

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
Wednesday, April 22, 2020

I. Call to Order Mr. Ridgway called the meeting to order at 5:48 p.m. in cloud conferencing. The call in information was 713-2140, PID# 370829, others were present at the Port Office.

II. Roll Call

The following members were present: Jim Becker (phone), Chris Dimond (phone), Don Etheridge(in person), Steve Guignon(phone), James Houck(phone), Budd Simpson (phone), Annette Smith (phone), Bob Wostmann (phone), and Mark Ridgway(in person).

Absent: None

Also present: Carl Uchytel – Port Director, Erich Schaal – Port Engineer, and Matthew Creswell –Harbormaster, Jennifer Sims – Administrative Assistant III, and Teena Larson – Administrative Officer.

III. Approval of Agenda

MOTION by MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

IV. Public Participation on Non-Agenda Items - None

V. Approval of Wednesday, March 18th, 2020 Operations/Planning Meeting Minutes

Minutes of March 18th, 2020 were approved as presented.

VI. Consent Agenda – None.

VII. Unfinished Business – None.

VIII. New Business

1. Permit Adjustment - Loading Permits (05 CBJAC 10.060)

Mr. Uchytel said he is requesting the Loading Permit fees be reviewed by the Board to determine if they need adjustments in this uncertain cruise ship season. The downtown and the Statter Harbor permit is charged to the busses that use our facilities. The downtown company fee is \$400 plus a \$9 per seat fee and the Statter Harbor company fee is \$300 plus a \$15 per seat fee. The question before the Board is do we want to take any action now to adjust these fees. Mr. Uchytel said the Board did receive one request from Alaska Fjordlines who runs a ferry service between Skagway, Haines and Juneau. They use our parking lot at Statter Harbor as well as our passenger for hire area which will be discussed next. Their request to the Board was to consider adjusting the fees due to the uncertain season. This was the only request received to date. Mr. Uchytel asked the Board if they want to continue this fee with a company and seat fee?

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Board Questions –

Mr. Houck said he intends to abstain from voting on this topic because he purchases a loading zone permit for his company. He will not purchase a loading zone permit until he hears if there will be a season. He does not believe \$400 for the entire season is too high, but he believes if the season does not start until later it should be a reduced fee.

Mr. Wostmann asked what portion of the fee would the various vendors consider more ownerous. The Company fee or the seat fee?

Mr. Uchtyl said during the fee review, that was the big question. Who impacts Docks & Harbors greater? The large bus companies would say they bear the biggest burden from this fee because they have 70 coaches with x-amount of seats and they are impacted the most by these fees. You also have the smaller vehicles with only six seats that also have to pay the company fee and they would say they are impacted more. It really depends if you are talking to the large operator or the smaller operator on where the fairness is.

Mr. Wostmann said if there is going to be any accommodation in term of fairness, both fees should be adjusted.

Mr. Uchtyl said the Board can take action tonight or defer to later in the season. The Board will need to make a decision on what they believe is fair and equitable.

Mr Ridgway said he wanted to remind the Committee that this was brought here tonight because it was requested to review these fees at a previous meeting.

Ms. Smith asked if this fee is a one time fee?

Mr. Uchtyl said on page 15 in the packet are the loading zone permit fees. There is a one time company fee and a per seat fee at the beginning of the season.

Ms. Smith asked if there is a way to prorate the fee?

Mr. Uchtyl said yes, the Board can prorate this fee. The reason this is not a high priority is because no one has purchased this fee for this season yet.

Public Comment –

Mr. Kirby Day, Juneau, AK 99801 – Speaking representing TBMP. He said he does not believe Juneau will have ships until late July if then. The Board has time to discuss and adjust this fee. If ships do come in late July or August there is going to be less demand and fewer people coming on the ships. This will make it difficult on every business in the Community. There will be less ships but the scheduling has the large number of cruise ships coming on one day so the bus companies will still have to permit all their busses but just to accommodate for one day a week as well as ensure the social distancing is practiced. The loading zone fees at the Princess Dock have been waived for this summer. One thing to think about is once a schedule is determined, the Board could reduce the seat fee by 50% or to drop the seat fee completely and just pay the Company fee or for the smaller companies with just one vehicle, drop the company fee and just

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charge a seat fee. He believes mixing and matching fees and work with the companies would be the best in these times. This will be his same testimony for item #2.

Committee Discussion/Action

Ms. Smith said thinking about the unknown for the season, she would recommend waiting to make a decision until there is something more definite.

Mr. Etheridge agreed to wait to set a fee until later.

Mr. Uchtyl said he believes the Fjordland will still operate for locals if cruise ships come or not and he recommends to have staff work with the individual companies who are wanting to operate.

Mr. Wostmann asked even if the fees are waived, would staff still issue permits?

Mr. Creswell said yes to obtain all the requirements for the permit and ensure they are operating as they should.

Mr. Wostmann said he agrees to postpone a fee structure for a permit this year but if a company does want to operate, issue a permit for free for the time being and let them know if an actual season develops that they might be assessed a partial fee for the remainder of the season.

Mr. Ridgway said even though we don't know what the season will look like, this might incentivize businesses. Options for a motion would be to have staff work individually with companies interested in operating this year, wait to make a decision at this time until we know more about the season, or say the permits are half price.

Mr. Etheridge said he has a problem with the half price option because of the uncertain season. His recommendation is to wait to determine a fee until later. If Fjordland is just bringing locals from Haines and Skagway to Juneau, there would be no fee. If they start running tours, they should start paying. He recommended to have staff work with the individual companies.

Mr. Houck said nothing seems to be moving very quickly right now. When notice is given if there will be a season, a company will need to get all the documentation required for the permit. The permit could be prorated and a company could pay based on when they purchase the permit. He does not believe this needs to be solved right now.

Mr. Ridgway recommended to have staff monitor this and if it becomes an issue to come back to the committee with a proposed motion.

NO MOTION

2. Permit Adjustment - Passenger-for-Hire Fee (05 CBJAC 20.080)

Mr. Uchtyl said this is for the charter operator. There is a per company fee and a per passenger fee. The regulation is on page 16 in the packet and it is for the uninspected vessels (six passengers), and inspected vessels. Does the Committee want to adjust this fee for this year?

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Committee Questions

Mr. Ridgway asked if there are any permits this year?

Mr. Uchytel said no.

Public Comment –

Kirby Day, Juneau, AK

He asked if the per passenger is per seat like the vehicle fee or per passenger carried?

Mr. Uchytel said this is per passenger carried.

Committee Discussion/Action

Mr. Ridgway recommended to direct staff to work with the individual companies and when this becomes an issue to bring back to the committee with a proposed motion.

Mr. Wostmann said this is not an immediate issue and to wait until more clarity on the season. He likes Mr. Houcks idea of the fee being cheaper as it gets later in the season.

Mr. Etheridge said he believes there is enough time to wait until more is known on the cruise season.

NO MOTION

IX. Items for Information/Discussion

1. University of Alaska - Downtown Lease

Mr. Uchytel said Mr. Sam Kito who is an engineer employed by UAS is also on the phone. Mr. Uchytel said he wanted to bring to the Board's attention that our lease with UAS will expire May of 2021. The Aurora Harbors lease area (parcel A, B & C) is shown on page 18 in the packet. The process is to obtain a new lease because this is a valuable maritime area for Docks & Harbors. He said he is unsure if there would be a possibility to purchase this area at some point. The requirement of the existing lease is the lessee is given the right of first refusal for an extension to the lease. If UAS would want to get rid of this property, he believes Docks & Harbors may have some legal rights to renew our lease even if someone else purchased it. The lease process will be led by UAS and there will be an appraisal to determine the fair market value. Currently we pay approximately \$12,000 annually which is based off a percentage of revenue collected from sub-leases and crane usage. When the lease was signed CBJ paid \$500,000 up front.

Committee Discussion/Public Comment

Mr. Sam Kito said the lease does expire in May of 2021 but it will allow us to go into a hold over in case there is trouble with coming up with an agreement. Anything CBJ has invested in the property still belongs to CBJ unless something else is agreed upon. He said there has been some discussion within the University about what a higher and best use of this property might be for the University. One of the things that was anticipated when this lease was entered into was that UAJ at the time would have a marine focused

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program, however, some of those programs have ended up in Ketchikan. We still do have need for the large building for our shop activities but UAS does not have need for the waterfront. That is why UAS is considering selling this property because we don't have any long term maritime interest in this area. UAS is currently in the process of working on a scope of work for an appraisal for a fair market value for the extension of 33 years for CBJ and also have the appraiser look at assessing the property for a sale. The University lands division in Anchorage will be managing this procurement. He said the University would determine a value and at that time it would be worthwhile to bring the appraisal back before the Board to have the discussion on if CBJ can agree on the value. He said UAS is willing to work on this current lease area and they understand the importance of the waterfront to CBJ.

Mr. Becker said he believes there should be a maritime focus on this property. One of the discussions with UAS in previous years was that UAS was contemplating moving their Juneau assets to the Auke Bay Campus. At that time CBJ was trying to come up with a property trade with UAS. He asked Mr. Kito if that was still an option with UAS?

Mr. Kito said he believes a trade could be on the table. Currently UAS has three programs at this location. Two of which are dependent on the building. One is a nursing program which could be moved to the Auke Bay Campus. The challenge would be on the Mine Training program and Construction Trades programs that UAS does not have comparable space for these programs. If comparable space could be identified it might be feasible for the University to vacate the building. Another component is that UAS leases the auto shop area to the Juneau School District which generates some revenue but UAS anticipates that would stay with the building.

Mr. Wostmann asked if the lease extension is executed, would there be a new lease rate based off an appraisal?

Mr. Uchytel said that is a fair statement.

Mr. Wostmann asked what he thought the new rate may be? He said the \$12,000 annual payment is not very much.

Mr. Uchytel said he is unsure. He did note there was a substantial payment made upfront.

Mr. Kito said CBJ paid \$500,000 that was committed to Egan Library improvements that was to only be used for that project and then the annual amount which is a percentage of the crane use and sub-lease revenues. He said the annual rate is truly the thing that needs to be reassessed. There is an option to lease this area at less than market value, but that provision appears to only be used if UAS can demonstrate that the property is being used to further its interest in marine trades and there is not a strong connection with the existing property. In this case, UAS would have to go to a fair market review of what the lease is.

Mr. Wostmann said that would indicate to him that there would be an incentive to purchase this area.

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Mr. Uchytal said he remembers when he met with UAS about five years ago with Mr. Becker and Mr. Greg Fisk with the interest to purchase this property it was estimated at around \$3M.

Mr. Becker said he remembers trying to offer a land trade with the University that would be beneficial for the Auke Bay Campus. With everything on the table he would like to see CBJ obtain this property with or without the large building so this area can be developed to a greater potential for Juneau.

Mr. Ridgway said in review of the Committee discussion.

- Committee would like to move forward with this lease.
- He encourages staff to provide the UAS lease to the Committee so they can review the current lease terms.
- He wanted to let UAS know that this area is very important to Docks & Harbors future.

Mr. Ridgway asked Mr. Kito if there is a preference to reissue the lease or go toward something more permanent in terms of transferring property.

Mr. Kito said talking with UAS staff, the area that CBJ leases UAS is leaning more toward selling the water parcels to CBJ if a price can be agreed upon.

2. Electrification RFP Selection Committee – Board Participation

Mr. Uchytal said this is to electrify the downtown cruise ship docks and is currently being advertised for proposals. He would like to know if any Board member would like to participate on the proposal selection committee?

Committee Discussion/Public Comment

Mr. Etheridge said he would like to be on the selection committee.

Mr. Wostmann said he would like to be on the selection committee as well.

Mr. Ridgway asked if a member decides later he would like to be on the committee, can they still do so?

Mr. Uchytal said yes.

X. Staff and Member Reports.

Mr. Creswell reported;

- Staff pulled the two end sections off the Old Douglas boarding float that were breaking away and unrepairable. The other four sections are still used a lot but not in the best of shape. We will leave them for now and staff will watch to make sure they remain safe to use.
- Staff is cleaning the gravel out of the parking lots and getting the harbors ready for the season the best we can with the limited amount of staff.

Mr. Uchytal reported;

- He sent a test email to the Board from the Tell it to Docks & Harbors Board off the website to make sure it works. He knows at least one Board member

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received the test email. He asked the Board members to let him know if they did not receive the test email he sent.

- He said the Brickyard will be closed temporarily for cleaning and then used for transit buses for a few weeks in May. It will be open and available for other parking needs throughout the summer.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting – Wednesday, May 20th, 2020.

Mr. Uchytel asked what documents the Finance Sub-Committee members would like to see at the meeting on April 29th?

Mr. Etheridge asked Mr. Wostmann to get with Mr. Uchytel on his request.

Mr. Wostmann said he would like to look at the CIP projects in depth and what expectations or scenarios the Committee should be considering for the FY20/21 budgets.

XII. Adjournment at 6:49 p.m.