatic explanation.

3.6.2 Specify the project manager and other key personnel who will be directly providing services for CBJ Docks and Harbors in various areas of the described project and state their position, role, and responsibility. The names, titles and resumes of listed personnel should be provided. Please indicate the experience of each member specifically as it applies to this type of project.

3.6.3 Describe quality control and quality assurance measures that the firm would use in the development of design documents for this project.

3.7 FIRM'S FEE SCHEDULE

3.7.1 Include a fee schedule of hourly rates of pay for firm principals; project managers; and other key personnel who will be directly providing services on this project relative to the proposed tasks to accomplish the Scope of Services. For clarity the fee schedules shall identify the key personnel proposed for the project, their role and their pay rate. Include mark-up rates for sub-consultant work and list typical reimbursable expenses including mark-ups. Hourly rates shall include all markups and multipliers. Hourly rates shall remain in effect for the life of the contract with no increase unless agreed to by CBJ. Rates will not be evaluated but will be the basis for contract negotiation.

3.8 LICENSES

3.8.1 Professional registration (Engineer/Architect) in the State of Alaska at the time of proposal submission is required (Alaska Statute 08.48.281).

If a corporate license is held, the professional licensed in the state of Alaska (in order to obtain a corporate license), as well as the professional stamping the work, must be in responsible charge of this project.

All survey work involving property or boundary surveys must be stamped by a Professional Land Surveyor licensed in the State of Alaska.

All reports prepared by a registered professional licensed in the State of Alaska must be stamped by the registered professional.

The proposal must include a statement indicating that all required business, corporate, professional occupational, and any other necessary licenses/certificates are currently held. License/certificate numbers must be provided.

4.0 EVALUATION OF PROPOSALS

4.1 CRITERIA

Proposals will be evaluated and scored, using the criteria on the Proposal Evaluation Form, found at the end of this document, in order to ascertain which proposal best meets the needs of CBJ Docks and Harbors. The items to be considered during the evaluation are explained below at Section 4.3 Evaluation Data. The associated point values are included on the Proposal Evaluation Form.

4.2 EVALUATION PROCESS

Evaluation of the written proposals will be performed by a committee selected by the Port Director. Written proposals will be the primary basis for selection of the consultant team, unless the selection committee determines that oral interviews are necessary.

If oral interviews are used, the selection committee will prepare a “short list” of at least two finalists, who will then be invited to attend oral interviews in Juneau. Finalists will be notified and informed of specific interview requirements and procedures prior to the oral interview. Proposers will be allowed a maximum of three team members to participate in the interview process.

Oral interviews, if used, will be scored and ranked independently of the written proposal and will determine the outcome of the RFP process.

4.3 EVALUATION DATA

The Evaluation Data discussed below is presented in an effort to delineate what criteria will be used to score proposals. Please do not include a separate section in your proposal for Evaluation Data. The information discussed and requested below should be included in the proposal as part of the Proposal Content Requirements discussed in Section 3.0 of this RFP.

4.3.1 Proposed Method to Accomplish the Project

Work Schedule and methodology will be evaluated according to completeness and pertinence of the tasks submitted by the Proposer, as well as the logic of the overall approach. The proposal should show interest and insight about the specific project.

4.3.2 Capacity of the Firm

Evaluation will be made on the Proposer’s ability to perform the desired services within the established schedule.

4.3.3 Past Record of Performance

Evaluation of the Proposer’s experience with the CBJ, other governmental agencies and private industry will be made. Detailed references including companies, specific contact persons and their phone numbers and locations should be provided.

Specific attention will be paid to the following items:

a. Monitors and maintains project schedules.
b. Establishes overall project success through close coordination with all parties.
c. Controls construction budgets, maintaining best interests of Owner.
d. Delivers high quality services within established budgets.
e. Ability to negotiate and secure federal, state, and local permits.

4.3.4 **<u>Firm's Experience with Similar Projects</u>**

Evaluation will include assessment of experience with projects of similar scale and scope. The proposal should succinctly describe these projects.

4.3.5 **<u>Firm's Representation</u>**

The proposal should specify readily available personnel to accomplish the desired services. The level of involvement should be displayed in a way which is consistent with the scale of the project.

Consideration will be given to the following:

a. Schedule of availability of personnel who will work on the project.
b. Scale of involvement is appropriate to the project.

4.3.6 **<u>Proposer's Organization and Personnel Qualifications</u>**

Evaluation will be made of the Proposer's organization and the ability of the personnel who will provide the equipment, technical, and supervisory assistance requested.

4.3.7 **<u>Quality of Proposal</u>**

Evaluation will include the clarity and professional quality of the document(s) submitted. Consideration will be given to the following:

a. Is the proposal clear and concise?
b. Is the proposal responsive to the needs of the project?

4.3.8 **<u>Juneau Proposer According to Section 7.0</u>**

Juneau proposer points will be given if the Prime Consultant meets Juneau Proposer requirements as stipulated in Section 7.0 - Juneau Proposer Points.

5.0 SELECTION AND AWARD

An evaluation committee will review, evaluate, score, and rank proposals in accordance with criteria identified in Section 3 and the Evaluation Form. Each member of the Selection Committee will independently score the proposals. Each member's scores, as they relate to the group of proposals, are then ranked. The proposal receiving the highest score is given a ranking value of "one", the second highest scored proposal receives a ranking of "two", and so on. The scores and rankings of each evaluation committee member will be checked for accuracy and combined to form a composite ranking.

The Proposer with the lowest composite numerical rank will be declared the apparent successful proposer. In the event of a tie in the ranking totals, the raw scores of the Proposers who are tied will be totaled to determine the successful Proposer. If oral interviews are used, the successful proposer will be chosen as provided in Section 4.2 of this RFP.

After the protest period, the successful Proposer will be invited to enter into contract negotiations with the CBJ. If negotiations are unsuccessful, discussions with the lowest ranked Proposer will be terminated and the second lowest ranked Proposer may be contacted for negotiations.

Award of contract, if made, will be to the responsible Proposer selected in accordance with the criteria described in Section 4 of this RFP, and whose final proposal and fee is accepted by the CBJ. The CBJ reserves the right to award the contract to the successful firm without further discussion.

6.0 INSURANCE REQUIREMENTS

The insurance requirements for this project are specified in Sample Contract (Attachment E).

7.0 JUNEAU PROPOSER POINTS

Juneau Proposer points shall be awarded if the Proposer is determined to be a “Juneau proposer” meeting the criteria of CBJ’s Purchasing Ordinance 53.50, section 53.50.010. CBJ Ordinance 53.50 can be viewed electronically at the following internet address: http://www.juneau.org/law/code/purchasing.pdf. A paper copy of the CBJ Purchasing Ordinance is available upon request from CBJ Docks and Harbors.

8.0 PROTESTS

The protest period begins with the posting of a notice of apparent successful proposer, in the Port Director’s Office, and expires at the close of the next business day.

Protests shall be executed in accordance with CBJ Ordinance 53.50.062 PROTESTS and 53.50.080 ADMINISTRATION OF PROTEST. Copies of the ordinances describing protest procedures are available from CBJ Docks and Harbors and can be viewed electronically at the following Internet address: http://www.juneau.org/law/code/purchasing.pdf.

9.0 JUNEAU BUSINESS SALES TAX AND PERSONAL PROPERTY TAX

Vendors/merchants conducting business within the CBJ are required by law to register with, and periodically report to, the CBJ regarding sales and property taxes. Vendors/Merchants must be in good standing for all amounts owed to the CBJ prior to award and prior to any contract renewal and, in any event, no later than five business days following notification by the CBJ of intent to award or renew.

Good standing means all amounts owed to the CBJ are paid in full, including any Confession of Judgments, and the proposer is current in reporting sales tax filings and business personal property declarations. Failure to meet these requirements, if so subject, shall be cause for rejection of your proposal and/or contract renewal. To determine if your business is in good standing, or for further information, contact the CBJ Finance Department, Sales Tax Division, at (907) 586-5265 concerning sales tax and the Treasury Division at (907) 586-5268 concerning business personal property and real property tax.

PROPOSAL EVALUATION FORM

PROPOSER: ______________________________

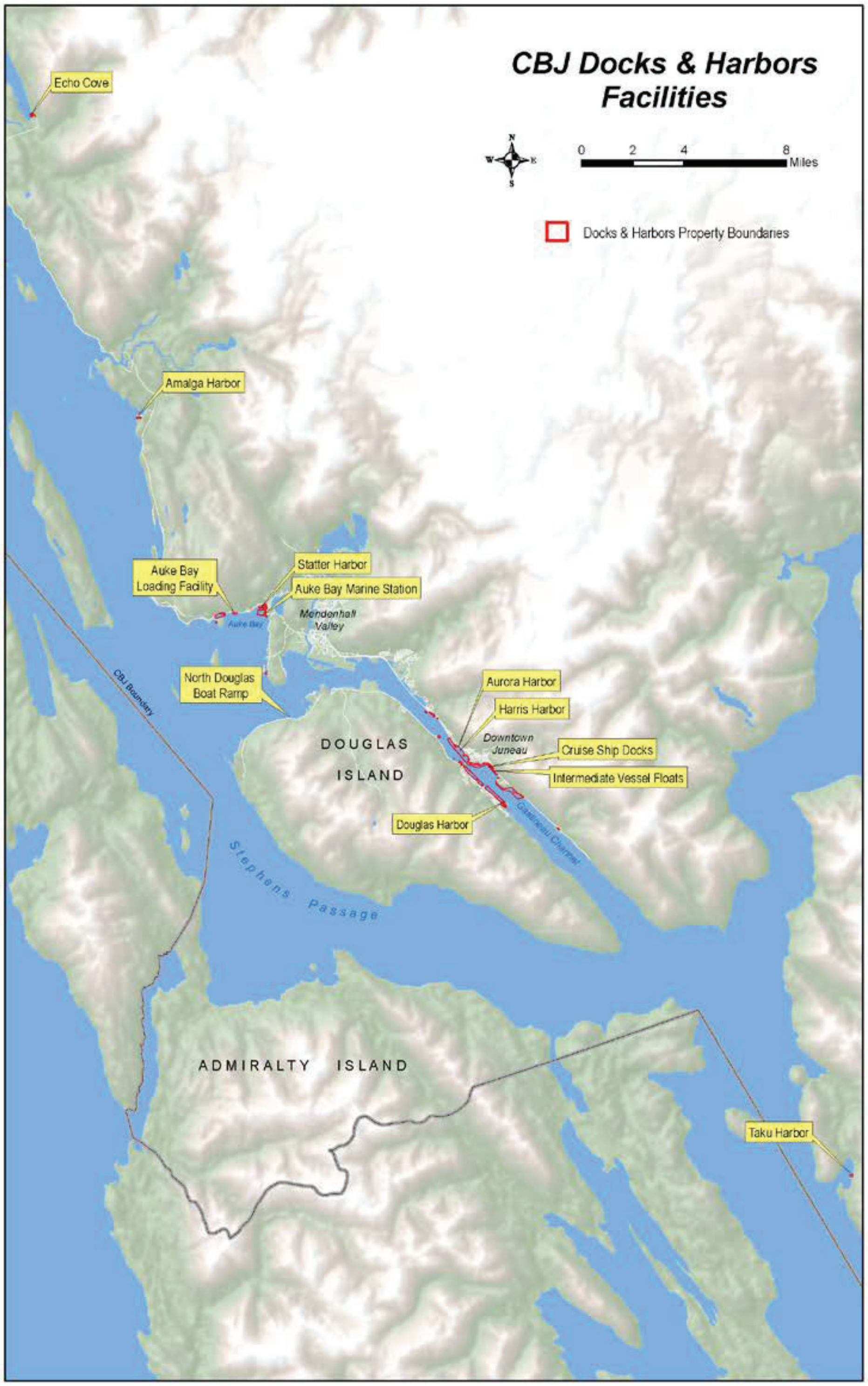
SCORED BY: ______________________ **DATE:** __________

		Points Possible	Score
4.3.1.	Proposed Method to Accomplish the Work	0 – 30	______
4.3.2.	Capacity of Firm	0 – 20	______
4.3.3.	Past Record of Performance		
	a. Monitors and maintains project schedules.	0 – 10	______
	b. Establishes overall project success through close coordination with all parties.	0 – 10	______
	c. Controls construction budgets, maintaining best interests of Owner.	0 – 10	______
	d. Delivers high quality services within established budgets.	0 – 10	______
	e. Ability of firm to secure federal, state, and local permits	0 - 10	______
4.3.4.	Firm's Experience with Similar Projects	0 – 20	______
4.3.5.	Firm's Representation		
	a. Schedule of availability of personnel.	0 – 20	______
	b. Scale of involvement is appropriate to the project.	0 – 20	______
4.3.6.	Proposer's Organization and Personnel Qualifications	0 – 20	______
4.3.7.	Quality of Proposal		
	a. Is proposal clear and concise?	0 – 10	______
	b. Is proposal responsive to the needs of the projects?	0 – 10	______
		Subtotal (Max 200)	______

The Port Director will assign points for criterion 4.3.9. below.

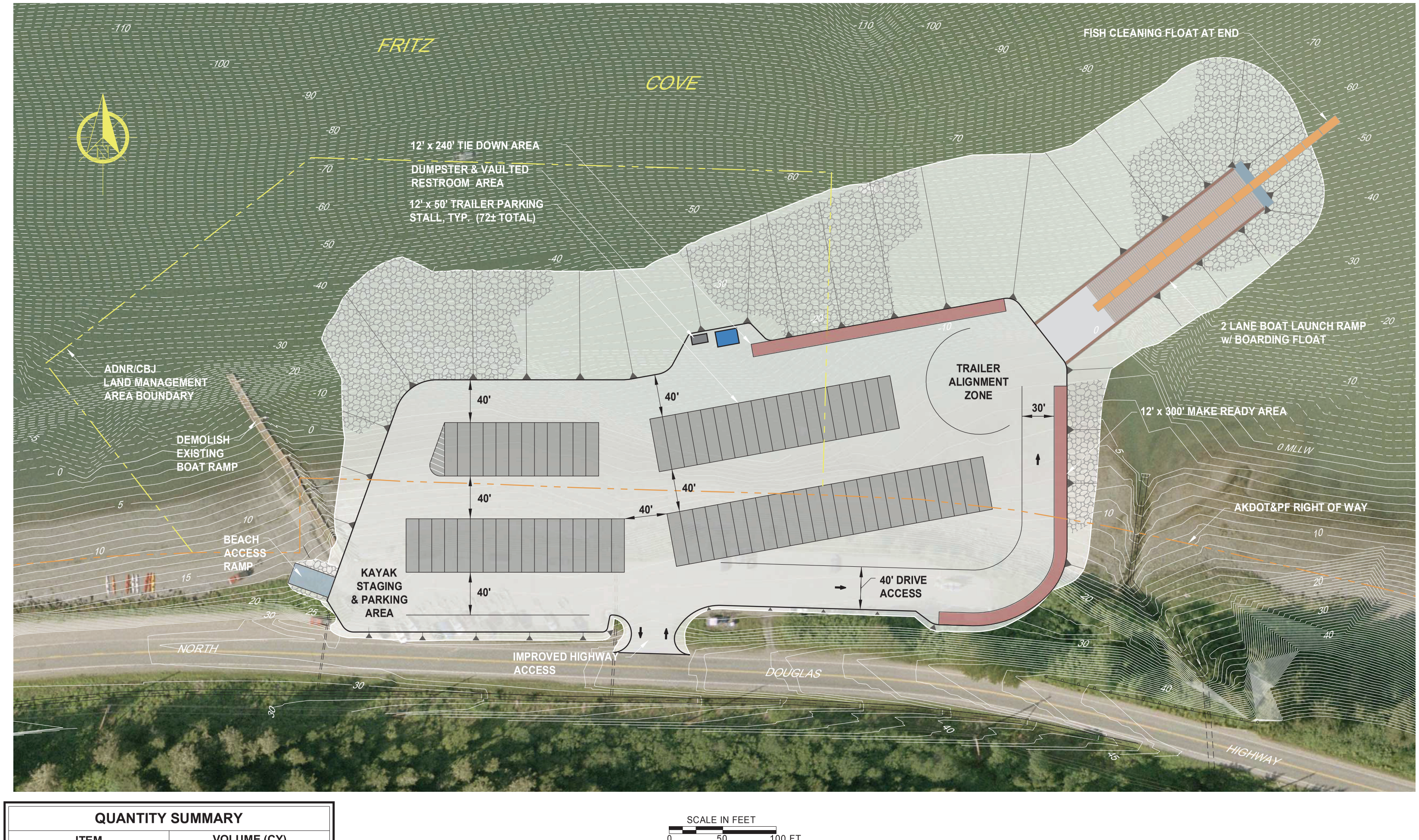
4.3.8.	Juneau Proposer (according to SECTION 7.0).	0 or 10	______
	TOTAL POINTS	**(Max 210)**	______
	INDIVIDUAL RANKING		______

Attachment A
Project Area Boundaries



Attachment B

Sample CBJ Professional Services Contract



QUANTITY SUMMARY

ITEM	VOLUME (CY)
PARKING LOT EMBANKMENT	165,000
BOAT RAMP EMBANKMENT	55,000
SLOPE PROTECTION ARMOR ROCK	10,000
12x50 PARKING STALLS	72

PRELIMINARY

REVISIONS

REV.	DATE	DESCRIPTION	DWN.	CKD.	APP.

PND ENGINEERS, INC.
9360 Glacier Highway Ste 100
Juneau, Alaska 99801
Phone: 907-586-2093
Fax: 907-586-2099
www.pndengineers.com

DESIGN: CRS CHECKED: CRS
DRAWN: PJD APPROVED: CRS
SCALE: AS SHOWN
DATE: NOV. 2018

CITY & BOROUGH OF JUNEAU
NORTH DOUGLAS BOAT LAUNCH STUDY

SHEET TITLE: NORTH DOUGLAS BOAT LAUNCH CONCEPT NO.2

PND PROJECT NO.182082