

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Thursday, January 18th, 2017

I. Call to Order The meeting was called to order at 12:00 p.m. in City Hall Conference Room 224.

II. Roll Call The following members were present: Don Etheridge, Tom Donek, Mark Ridgway, Bob Janes, Robert Mosher, and Budd Simpson.

Absent – Weston Eiler, David Lowell, and David Seng

Also Present: Carl Uchytel-Port Director, Gary Gillette-Port Engineer, and Matthew Creswell-Harbor Operations Manager.

III. Approval of Agenda

MOTION By MR. ETHERIDGE: TO APPROVE THE AGENDA AS AMENDED AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items – None

Carl Uchytel introduced Katie Katchel, Federal Lobbyist from DC

V. Approval of Wednesday, December 13th, 2017 Operations/Planning Meetings Minutes

MOTION By MR. ETHERIDGE: TO APPROVE THE DECEMBER 13th, 2017 MEETING MINUTES AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

VI. Consent Agenda - None

VII. Unfinished Business

1. Public Policy on Use of Docks & Harbors Managed Properties

Mr. Uchytel said this is the first attempt at drafting a policy position on how we manage our properties, what properties we make available, and under what circumstance to private enterprise. At the previous Committee meeting, Mr. Uchytel said he was directed to draft a policy statement after discussing Mr. Heumann's request for an extension of the use permit issued last year for Tracy's Crab Shack, as well as a request for 360 square feet of additional lease property adjoining the People's Wharf. Mr. Uchytel said he met with Mr. Donek, Mr. Simpson, and Mr. Janes on two occasions. In the packet is draft version 3.0 and he knows this is still a work in progress. He is looking for feedback from

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the Committee for changes and modifications and giving the public an opportunity to provide comment on this document.

Committee Questions

Mr. Ridgway asked if staff found any kind of reference materials for this policy draft?

Mr. Uchytel said he wanted to provide the Board's authority and what Docks & Harbors does. We own and manage all kinds of properties and there are various ways they are currently managed. Mr. Uchytel said he wanted to portray what he thought the Board was trying to accomplish, what the pros and cons of developing are, what the public considerations are, cascading down to what the policy statement should be. The idea being that we have a statement we can refer to as we go forward working with Mr. Heumann and the needs of our community.

Mr. Ridgway noted that Juneau is pretty unique and wondered if the wording was taken from other policies already in place or if other policies were taken into consideration.

Mr. Uchytel said he took information from Title 85 to draft this policy and bring forward to the Committee.

Mr. Janes said as they worked on this policy, they found confusion on what "Seawalk" meant and asked that "Seawalk" be defined so everyone could have the same understanding on what was being discussed.

Mr. Simpson said there is a distinction between what we think of as the Seawalk and other Docks & Harbors owned or managed properties or facilities. The intention of this policy is to cover both the Seawalk and some of the other facilities through the main downtown area. The Seawalk is something specific within this area, but this would cover parking areas and docks as well.

Mr. Uchytel said they were trying to draft a policy that would cover all of the property holdings throughout the CBJ. The Seawalk was previously defined as the docks from Marine Park to South Franklin Street Dock. We don't own or manage the new Seawalk from Bridge Park to Egan.

Mr. Simpson asked if this policy would apply at the new facilities at Statter Harbor.

Mr. Uchytel said yes, it would. He wants to consider every user group to see if there are any consequences that the certain user groups would run into that hasn't been considered already. For example: the Coast Guard leasing the facility at the Auke Bay Marine Station.

Mr. Uchytel said Page 15 in the agenda packet is the map that shows the ownership areas along the water. He pointed out properties that are leased out and what Docks & Harbors owns and manages.

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Mr. Janes stated for clarification that any area decked over, for the purpose of moving pedestrians and equipment, between Marine Park and Taku Smokeries is where this policy points to when we talk about commercial use on the Seawalk.

Mr. Simpson said that's his understanding as well, along with any future decked over areas that may be in the plans somewhere. If it isn't clear in the document, we should make it clearer for consensus.

Public Comment

Kirby Day, Juneau AK, Franklin Dock & TBMP

Mr. Day said he is here to ask the Committee to think long and hard before they lease or provide public lands on the Seawalk area to commercial businesses. The purpose of opening up the Seawalk was for public access. With the unknown of how much it is going to be used in the summer, and the potential growth in passenger numbers, the Seawalk should be given the time to mature and see what it can handle, besides the pedestrian traffic. He said the Committee needs to consider where there are already food stands or jewelry businesses because there are people who have made investments in buildings and investments in their businesses around town. There is also the Archipelago lot where there will be places for food stands and retail businesses, so to go out and lease a three square foot area to someone on the Seawalk could have negative impacts on the businesses that are already there and trying to develop their business and tenants. He said it is very important to open the Seawalk for comfortable access and it deserves at least a year to see how everything is going to materialize. The policy, understanding that it is a draft, states in #3 that it will refrain from providing public lands that would compete with private sector investments, and that's a good way forward. On #4 in the policy draft, "compelling public purpose", he said this may become an issue and Docks & Harbors may have to explain this in court for a very long time.

Mr. Simpson said if the policy isn't clear enough, they will need to clarify more, but he didn't hear anything that wasn't part of the consensus of the group.

Daniel Glidmann, Juneau AK, Goldstein Properties

Mr. Glidmann read from his letter that he had previously submitted to the Committee regarding Goldstein Properties' affiliation with the downtown waterfront area and how leasing public lands for commercial use could negatively impact established businesses and property values. He stated that there were surveys done in the early days of the Seawalk, it was one of the few universally supported projects from the community, and it would be a place to escape from the chaos of downtown in the summer time. He hopes the policy would be designed in a way to stay true to this vision. He is concerned about terminology like "providing public lands", define "providing", "compelling public purpose", define "compelling", define "needed", define "public"; it may not all be very clear in this document. When talking about complimenting private sector enterprise, he'd like the Committee to consider at whose cost you're complimenting; someone else

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always pays for someone else's decision. What other private sector may be harmed by this policy? What is the purpose of leasing public land? If it's for money, by allowing leases to adjacent property owners only, you are effectively devaluing my property. The Goldstein Property is not sitting on the waterfront, not having those same lease opportunities, am I going to be compensated for not having waterfront property? I don't have those same lease opportunities. Am I going to be going to the Assessor's Office saying because I don't have waterfront property, I want adjustment to my property value? Businesses close for a variety of reasons, one may be public use on seasonal basis. I lease about 70,000 square feet in downtown, with many tenants on the edge and a few who aren't going to survive. Those tenants are directly affected by pop-up businesses in the summer that divert tourists from that part of Juneau and the City has worked very hard to encourage tourists to go to this area. When you discuss leases on the waterfront, past lease history does not necessarily justify new leases. Leasing was previously done with many more options. There is much less opportunity now. Please consider how much those leases mean to the general public. Unfettered public lands with public access to the waterfront is, he feels, one of the most important obligations of Docks & Harbors and the City and Borough.

William Heumann, Juneau AK

Mr. Heumann said he was pleased when he saw the effort put in to developing the policy and the timeliness of it. He said the document is a sound document and thinks it is important to recognize there are lease holdings on the waterfront and the idea that they be held static, no changes in the lease lines, is difficult to grasp. The Princess Dock may need a little more room for landing the ships or something, then, under this policy statement, they can't do that. Taku Smokeries has more fishing boats coming to town, then they can't do that. He thinks the idea of doing anything other than what is suggested would be a mistake. He believes there is a classic problem here that has been developing for years. As far as the idea of the opportunity of leasing being kind of unfair to other businesses or other property owners, the reality is the ability to lease that land has been there for many years. This isn't a new idea. Real estate investors who wish to make an investment in Juneau and purchase a piece of property can evaluate what kind of opportunities come with that piece of property. Some cases have a lot of great plans and you can develop it. Other cases you have the possibilities of working with public entities or to develop your property; that kind of goes with the territory. The reality is interested business owners can come and make an offer to buy my property and that's the same opportunity I may have right now. He doesn't think it's really fair to say just because there are certain opportunities to this one property owner you should take that away, kind of in a sense equalize all the pieces of property into one little box. The fundamental question here is being raised and I believe you've dealt with it.

Eric Forst, Juneau AK, Downtown Business Association

Mr. Forst was asked to come on behalf of the DBA Board. The consensus of the DBA Board was that of concern regarding the policy and allowing commercial development of the Seawalk. He said the Docks & Harbors Board needs to be careful in how they

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develop that and that a lot of the reason it has been successful is because it is free of development and it is open for locals and for those visitors coming to town without being bombarded as soon as they get off the ship. They also think it has the potential to have negative impacts on those brick and mortar businesses that have invested heavily on South Franklin.

Mr. Simpson asked if there was anything specific from this draft policy that is offensive to the DBA, because he believes the policy says something consistent with what he understands to be their position?

Mr. Forst said he felt this was a good starting point for the policy.

David Summers, Juneau AK

Mr. Summers said he appreciates the efforts put forward from the staff and Board members who put in their time to work on this policy. However, this policy is not at all ready to move forward out of this committee. He said this is a good starting point to talk about the different entities involved. The scope of this is much broader than just the downtown area. This could devalue already existing land ownerships and it could stifle entrepreneurship. It gets more specific when you say it's only for adjacent land owners. There could be a student at TMHS who has a great, incubator opportunity that has no opportunity to even start to talk about this, because of the way this policy is written. The Onboard Marketing Program has a major effect on this market place. There are three major marketing companies that work with all of the cruise ships to promote products for sale. So what that did, over the past 20 years, is create a false economy. For the most part they're jewelry centric, they are Caribbean based operators who promote to passengers. What happened is the cruising public has gone from a post-World War II generation to a Baby Boomer generation. They're smarter, they're faster, and they're stronger. The rents have come down. We had a few instances on the docks, with lots of jewelers, where land owners ended up in trouble. Right now we see a land owner on the waterfront who has non-local businesses that contribute very little to our economy, other than the sales tax, who has the same problem. The rents are going down. When you look at this ask, which is driving this policy decision, this ask is asking for the public and Docks & Harbors to take on the burden of lower rents. The reality is anyone could come in and buy that property. At the same time, it's a free market, property owner could adjust their rental rates to accommodate what they personally want to do with their tenant. That's not the public's problem. The market has changed and the land owners who are in a position where their rent is coming down and other people are more educated and aren't investing in those high margin jewelry products. Therefore, the tenants aren't available and they want us to compensate them for their rent needing to come down from what they personally want to have from their own tenants. That's not your problem and you shouldn't create a policy to address that issue. A couple other things affecting this are the archipelago lot. There's been some discussion about how this policy is affected by how some businesses may be displaced. There may be some food carts or other vendors who may be displaced. Therefore there may be some sentiment in writing this policy to be more business friendly or incubator friendly. Morris Communications went through a

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process where they were a media company; they went through bankruptcy trouble, now they're a property company. There has been an effort by local vendors to come and say the City needs to be business friendly. There are unintended consequences there, that also is another false economy that may be affecting how this policy is made. As we sit here right now, there is a moratorium on leases in the downtown area on the waterfront area. It should stay that way for at least the remainder of the season, because the policy needs more consideration before it moves forward. The permit for the operator has been extended and renewed for Mr. Heumann to continue to operate through the season. His suggestion is to leave the moratorium in place for the rest of the season, leave the temporary permit in place, get this policy out to everyone, and take your time, and do it right.

Mr. Simpson asked for clarification in what Mr. Summers was objecting to. He felt that the way Mr. Summers felt is what this policy is trying to show.

Mr. Summers said he felt the policy has such undefined language that people could argue and fight that they should have the opportunity to develop. And because he's not a property owner right now, this policy would eliminate him from bidding on any adjacent properties. Existing property owners are going to have great objections to leasing out adjacent property and objections from others for not letting them compete for the public space as a non-land owner.

Mr. Simpson expressed that this is a conflict they are trying to deal with. The Board is trying to determine all of the aspects and cover everything in the policy.

Reecia Wilson, Douglas AK

Ms. Wilson stated she has a substantial investment in Juneau's waterfront and community and wants to continue to make substantial investment in the waterfront and community. Her concerns are in the ask of the policy and feels it is time for the Board to have a policy to work with to address the issues at hand. She has some fundamental theories in using tax payer dollars to create new real estate on the waterfront, likely better locations than any owners on the water front; the potential unintended consequences that leases on the waterfront could have a severe negative impact on the year-round brick and mortar businesses and the seasonal businesses as well. She asks for a clear, good policy with clear language and criteria; she has concerns with the language in this policy draft. Potential changes in best and highest use property value, including criteria to prevent unfair, competitive advantages and providing exclusive privileges to existing private property owners need to be considered. She appreciates the need of the Board to have some flexibility on a case by case basis, but she doesn't believe the language gives the Board a good and clear policy. It wouldn't be good to be picking and choosing what existing property owner should not be allowed to have access to a very mature market downtown. The Seawalk's development is a wonderful public place and it should remain exactly that. The Board needs to work on the policy to give good and clear direction to deal with case by case scenarios. A big issue to her is the language in #4 of the policy and asked if this was thought through further and if examples were provided.

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Mr. Simpson said this language was put in there with the idea the Board would have some flexibility in the policy, but also wanted to make it clear they wouldn't do it every time someone asked, they would have to have a good reason.

Ms. Wilson appreciates the effort put into this policy draft, but has concerns when there isn't enough clear guiding for not creating unfair competitive advantages to certain subject properties. She believes the wording allows for the Board, on a case by case scenario, to significantly change what might be considered the best and highest use value for a specific piece of property. It is complicated in how the way this policy can potentially change market values. She reviewed the map that shows the property lines owned and leased by Docks & Harbors and saw the Alaska Pacific Pier building has a lease intact and that lease dates back to 2005. That lease of the undeveloped property was a suggestion to the current property owner from his developer and was to protect their view-plane. She respectfully disagrees with Mr. Heumann that those types of leases, when lots of land was available, those property owners also had the opportunity to lease tidelands from Docks and Harbors, which they did to redevelop their real estate up to the Seawalk. Using the APP tidelands lease as an example of tie to existing property, that's why those leases were developed. Not necessarily to change the specific best and highest use values, years later, after the market's matured.

William Heumann, Juneau, AK

Mr. Heumann said what was being discussed is already allowed with the governing law being the City Ordinances, which are already well developed in terms of addressing these issues. They allow for negotiations with individuals, with specific pieces of property. This is not a new idea, more a narrowing of what is presently allowable.

Committee Discussion/Action

Mr. Janes said most everything heard from the public comments aligns with Docks & Harbors' intentions with this policy. He sees improvement in the policy language is needed. He believes some businesses need to be protected, but Docks & Harbors needs some flexibility too for future circumstances that may arise. Time is needed to develop a better policy statement that is more refined and succeeds in what it is intended to do.

Mr. Simpson said he agrees with Mr. Janes that the Committee should continue to adjust some of the language to better refine the policy.

Mr. Etheridge also agreed the language can be adjusted to better show the intentions from Docks & Harbors and possibly have the legal department look over the document and add input on possible legal issues as well.

Mr. Ridgway agreed with Ms. Wilson's testimony regarding the use as the highest and best use and working out the terminology within the statement.

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Mr. Donek suggested that everyone, public included, take the drafted policy, mark it up with their comments, and return it to Docks & Harbors so they can take the suggestions and really hone in on working out the terminology and where improvement can be made.

Mr. Uchtyl said this is the first time Docks & Harbors has drafted a policy statement. Some of the suggestions heard may be more of regulatory changes that are appropriate, as opposed to a policy statement that just provides general guidance of what the Board's intentions are. Maybe regulations and ordinances need to be looked at and adjusted, rather than attempting to adjust the policy statement.

Mr. Donek agreed with Mr. Uchtyl.

Mr. Simpson said the public comments heard shows there is miscommunication with the intentions of the policy and the language of the policy. His suggestion was to roll this topic over to the next meeting and invite more public comment and input, being as specific as possible so Docks & Harbors can try to incorporate as much as possible, as long as it makes sense.

Mr. Janes said rolling the topic over to the next meeting would not provide enough time to develop a strong policy statement, developing the statement shouldn't be rushed, and it would be better to try to work this out and not put anything forward until after the 2018 summer season.

Mr. Mosher said there is a lot of unintended consequences if you move too fast, so it would be best to hear back from everyone, with drafted statements being marked up, before more is done. It would be easier to understand what everyone wants if they can submit all their comments for the Board to go through and work out a stronger policy statement.

MOTION By MR. JANES: TO EXTEND THE MORATORIUM THROUGH THE 2018 TOUR SEASON WHILE THE BOARD CONTINUES TO WORK DILIGENTLY ON A STRONGER POLICY STATEMENT THAT SHOWS THE INTENTIONS OF DOCKS & HARBORS.

Mr. Ridgway asked for Mr. Uchtyl's interpretation of what that motion means to Docks & Harbors.

Mr. Uchtyl said a year ago the Board made a motion for moratorium on development along the Seawalk until planning efforts were complete. Tracy LaBarge asked for a reconsideration of that and the Board granted her the reconsideration by granting her a Use Permit. The Board did what they set out to do with the approval of the Urban Plan and then the policy statement from there. The extension of the moratorium would mean, while the policy statement is worked on, Mr. Heumann would be granted the Use Permit for another season, but no applications for development along the Seawalk would be taken.

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Mr. Ridgway asked if there were any known impacts this moratorium extension would have on anyone else.

Mr. Uchytel said only Mr. Heumann would be impacted from this, as he has brought an application forward for a lease extension for more property, so he would feel obligated to tell Mr. Heumann he wouldn't get it this year if this motion goes forward.

Mr. Ridgway asked about other sparse applications, such as ATM requests.

Mr. Uchytel said he would tell the ATM request that the application would not be granted this year either.

Mr. Etheridge said a motion was made at the last meeting stating what this motion is attempting to accomplish as well. The extension for this coming season from Mr. Heumann was granted and they will continue the moratorium until the policy is in place.

Mr. Janes said he was looking to give the people that came to the meeting a sense of relief, to show them the Board will not be rushing the policy statement and intends to do it right. One thing can't be predicted is impacts of a potential 7% increase in cruise ship passengers this coming season, and the following season, along with emergency vehicles, and everything else that goes on, will have on the waterfront area. He said it is best to extend the moratorium through the 2018 season, no matter when the final policy statement is developed.

Mr. Ridgway said the motion Mr. Janes made at the previous meeting, asking if there was something in the new motion that wasn't covered in the previous motion.

Mr. Uchytel clarified this motion would effectively extend the moratorium through the 2018 season, despite the policy potentially being completed before the end of the season.

MOTION By MR. JANES: CONTINUE THE MORATORIUM ON ANY FUTURE DEVELOPMENT ON THE SEAWALK THROUGH THE 2018 SEASON IN ORDER TO COME TO A CONSENSUS ON A POLICY, WHILE ALLOWING MR. HEUMANN AND TRACY'S CRABSHACK TO OPERATE AS THEY DID LAST SEASON WITHOUT ANY EXTENSION AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

Mr. Uchytel asked for clarification on if the policy would need to be brought to the Regular Board at the January 25th meeting or to the Ops Committee meeting in February after receiving more public comments.

Mr. Simpson said the Ops Committee, and they would like to get the word out that they would like feedback. The policy does not need action at the full board until there is a complete policy to take to them.

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Mr. Donek agreed and would like to continue to work on things and possibly get together before the February Ops meeting, to have something stronger to bring to the February meeting, depending on the feedback that is received.

Mr. Simpson agrees that the development of the policy does not need to be rushed, so the Committee will continue to work on it.

Mr. Donek stated he didn't want to see this drag out too long and be forgotten.

Mr. Ridgway reminded everyone of Mr. Uchytel's statement, saying that this again is just a policy statement and the regulations are really going to determine the end point here. With the potential for an increase in passenger numbers and traffic and what the potential outcomes could be from that, Mr. Ridgway believes it is important to determine how the information gathered from changes will be used and how that will potentially effect regulations and, in turn, policies.

VIII. New Business

1. Little Rock Dump as Potential Marine Services Facility

Mr. Dick Somerville with PND Engineers gave a detailed presentation on the potential development of the Little Rock Dump as a marine service center for Juneau as something that would have a boat lift as well as a boat-service yard and boat storage. Mr. Somerville was also on the team that evaluated Norway Point for similar feasibility. In his presentation he gave some comparisons between size, functionality, and costs detailing variables such as exposures, bathymetry, and old sludge pits.

Committee Questions

Mr. Simpson mentioned how shallow the area is to the north and how additional fill could go there to increase the space. He asked if Mr. Somerville compared extending the fill northerly instead of using cap rock on top of the main area and the extensive concrete ramp to potentially save on costs.

Mr. Somerville said he did compare them and estimated the costs. Adding an extra acre of fill to the north would be \$2.9million alone, other costs would be needed as well, making this an expensive piece. This is something that could be done, although access would be needed as well, but that could also possibly be done.

Mr. Simpson expressed his concern with the amount of fill needed to just cap the area, along with the ramp, and staying down at a lower level may produce some savings.

Mr. Somerville believes that it would take about 20,000-25,000 yards of fill to cap the area, whereas it would take about 43,000 yards of fill to produce the extension northerly.

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Mr. Ridgway asked about potential wave attenuation, if that was considered, or if it would be needed.

Mr. Somerville said it would be possible to put in a wave attenuator. The need for it would be based on demand, if the facility was being used every single day and you couldn't wait out a storm, then putting in a wave attenuator should be considered. If you don't have that sort of demand and you can schedule around the storms, at least for getting vessels out of the water, then it's still doable. It's something that could be added at a future date, when it's essential. The same goes for the upper yard. There is also some concern with people working on their boats in the winter time and dealing with the intense winds that blow through.

Mr. Ridgway asked if there were any considerations for putting a grid in.

Mr. Somerville said the idea was more for getting vessels out of the water, rather than keeping them in and having work done while they're still in the water.

Mr. Donek asked about moving a float to an outer location.

Mr. Somerville described where the float could be moved to and where a wave attenuator could be placed.

Mr. Donek said boats could tie up on the north side and not use the south side in nasty weather as well.

Mr. Janes asked about using a lift that could pull boats larger than 150 tons and if the plans would still work with a larger lift.

Mr. Somerville said you have to look at each size individually, but he did look at greater than 150 tons. He was pleasantly surprised to find that they had a grade ability of 6% with the standard powering with it. He spoke with the manufacturer in Wisconsin and they said they have larger facilities going up pretty steep ramps all over the country and it's just a matter of powering them correctly.

Mr. Janes was curious as to what the specifications for a larger than 150 ton lift might be. Maybe a 300 ton lift, if that was feasible.

Mr. Somerville felt the best way to determine if a larger lift would be needed would be to have a list of the vessels and their sizes that are under consideration and to research it further.

Mr. Simpson pointed out that having the lower area would prevent one from having to take every vessel up the ramp.

Mr. Somerville pointed out another area that could be used to expand and fill in.

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Mr. Etheridge asked if the lifting docks would have to be bumped up considerably as well, for pulling 300 tons.

Mr. Somerville said it would, but not nearly twice as much. It might be 10%-15% more cost.

Mr. Etheridge said the wind gusts have been seen to get up to 110mph as well.

Mr. Somerville said vessels would have to tie down and work would be done in some bomb-proof-like shelters for the cost of the upland structures, if they're going to be in the water, they're going to be fairly expensive to sustain those winds.

Mr. Donek said comparing to boat yards in Auke Bay and downtown, they're not working when they're in storage so it would be a matter of making sure the boats were tied down.

Mr. Somerville agreed and said it could be just a small work area for winter work, you wouldn't have to protect the whole yard if everything was anchored down properly.

Mr. Mosher said it would be necessary to have it available for the winter. The boat yard is there for emergencies and it actually gets used quite a bit. The winter time could be really ugly and the lack of water is concerning as well.

Mr. Somerville said he did include the water and sewer utilities in the estimates.

Mr. Ridgway pointed out there are quite a few people who take their vessels to other places in the winter, so winter time may not be too much concern. He was curious about an asphalt cap and if there would be an asphalt cap for this design.

Mr. Somerville said there could be an asphalt cap design, but there would incredible cost increase with that design.

Mr. Ridgway asked if he meant capping the boat yard would be \$8 million to \$9 million.

Mr. Somerville compared this potential boat yard to the one designed in Wrangell, which is about twice the size and was capped with concrete, stating it would probably be about \$4 million to cap this boat yard with asphalt.

Mr. Ridgway asked if it was known if there was a requirement from the state that says you do, or do not, have to cap the area with asphalt.

Mr. Somerville said no, but there is a requirement to have a special permit to operate, so it will be necessary to go through the whole process. His estimates include the storm water run-off and treatment facilities, along with a wash-down pad, and a hydraulic system that you could operate in the winter and not freeze. Then you have solids that drop out of that, from there it goes to a filtration system to get most of the dissolved bits

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out of it, and from there it can be pumped to the treatment plant; pre-treatment on site and final treatment at the plant.

Mr. Donek asked for cost estimates compared to the Yacht Club site.

Mr. Somerville stated that this design was estimated at \$19.5 million for 4.5 acres and the Yacht Club was estimated at \$25.4 million for 3.5 acres.

Mr. Becker commented that he felt things were off to a good start and asked if the two sites would be compared at this meeting.

Mr. Simpson said this was just an informational presentation at this point and a decision on which site to use wouldn't be determined at this meeting.

Mr. Uchytel said an important aspect in deciding was the costs. A TIGER Grant has currently been applied for, but he is not optimistic in receiving it, so having another plan that will give leverage to save at every point possible. When the TIGER Grant was applied for, this design was not drafted yet, so the next time a TIGER Grant is applied for, this design could be taken forward. Perhaps in the future the Board can decide on which site to use, but not at this time.

Mr. Becker said the design looks pretty good, there is room for some tweaking, but it's a good start overall.

Mr. Somerville said there are possibilities for adjustments. And again, this is the \$19.5 million, not the \$25 million design with the additional expansions.

Mr. Uchytel pointed out that per acre, this is the more cost effective option, there wouldn't be the issues of having to relocate anything like with the Yacht Club design, and it's an industrial area that fits to make use of the Little Rock Dump area.

Mr. Somerville expressed his concerns with the winds and felt some studies on that may be very beneficial.

Mr. Etheridge pointed out the wind is a factor all year round and it is something that will just have to be dealt with.

Mr. Simpson said because of the dump previously in this area, there's probably stuff buried you wouldn't want to dig up. He asked if you'd have to deal with that, or if just capping the area would be good enough.

Mr. Somerville said you don't want to dig down, you want to go up, and capping is the way to do that.

Mr. Simpson asked if Mr. Somerville knew if there was any legal requirement that would require you to deal with the buried material.

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Mr. Somerville said his understanding is with the DEC closure plan, there is just a notification for anybody that works on the site there was a former dump facility and if you do develop the site, you have to know that it was there, but you can develop on it.

Public Comment - None

Committee Discussion/Action

Mr. Simpson said there was a place in the agenda for a motion, however, that wouldn't be necessary at this time.

2. Auke Bay Marine Station – Capital Investment Needs

Mr. Uchytel mentioned the Board would be meeting for a Regular Board meeting the following Thursday, so this topic could be discussed more then. He is looking for concurrence on what the best use of the Auke Bay Marine Station would be. The quit claim deed for the facility has been acquired so Docks & Harbors has the northern two acres, the Fish House, the Butler Building, and the floats. They came to the realization that the value of this facility isn't the uplands because there hasn't been much interest in leasing out any part of the buildings. It is thought that the value is the access to the water. There are two poly-tub floats at the Little Rock Dump right now that have been there for a decade or more. They would like to spend about \$150,000 and anchor the floats at the Auke Bay Marine Station to increase the space by about 200 linear feet.

Mr. Gillette said he was unsure if the poly floats had ever been used. He clarified they are not poly-tubs, but poly-pipes. Two of them were used to build the float that had to be replaced where the old fuel float was downtown by Aurora Harbor. There were two more and they had been sitting at the Little Rock Dump ever since. They ended up just not being right for the needs.

Mr. Simpson commented that it would be nice to have a use for them finally.

Mr. Ridgway asked Mr. Uchytel if there was a bigger plan for the Auke Bay Marine Station that had not been started yet.

Mr. Uchytel responded there was not a Master Plan yet, primarily because everything is just getting started. The quit claim deed was just received, a request for information went out asking for interest in leasing the buildings, with very little interest received. So this brought the realization that the most valuable piece of this property is the float. So let's expand the float, let's build something that you won't have to get pile driving permits for. We could anchor it, knowing that in a couple years we'll have the Passenger for Hire float built out at Statter Harbor, and we'll be able to repurpose this float by possibly extending the fuel float or making it into a net float.

Mr. Gillette said this is kind of an interim thing. You could use it for the next few years until the big project is in place.

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Mr. Uchtyl said it could be discussed again at the following Regular Board meeting.

Mr. Simpson asked if the Support of Coast Guard Homeporting Resolution should be discussed at the following meeting as well.

Mr. Uchtyl asked for a vote on the Resolution at this meeting because it will be discussed at the Assembly meeting the following Monday.

Committee Questions - None

Public Comment - None

Committee Discussion/Action

For time purposes, it was decided that this discussion will continue at the following meeting.

3. Assembly Resolution in Support of Coast Guard Homeporting Cutters in Juneau

Committee Questions - None

Public Comment - None

Committee Discussion/Action

MOTION By MR. ETHERIDGE: TO RECOMMEND THAT THE ASSEMBLY ADOPT A RESOLUTION IN SUPPORT OF THE COAST GUARD HOME PORTING CUTTERS IN JUNEAU AND ASK UNANIMOUS CONSENT.

Mr. Ridgway recused himself from this vote.

Mr. Simpson said seeing no objections and noting the recusal, the motion passes.

Mr. Simpson asked Mr. Uchtyl if there were any Items for Information that needed to be addressed at this meeting.

Mr. Uchtyl said there was nothing that couldn't be moved to the next meeting, but mentioned that the Joint Assembly Meeting was the January 31st and the appraisal for the Archipelago was received from Horan & Company. A memo was in the agenda packet from Rorie Watt regarding the Archipelago and questions that he thinks need to get resolved before this project can move forward. A letter was sent to the Senate that he and Katie Katchel had worked on, regarding the Water Resources Development Act. The budget for the next two fiscal years was within the agenda packet; it could be discussed at the following meeting, but asked if anyone wanted to have a separate Finance Committee Meeting. A budget needs to be approved by this committee by the February Ops/Planning

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Committee Meeting, because it has to go in front of the Assembly at the beginning of March.

It was determined a separate Finance Committee Meeting would not be necessary.

Mr. Simpson asked if there was anything else that needed to be discussed.

Mr. Uchytel gave an update on the Lumberman situation, stating the Coast Guard was currently out on the vessel removing the Hazmat. At the next Regular Board Meeting, the regulation changes to anchoring will be discussed.

Mr. Donek asked if anyone was monitoring it, in case it may sink.

Mr. Creswell said he had met with the Coast Guard the previous day and they said it is holding up in the channel and it wasn't quite as bad as they thought it was going to be. Although, they did find two tanks that they didn't previously know about and they got 200 gallons of oily sludge out of them and have to be done by Friday.

Mr. Uchytel mentioned the owner is nowhere to be seen.

Mr. Creswell stated the owner is in town, but he has found other housing, but he's gone.

IX. Items for Information/Discussion

1. Archipelago Development Update
2. Joint Meeting with Assembly
3. Water Resources Development Act – Letter to Senate
4. Budget Submission Update

X. Staff & Member Reports

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting- **Wednesday, February 14th, 2018 at 5:00 p.m.**

XII. Adjournment – The meeting was adjourned at 2:06 p.m.