

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday July 19th, 2017

- I. Call to Order** The meeting was called to order at 5:02 p.m. in City Hall Conference Room 224.
- II. Roll Call** The following members were present: Tom Donek, Don Etheridge, Bob Janes, and Budd Simpson.

Also Present: Carl Uchtyl – Port Director, David Borg – Harbormaster.

III. Approval of Agenda

Mr. Uchtyl asked the Central Council Tlingit & Haida Indian Tribes of Alaska (CCTHITA) - Immersion Park Development Plan Modification under New Business to be moved to number one on the agenda.

MOTION By Mr. DONEK: TO APPROVE THE AGENDA AS AMENDED AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

IV. Public Participation on Non-Agenda Items – None

V. Approval of Wednesday, June 21st, 2017 Operations/Planning Meetings Minutes

MOTION By MR. ETHERIDGE TO APPROVE THE JUNE 21ST, 2017 MEETING MINUTES AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

VI. Consent Agenda - None

VII. Unfinished Business - None

VIII. New Business

1. Central Council Tlingit & Haida Indian Tribes of Alaska (CCTHITA) - Immersion Park Development Plan Modification

Mr. Uchtyl said we have awarded a lease to CCTHITA for the former Thane Ore House. The lease was developed around the RFP that was submitted in 2015. Within that lease there was an expectation that any changes being made to the lease would require approval from the Board. The RFP that was submitted to the Board called for CCTHITA to reuse the existing main building at the former Thane Ore House. They are before us today to ask permission to raze that building and redevelop that area in a different manner.

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Myrna Gardner – Central Council Tlingit & Haida

Ms. Gardner said CCTHITA contracted with PND Engineers to do a structural condition report for the existing Thane Ore House building. It was determined it wasn't suitable for use. We had preliminary drawings done to raze the building and build a new one over the same footprint with the same purpose.

Mr. Simpson asked if there are plans for the new building.

Ms. Gardner said we have conceptual drawings but not a design plan yet as we are looking at different funding options.

Committee Questions

Mr. Janes asked if PND made a determination that it would be more expensive to rehabilitate the building than to replace it.

Ms. Gardner said yes looking at all of the requirements that would need to be done to be brought up to CBJ code, as it had been grandfathered in before. In its current condition respirators are required as it is horrible. It had been left to the critters and mold.

Public Comment – None

Committee Discussion/Action

Mr. Donek said he read PND's report, they did a really thorough job and it is unfortunate the building cannot be reused.

Mr. Etheridge agrees that it was left in awful condition and food had been left inside.

Mr. Janes said he respects PND's analysis but having been in the building and remodeling business for years, you can really remodel and make things better. Before we tear down this asset he believes we should get a second opinion on it. He asked will this be a cost to us or the lessee.

Ms. Gardner said we originally thought when we put in the RFP we would be able to use it but after the structural condition report we have found it is not suitable for re-use so we will work with CCFR to raze and re-build at our cost.

Mr. Uchytel confirmed Docks and Harbors is not responsible for this cost.

Mr. Donek said he disagrees with Mr. Janes and sees no need for a second opinion, if CCTHITA replaces the building then it is improving the space.

Mr. Janes said he looks at this as a proposal which has no funding yet and if anything goes wrong with the plan then there may be an opportunity to lease this out in the future

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to someone else who can remodel the existing building. He would hate to tear down the building without being sure we are not making the wrong decision.

Mr. Simpson said without this report from PND he too would be skeptical, but PND was very thorough and he is inclined to go along with this request.

Mr. Janes said he bought an old house and was able to fix it up from horrible condition. It is possible to fix things when others say you should tear them down.

Mr. Simpson said this is a long lease and they will find the funding and improve the area.

Mr. Donek said as far as he is concerned that building is a liability and tearing it down would improve the space.

Mr. Janes asked to be able to see the building tomorrow.

Mr. Uchytel said the lessee has the access.

MOTION By MR. ETHERIDGE THAT THE DOCKS & HARBORS BOARD APPROVE THE NEW IMMERSION PARK REDEVELOPMENT PLAN AND AUTHORIZE THE REQUEST OF CCTHITA TO RAZE THE EXISTING BUILDING ON CBJ LEASED LAND.

Tom Donek – Yes

Don Etheridge – Yes

Bob Janes – No

Budd Simpson – Yes

Motion passed.

2. Assembly Resolution – ADOT Harbor Facility Grant Application

Mr. Uchytel presented a resolution that he drafted for a ADOT Harbor Facility grant, a 50/50 grant that has been successful for all of our harbor projects. This resolution is a FY19 grant request for zinc anodes in Douglas Harbor and Harris Harbor. This is a relatively simple resolution of support for our grant. We will receive one point out of 56 in the scoring criteria for the harbor grant. He does not have confidence that harbors will be competitive for grants from the State in the future, as we relinquished our tier 1 status by getting tier 1 money for other projects. He will probably adjust it and bring this to the Assembly the 21st of August. What he is committing Docks and Harbors to in this grant is matching \$250,000 for Douglas and Harris each with the expectation that if we are successful we would get the other 50 percent. The reason we haven't included Aurora or Statter Harbor, which also need zinc anodes, is we cannot apply for this grant in a harbor that is currently encumbered with a grant.

Committee Questions – None

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Public Comment - None

Committee Discussion/Action

MOTION By MR. JANES TO RECOMMEND THE ASSEMBLY ADOPT A RESOLUTION OF SUPPORT FOR A 50-50 HARBOR FACILITY GRANT TO RETROFIT DOUGLAS HARBOR AND HARRIS HARBOR WITH ZINC ANODES.

Motion passed with no objections.

IX. Items for Information/Discussion

1. Assembly's 1% Sales Tax

Mr. Uchytel said the Assembly Finance Committee met last Thursday and the two previous Thursdays they took briefings from the various agencies asking for the 1% sales tax. In this packet is a list of the 26 top projects asking for 1% sales tax. What is in red is what the Assembly approved. This will go before the voters on October 2nd and if everything holds we will have \$1.5 million for Aurora Harbor Phase III. This is not enough to do what we'd like to do both in the short and long term with Docks and Harbors. Some of our options would be either demolish it and leave it open or demolish it and take out a revenue bond, we could look for other sources of revenues. We need to have a plan and this area will need to be addressed. He's been talking to Bob Bartholomew about bonding but we cannot wait another 5 years without taking action.

Committee Discussion

Mr. Simpson said this seems like it could be a bondable project but we have many other expenses to deal with as well. He would like to hear what Bob Bartholomew has to say about bonding possibilities.

Mr. Janes said Mr. Uchytel needs to be complimented for even getting that \$1.5 million.

Mr. Uchytel said the City Manager was presenting in support of Docks and Harbors as well.

We are coordinating maintenance dredging with the Army Corps of Engineers for beneficial uplands which will enhance the Aurora Phase III project. We are also encouraging people to make sure their vessels qualify for moorage in the harbor. For discussion purposes there could be a buyout program for vessels to assist in reducing demand.

Mr. Janes asked how many boats we would be displacing if we were to take the docks out of the phase III area and dredge.

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Mr. Borg answered a lot of those vessels would be able to fit on the main. The biggest issue would be H float which has 32 ft. stalls and therefore bigger boats. We'd probably be looking for 50 or so spots. By leaving the main float installed for side tie area there would be some space.

Mr. Janes said there could also be mooring in that area until we have the funds to finish phase III.

Mr. Borg said in reality some of those floats will hardly last two more years.

Mr. Janes asked if we should close down that section after phase II is finished.

Mr. Borg answered yes we could begin doing that as it is a safety hazard.

Mr. Etheridge asked how much it would save to put in side tie head floats and not add the fingers quite yet.

Mr. Uchytel said he does not know the exact amount but that would probably save quite a bit without needing so many electrical boxes and finger floats.

Mr. Etheridge said we could just add in the head floats and as we can afford put fingers on down the road. Having the side tie option would create moorage space. He asked if we can get an estimated cost on just adding the head floats.

Mr. Uchytel answered we can come up with a scalable number estimate depending on the size of stalls we will be adding in.

Mr. Janes said he is happy there are alternative ideas being brought forward.

2. Auke Bay Marine Station Agreement

Mr. Uchytel said this is the agreement crafted primarily by CBJ Law staff and the City Manager. We have surveyed the property and Docks and Harbors would get 1.9 acres of the lot and University of Alaska would get 1.6 acres and the main building. It will cost \$220,000 in commitments by each party to make things acceptable for access. Once this deal is signed we will have a quick claim deed within a few months. Then we have to figure out what is next, how we develop that property and what opportunities we have for leasing out some areas of it.

Committee Discussion

Mr. Simpson asked if anyone has approached Mr. Uchytel as a potential tenant.

Mr. Uchytel answered yes.

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Mr. Janes asked if the Board could arrange to have another tour of the station since the agreement has been made.

Mr. Simpson said he agrees that is a good idea.

Mr. Uchytel said UAS was determined to have exclusive rights to moorage on the float. Harbors will make access and wants to be a good partner by identifying space for them. They want 60 linear feet, 30 on each side, which we can make work. They also want to lock up and secure the dock.

3. FY17 Docks Enterprise Supplemental Appropriation

Mr. Uchytel said FY17 ended June 30th 2017. We are making more money than we are spending in both the Docks and the Harbors enterprises. For the Docks Enterprise funds we have exceeded our expenditures by about \$100,000. What we need to do is come back with a supplemental and the CBJ Finance department will help with this document. It will go to the Assembly to modify the FY17 budget. It doesn't change what will be transferred to the Dock fund balance and is a housekeeping event. He's never run into the problem of our budget exceeding expenditures that the Assembly authorized. This year we got a \$25,000 matching grant for cameras which didn't get reflected. There was a .66 additional FTE that we authorized and we also adjusted our staffing schedule but didn't adjust our budget. He doesn't have the numbers in front of him now but will next week for the full Board meeting.

Committee Discussion/Public Comment – None

4. Statter Harbor Live-A-Board (Continuation)

Mr. Uchytel said this is a continuation from previous meetings as requested. The updated numbers are 17 total vessels that are liveaboards at Statter Harbor, 3 of those are in the reserved area, so 14 in the transient section totaling 604 linear feet. Twelve of these boats are lived on by the owners and 5 are renting the vessel.

Committee Discussion

Mr. Simpson said he does not believe there should be liveaboard vessels in the transient section of Statter Harbor at all, especially so if these vessels are rentals. Fishing crew staying on board for a week or so shouldn't be a problem. But he does have a big problem with something that is essentially a houseboat taking up space that could be accommodated elsewhere in our system in a more out of the way area.

Mr. Etheridge asked what the rules are about moving in the transient area.

Mr. Borg said vessels need to leave every 10 days for at least 6 hours, but this is really difficult to enforce.

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Mr. Simpson said they end up just trading spaces with each other.

Mr. Borg said he is trying to think of better ways to manage the transient situation.

Mr. Simpson said we have the flexibility to change how we manage Statter to make it easier to enforce.

Mr. Borg said nothing is set in stone in regulation so we have the opportunity to create different transient zones.

Mr. Janes said he thinks there is a big picture problem here which will take some more meetings to get through. We also have the new commercial loading float in the works and perhaps that will open up somewhere else like the horseshoe to put liveaboards. We have some different options and there is not a blanket right or wrong. We can come up with something that will be customer service oriented, help with the strain in the summer, and be more open in the winter. We could have a special meeting to discuss this or just look to staff for recommendations on how to proceed to accommodate as many users as we can.

Mr. Simpson said he does not believe we should have unlimited liveaboards in the transient section at Statter Harbor.

Mr. Donek said there should not be a monthly moorage rate in a transient facility if they have to move every 10 days.

Mr. Simpson said he believes there are a lot of people that are legitimate users who are in and out all the time taking advantage of that better monthly rate.

Mr. Borg said we also need to take into consideration that since these liveaboards are not assigned stall holders, they are not required to provide insurance or pay the vessel disposal fee if they do not have it. We're talking about changing a lot of different things down the road. Right now if a liveaboard vessel arrives downtown and we have no room for it, the only other option is Statter Harbor. It's not as easy as saying we are not going to allow it at all.

Mr. Simpson asked if there are liveaboards at the IVF.

Mr. Borg said no because that is strictly reservation only.

Mr. Simpson said one solution is to price them out of the residential market in that harbor.

Public Comment

Renee Rieser, Douglas AK

Ms. Rieser suggested demand pricing; during the more busy times have the price go up.

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Mr. Simson said yes having a different price in the summer and winter is what we should do.

Mr. Creswell said the demand at Statter Harbor far outweighs the space in the summer.

Mr. Borg said with the construction going on downtown he doesn't know where there is room for 17 boats more boats.

Mr. Janes said it is very frustrating to get to a boat that is rafted 4 deep. It is a dangerous and difficult situation. It grinds at him to see 40 and 50 foot liveaboards who are not moving in a transient harbor.

Mr. Uchytel said we define a liveaboard as spending more than 3 nights a month on their boat. So at Statter in the summer you'll have people visit from Seattle for two weeks and live on their vessels. The locals are going to feel penalized by this.

Mr. Donek said the first step should be to define liveaboard the way we mean it. As we are not talking about the cruising vessels that pass through or the commercial fisherman or the crew on the mega yachts, we are talking about the people who are using their vessel as a primary residence. He asked if these liveaboards are taking up 600 feet of moorage then what is the total area of moorage at Statter.

Mr. Uchytel answered about 10,000 feet total.

Mr. Borg said this is going to be an education process. We cannot say no liveaboards right now as it is mid-season but we can start preparing people by saying that as of May 1, 2018 we will not allow them anymore. Then we will get the feedback from the public.

Mr. Donek said we should start by not allowing new liveaboards from today on and then see what to do with the remaining ones.

Ms. Rieser said you should have some meetings with the Statter liveaboard people and see what they have to say and maybe they have an alternate solution. You could present it as having to pay the daily rate if you liveaboard in the summer.

Mr. Borg said if this is the route we want to go then we should put it in the October tideline and start getting it out to the public. We need to be prepared to answer people who argue that we are catering to the yachts and fishing fleet over the liveaboard vessels.

Mr. Simpson said we will go forward with the October tideline.

Ms. Rieser asked if the tideline could please get posted at the bulletin boards at all the harbors.

Mr. Creswell answered yes that can be done.

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5. FY18 Docks & Harbors Committees & Special Committees

Mr. Uchytel said he wanted to talk about how we should organize the committees this year before next week's Board meeting. This past year we didn't really need a Finance Committee. For the most part we have finished up the comprehensive fee review but there are still some things that we need to look at such as insurance requirements.

Committee Discussion

Mr. Simpson asked what part of the fee review is not done yet.

Mr. Uchytel said we talked about doing a Title 85 review, if the Board wanted something to focus on we could make a committee to look at that.

Mr. Donek said what needs to be done with Title 85 is to go through the whole thing and make sure it makes sense and is still relevant today. Staff could point out the inconsistencies between Title 85 and our regulations as well as identify out of date items.

Mr. Simpson said a subcommittee could make that happen and return to the full Board with a recommendation. While doing the fee review there were definitely some inconsistencies found and those things will come up as you look deeper.

Mr. Donek said a special fisheries development committee could be created also.

Mr. Janes said we have an opportunity to create a subcommittee of marketing and outreach to bring people into this community. We could begin promoting business here at Juneau Docks and Harbors. A subcommittee looking at both fisheries and visitation is an opportunity we have.

Mr. Simpson asked Mr. Uchytel to add this to next week's Board meeting, to discuss whether people are interested in being on a subcommittee about marketing or fisheries.

Mr. Uchytel said yes. Since he has begun as Port Director, he has steered clear of spending money that was seen as leaving the harbor or any type of advertising as he believed that is what the Board wanted at the time. Maybe that has changed now.

Mr. Simpson said in some way that is a service to our customers as well. People taking a cruise on their own boat to be able to know what our facilities are that don't always show up in a guide book.

Mr. Uchytel said we do go to the Seattle Boat Show each year. In the past we had a board member who was very against any of those expenditures.

Mr. Donek said this is kind of a subset of the local convention and visitors bureau. He cannot see a way to go out on our own but maybe we could share information with them.

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Mr. Uchytel said he is not sure if actively promoting Dock and Harbors is in their charge.

Mr. Janes said that doesn't mean they cannot do it if we provide the information. He will find out more information tomorrow when he gives a presentation for them. He will pursue this and have an answer at the next meeting.

X. Staff & Member Reports

Mr. Uchytel said he was interviewed through Travel Juneau last week from a Frommer's Cruise ship guide book writer as well as Armed Forces Radio. He met with each of them and talked about Juneau. Last week Mr. Gillette presented in front of the Planning Commission about Statter Harbor Phase III. Mr. Watson pulled it from the consent agenda and spoke against it. The conditional use permit for Statter Phase III was talked about for two hours but was eventually passed. He had a meeting with PND Engineering today and this project will be completed in three phases. We have to dredge about 10,000 cubic yards of muck and about 750 cubic yards of rock. We are concerned about getting the blasting permits because of the Incidental Harassment Authorization from the National Marine Fisheries Service. If denied, the project will be pushed back a year. Another thing to point out is the Assembly is going to be asked to consider alternative procurement arrangements within the city code. Right now, all contracts must be awarded to the lowest bidder. If this change passes, we could use other means to evaluate construction projects like design build or best value. He presented a schedule to the Board for the urban plan of Taku Dock to Marine Park. We think Fish and Game will come up with a \$150,000 grant for Taku Harbor and we will need to match a quarter of that. We will go back out with PND to finalize a design for repairs out there. The Statter breakwater covers is on the street now. The government estimate is \$113,000 for two of those openings. It is a long span and has got to be safe.

Mr. Janes asked if the August 29th Board workshop for the Marine Park to Taku dock is just sitting down with the consultants and discussing the project.

Mr. Uchytel said yes.

Mr. Janes said he has received some calls and there is some concern that we might open up our docks to commercial use. We should be ready for that.

Mr. Simpson said no one has said that we are about to authorize commercial use on our dock. It has not been expressed as part of a plan.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting- **Wednesday, August 23rd, 2017.**

XII. Adjournment – The meeting adjourned at 6:52 p.m.