

June 29, 2011

Cruise Line Agency
Attn: Drew Green
1330 Eastaugh Way #4
Juneau, AK 99802

Subject: City & Borough of Juneau Grants to South Franklin Dock

Mr. Green,

On May 23, 2011, the City and Borough of Juneau's Assembly approved the City's operating budget for FY12 (July 1, 2011 through June 30, 2012). Appropriated in the budget was \$700,000 in marine passenger fee funding for nine (9) AJ Dock projects (grants). The following projects were funded –

Restroom Cleaning and Maintenance – \$20,000 for cleaning and maintenance supplies for AJ Dock's public restrooms (includes cruise ship passengers usage).

Juneau Port Security and Short-Range Response Boat – \$19,600 to cover the manning, maintenance and operational expenses for AJ Dock's port security and short range response boat. The response boat will be used to conduct port security patrols and will be made available to provide medevac, spill response, salvage, emergency and law enforcement support.

Port Security Guard, Security Training and Exercises – \$44,000 in funding for training and operational costs associated with providing port security. This includes the cost of hosting two maritime security exercises (2011 and 2012). These exercises will provide training opportunities for the Port of Juneau, South Franklin Dock and the AJ Dock. The purpose of the training is to enhance the port of Juneau's security awareness among personnel without security duties as required by maritime security regulations as well as provide annual refresher and new training for facility security personnel. This training will be provided at no cost to the other participating facilities and personnel.

Security Gates – \$48,000 to construct swing gates at the Dock's four road access points. These barriers will be used when the facility is not in use to enhance port security and deter vandalism.

Canvas Replacement – \$10,000 to replace the canvas sections for the AJ covered areas, including but not limited to the dock entrance and staging area.

Permanent Covered Walkway – \$48,000 to redesign and add a permanent cover to the pedestrian ramp so users and electrical service (light fixtures) are protected from the southeast winds.

Tour and Information Kiosk and Shuttle Kiosk – \$32,000 to fund for planning and design of two kiosks and, funding permitting, the construct of one kiosk.

Cathodic Protection – \$160,400 in fund for engineering and installation of zinc cathodic protection for the dock facility. The purpose of this project will be to improve the longevity of the steel infrastructure by adding appropriately engineered corrosion protection.

Grey Water Connection and CBJ Lift Station Improvements – \$318,000 in funding for the preliminary engineering, design, easements, permits and construction of a gray water discharge for the AJ Dock. The remaining portion of the project funding, as necessary, would be provide by the grantee, South Franklin Dock. The project's construction would be completed and the system connected and operational for the 2012 season.

The Assembly approved these grant funds as specific individual projects. As such, we will be looking at each project as an individual grant. We will try to be flexible with the reporting detail we require. At this point, I am moving forward with the assumption that the grant funds will be distributed to you as reimbursements. Recognizing that a request has been made to provide grant advances, I am open to possibly providing some advance funding depending upon your cash flow needs.

To obtain project reimbursements (net of advances, if any) we will require the submission of project cost reports and draw requests. We may also request copies of documents for compliance verification. The information you submit for each grant draw should include the following -

- Project description (Example: Restrooms)
- Date of the expense,
- Description of the expense,
- How the expense was paid (check, credit card, etc)
- If personnel, the hours being compensated
- Amount of the expense (note: if staffing, you may include employer fringe costs),
- Total amount of reimbursement requested,
- Statement on the status of the project,
- Name and phone number of a contact person, and
- A statement and signature indicating that the draw information being submitted is accurate to the best of your knowledge.

We will consider administrative cost allocations with prior approval. If you intend on charging administrative costs (overhead), we will need to review and approve the allocation methodology separately from your claimed expenses.

Drawdown requests should be sent to:

City and Borough of Juneau
Attn: Craig Duncan
155 S. Seward Street
Juneau, Alaska 99801

Due to budget limitations, we will not disburse any funds prior to July 1, 2011. Expenditures may be allowed prior to July 1, 2011 if it is clear they meet the intent of the City Manager's recommendations and Assembly actions.

Please let me know if you have questions or want to discuss having us advance a portion of these funds.

Sincerely,

Craig Duncan

Cc: Jodi Anderson

Jodi Anderson
Survey Point Holdings
PO Box 7975
Ketchikan, AK 99901