

**CBJ DOCKS & HARBORS BOARD**  
**OPERATIONS/PLANNING COMMITTEE MEETING AGENDA**  
**For Wednesday, October 21st, 2020**

Zoom Meeting

<https://juneau.zoom.us/j/94409345526?pwd=OGVkbEZwN1NUOG40VExKUmIHd1NBUT09>

or Via phone 253 215 8782

Meeting ID: 944 0934 5526

Passcode: 182013

- I. **Call to Order** (5:00 p.m. via Zoom)
- II. **Roll Call** (James Becker, Chris Dimond, Don Etheridge, Steve Guignon, James Houck, David Larkin, Annette Smith, Bob Wostmann and Mark Ridgway).

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 August 19<sup>th</sup> and September 16<sup>th</sup>, 2020 Operations/Planning Meetings Minutes.**

- VI. **Consent Agenda - None**

VII. **Unfinished Business**

1. Ordinance Update – CBJ 72.10.140 Use of Skateboards, roller skates, roller blades and similar devices restricted.

Presentation by the Port Director

Committee Discussion

Public Comment

Committee Discussion/Action

**MOTION: TO PURSUE AN ORDINANCE UPDATE TO EXTEND CBJ 72.10.140 TO INCLUDE THE DOWNTOWN WATERFRONT SEAWARD OF FRANKLIN STREET FROM THE LIBRARY TO TAKU PARKING LOT & STATTER HARBOR FACILITY.**

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**VIII. New Business**

1. A Resolution in Support of the Alaska Harbor Facility Grant Program  
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

**MOTION: THAT CITY & BOROUGH OF JUNEAU ASSEMBLY URGE FULL FUNDING IN THE AMOUNT OF \$14,049,988 FOR THE STATE OF ALASKA MUNICIPAL HARBOR FACILITY GRANT PROGRAM IN THE FY 2022 STATE CAPITAL BUDGET**

2. Regulation Update 05 CBJAC 20.044 - Active fishing vessel discount at Statter Harbor  
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

**MOTION: TO PURSUE A REGULATION CHANGE TO ACKNOWLEDGE COMMERCIAL FISHING VESSELS HOMEPORTED IN STATTER HARBOR ARE ENTITLED TO DOWNTOWN HARBOR DISCOUNTS**

**IX. Items for Information/Discussion**

1. Auke Bay Boatyard – Potential Reassignment of Lease  
Presentation by the Port Director

Committee Discussion/Public Comment

2. UA/UAS Lease Agreement – Juneau Fishermen’s Terminal  
Presentation by the Port Director

Committee Discussion/Public Comment

3. Statter Harbor Passenger For Hire Fee  
Presentation by the Port Director

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Committee Discussion/Public Comment

4. Capital Improvement Plan (CIP) and Harbor Enterprise Funds  
Presentation by the Port Director

Committee Discussion/Public Comment

5. Board CY2021 Calendar  
Presentation by the Port Director

Committee Discussion/Public Comment

**X. Staff & Member Reports**

**XI. Committee Administrative Matters**

1. Next Operations/Planning Committee Meeting- **Thursday, November 12th, 2020.**

**XII. Adjournment**

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**I. Call to Order** Mr. Ridgway called the meeting to order at 5:00 p.m. in a Zoom meeting at the Port Directors Office.

**II. Roll Call**

The following members were present: Jim Becker, Don Etheridge (in person), Steve Guignon, James Houck, Dave Larkin, Annette Smith, Bob Wostmann and Mark Ridgway (in person).

Absent: Chris Dimond

Also present Carl Uchytel – Port Director (via Zoon) and at the Port Directors Conference Room: Erich Schaal – Port Engineer and Matthew Creswell –Harbormaster

**III. Approval of Agenda**

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

Motion approved

**IV. Public Participation on Non-Agenda Items –**

Mary Larsen, Juneau, AK said she is here because of Harbor Security. Last time she was here and addressed the Board, she and Patricia Collins were working with Marine Exchange in getting security cameras installed on their building to show the Harris Harbor Parking Lot. They have two cameras covering the parking lot, ramp and some of the harbor. Ms. Larsen said the Harbormaster told her that Snow Cloud Internet provider is working on a package to provide Wi-Fi access to harbor patrons at a discounted rate. She said she is definitely subscribing to the service and will be installing personal security cameras on her vessels. She is in support of a Code of Conduct for the harbors. There are patrons in the harbor who would like to contribute to security improvements. Her group intended to pay Marine Exchange and they are still willing to help with security improvements with Docks & Harbors. Ms. Larsen said she read the 2015 version of the Code of Conduct and it describes conduct that can get people kicked out of the harbors but it is not clear on what that process is. She is wondering if the Board could clarify that. If other patrons witness bad behavior, to whom do they report? She said they see repeated drunkenness, drug dealing, people falling in the water, and the list goes on and on. She does not see harbor employees very often. These behaviors endangers her and other patrons in the harbor and they would like harbors to provide some direction on how they can assist in making it safer. Most people she knows are willing to help to nip some of these issues in the bud. She thanked the Board and asked that the Board stay in touch with her and other patrons on what is happening and what they can do to help.

Mr. Becker said he just had a conversation this morning with someone who asked if the cameras are online. He heard that security is improving and he agrees that having the cameras up and running is very good for the harbors. There are many people willing to help in accomplishing

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these goals. He said they have had numerous discussions regarding security cameras and he is thankful they were able to work with Marine Exchange.

Ms. Smith asked Ms. Larsen if she has noticed any improvement in undesirable behavior from this year to last year or has it remained the same.

Ms. Larsen said there has been a recent uptick in the last month. She said there is lots of theft in the boat yard and in Harris Harbor. There are several people who have not been seen around the harbor in a year and now they are back. This is not necessarily a good thing. She has not noticed a decrease in crime, in fact; there are a couple of characters that scare her to death. She would say in the last month it has gotten significantly worse and scary.

Mr. Ridgway said staff is working on security cameras at all the harbors. He appreciated Ms. Larsen's comments on the Code of Conduct. He will work on getting ideas from staff and information on how they can better assist and communicate.

**V. Approval of Wednesday, July 22<sup>nd</sup>, 2020 Operations/Planning Meeting Minutes**

Minutes of July 22<sup>nd</sup>, 2020 were approved as presented.

**VI. Consent Agenda – None.**

**VII. Unfinished Business – None.**

**VIII. New Business – None.**

**IX. Items for Information/Discussion**

**1. Juneau-Douglas City Museum Relocation – Board Position Statement**

Mr. Uchytel said a Board member requested this topic of the museum relocation be discussed. The summary is that back in 2017 Docks & Harbors in the wake of the 16B project embarked on the urban design plan, Taku Dock to Marine Park, and part of that had to do with the redevelopment of the Archipelago lot. Within that plan, and document that is available on line, we crafted an idea that would expand the sea walk, bus staging for use by the tourist industry, and provide for private development in the Archipelago lot. At that time, we envisioned a waterfront attraction that was yet to be determined, but this was a viable location. In 2017, staff inquired about the museum with the Board as well as with other members of the public as to what this would look like. People came up with ideas of a market, IMAX Theatre, museum, and things like that so this location was given a yet to be determined marker. Staff always intended for Phase II, which is 95% complete, to be a covered shelter for people waiting to embark on their excursions in the bus staging area. After staff awarded the contract for Archipelago Phase I, and sometime in the fall of 2019, the City Manager started looking at the budget and realized the city subsidizes the museum \$500K per year for its operations. The idea was crafted from those meetings and after we awarded the contract for Phase I, that we needed to pause with Phase II and see if there would be any movement from the city museum point of view to move it to the waterfront. There is obviously many good reasons to do so. The City Manager believes there is other non-CBJ funds available through the Rasmussen

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Foundation, the cruise industry using head tax, and Friends of the Library, to develop a museum. The memo that the City Manager put together on February 26th, 2020 was to bring the idea to the Assembly to move forward with some funding to do additional planning and design work. This is from a Committee of the Whole (COW) meeting on December 6th, 2019. They showed some renderings of what the museum could look like in that location. In preparation for the March 3rd, 2020 COW Meeting, the City Manager put together a document asking for a \$50K authorization. The Assembly motion failed 4-5. The memo is in the packet as well as the minutes. Another consideration for the museum was made to the Assembly to direct staff to solicit ideas and public comments to determine the public's desire for development of the CBJ portion of the Archipelago lot. The Assembly directed the City Manager to solicit more comments from the public. Mr. Uchytel was asked to communicate with the Assembly on this topic after it was determined what position the Docks & Harbors Board wants to take. Mr. Uchytel asked the Board if they want to take a position or put together a work group? He also pointed out on the plan view of the waterfront, the rendering shows a lightering dock. After this graphic was put together, the aviators requested not to place the float in that position. The position the Board took in 2017 was to look for other opportunities in other areas downtown for a lightering dock.

Mr. Ridgway said there was discussion about having a joint meeting with the Assembly if requested. He is not hearing anything from Board members about having this meeting.

Committee Discussion –

Ms. Smith asked Mr. Uchytel if we sit and wait on the Assembly, how will it affect any of our other planning or work that we need to do by just having this sit there.

Mr. Uchytel said by waiting, it leaves an unfinished project with no shelter adjoining the bus staging area. We are holding back in our vision for flower planters, lighting, and a fire pit. What we want is a very attractive area, and what we will have is just an unfinished project.

Ms. Smith said she is one of the people who brought up the lightering float and said that Mr. Uchytel made a comment about other location opportunities. She would like to know what other locations have been looked at for a lightering float replacement.

Mr. Uchytel said there is no requirement for a lightering float at this point. There is a lightering dock at the Port Field Office that was part of the 16B project. He said he was pointing out that in the finished product in the 2017 Urban Design Plan, the lightering float was in that particular rendering, but the direction of the Board was to remove it and find another place to put it. A couple ideas are the expansion of the sea walk and the small cruise ship masterplan. We could possibly create a lightering float for smaller vessels in either of these projects. However, no one has requested it to be a priority. Mr. Becker said the comment about moving the museum is a valid one. They are losing a lot of money. He likes the idea of having that space for the citizens of Juneau to use. We must have a spot for art and this gives the opportunity for cruise ship passengers to see it.

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The other location we looked at was where the JAHC is. Has there been other locations looked at for the museum?

Mr. Uchytel said the Assembly gave the direction for the City Manager to explore other options at the Archipelago lot. It is outside the purview of Docks & Harbors to take any action at this time.

Mr. Ridgway said he is uncertain if it is unwarranted for the Board to have an opinion on this. We just spent \$24M on the Archipelago Project. How do we make developing a lightering float a requirement? Is there a formal process with Engineering to make it a requirement?

Mr. Uchytel said we already have a lightering float. Is it the will of the Board for another lightering float? The current lightering float was developed with the 16B Project. It is unfortunate the encroachment at the Alaska Steamship Dock created a dangerous location from the aviators opinion. Anyone on the Board can come up with requirements with things to pursue and staff is always willing to pursue projects that are the will of the Board.

Committee Discussion Public Comment –

Mr. Kirby Day, Juneau AK commented if the museum does or does not build in this area, there could be the possibility it becomes a tent camp in the winter and it is an area the city cannot enforce. We had issues on the Seawalk this past winter. Is it something that can be dealt with?

Mr. Schaal said we are building Phase I right now, concrete pours are happening and the decking will be finished soon. We have a purchase and sales agreement with the private owner of the uplands, and they have the opportunity to develop their property. If Phase II needs to happen on our part because the museum does not go forward, we still have to wait for them to finish their development. We have to give them their time. There is a built in wait period before Phase II, which is the waiting shelter and bathrooms, or if the museum continues to develop and becomes a project. Phase II will happen, if there is a museum or not, after the private developer develops or says that are not developing.

Mr. Ridgway asked if the deck over project, in front of Pier 49, is on our property?

Mr. Schaal said in this planning document, the feedback from the current lease owner is they may be interested in developing the deck over. Right now, they lease most of it, and they might want to expand the deck over in their development plans. Docks & Harbors will not be constructing the deck over.

Mr. Uchytel said he wanted to go back over requirements for this project. When we were putting together this planning document, the people that showed up to participate from the tourism industry said there is a requirement for additional bus staging. We have a planning document where legitimate positions were taken. In some ways, with the Board approving a planning document, it quantifies that as a requirement. Docks and Harbors

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staff did not say we have a requirement for bus staging. This requirement came from the industry that helped pay for this development.

Ms. Smith asked if we have the authority to say no or do we just have to wait on Mr. Watt at the City to say this is what you are going to do? We already have designs and it meets the needs of the community.

Mr. Etheridge said we do have the ability to say no but the Assembly can override it.

Mr. Ridgway said we have a lot of latitude on what we do and do not support. With the parking spaces, the industry says this is what we need but does it meet our mission statement. The Board reviews it, approves it, and now it is established as a requirement. We forward our opinion to the Assembly, but they can override what we approve. There is a chain of authority. He does not think we have the authority to build a museum with our funds even if we support it. However, we are using enterprise funds to do something the public said they wanted during the public process. The Docks & Harbors Board can make a motion that we are supportive and/or have no issues with the museum idea.

2. Code of Conduct – Enforcement Options

Mr. Uchytel said back in 2015, he and the former Harbormaster Dave Borg, started looking at what could be done to curb bad behavior on behalf of some of the harbor patrons. This is a public facility and there are people from all walks of life, some use the harbors for their housing, their livelihood, and walking the docks. We saw a need to put together a basic common decency document of what we expect from the harbor patrons. The first opportunity we thought we could bring this forward was when people were not acting professionally in their private life. When a patron would come in and rail on harbor employees, we would take them aside and let them know their behavior is unacceptable and tell them what we expect from everyone that uses our facilities. We put together the Code of Conduct and the Law Department said this was a reasonable first start. Staff uses the Code of Conduct effectively and we post it at every opportunity throughout the harbors. It is often torn down but replaced when noticed. It is also available on our website. Mr. Uchytel said a Board Member requested we discuss what additional key points can be added to the Code of Conduct that would actually result in people being suspended or evicted from the harbors. That is a much more difficult conversation to have because with a nine person Board, not all the members have the same level of what they think is acceptable behavior in the Harbors. In running a public facility, it is very important for him and staff to be as consistent as possible. We want to maintain a sense of accountability in the harbors. Is this the right opportunity to enforce stricter expectations on our harbor patrons?

Committee Discussion/Public Comment

Mr. Ridgway said if he heard Mr. Uchytel right, this is a work in progress and at this stage it has already been through the Law Department. This was established in 2015, has there been any changes suggested to Law for changes to the harbor Code of Conduct?



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Mr. Uchytel said yes, he has had discussions with Law about a Board member recommended changes to Title 85 and he submitted those changes for their review and feedback. The new language in Title 85 would read something like this: *to violate any city, state or criminal code, violation of these codes can result in police action, loss of harbor privileges, as well as the impoundment of any vessel, boat, car or truck on harbor properties. To harass or abuse any harbor patron by behavior language or mannerisms that place other harbor patrons in reasonable fear of immediate jeopardy using a reasonable persons standards of violation can result in police action, loss of harbor use privilege as well as impoundment of any vessel, boat, car or truck on harbor properties.* Mr. Uchytel said the Law Department will look at how enforceable this is and if the language is too vague. Mr. Uchytel asked if any other Board members have any ideas or changes.

Mr. Ridgway said if this is not a done deal, can the Code of Conduct flush out the process. Does it inform patrons how they can get involved?

Mr. Wostmann asked Mr. Uchytel to elaborate more on what authority we already have in regards to enforcement with Title 85 or other sources?

Mr. Uchytel said we certainly have enforcement for people that do not pay bills, and for derelict vessels. We do not have a lot of enforcement for people behaving badly. We enforce, people that litter, people who do not clean up after their pets, and things like that. As far as people that are just thugs, there is not a lot of authority Docks & Harbors can do to enforce. We can trespass people. Mr. Creswell and his team are constantly trespassing people from our facilities. Staff has the power to address bad behavior, but as far as suspecting drug use and telling people they are not welcome because of suspected drug use, is difficult to enforce. The Law Department discerns where we can go with recommended language.

Mr. Creswell said when it comes to removing people from the harbors who do bad things, the criminal trespass is his go to tool. He has to have a good defensible reason for trespassing a person. It is hard for him to do things on hearsay and he has to have genuine complaints from harbor patrons. The Juneau Police Department takes criminal trespass orders very seriously. Mr. Creswell said he has put a lot of time thinking about what else could go into Title 85. It is easier when it is someone in the harbor with no business in the harbor and more difficult when it is a harbor patron.

Ms. Smith said it concerns her that Ms. Mary Larsen, who spoke to the Board earlier tonight, stated that she is afraid in our harbors. It troubles Ms. Smith that we have a woman in the harbor that is afraid. She personally would support whatever it takes to give the harbor staff the ability to take care of these situations. We have a responsibility to provide a safe place for law-abiding patrons. Therefore, whatever we can do to give staff the teeth to address this she is in support of.

Mr. Ridgway said it is the long-term vision of the Board to tighten down what boats are allowed in our harbor. We need to get rid of those who do not pay their moorage and are bad actors. It would take over \$100K to get rid of those boats. He appreciates the staff's

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approach to undesirable patrons and trusts their action can make other patrons feel safe. He emphasized that patrons have a personal responsibility to notify someone of authority like the Harbormaster, staff, or the Police Department if they see someone threatening someone or committing a crime.

Mr. Etheridge said when you have the lowest moorage rates and live aboard rates in the entire country, you tend to draw in a certain type of people. Our liveaboard patrons are the worse to report suspicious activities. There was a boat with an alarm going off and no one called about it. If the liveaboard patrons do not get involved in calling police or notifying authorities, we cannot fix the problems.

Mr. Uchytel said one challenge in city code is no camping in downtown. There is a “no camping ordinance”. In the winter, after the Thane Campground/Mill Creek Campground closes, JPD cannot enforce the no camping ordinances along the waterfront. That is why we see the tents show up underneath the visitor’s center in the winter. The unsheltered population is entitled to use municipal property and other multiple government properties. This is why we end up with the tents along the Franklin Dock and could become an issue with the Archipelago project. It is very difficult to enforce and we will continue to work on the Code of Conduct. There has to be more than, “we want scary people out of the harbor”. He will continue to work with Law, but it is not an easy proposition. People need to make the calls to JPD and 911 to report criminal activity, which is our best opportunity to address this problem. We have asked staff to work on a process to evict the undesirable harbor patrons and this is going to be very difficult.

Mr. Wostmann said the City is currently soliciting bids for a cold weather shelter. He thinks if this project proceeds, and a cold weather shelter is made available, it might help take care of some of the problems of campers and allow the police to move people to the shelter.

Mr. Dennis Watson, Juneau, AK said there was time when harbor staff was wearing “Security” on their jackets, and that did not work. This put a target on our harbor staff. He thinks our harbor staff must realize that the largest percentage of our people, 99%, are there to visit and enjoy the harbors Juneau has. To put more burden on our staff to be peace officers does not seem like a good idea. He thinks the best thing is if they have a problem to contact Juneau Police Department. JPD is very aware of the problems. He hopes we do not make police officers out of our harbor staff. They have enough to do without becoming a target.

3. Policy Statement – Availability of Public Land for Private-Sector Use

Mr. Uchytel said Mr. Etheridge asked for discussion on this topic. It goes back to Tracy’s Crabshack and The Hanger. The question is, “what is an acceptable use of Docks & Harbors managed property along the waterfront”? We tried to kick-start a couple working groups over the last three or four years. We had a work group set up that did not finish the work. The direction from the Board Chair is to bring this back up through the OPS Committee and the full Board. He showed page 19 in the packet which is version

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five of the policy statement. Over the years staff has deleted, per recommendations, all but the last four bullets. Some Board members felt we only need these four. We need to come up with a Board policy on the use of the waterfront. Typically, Docks & Harbors tries to keep the waterfront that we manage a commercial free zone. The only exception is when there is a lease or lease permit issue. An example is Tracy's Crabshack, Bill Heumann and the vendor booth permit holders that we have in place. Those are the only real commercial use that we allow on the waterfront. Over the years, we have made various accommodations for the pedicabs and modified our regulations allowing them to post signs on their vehicles. For next year, one of the pedicab companies has approached me about selling ice cream from his pedicab. Should this be allowed? The current policy tries to tease out how we manage our properties. We get these one off requests all the time. We go back to having a policy discussion and get direction from the Board on how much commercial activity should we allow on our managed infrastructure. We have quantified arrangements for commercial fishing, whale-watching charters, fishing boats, and moorage in general. The uplands activity, and what should be allowed, is something staff needs direction on or a policy type decision from the Board.

Committee Discussion/Public Comment -

Mr. Becker said we need to make sure we have rules and regulations for what we do and do not allow and keep control of what we do allow.

Mr. Uchytel said he can come up with lots of what ifs. Can someone put an ATM on the dock? Many of the Board members have not been faced with the annual what to do with Tracy's Crabshack and we finally ended up giving them a lease. This document came about because of the open seating and cooking pot area request from Tracy's Crabshack/Bill Heumann. Beginning discussions on this topic was trying to come up with a sweet spot of getting companies having adjacent property the right of first refusal for more property.

Mr. Ridgway asked if in the event we adopt this, would that have changed how the ask of Bill Heumann was addressed. Would we have come to the same conclusion?

Mr. Uchytel said it probably would have come out with the same lease agreement. The summary of those say Docks and Harbors wants to promote economic development. We want to listen and be reasonable on what we allow on our managed properties. He thinks the way Bill Heumann's lease was handled was the correct outcome.

Mr. Ridgway said the one that comes to his mind is actually before when we had the two parcels of land that we leased and subleased to Bill Heumann and Tlingit & Haida. We need to continue to work on a policy that would be a standardize approach and a reasonable thing to do.

Mr. Uchytel said we really try to be consistent with everybody we deal with whether they are a harbor patron or a business. We get \$30K per waterfront vendor booth and we consider that as the gold standard. We have taken a very deliberate and consistent position to discourage food vendors along the waterfront. In regards to the Tlingit & Haida and the Thane Ore House lease areas, that is different. This was a competitive

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lease arrangement and he would put that in a different category. Staff struggle with the nonlease/nonpublic processes with doing the right thing.

Mr. Etheridge said everyone that makes a request wants to be right on the dock. It affects traffic flow and some requests would cause a lot of extra work for staff. If we allow a carnival scene on the dock, it takes away from the brick and mortar folks across the street that have businesses. He does not think it is fair to have commercial activity on the dock.

Mr. Houck asked Mr. Uchytel if the document is designed so the Board does not have to review each and every request. Is it designed to streamline the process of getting the one offs to the Board? He wanted to make sure that everyone knows it is not his business requesting to sell ice cream on the docks.

Mr. Uchytel said we do permit the pedicabs along the waterfront, the vendor booths, and the coaches and bus transportation companies. The one offs is that people are always thinking and scheming on how to make a buck. We want to know what we authorize. Staff takes how we manage the waterfront very seriously and do so to the best of our ability. In looking for the one off's, he really wants to have a cohesive policy of what it is we are trying to do. Are we trying to open it up to every entrepreneur that wants to make a buck be given a shot or by having these restrictions we have a fair and good public policy.

Mr. Houck said he believes Mr. Uchytel and staff has a good focus on what makes a more enjoyable experience for tourist and locals. He believes if you design space for locals, it is fantastic for the tourist. He is in support of the overarching policy.

Mr. Ridgway said one of the things he learned is the lease income we make. The vendor booth planning, design, and income has been excellent. He thinks more exploring of ways to increase our income through lease properties is not a bad thing but not to open it up to carnival like businesses. He thinks this document will guide the way in leveling the playing field for all, help us lease more land, and earn more income.

Mr. Etheridge said we need to finalize this idea and take it to the full Board for a passage. He thinks we need to give people a chance to look at it before the next Board meeting, and if you have any recommendations for changes, reach out to Mr. Uchytel and give him your thoughts. This policy needs to be approved to give Mr. Uchytel the tools he needs to work with.

Mr. Ridgway asked the Board members to please take the time to read and review this two page document prior to the next Board meeting. Any comments should be directed to Mr. Uchytel. He asked Mr. Uchytel if the Board approves this policy statement, will it be legal and turned into code, or do we just leave it as a Docks & Harbors Board policy?

Mr. Uchytel said it will be the Docks & Harbors policy.

Public Comment –none.

4. Committee Decision and Assignment of Visitor Industry Task Force Work Group

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Mr. Uchytel said at the last Board Meeting, Mr. Etheridge brought up an Ad Hoc Committee for a Visitor Industry Task Force and volunteered himself to participate. He asked what other members are interested in participating in this group?

Mr. Wostmann said he would be like to join the work group.

Mr. Houck said he would also like to join the work group.

Mr. Ridgway said if anyone else wanted to participate to talk to Mr. Etheridge.

Committee Discussion/Public Comment – none.

5. Center for Disease Control (CDC) Request for Information (RFI) Related to Cruise Ship Planning and Infrastructure, Resumption of Passenger Operations, and Summary

Mr. Uchytel said he is making the Board aware that the Center for Disease Control (CDC) sent out a Request for Information (RFI) basically to the world indicating what action needs to take place for the resumption of cruising. Mr. Uchytel is a member of a couple of national committees; one is the American Association of Port Authorities (AAPA). Recently Docks & Harbors has become full members and he has been asked to help on their cruise committee working on drafting something for the AAPA. He is also affiliated with a group led by the Port Director from Miami, FL. The Miami Port Director is leading the charge to say that cruises are important economic engines for many communities and ports throughout the country. They are also working on drafting responses to the RFI. He and the City Manager are drafting remarks and comments being forwarded to the CDC. There are 28 questions but he believes the Port should respond to only six. The other questions have to do with operations of the cruise ship companies. Question six talks about what should be the medical capacity to manage an outbreak for a severe case of COVID-19 onboard a ship. They also talk about shore side arrangements, and what pre-arrangements should be made. He just wants to give the Board a heads up that anybody in the world can respond to this RFI. The City Manager and Mr. Uchytel will be responding together or separately with some comments for Juneau, the AAPA group, and as the affiliated Port Director group in Miami giving their prospective of what needs to be done. He wants to ensure that the CDC knows many communities like ours in Southeast Alaska are depending on cruising to resume. It needs to be stated that resumption needs to have the caveat that we want them to return safely and efficiently. Resumption should not be at the expense of public safety or the detriment of the health of our communities.

Mr. Becker asked Mr. Uchytel if he can share his comments he uses to address the CDC.

Mr. Uchytel said yes, for example, he started drafting something which he has not yet shared with the City Manager. He is looking at number seven. What pre-arrangements should be made to ensure that all US seaport communities will accept returning ships after a COVID-19 outbreak is identified? He said it is a work in progress. He started out with the Port of Juneau believes a one size fits all for addressing shore side COVID support is unattainable and should not be pursued. For example, in Southeast Alaska, Skagway is a popular destination but they only operate a clinic, which would not be able

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to support any COVID patients. Juneau has a regional hospital with 125 beds with nine ICU beds. This is a positive response but the CDC has to know what may be required in Fort Lauderdale, Miami, or the Virgin Islands may not be attainable in Southeast Alaska. What Juneau could handle is not the same as to what Skagway could handle as an example.

Mr. Ridgway said he appreciates Mr. Uchytel's work on this.

Committee Discussion/Public Comment – none.

6. Small Cruise Ship Infrastructure Master Plan – Evaluation of Winds and Historical Vessel Transits in the Vicinity of Proposed Piers

Mr. Schaal said the draft report is part of a larger report staff will be putting out with the Small Cruise Ship Master Planning Study. The Marine Exchange of Alaska in Juneau performed this section of work. We have talked about locations in and around Juneau for a possible addition to small cruise ship infrastructure in town. One of the things we wanted to do was verify assumptions for location matchup with other data and the typical transit and direction of the vessels. Alaska Marine Exchange of Alaska is part of the team and they pulled up their historical data and weather sensors to put together this report. As they state, the evaluation of the winds and historical vessel transient information is from what they have. In their report, they do not see any issues with the Seadrome location. Their process was to take the Seadrome area and look at it using our perimeters for vessel size. They used a vessel size of 250' the actual project is to look at 275'. The next revision will address the lengths. They also looked at the fleet's maneuverability. They breakdown Uncruise, American Cruise Line and the Lindblad ships which are all twin screw vessels and at most have at least one bow thruster. They feel they are all quite maneuverable. They have taken that into the evaluation of the weather patterns. They have pulled in data from their weather sensors as well as the vessel approaches. They have graphs that show the occurrence periods for wind speed over 20 knots and they looked at specific information about currents. Marine Exchange felt that the Seadrome Dock is far enough away from the Gastineau Channel and they do not see any concerns for current speeds that would impact maneuverability. A couple of things to note, we do have winds that exceed 20 knots regularly through the season. They note in the report that direction of the vessels use of the Seadrome area would be stern in or bow in and they think that is a reasonable sail area for those vessels to handle. They are confident the general alignment of another float at the Seadrome would not be negatively received by those vessels. They also mentioned the sensors they drew information from were installed in the 16B project. He pointed out the utilization of infrastructure installed in 2016 is helping us make informed decisions. A couple of other points of note for this report and information is the historical tracking. Marine Exchange of Alaska stated Norwegian Cruise Lines does not see any conflicts with the installation of our float and we can see there would be minimal impacts from development by NCL. The Marine Exchange conclusion is: based on review and evaluation of historical track lines of small cruise ships, their size and maneuvering characteristic, and historical

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weather, we find the positions and orientation of the proposed piers will facilitate safe arrival, departure, and mooring of small cruise ships.

Mr. Becker said he appreciates the report. Every captain of every ship is aware of what the tide is doing.

Mr. Ridgway asked if Marine Exchange looked at the tides?

Mr. Schaal said in the report, Marine Exchange said they evaluated the proximity of the Seadrome Dock in proximity of Gastineau Channel. The report says the location is approximately 700 yards from the primary current flow in Gastineau Channel and thus the current is not a significant factor. We do have current sensors on our facilities down by Taku Smokeries and at the AJ Dock. We know what the southern harbor looks like up to the minute with those current sensors by our south cruise berth. We do have data; they felt there was no need to do a tide study.

Mr. Becker said at what point does a cruise ship request tug assist.

Mr. Schaal said its 20 or 25 knots.

Ms. Smith asked if the Marine Exchange looked at all the effects of NCL dock will have on small cruise ships. Will the Norwegian Cruise Line (NCL) Docks or ships at the dock provide some level of protection from the current and winds? Will the currents caused by NCL ships effect any of the vessels at the Seadrome Dock i.e. bow thrusters?

Mr. Schaal said the way he reads the report it sounds like the predominant winds are generally in a favorable direction. He does not see the structure impacting our vessels if we build this facility. They will be parallel side by side. As to the current impacts, that is something harder to put into context at this point. He knows that Marine Exchange is on the NCL planning team as well. NCL needs to prove to the Coast Guard that their dock will not impede traffic and they can make it in safely. The requirement may be they add another current sensor like we did. That would give us real time data after the fact. They may be able to infer with the data that we gain for our facilities and the AJ Dock to identify if there is going to be an issue.

Ms. Smith said she is a diver and frequently dives the docks in the winter. There is quite a bit of movement on the bottom from the bow thrusters of the cruise ships. It changes substantially below. It seems like they could create some havoc to the smaller vessels coming in.

Mr. Ridgway said when you add the NCL Berths and pushing that out, you are actually talking about a lot more boats. This does not show any other vessels other than the ones going to the Seadrome Dock. He is extremely concerned about the overall congestion of the basin. He believes it should be researched with the sediments on the bottom.

Mr. Wostmann wanted to add his concern to this issue of the wash from the bow thrusters. If a Norwegian Cruise Line (NCL) vessel is docking at the same time as a small cruise ship, could it cause a significant issue? He knows the large boats coordinate

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with each other with their maneuvering, do they also coordinate with the small cruise ships so they do not arrive or depart at the same time. Do they know if the larger NCL vessel is coming or leaving with bow thrusters on.

Mr. Creswell said if you listen to radio any time during the cruise ship season, the pilots come on Channel 13 and 16. They issue a security call upon arrival as they are entering the harbor and they issue a call prior to departure for their anticipated departure time. They are required to do that on Channel 13 and 16 and it is a published schedule. It is well known when they are going to be maneuvering.

Mr. Wostmann said he is aware of the announcements on Channel 13 and 16 and their advisory. Each vessel is responsible for operating in a safe manner. He still is concerned about a potential conflict when the smaller cruise ships have a schedule to keep. If they are trying to get away real quick before the large ship gets there and they get too close then these quarters are going to get pretty tight. He does not know what authority there is to create a system whereby there is an actual schedule or defined period while the cruise ship is docking, the small boats are not allowed to arrive or depart. He is not sure this is practical or how it would be enforced. He does not know if the warning on Channel 13 and 16 is sufficient to pause a dangerous situation to occur.

Mr. Schaal said when we were designing and laying out 16B, the same concerns were raised with the south berth and the interactions with the IVF and Taku Smokeries. The concern was raised after an incident in Ketchikan where a small vessel was swamped because of a bow thruster. This is definitely something we always keep in the forefront of our minds because we do not want to inadvertently set up a disaster on a blustery day when a large vessel is trying to leave port. Mr. Schaal said the distances for the proposed layout between our idea for the Seadrome Dock and NCL ideas for their future dock are quite a bit further away than the CT, south berth, IVF, and Taku Smokeries. Not that an extreme situation could not arise in the future, but he thinks the risk is lower in this layout than if something were to happen at our berth facility. There were previous discussions about constructing some sort of thruster barrier that would go between the south berth and the Taku Smokeries. The Board at the time and the engineering members showed that they may not be required and so we only have a floating boom there now preventing vessels that lose power from going under the catwalks. We have not had any noticeable close calls with bow thrusters.

Mr. Ridgway said that during the 16B process there were lots of discussions. The overall congestion of the basin is certainly a concern. At what point in the study and the approval of the location of the new small cruise dock do you look at the overall congestions of the basin in whether it is too much.

Mr. Etheridge said when we were designing 16B, working through the public process was where we got our comments and indications. It provided a broader idea of who was going to be using the basin, and who was going to be in harms way. Through the public process, we were able to obtain information for staff to adjust 16B to accommodate for all these needs. The same thing needs to happen here. The public process will direct the



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process. We layout a plan and allow the public see the plan to provide their input. We move forward from there.

Mr. Schaal said Marine Exchange of Alaska has a lot of data. We know Norwegian Cruise Lines is going to have to show that their facility is not going to negatively impact the status quo. We have four large cruise vessel operating facilities that work and we are looking at the opportunity to add small cruise ship capacity and they want to add another large cruise ship berth. Docks & Harbors is involved because of public lands, being neighbors, and being part of the City and Borough of Juneau system. This is the right time for the Board and the technical expertise to evaluate what they are producing and ask those tough questions.

Mr. Ridgway asked if NCL takes a pause in their requirement to show they are not going to impact the status quo in the planning of their facility, does the small cruise ship berthing also have that pause?

Mr. Schaal said yes he would think so.

Mr. Becker asked if anyone in the private sector is required to contact somebody to say that they are transiting the basin?

Mr. Crewell said he is not certain on the requirement. He said every day the floating barges make a security call when floating through the channel saying what their destination is. Whether it be under the bridge, to DIPAC, to the fuel barge or whatever it may be. There is not a large vessel that does not make a security call.

Mr. Guigon said he agrees with the bow thrusters being a concern. Maybe this is the time to talk about building a barrier and talking with Norwegian Cruise Lines about paying that cost. He was caught up in a bow thruster wash in Hoonah once and it is not fun.

Public Comment

Mr. Dennis Watson, Juneau, AK said the Liberty does not make an announcement when they are coming in. Everyone in Auke Bay knows to stay away. He cautions the Board in trying to over regulate this.

**IX. Staff and Member Reports.**

Mr. Creswell said his crew continues to do amazing things.

- We have several security cameras up in Harris and Aurora Harbors. They are working to add to that system.
- He received some quotes today for lighting at the Douglas Launch Ramp, which were high and they will have to look at that.
- Aurora Harbor North end demolition begins next week. Power and water will be secured. They will tear out the floats. Mr. Osborn has a solid plan in place. They are moving boats this week to their new moorage locations. Some will not move and they will have to deal with those.

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- The derby happened this past weekend, from his standpoint it was a great success. The harbors were not as busy as past years, but from a harbor standpoint there was not as much activity. Good compliments from Territorial Sportsman and they were thankful for the help we provided.
- King Crab 11A opener this Friday until Monday evening. Historically this will be higher traffic than derby traffic.
- The Lumberman mobilized Global Diving to remove all the petrolueum products and flush lines and tanks. They worked for three days. We steam cleaned and disposed of 2000 gallons of oily water. He can not thank Petro Marine enough for the outstanding support that they provided to Docks & Harbors through this process. Mr. Creswell said the Lumberman has been a four month process and the crew did an amazing job. He has submitted the permits to EPA for the off shore disposal. It is under review. The Coast Guard's final inspection was today and they were pleased with our work.

Mr. Becker said he ran into some harbor users earlier today and they laid in to him about the North end of Aurora Harbor. What size veseels will go back in there. Will the slips be the same size when they are replaced?

Mr. Creswell said the plan is to give the Corps of Engineers the opportunity to dredge unimpeded. There is no money to rebuild the harbor. When we have the money and we design the harbor we will use our waitlists and other tools we have to determine the need. We know we need larger vessel moorage. We are a ways out for that.

Mr. Becker said a lady insisted that the security camera be put online for the public.

Mr. Creswell said to reiterate the direction they are taking. We are focusing on gangways and parking lots, where people enter and exit the harbors. It is tricky to put things on line. Do we need everyone to watch the camera's? If we allow someone into the system, what are the opportunitites for corruption. We haven't fully explored that.

Mr. Schaal said one thing to consider in viewing cameras live, we would have to pay for the band width for all the time.

Mr. Etheridge said he thinks they are asking for when we get Snowcloud if they can have live feed on their camera for their own boats.

Mr. Creswell said he is working with Snowcloud and ordered a marine camera from Amazon. They will be doing a boat data test with Snowcloud using this camera to get an idea of the usage required for sole use of the camera so they can create a cost effective package for the users and their camera(s).

Mr. Schaal, Port Engineer reported;

- The construction on the downtown waterfront improvement project is in the middle of concrete pours in the driveway portion. The summer rain has affected their pours. They have rain protection on site.

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- They anticipate the decking work to start in the next few weeks. The Seawalk will get closed off when they mesh the two areas together.
- We are in the submittal process for Statter Phase IIIB. Trucano is the contractor for that. They will mobilize on site October 1. The rock wall will start and the floats will arrival around January 1, 2021 with a completion date of May 1, 2021.

Mr. Ridgway said in regards to North Aurora, we do not have the money, but we have ideas. What is the Corps basis for their dredging depth? Can we lobby them to dredge out more than they are?

Mr. Schaal said they base their dredge depth on the original construction of the basin. He believes it is a congressional thing. They decided on a minus twelve on the North end so that is what they are obligated to maintain. We have a isostatic rebound, the basis is the most current survey data. They say it is uplifted and filled and they are going to go down to minus twelve. The may go a little deeper than twelve but not much. We looked at dredging deeper with with Aurora Phase I. They typically handle the dredging on their own.

Mr. Uchytel reported;

- Board Meeting he was directed to put together a Finance Sub Committee meeting the first week of September.
- The Visitor Industry Task Force sub committee meeting will be at 5:00pm on August 27<sup>th</sup>.
- Morris Communications has one of the largest private collections of Alaska Art in the country. The majority of it is at the Juneau Empire Building which has been sold to Southeast Alaska Rural Health Consortium. The City Manager has arranged for the art to remain in Juneau.

Mr. Ridgway asked what is the scope of our sub committee for the Visitor Industry Task Force? Is it to engage with their task force? What is the driver for this?

Mr. Etheridge said we need to come up with a document that gives the Docks & Harbors view of what is in their proposal and give our recommendations to the Assembly on what the Mayor's Task Force has put together.

Alicia Hughes-Skandis our Assembly Liaison said she did not have anything to report. She does appreciate all the work Docks & Harbors is doing.

**XI. Committee Administrative Matters**

1. Next Operations/Planning Committee Meeting – Wednesday, September 16<sup>th</sup>, 2020.

**XII. Adjournment at 7:38 p.m.**

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**I. Call to Order** Mr. Ridgway called the meeting to order at 5:00 p.m. in a Zoom meeting at the Port Director's Office.

**II. Roll Call**

The following members were present in person or on zoom meeting: Jim Becker (in person), Chris Dimond, Don Etheridge (in person), James Houck, David Larkin, Annette Smith (5:05pm), Bob Wostmann, and Mark Ridgway (in person).

Absent: Steve Guignon

Also present at the Port Directors Conference room: Carl Uchtyl – Port Director, Erich Schaal – Port Engineer, Scott Hinton –Acting Harbormaster, and Mary Wolf – Administrative Assistant 1.

**III. Approval of Agenda**

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

Motion approved with no objection

**IV. Public Participation on Non-Agenda Items - None**

**V. Approval of Wednesday, August 19<sup>th</sup>, 2020 Operations/Planning Meeting Minutes are not available – not approved.**

**VI. Consent Agenda – None.**

**VII. Unfinished Business – None**

**VIII. New Business - None**

**IX. Items for Information/Discussion**

1. Harbor Security Camera Update

Mr. Schaal said the Harbormaster has been working with a local resource, Access Control Contractor, Jim Sullivan. Mr. Sullivan integrated the old camera system with our new camera security system. He will continue to work on the camera system and we hope to have all the new cameras installed and the older ones integrated with the new and put in new locations where warranted. Recent camera footage was used in several investigations including a deceased person and domestic issues.

Mr. Uchtyl said we have spent less than \$5,000 so far on the install. He is very pleased with Mr. Creswell's accomplishments so far and the cost coming in less than expected.

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Mr. Schaal said he and Mr. Creswell have met at Douglas Harbor to discuss locations for additional cameras. He does not have a date when those will be installed. They are also looking at adding a light pole at the launch ramp and putting a camera on that pole.

Mr. Uchytel said we are close to getting the light installed at Douglas Harbor at a cost of \$15K. He is waiting on the cost of scuttling the Lumberman before moving ahead on the light project. He is also working with Snowcloud in figuring out a way for harbor patrons to get personal Wi-Fi to help with their own security camera systems. There is some beta-testing going on at Douglas Harbor. This is to help Snowcloud gather data in figuring out a reasonable cost and service to our harbor patrons.

Mr. Schaal said that the Juneau Police Department (JPD) would have access to our camera footage so they can directly access our camera security system to get what they need. This helps save time for our Harbor Officers in reviewing cameras for JPD.

Mr. Ridgway asked how we prioritized camera locations?

Mr. Schaal said they are using existing cameras and adding new cameras. The camera install locations are important for access points and carefully thought out. An important install is at the Aurora Harbor office desk as there has been some problem patrons in the past. The expectation is that having a camera will curb bad behavior and increase employee safety.

Mr. Ridgway asked how we push this information out to the public to help dissuade poor behavior and why the cost is less than projected two years ago.

Mr. Schaal said that camera manufacturers have gone to a standardized system where they all speak the same language and that has brought the prices down. Mr. Sullivan is networking our old camera system with the new camera system. The standardization of new cameras now work with our older cameras, which put the costs lower than originally projected.

Mr. Uchytel said we are hoping the cameras will deter some of the issues in the harbor but there is not the expectation that it will curb all of it.

Committee Discussion/Public Comment

Mr. Dennis Watson of Juneau, AK noticed that some of the camera angles are not ideal.

Mr. Schaal said that they are that way because of the current placement of where they are mounted. We are still figuring out how to get cameras mounted in better locations with better views.

Mr. Kirby Day, Juneau, AK said at the Franklin Docks and in various locations on the seawalk, he has posted signs about security cameras. Having cameras as well as the signage that security cameras are in use in his opinion helps curb some of the illegal activity. The cameras have helped in identifying people in several cases, which has led to jail time for those individuals. He encourages signage to help with the cameras.

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2. Code of Conduct

Mr. Uchytel said in December of 2019, he asked the City & Borough of Juneau Law Department to provide a legal opinion on curbing crime in the harbors. His request to the Law Department was this: *A member of the Juneau Citizens Patrol recommends developing a strategy, which would enable authorities to move along individuals that sit in vehicles or loiter in harbors and/or harbor parking lots. These individuals are not of good will and are often involved in drug or other illicit activity. The Docks & Harbors Board is requesting ideas, suggestions, and recommendations from the Law Department addressing this concern. The Board has reviewed camping ordinances, which does not seem to be helpful in solving the issues of the questions at hand. Are there other avenues of enforcement of loitering laws or curfews that can help in regulating this behavior from midnight to 6:00 a.m.?* Mr. Uchytel did get a response from the Law Department in late August. The legal department spent quite a bit of time thinking about this issue and creative ways to implement procedures to help curb bad actors on municipal properties. They had some good news and some bad news. The good news is that the current codes provide leeway as it already stands. The bad news is that given recent and constant modifications of the law at the Ninth District Circuit, the Law Department is not recommending pursuit of any new code amendment that can be viewed as punitive. The good news is that we do not need to amend the codes that explicitly say “any person on Docks & Harbors property cannot violate any city, state or criminal code and they may not harass or abuse other patrons of the harbor”. Staff and patrons have the options to contact police to initiate police action against those individuals involved in illicit activity. We have tools available through the Juneau Police Department in the code but they are not recommending expanding the code in light of recent Federal decisions. Law suggested we take into consideration potential racism and privilege issues, which can be made frail by the proposed amendments. If the Board wants to speak more about it, Mr. Uchytel is happy to share. Ms. Smith also requested additional language be added to Title 85. Ms. Smith’s recommendation to add, “to harass or abuse any harbor patron by behavior, language or mannerisms that place other harbor patrons in reasonable fear of immediate jeopardy, violation could result in police action, loss of harbor use privileges as well as the impoundment of the vessel on harbor properties”. When Law looked at everything in totality, they are coming back and recommending moving forward with no new ordinance changes. They want us to continue to use the language we have and recommend when we see nefarious activity by harbor patrons or bad actors that staff contact the Juneau Police Department.

Committee Discussion/Public Comment –

Mr. Becker said he heard Juneau Police Department has not been able to respond to harbor calls as quickly as some would like. He asked if there is a way to improve the response time.

Mr. Etheridge said the Police Department responds as quickly as possible. Their hands are tied as well and they are just as frustrated as we are. The Police are doing their best

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with what the law allows them to do. Mr. Etheridge said he had a long conversation with the Police Chief and they are doing everything they can under what the law is currently allowing them to do.

Mr. Ridgway asked if we could enforce the Code of Conduct.

Mr. Uchytel responded by saying that CBJ Law does not want us to adjust anything in ordinance because of the political atmosphere today. The Code of Conduct is the expectation of how we expect people to behave. The Code of Conduct is what we would like to see from all our patrons but it is not an enforceable document.

Mr. Etheridge said we could issue a trespass notice if they break our code. We are doing that now.

Mr. Ridgway said we should hand out a copy of the Code of Conduct to every harbor patron and customer. Docks & Harbors needs to enforce The Code of Conduct to the best of our ability and within the law.

Mr. Larkin agreed with our Code of Conduct as written. We do not want to have laws that conflict. Not following the Code of Conduct should take away their rights to use the harbor. Mr. Larkin asked if this was the final document?

Mr. Uchytel said the document has been around since 2015 and needs updating. The Board asked for creative ideas on dealing with our challenging patrons. What can we do, what is legal, and what can be backed up in a court of law?

Mr. Larkin would like to recommend an addition under the noise issue. We need a noise regulation with an exception of construction noise. Can we add a time of 2200 to 0600 for quiet time to assist those living in the harbors?

Mr. Uchytel said the Code of Conduct came about when we had a huge issue with dogs off leash and owners not cleaning up after their animals.

Dennis Watson of Juneau, AK asked if a CBJ Attorney could be present at the next meeting when we discuss this topic. He suggested that we no longer use the word code and find a replacement for that word.

3. Lumberman Update

Mr. Hinton, Acting Harbormaster said he has had a very busy week filling in for Mr. Creswell. Mr. Hinton showed slides from the Lumberman cleanup with before and after photos. The Lumberman was moved to the inside of the Cruise Ship Terminal in February after the vessel floated on to Docks & Harbors lands. Mr. Hinton was tasked with clearing all the junk off the vessel. Two twenty cubic yard dumpsters were used, one for trash and one for metal. There were CO2 canisters and tons of other junk. In early June, we brought back our seasonal staff to help move junk off the boat. There was about 7000 pounds of concrete on the vessel as well. After the junk was removed, we went to the Coast Guard for approval. The Coast Guard came back with an EPA recommendation to remove peeling lead based paint. The CBJ Safety Officer came

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up with a plan for staff to remove the lead based paint safely. The only thing left was oil and some fuel in the lines. We contracted with Global Diving to drain the oil and fuel lines. They flushed oil, fuel and water tanks for a total of 3500 gallons of product. The last thing left was to clean the oily bilge. We are now awaiting approval for scuttling.

Mr. Uchytel said the location is about 60 miles off shore. He included in the EPA packet a request for deep water scuttling on August 5, 2020 with a one-month notice. He continues to correspond with the EPA on getting this done. The plan is to have the Lumberman towed to the scuttling destination. He has asked the Coast Guard if they would consider towing it for us.

Mr. Becker wanted to know if the vessel is still for sale.

Mr. Uchytel said we want to pursue the least cost alternative to dispose of the vessel. The requirement would be that it could not end up in CBJ Docks & Harbors property nor on DNR Lands.

Mr. Ridgway asked how much has been spent on the Lumberman.

Mr. Uchytel said Docks & Harbors has spent north of \$100K; this does not include the \$60K that the US Coast Guard spent removing fuel and oil previously.

Committee Discussion/Public Comment – none.

4. Center for Disease Control & Prevention (CDC) – Request for Information (RFI)

Mr. Uchytel received a Request for Information (RFI) from the Center of Disease Control (CDC) in July 2020 on what will it take to return to normal cruise operations. The no-sail order runs through October 31, 2020. The CDC is working through the RFI process to collect information from interested members on what the public has to say about the return of cruise operations. The letter in the packet is from the American Association of Port Authorities (AAPA). This organization is the unified voice of communication of public port authorities in the United States and Canada. Mr. Uchytel wants to make sure the Board knows this is out there. Additionally, Mr. Uchytel has been working with the City Manager to potentially send a similar like letter that is more specific to the operations in Juneau. It will state that the Cruise Industry is very important and valuable to the community and we welcome the opportunity to bring cruise ships back to Juneau. Our main concern is the ability to handle a breakout on a ship, which has cases and what SE Alaska can and cannot handle in our medical facilities. We gave our information to AAPA and they are trying to write a letter that all the members of AAPA would agree to. Ports around the country are ready to get back to work and have the cruise ships return to their ports.

Committee Discussion/Public Comment –

Mr. Wostmann asked if collectively the Ports in Southeast Alaska are establishing a prior agreement with the cruise ship industry as to their safety. Should there be a spike on a cruise ship, can the ship be offloaded and where would the infected passengers go. We



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must have a prior agreement with the industry as to what our capacity is beyond which there is a clear understanding that the cruise ship will divert to a larger port. We could easily get overwhelmed if we are not careful.

Mr. Kirby Day, Juneau AK, said this is a complicated time and process. We will need to watch and as the CDC works with the industry and as they come up with guidelines and protocols it will be important that the communities in Southeast Alaska and Alaska work together to sink up protocols so that something required in Juneau is the same as required in other port communities. The industry will be setting protocols and procedures for all the tour operators and the hope is that the cruise lines themselves have similar protocols to each other. Therefore, if you are a tour operator, your safety protocols are the same for each cruise line. Tourism Best Management Practices (TBMP) has just about finished their guidelines for 2021. They are very broad and they govern our members. They encourage operators and business to have a health and sanitization plan. This includes tour operators who do not necessarily have a contract with the cruise lines. This would include operators who sell on the docks or as brokers. Limiting excursions compounds the problem. We want people in town, spending money, and visiting our community safely. Luckily, we have time to watch best practices in other communities and destinations and we will have a good solid plan by spring.

5. Commercial Use of Docks & Harbors Property Policy

Mr. Uchytel said we have been working on a policy on this for over a year. He wants to set the stage with guidance that effectively communicates to vendors, and leases with a prudent policy on how we use our properties. A pedicab company wanting to sell ice cream on the seawalk as part of his commercial use and loading zone permit approached Docks and Harbors. As a rule, we have not allowed vending on the seawalk. We need to review regulation to see if there is value to allowing this. Mr. Uchytel is asking the Board for their thoughts and inputs on these issues. He will continue to work on this regulations.

Committee Discussion/Public Comments:

Mr. Etheridge said the Board needs to define policies and procedures in regulation for staff. They need a definite regulation/policy to follow when they deal with these types of requests.

Mr. Wostmann said on the second page on the policy item 2 in compliment private activities adjacent to Docks & Harbors property was an issue the Board had in the past. We had that issue before us with Tracy's Crab Shack. The questions was, "should the accommodation go to the property owner or the business owner"? In the end, it went to the property owner. We do need some clarification, more discussion, and more thought on this.

Mr. Ridgway said it is a lot of work to come up with a policy that can foresee and address all eventualities. We need to have a level playing field for staff. Where there is questions we spell out the process for adjudication.

**CBJ DOCKS & HARBORS BOARD**  
**OPERATIONS/PLANNING COMMITTEE MEETING MINUTES**  
**Wednesday, September 16<sup>th</sup>, 2020**

Mr. Uchytel asked where the ice cream vendor falls into our policy. According to Policy 05 CBJAC 01.010 (e) establish and enforce uniform rules for commercial use of docks and harbors department lands and facilities. Does an ice cream vendor fall under this policy? Do you allow himself or staff to make the decision and if someone does not like the decision, then maybe they appeal to the Board. He would have a loading zone permit, and you could write that in to his permit if that makes sense.

Mr. Becker just sees a lot of conflict with crowds of people and vendors trying to go between them trying to sell something. He asked if every business venture has to have a permit and have it posted.

Mr. Uchytel said they would have to have a business license and a loading zone permit. We can write ice cream vending in a permit. The question is how do we manage other requests?

Mr. Schaal said with us controlling the waterfront, everyone wants to be as close to the visitors as possible. The two access points are the vendor booths and vehicles. We started with buses, then vans, crew shuttles and now pedicabs, which all have permits. Now we have a cross over to food vendors. We do not have any food vendors on the seawalk. The City Manager has allowed food vendors in Marine Park and now we have an encroachment into our walkways. There is not a lot in code if it is not a vehicle or paid through vendor booths.

Mr. Ridgway said the Board needs to lighten the load for staff. The Board needs to carry the load when someone does not agree with staff.

Mr. Becker said the thoroughfare is the most important concern. We do not want hawking vendors on our thoroughfare.

Mr. Etheridge said we need something that lays out the policy and how staff addresses these requests.

6. Regulation Update – Skateboarding Prohibitions (CBJ 72.10.140)

Mr. Uchytel said we have had issues downtown with skateboarders over the years. We had skateboard stops in many of our locations but now they are broken off or been removed. They use the concrete seats and it wears them down. They put wax on them and you cannot sit on the benches. They are belligerent and not easy to deal with. They skate through crowds. Mr. Hinton sees it a lot and it is enough of an occurrence that it needs addressing. The current ordinance is from 2014. It only addresses skateboarding in the uptown and marine park plaza and parking garage. Mr. Uchytel thinks it is the right time to address this. This would allow us to ticket those that are reckless and trespassing through secure gates.

Mr. Wostmann supports this decision. He has seen them tearing through the street and he agrees we need a new ordinance.

**CBJ DOCKS & HARBORS BOARD**  
**OPERATIONS/PLANNING COMMITTEE MEETING MINUTES**  
**Wednesday, September 16<sup>th</sup>, 2020**

Mr. Etheridge said he has chased them off the ramps going down to the ships many times. They kick their boards out and costs us lots of money in repairs.

Mr. Ridgway said it would be nice if we could build a place for skateboards downtown like the one we have in the valley.

Mr. Houck said he admires how the police department handles the skateboarders. They clamp down on them very tight when they are dangerous and leave them alone when they are not. He encourages Docks & Harbors to enforce them similarly, to how JPD does.

Committee Discussion/Public Comments – none.

7. Territorial Sportsmen, Inc. – Derby Thanks

Mr. Uchytel put the thank you letter in the agenda packet. He wanted to pass along their thanks.

Committee Discussion/Public Comments – none.

**IX. Staff and Member Reports.**

Mr. Wostmann – Finance Sub Committee has a meeting scheduled for tomorrow.

Mr. Uchytel said the Finance Sub Committee meeting is September 17<sup>th</sup> at noon. We need to make sure we have a quorum because Mr. Etheridge will not be available. It will be a teleconference and not a zoom meeting. The discussion is that we want to establish a new fee service for the new Statter for Hire floats. We need to review the research of various rates other Southeast Alaska Harbors and some in Seattle charge. We will look at what rates changes need to happen.

Mr. Uchytel said we have a meeting on September 21<sup>st</sup> at 5:00 p.m. for the Visitor Industry Task Force Special Committee and a Board Meeting scheduled for Thursday, September 24<sup>th</sup> at 5:00pm.

Mr. Schaal said we have hired local resident, Matthew Sill to fill the Deputy Port Engineer position. He starts on Monday, September 28<sup>th</sup>.

**X. Committee Administrative Matters**

1. Next Operations/Planning Committee Meeting – Wednesday, October 21st, 2020.

**XII. Adjournment at 7:00 p.m.**



# Port of Juneau

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City & Borough of Juneau • Docks & Harbors  
155 S. Seward Street • Juneau, AK 99801  
(907) 586-0292 Phone • (907) 586-0295 Fax

**From:** Port Director  
**To:** Dock & Harbors Board  
**Via:** Docks & Harbors Operations & Planning Committee  
**Date:** September 15<sup>th</sup>, 2020  
**Re:** CBJ 72.10.140 – Skateboarding Prohibition

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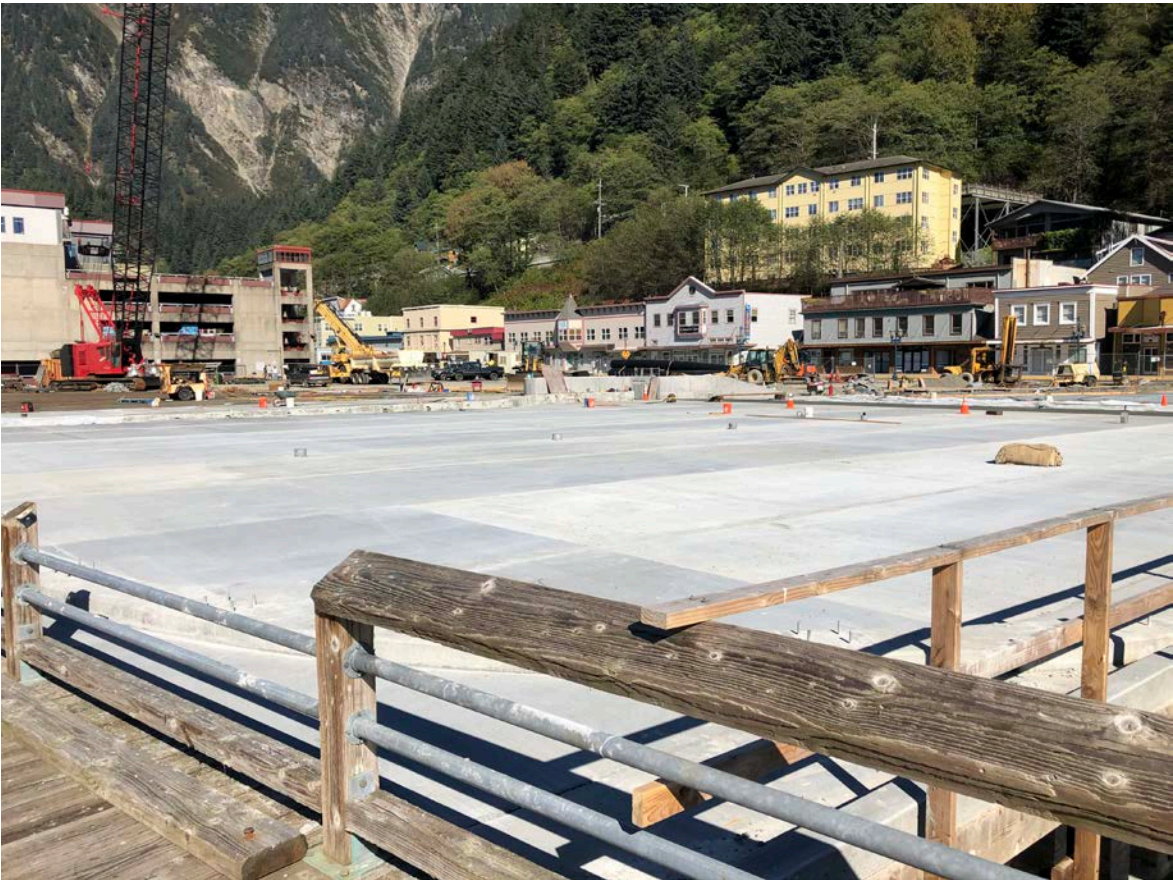
1. Over the past few years, Docks Staff has witnessed skateboarders who have recklessly skated in the vicinity of crowded pedestrian traffic, who have trespassed secure gates to gain access to the cruise ship floats and who have damaged concrete seating areas near the Tram. Photos of the damaged seating is included in attachment 1.
2. With the ongoing construction of the public portion of the Archipelago bus staging area, it appears this could be an attractive nuisance for skateboarders (attachment 2) in the future.
3. CBJ 72.10.140 (Use of skateboards, roller skates, roller blades and similar devices restricted.), is provided as attachment 3. This ordinance approved in 2004, prior to significant waterfront improvements, regulates skateboards and similar devices within the downtown corridor, Marine Park Plaza, Marine Park Parking Area, Marine Park Parking Garage, and near the Fishermen's Memorial. With the recent improved infrastructure along the waterfront, I recommend the Board consider expanding the regulatory oversight of skateboarder on properties we manage.

#

- Encl (1) Photo of area frequently used by Skateboarders  
(2) Photo of ongoing construction at the Archipelago Bus Staging Area  
(3) CBJ 72.10.140



Enclosure (1)



Enclosure (2)

Presented by: The Manager  
Introduced: 03/22/2004  
Drafted by: J.W. Hartle

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2004-06**

**An Ordinance Relating to the Use of Skateboards, Roller Skates, In-Line Skates and Similar Devices.**

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is of a general and permanent nature and shall become a part of the City and Borough code.

**Section 2. Repeal and Reenactment.** CBJ 72.10.140 Use of skateboards, roller skates, roller blades and similar devices restricted, is repealed and reenacted to read:

**72.10.140 Use of skateboards, roller skates, roller blades and similar devices restricted.**

(a) No person may operate a skateboard, roller skates, roller blades, unicycle, coaster, scooter, or similar device:

- (1) on a sidewalk, roadway, or street within certain portions of the central business district. The portion of the central business district in which such devices are prohibited is shown on the attached Exhibit A and described as follows: Franklin Street from the Marine Park Parking Garage to Fourth Street, Seward Street from Marine Way to Fourth Street, Marine Way from the Marine Park Parking Garage to Main Street, the following streets between Franklin Street and Main Street--Front Street, Second Street, Third Street and Fourth Street--all of Shattuck Way, Municipal Way and Ferry Way;
- (2) upon any roadway or street except while crossing a roadway or street in a crosswalk;
- (3) on private property which has been posted with a clearly visible sign prohibiting such operation;
- (4) within six feet of the Fisherman's Memorial;
- (5) in the Marine Park Parking Garage;
- (6) at any time a ship is moored at the Steamship Dock, in the upper portion of the Marine Park Plaza, from the Marine Park Parking Garage to the foot of the semi-circular stairs, as shown on the attached Exhibit B; or
- (7) at any time a commercial passenger vehicle is present in the Marine Park Plaza, in the lower portion of the Marine Park Plaza, from the top of the semi-circular stairs to the Miners' Statue, as shown on the attached Exhibit B.
- (8) on CBJ managed property seaward of Franklin Street from the Marine Park Parking Garage to the Taku Smokeries Building at 550 S. Franklin Street.
- (9) at the Don D. Statter Harbor Facility.

(b) This section does not apply to roadways, streets, or the Marine Park Plaza while those facilities are being used for a parade or other activity for which a permit has been issued under this title if the use of a skateboard, roller skates, roller blades, unicycle, coaster, scooter, or similar device is part of the activity.

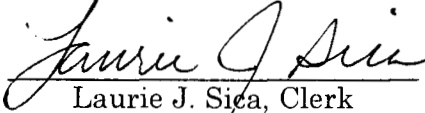
(c) The Manager or his designee may establish rules for use of the Marine Park Plaza.

**Section 3. Effective Date.** This ordinance shall be effective 30 days after its adoption.

Adopted this 12<sup>th</sup> day of April, 2004.

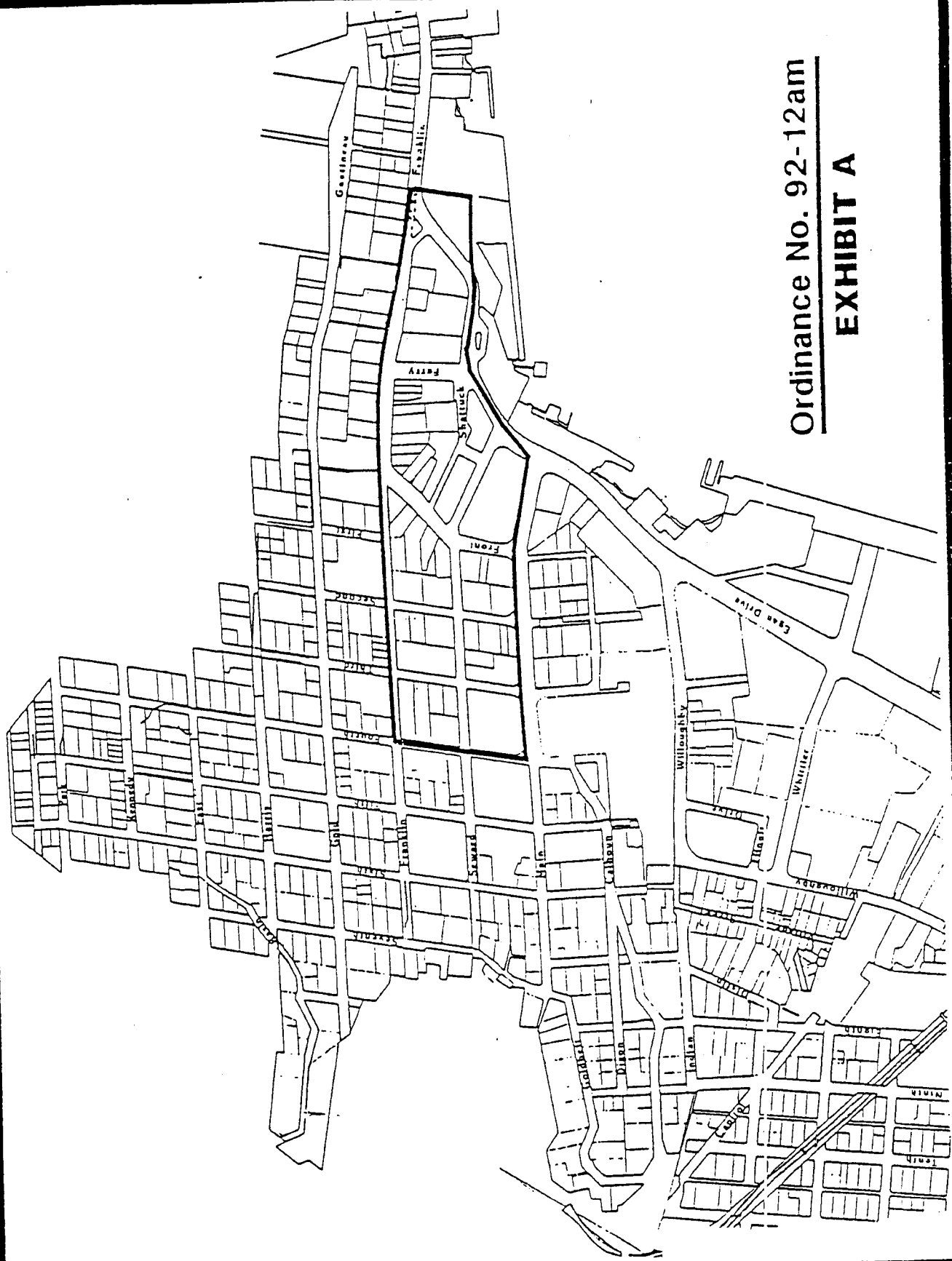
  
Bruce Botelho, Mayor

Attest:

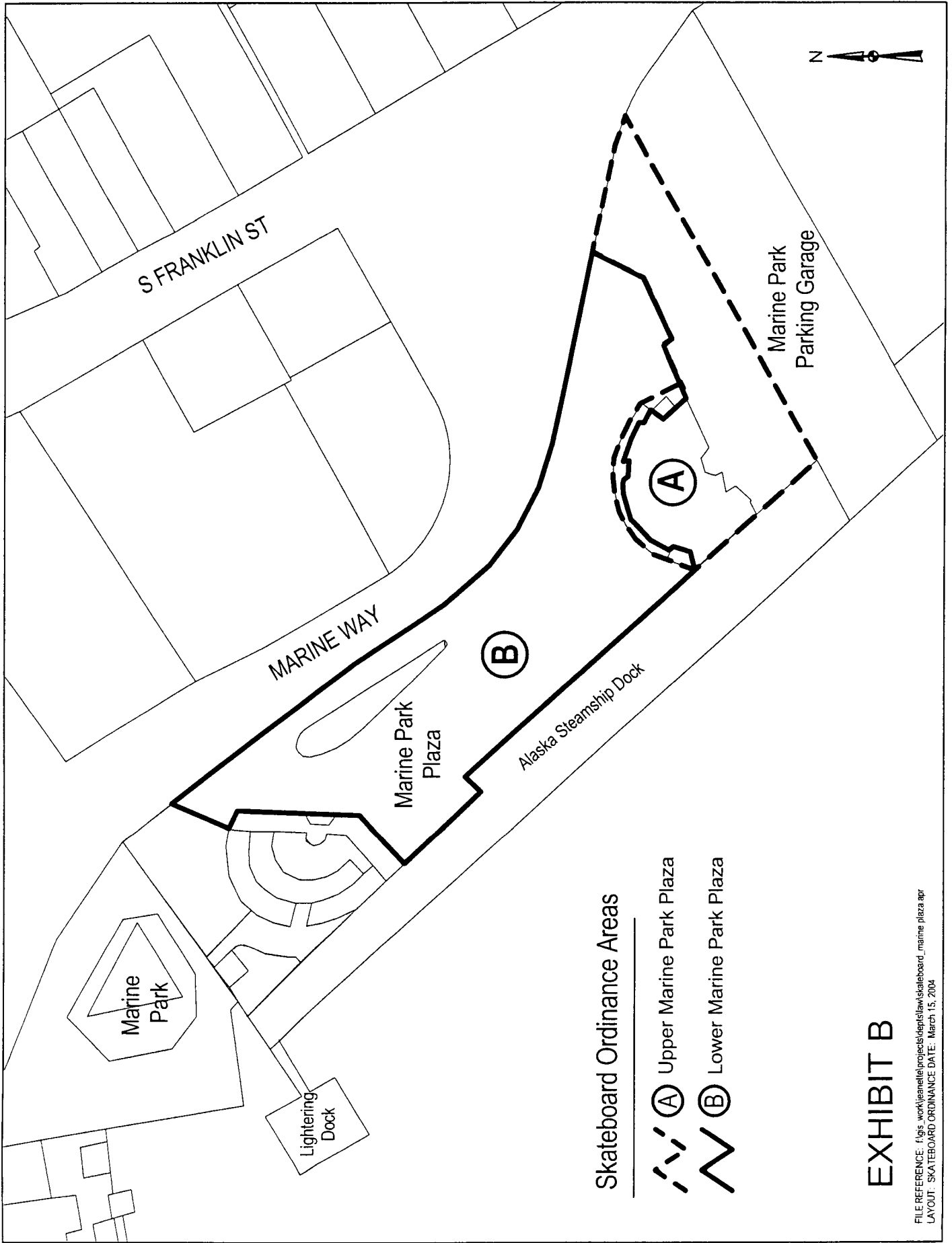
  
Laurie J. Sica, Clerk

Vote: Unanimous





**Ordinance No. 92-12am**  
**EXHIBIT A**



Skateboard Ordinance Areas



-  (A) Upper Marine Park Plaza
-  (B) Lower Marine Park Plaza

EXHIBIT B

FILE REFERENCE: f:\gis\_work\kenneth\project\depts\law\skateboard\_marine\_plaza.apr  
 LAYOUT: SKATEBOARD ORDINANCE DATE: March 15, 2004



## RESOLUTION xxxxx

**A RESOLUTION OF THE ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS IN SUPPORT OF FULL FUNDING (\$14,049,988) FOR THE STATE OF ALASKA MUNICIPAL HARBOR FACILITY GRANT PROGRAM IN THE FY 2022 STATE CAPITAL BUDGET.**

**Whereas**, the Alaska Association of Harbormasters and Port Administrators recognizes the majority of the public boat harbors in Alaska where constructed by the State during the 1960s and 1970s; and

**Whereas**, these harbor facilities represent critical transportation links and are the transportation hubs for waterfront commerce and economic development in Alaskan coastal communities; and

**Whereas**, these harbor facilities are ports of refuge and areas for protection for ocean-going vessels and fishermen throughout the State of Alaska, especially in coastal Alaskan communities; and

**Whereas**, the State of Alaska over the past nearly 30 years has transferred ownership of most of these State-owned harbors, many of which were at or near the end of their service life at the time of transfer, to local municipalities; and

**Whereas**, the municipalities took over this important responsibility even though they knew that these same harbor facilities were in poor condition at the time of transfer due to the state's failure to keep up with deferred maintenance; and

**Whereas**, consequently, when local municipal harbormasters formulated their annual harbor facility budgets, they inherited a major financial burden that their local municipal governments could not afford; and

**Whereas**, in response to this financial burden, the Governor and the Alaska Legislature passed legislation in 2006, supported by the Alaska Association of Harbormasters and Port Administrators, to create the Municipal Harbor Facility Grant program, AS 29.60.800; and

**Whereas**, the Alaska Association of Harbormasters and Port Administrators, is pleased with the Department of Transportation and Public Facilities administrative process to review, score

and rank applicants to the Municipal Harbor Facility Grant Program, since state funds may be limited; and

**Whereas**, for each harbor facility grant application, these municipalities have committed to invest 100% of the design and permitting costs and 50% of the construction cost; and

**Whereas**, the municipalities of the City of Cordova, City and Borough of Sitka, City and Borough of Juneau, City of Seward, and City of Sand Point have offered to contribute \$14,049,988 in local match funding for FY2022 towards seven harbor projects of significant importance locally as required in the Harbor Facility Grant Program; and

**Whereas**, completion of these harbor facility projects is all dependent on the 50% match from the State of Alaska's Municipal Harbor Facility Grant Program; and

**Whereas**, during the last ten years the Municipal Harbor Facility Grant Program has only been fully funded twice; and

**Whereas**, during the last ten years the backlog of projects necessary to repair and replace these former State-owned harbors has increased to over \$1.6 billion; and,

**Whereas**, over the past five years, municipal harbors have submitted \$58 million in capital project match requests, representing over \$116 million in shovel-ready capital projects that have received only \$16.6 million in funding through the Municipal Harbor Facility Grant program with zero funding in FY21.

**Now therefore be it resolved** that the City & Borough of Juneau Assembly urges full funding in the amount of \$14,049,988 by the Governor and the Alaska Legislature for the State of Alaska's Municipal Harbor Facility Grant Program in the FY 2022 State Capital Budget in order to ensure enhanced safety and economic prosperity among Alaskan coastal communities.

Passed and approved by a duly constituted quorum of the City & Borough of Juneau Assembly on this 23rd day of November, 2020.

---

Beth Weldon, Mayor

ATTEST:

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Elizabeth McEwen

05 CBJAC 20.044 - Active fishing vessel discount at Statter Harbor.

- (a) *Discount.* In lieu of the requirement to pay daily fees for use of Statter Harbor as set out in 05 CBJAC 25.060 and 05 CBJAC 25.070, the owner of a fishing vessel that pays annual fees as set out in 05 CBJAC 40.020 may, for up to 20 days in a calendar year, use Statter Harbor without paying daily fees, provided:
  - (1) The owner registers with Statter Harbor Office in advance or upon arrival at Statter Harbor;
  - (2) The owner does not owe past due fees to the Docks and Harbors Department;
  - (3) The owner provides the Harbormaster with proof of significant fish landings within the City and Borough of Juneau during each calendar month the owner uses Statter Harbor; and
  - (4) If the owner has reserved moorage, the owner informs the Docks and Harbors Department of the departure date from and estimated return date to their preferred stall.
- (b) *Exclusions.* This section does not relieve an owner from complying with other applicable requirements for use of Statter Harbor such as maximum time limits or the requirement to pay monthly fees during the winter moorage period.
- (c) *Commercial fishing vessels which are homeported in Statter Harbor for at least six months per year or Statter Harbor reserve moorage, are entitled to reciprocal discount under (a) for downtown harbors.*



# Port of Juneau

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

August 6<sup>th</sup>, 2020

Harri Commercial Marine  
c/o Harri Plumbing & Heating  
809 W. 12th Street  
Juneau, AK 99801

Dear Jeff,

This letter documents discussion earlier this week in which I reached out to you inquiring to a rumor that Harri Commercial Marine was suspending haul-out operations at the Auke Bay Loading Facility. It is unfortunate that the SeaLift Hydraulic Boat Lift remains problematic with regards to reliability in service to your commercial boatyard. I was hopeful that recent activity with the CP Group/Krause Manufacturing had provided the technical expertise to improve the SeaLift's performance.

Move forwarding, my preference remains for Harri Commercial Marine to continue to operate the Auke Bay Boatyard consistent with the terms of the lease agreement. However, as you explore your business opportunities, I highly encourage you to communicate with Docks & Harbors. Specifically, I call your attention to paragraph 3.d of Appendix B of the lease agreement:

(d) **Assignment.** Lessee may assign its rights and obligations under this lease; provided that the proposed assignment shall be approved by CBJ 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.

Please note that any assignment of the lease requires CBJ approval. In closing, Docks & Harbors is committed to facilitating/supporting boatyard activity in Auke Bay. I again strongly encourage communications with Docks & Harbors as you make business decisions affecting the Auke Bay Boatyard.

Sincerely,

*Carl J. Uchytel*  
Carl Uchytel, PE  
Port Director



Harri Plumbing & Heating, Inc.  
809 West 12th Street  
Juneau, Alaska 99801  
t: 907.586.3190  
f: 907.586.4129

October 17, 2020

Carl Uchtyl, Port Director  
Port of Juneau  
155 S Seward Street  
Juneau, AK 99801

Mr Uchtyl:

Please accept this notice of our intent to transfer our lease at the ABLF boatyard to Karl's Auto & Marine. We would appreciate it if you could add this to the agenda of the next Operations Committee meeting so we can present our operational plan.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeff Duvernay', with a stylized flourish at the end.

Jeff Duvernay, President  
Harri Plumbing & Heating, Inc.



Juneau Recording District

**LEASE FOR USE OF CBJ  
PROPERTY AT AUKE BAY BOATYARD**

**PART I. PARTIES.** This lease agreement is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska with its principle place of business at 155 S. Seward Street, Juneau, Alaska, 99801 (“CBJ”), and Harri Commercial Marine, a division of Harri Plumbing & Heating, Inc., an Alaska corporation with its principle place of business at 809 W. 12<sup>th</sup> St, Juneau, Alaska, 99801 (“Lessee”).

**PART II. AGREEMENT ADMINISTRATION.** All communications about this agreement 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.

*Return to*

**CBJ:**

City and Borough of Juneau  
Attn: Port Director  
155 S. Seward Street  
Juneau, AK 99801  
Phone: (907) 586-0294  
Fax: (907) 586-0295  
Email: Carl.Uchytel@juneau.org

**Lessee:**

Harri Plumbing & Heating Inc.  
Attn: Jeffrey J. Duvernay  
809 W. 12<sup>th</sup> St  
Juneau, AK 99801  
Phone: 907-586-3190  
Fax : 907-586-4129  
email: jeff@harriplumbing.com

**PART III. AGREEMENT DESCRIPTION.** The following appendices are attached hereto and are considered to be part of this agreement, as well as anything incorporated by reference or attached to those appendices.

- Appendix A: Property Description & Additional Agreement 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.** CBJ and Lessee agree and sign below. This agreement is not effective until signed by the CBJ.

**Lessee:**

Date: 12/18/18

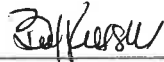
By:   
Jeffrey J. Duvernay

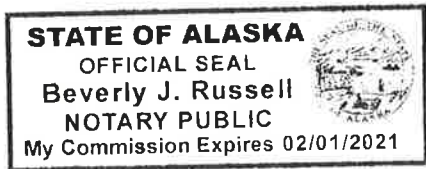
**LESSEE ACKNOWLEDGMENT**

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

This is to certify that on the 18 day of December, 2018, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **Jeffrey J. Duvernay**, to me known to be the identical individual described in and who executed the foregoing instrument for and on behalf of himself, as Lessee, which executed the above and foregoing instrument; who on oath stated that s/he was duly authorized to execute said instrument; who acknowledged to me that s/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 in and for the State of Alaska  
My Commission Expires: 02/01/2021



CBJ:

Date: 12/31/2018

By: [Signature]  
Carl Uchytel  
CBJ Port Director

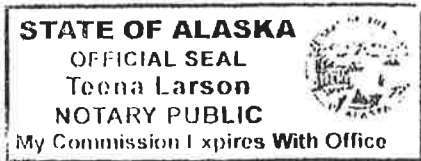
**CBJ ACKNOWLEDGMENT**

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

This is to certify that on the 31<sup>st</sup> day of December, 2018, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **Carl Uchytel**, to me known to be the **Port Director of the City and Borough of Juneau**, Alaska, a municipal corporation which executed the above foregoing instrument, who on oath stated that he was duly authorized to execute said instrument on behalf of said corporation; who acknowledged to that 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.

Teena Larson  
Notary Public in and for the State of Alaska  
My Commission Expires: with office



Risk Management Review: [Signature] 12/21/18 Risk Manager  
Approved as to Form: [Signature] 12/21/18 Law Department



**APPENDIX A:  
PROPERTY DESCRIPTION & ADDITIONAL LEASE PROVISIONS**

**1. DESCRIPTION OF PROPERTY**

The property subject to this agreement is generally referred to as “the Premise” or “the Property.” The Premise is known as the Auke Bay Boatyard, located near 13600 Glacier Highway (PIN 4B3101000035), and is more specifically described as follows:

- (A) A 0.83 acre (36,155 sf) portion of A.T.S. No. 1685 whose lease boundaries are demarcated by a row of Jersey barriers, the edge of asphalt pavement, and the inside edge of landscaping feature, as shown in Exhibit A attached hereto and incorporated in this lease.
- (B) The equipment and physical improvements listed on Exhibit B attached hereto and incorporated in this lease.

**2. AUTHORITY.** This lease is authorized pursuant CBJ Code Section 85.02.060(a)(5), CBJ Chapter 53.20; and CBJ Ordinance No. 2018-48. The Planning Commission recommended approval CSP 2014-0025, consistent with CBJ 53.09.260, at its meeting on February 10th, 2015. At its meeting on August 30th, 2018 the Docks and Harbors Board recommended approval of this lease.

**3. TERM.** The parties agree that it was their intent to enter into this lease arrangement for the 10 year period starting April 10, 2018. Accordingly, the parties agree and intend that this lease shall be interpreted as having the effective date be retroactive to April 10, 2018. The parties agree and consent to being bound by the terms of this agreement as if it had been entered into as of April 10, 2018.

The term of the lease is ten years and shall remain in effect until April 9, 2028, unless sooner terminated.

The CBJ grants the Lessee an option to renew this lease for one additional ten-year term, with a maximum total term of 20 years. Lessee shall exercise this option by written notice given to the CBJ at least 90 days prior to expiration of the underlying lease term.

**4. LEASE PAYMENTS**

- a) Lessee shall pay the CBJ an annual lease payment for the Leased Premises. The annual payment for the initial five-year period shall be \$ 36,000 (thirty-six thousand dollars) plus any required tax.
- b) Lessee shall pay CBJ without demand, deduction or offset the monthly rental in advance or on the first (1<sup>st</sup>) day of each month during the Agreement. Payments for any partial month at the beginning or end of the Agreement term shall be prorated.
- c) If applicable and beginning with the fifth year of the lease term, Docks and Harbors staff will re-evaluate and adjust the annual lease payment for the Leased Premises for the next



year of this lease, pursuant to Appendix B, Section 3(b) of this lease, CBJ 53.20.190(2), CBJ 85.02.060(a)(5), and the Docks and Harbors lease administration regulations, 05 CBJAC Chapter 50. The new annual lease payment amount shall be paid retroactively to the beginning of that lease payment adjustment period. Lessee shall pay all appraisal costs associated with re-evaluating and making adjustments to the annual lease payment.

- d) CBJ's acceptance of less than the full amount of any payment due from Lessee shall not be deemed an accord and satisfaction or compromise of such payment unless CBJ specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which CBJ claims.

**5. AUTHORIZED USE OF PREMISES.** Lessee agrees to use the Leased Premises for operation of a boatyard service, repair, and storage facility, and marine haul-out, consistent with the Operations Plan submitted by Lessee to the CBJ as part of its proposal for this lease dated February 18th, 2018, and attached as Exhibit C. Lessee shall be responsible for obtaining all necessary permits and approvals for Lessee's development of the Leased Premises. Lessee is required to obtain approval of its construction plans from the CBJ Docks and Harbors Board prior to the start of any construction.

Lessee agrees to return the Premises to its original pre-permitted condition. No other improvements or changes to improvements may be made on the permitted area unless first approved by the Port Director.

**6. TAXES.** Lessee is hereby on notice that this agreement may make all or a portion of the Premises taxable. Lessee shall pay all taxes, assessments, liens and license fees levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, by reason of Lessee's use of the Premises.

**7. UTILITIES AND SERVICES.** If the Lessee wants utilities or services provided to the Premises, the Lessee shall furnish and pay, at Lessee's sole expense, the desired utilities and services (including but not limited to power, water, waste water, trash, janitorial, telephone, internet, and cable).

**8. INSURANCE.** The Lessee has provided certification of proper insurance coverage, including certificate(s) of insurance and amendatory endorsements or copies of the applicable policy language affecting coverage required in this agreement, to the City and Borough of Juneau, attached as Attachment 1. Failure of CBJ to demand such certificate or other evidence of full compliance with these insurance requirements or failure of CBJ to identify a deficiency from evidence that is provided shall not be construed as a waiver of the obligation of the Lessee to maintain the insurance required by this contract.

Lessee agrees, at its own expense, to maintain insurance as follows at all times while this contract is in effect, including during any periods of renewal. The Lessee's insurance shall be primary and any insurance maintained by the CBJ shall be non-contributory. Any deductibles and self-insured retentions must be declared to and approved by the CBJ. The CBJ may require the Lessee to provide proof of ability to pay losses and related investigations, claim



administration, and defend expenses within the retention.

**Commercial General Liability Insurance.** The Lessee must maintain Commercial General Liability Insurance in an amount it deems reasonably sufficient to cover any suit that may be brought against the Lessee. This amount must be at least \$1,000,000 per **occurrence**, and \$2,000,000 aggregate. **This insurance policy is to contain, or be endorsed to contain, additional insured status for the CBJ, its officers, officials, employees, and volunteers.** If Additional insured status is provided in the form of an endorsement to the Lessee's insurance, the endorsement shall be at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

**Workers Compensation Insurance.** If required by Alaska Statute (*see* Alaska Statute 23.30), the Lessee must maintain Workers Compensation Insurance to protect the Lessee from any claims or damages for any bodily or personal injury or death which may arise from services performed under this contract. This requirement applies to the Lessee's firm, the Lessee's subLessees and assignees, and anyone directly or indirectly employed to perform work under this contract. The Lessee must notify the City as well as the State Division of Workers Compensation immediately when changes in the Lessee's business operation affect the Lessee's insurance status. Statutory limits apply to Workers Compensation Insurance. The policy must include employer's liability coverage of \$100,000 per injury and illness, and \$500,000 policy limits. Lessee also agrees to provide evidence of Longshore and Harbor Worker's Insurance and Jones Act coverage if applicable to the work required. **If the Lessee is exempt from Alaska Statutory Requirements, the Lessee must provide written confirmation of this status in order for the CBJ to waive this requirement. The Lessee grants a waiver of any right to subrogation against the CBJ by virtue of the payment of any loss under such insurance.** This provision applies regardless of whether or not the CBJ has received a waiver of subrogation endorsement from the insurer.

**Comprehensive Automobile Liability Insurance.** The coverage shall include all owned, hired, and non-owned vehicles \$1,000,000 combined single limit coverage.

**Property Insurance.** Lessee acknowledges that it is the Lessee's obligation to obtain adequate insurance for protection of Lessee's buildings, fixtures, or other improvements, or personal property located on the Premises, and adequate insurance to cover debris removal.



**APPENDIX B: LEASE PROVISIONS REQUIRED BY  
CBJ CHAPTER 53.20 and CBJ CHAPTER 50**

**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 Lease 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 CBJ 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 CBJ 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.

(a) **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 CBJ 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.

(b) **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 the CBJ 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.

(i) **Delays in setting rents.** Delays in setting or adjusting lease rents due to the appraisal process shall not change the effective date of the lease rent change. In the case of renewals, the new rent shall apply retroactively to the date the lease expired. In the case of rent adjustments during a lease, the new rent shall apply retroactively to the date of rent adjustment as set out in the lease.

(ii) **Adjustment Dispute Resolution.** Should the Lessee disagree with the lease rent adjustment proposed by the Port Director, the Lessee shall pay for an appraisal and have the appraisal undertaken in accordance with the requirements set out in 05 CBJAC 50.050. In the event the Docks and Harbors Board disagrees with an appraisal, and the Board cannot reach an agreement with the lessee on the lease rent adjustment, the Board shall pay for an additional appraisal and have the appraisal undertaken in accordance with the requirements set



out in 05 CBJAC 50.050. The Board shall establish the lease rent adjustment based on this additional appraisal. In the event the Lessee disagrees with the lease rent adjustment, the lessee may appeal to the Assembly. The decision of the Assembly shall be final.

(c) **Subleasing.** Lessee may sublease Leased Premises or any part thereof leased to Lessee hereunder; provided, that the proposed sub-lessee shall first apply to CBJ for a permit therefore; and further provided, that the improvements on the Leased Premises are the substantial reason for the sublease. Leases not having improvements thereon shall not be sublet. 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.

(d) **Assignment.** Lessee may assign its rights and obligations under this lease; provided that the proposed assignment shall be approved by CBJ 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.

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

(f) **Cancellation and Forfeiture.**

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

(ii) CBJ may cancel the lease if it is used for any unlawful purpose.

(iii) 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 service of written notice by CBJ without remedy by Lessee of the conditions warranting default, CBJ 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.

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

(g) **Notice or Demand.** Any notice or demand, which under 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.



(h) **Rights of Mortgage 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.

(i) **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 demised lands, or any part thereof, should be abandoned by Lessee during the term, CBJ or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of lands or such thereof, and remove all personals 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 CBJ shall be deemed an acceptance of a surrender of the lease.

(j) **Lease.** In the event that the lease should be terminated as herein provided, or by summary proceedings, or otherwise, CBJ may offer the lands for lease or other appropriate disposal pursuant to the provisions of CBJ code.

(k) **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 CBJ as partial or total damages for the breach.

(l) **Written Waiver.** The receipt of rent by CBJ 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 the CBJ to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by CBJ unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of CBJ to enforce the same in the event of any subsequent breach or default. The receipt, by CBJ, of any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by CBJ 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 CBJ to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by CBJ.

(m) **Expiration of Lease.** Unless the lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender and yield up to the CBJ all of the leased land on the last day of the term of the lease.

(n) **Renewal Preference.** Any renewal preference granted to 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.

(o) **Removal or Reversion of Improvement 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 CBJ may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by Lessee may, with the consent of CBJ, be sold to the succeeding Lessee. All periods of time granted Lessee to remove improvements is subject to Lessee's paying the CBJ pro rata lease rentals for the period.

(i) If any improvements and/or chattels not owned by CBJ 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 on the lands, after deducting for CBJ rents due and owning and expenses incurred in making such sale. Such rights to 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 CBJ.

(ii) 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, CBJ.

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

(q) **Compliance with Regulations 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 land.

(r) **Condition of Premises.** Lessee shall keep the premises of the lease 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 lands. Lessee shall not undertake any activity that causes or increases a sloughing off or loss of surface materials of the leased land.

(s) **Inspection.** Lessee shall allow an authorized representative of CBJ to enter the lease land for inspection at any reasonable time.

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

(u) **Rights-of-Way.** CBJ expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the CBJ to do so. If CBJ grants an easement or right-of-way across the leased land, Lessee shall be entitled to damages for all Lessee-owned improvements 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.

(v) **Warranty.** CBJ does not warrant by its classification or leasing of land that the land 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 land to said use.

(w) **Lease Rental Credit.** When authorized in writing by CBJ 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 area results in increased valuation of the leased or other CBJ 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 CBJ and shall not be removed by Lessee upon termination of the lease.

(x) **Maintenance of Equipment.** Lessee shall maintain all CBJ provided equipment noted in Exhibit B in sound working order. Lessee shall maintain the Sea-Lift Model 45 in accordance with KMI Sea-Lift/ Krause Manufacturing recommended annual maintenance plan. Lessee shall annually on July 1<sup>st</sup> provide CBJ with maintenance records of services provided.

(y) **Training Records.** Lessee shall maintain training records for all employees who are qualified to operate the KMI Sea-Lift Model 45. Records shall include but not limited to formal training received by the manufacturer and relevant on the job experience in hauling vessels out using the apparatus. The training records shall be made available to CBJ upon request.

(y) **Stormwater Pollution Prevention Plan (SWPPP).** Lessee shall maintain the SWPPP on premise as required. Annually, on July 1<sup>st</sup>, lessee shall provide CBJ with a current SWPPP with modifications noted per Part 8.4 of the 2015 MSGP (Multi-Sector General Permit).



## 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 CBJ's title to the Leased Premises or enter into any lease, easement, or other obligation of CBJ's title without the prior written consent of the CBJ; and any such act or omission, without the prior written consent of CBJ, shall be void against CBJ 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) **Non-Discrimination Laws.** Consistent with CBJ 41.05 and Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited), Lessee agrees not to discriminate, in any way, against any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, familial status, gender expression, or national origin, in connection with or related to the performance of this Agreement. In the event of Lessee's failure to comply any of the above non-discrimination covenants, CBJ 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 CBJ, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of or related to 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, costs, expense, or



damages resulting from settlement, judgment or verdict, and includes the award of any costs and attorney's fees even if in excess of Alaska Civil Rules 79 or 82. This indemnification agreement applies to the fullest extent permitted by law and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against CBJ relating to this lease. The obligations of Lessee arise immediately upon actual or constructive notice of any action, claim, or lawsuit. CBJ 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 the Lessee has actual notice.

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

(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.



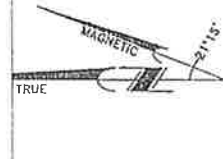
THE CITY AND  
CITY AND BOF  
DEVELOPMENT  
RECORDING DI:

DATED: \_\_\_\_\_

M.H.H.W.	16.50'
M.H.W.	15.34'
M.S.L.	8.56'
M.L.W.	1.60'
M.L.L.W.	0.00'

# Exhibit A

Page 1 of 2



SOURCE: NOAA  
JAN. 7, 2010  
DECLINATION  
21'15" E  
CHANGING BY  
0'19" W/YEAR

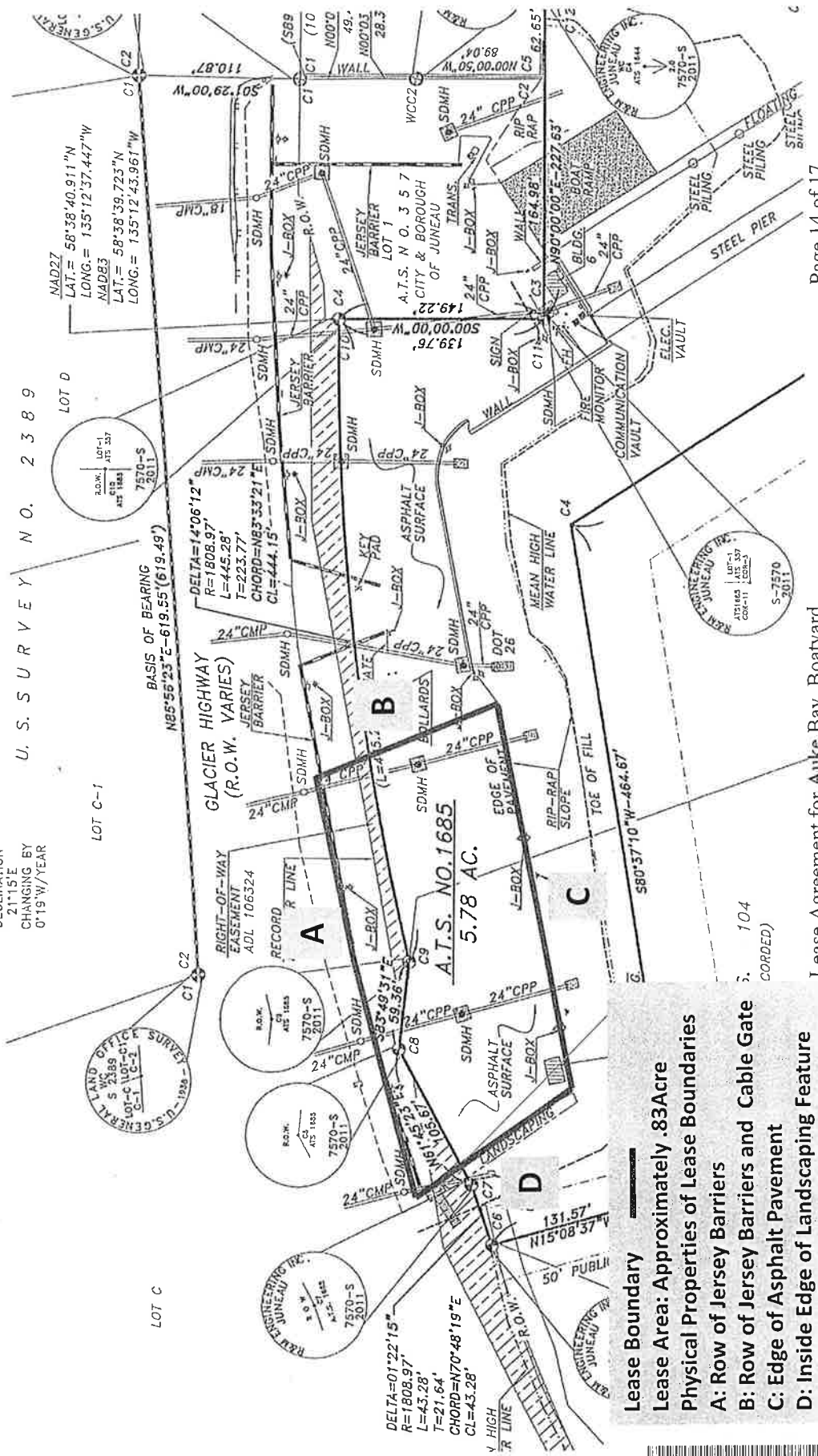
## PRIMARY MONUMENT

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

## SECONDARY MONUMENT

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

## U. S. S U R V E Y N O. 2 3 8 9



**Lease Boundary**  
**Lease Area: Approximately .83Acre**  
**Physical Properties of Lease Boundaries**  
**A: Row of Jersey Barriers**  
**B: Row of Jersey Barriers and Cable Gate**  
**C: Edge of Asphalt Pavement**  
**D: Inside Edge of Landscaping Feature**

Lease Agreement for Auke Bay Boatyard



**MRV**  
ARCHITECTS

MRV ARCHITECTS  
1420 GLACIER AVE. #101  
JUNEAU, AK 99801  
907-586-1371  
FAX 907-463-5544  
mv@mrvarchitects.com

MRV 1519

CONSTRUCTION DRAWINGS  
AUKE BAY LOADING FACILITY BOAT YARD  
STRUCTURES  
for  
CBI Decks and Harbors Dept.

Contract No. D117-008

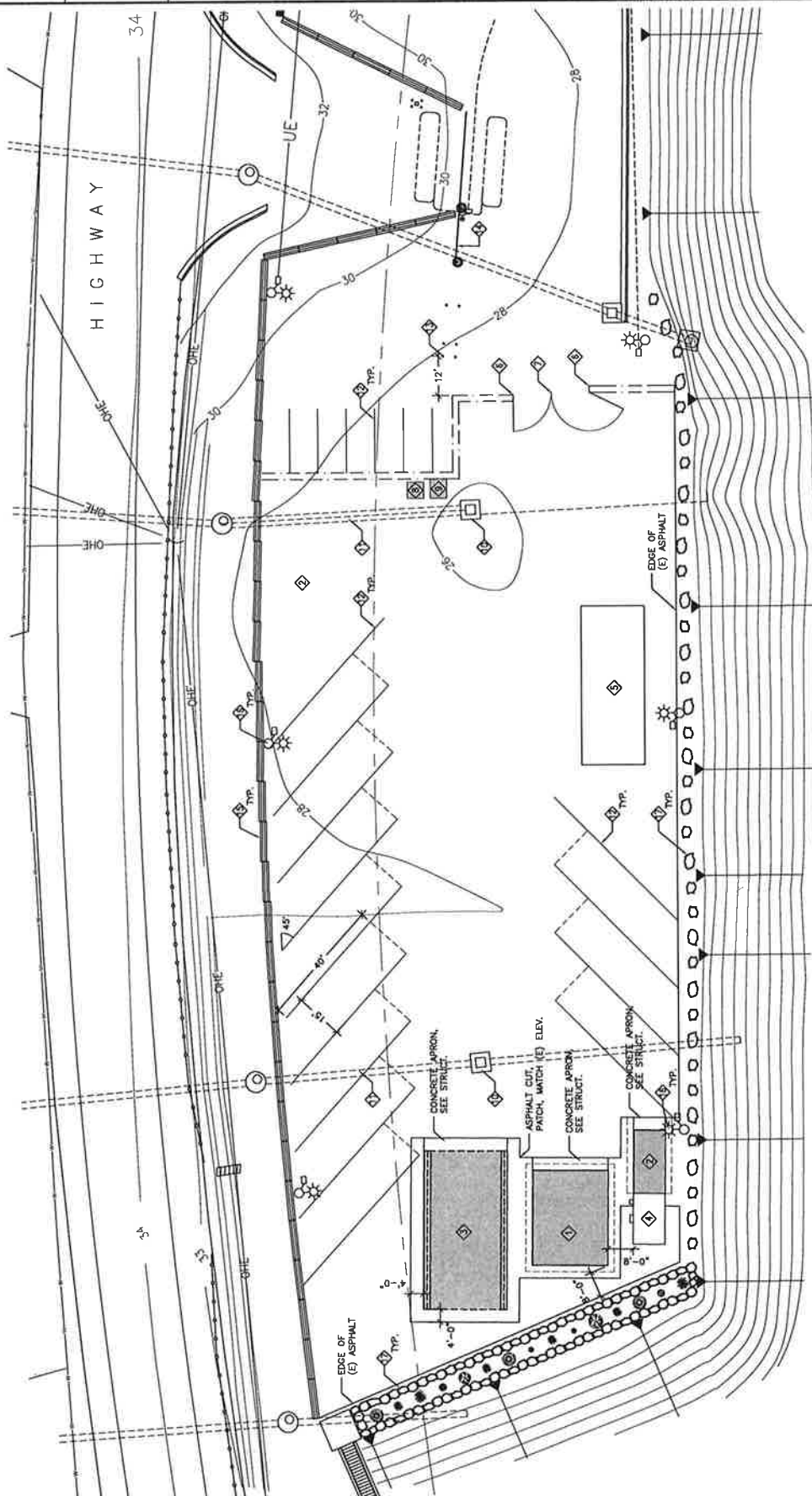
No.	Description	Date

SHEET TITLE:  
Site Plan

DATE: 11/4/2016  
SCALE:  
DRAWN: CW  
CHECKED: PV  
SHEET NO. A1.1

Exhibit A  
Page 2 of 2

- SHEET NOTES**
- ① SHOP, SEE A2.1
  - ② OFFICE, SEE A2.3
  - ③ FABRIC-COVERED BUILDING, SEE STRUCT. FOR FOUNDATION
  - ④ UTILITY BUILDING
  - ⑤ WASH-DOWN PAD, INC
  - ⑥ CONC. BARRIER, INC
  - ⑦ GATE, INC
  - ⑧ DUMPSTER, INC
  - ⑨ PORTABLE TOILET, INC
  - ⑩ CATCH BASIN
  - ⑪ STORM DRAIN LINE
  - ⑫ STRIPING, INC
  - ⑬ BOLLARD
  - ⑭ GATE
  - ⑮ CONC. BARRIER
  - ⑯ LIGHT POLE
  - ⑰ BOLLARD



Page 15 of 17  
NOTE: 11x17" PRINT IS HALF SIZE

Overall Site Plan 1/2" = 1'-0"  
Lease Agreement for Auke Bay Boatyard



## **Exhibit B**

### **Equipment & Building Inventory**

1. Sealift Boat Lift Model 45
2. Wash-down containment Pad system with Filtration trailer
3. 125 Portable Boat Supports
4. Shop Building (675 sf)
5. Office/Utility Building (360 sf)
6. Fabric Covered Building (approx. 1225 sf)



## **Exhibit C Operations Plan**

We (Harri Commercial Marine) intend to operate this facility as a primary business rather than as a satellite of our downtown boatyard as we have done previously. While we conduct business as a single company and share operational resources between all of our operations, this boatyard will be run by a fulltime manager. We intend to operate the facility on a full time basis from March through October, and adjust the hours as required in response to the fluctuating demand for services in the winter. We will make every effort to remain open on a full time basis year round.

We intend to offer a full array of services at this location and will allow outside contractors to perform work on the premises provided they meet CBJ insurance coverage requirements and adhere to our boatyard best management practices. We plan to operate this facility year round with two full time positions and fill in as necessary from our downtown operation.

Services to be provided by Harri Commercial Marine:

- Hauling and pressure washing of boats
- Hull cleaning, prep and paint
- Zinc replacement
- Welding and fabrication
- Shafting and propeller repair and replacement
- Fiberglass hull repair
- Retail sales (ships store)

Services to be provided by qualified outside contractors

- Electrical systems installation and repair
- Hydraulic systems installation and repair
- Diesel and gasoline engine service and repair
- Outboard motors and out-drive service and repair
- Shipwright repair of wooden vessels





White Paper  
**University of Alaska Property**  
**Juneau Fisheries Terminal**  
October 2<sup>nd</sup>, 2020

Docks & Harbors is in the waning months of a lease agreement (attachment A) with property owned by the University of Alaska (UA) which will expire May 4<sup>th</sup>, 2021 and as depicted in attachment B. The three parcels (A, B, C) constitute 120,898.4 square feet (2.78 acres). [UA owns a total of 5.79 acres including tidelands and the VoTech Building between Harris and Aurora Harbors.] Docks & Harbors currently pays UA a formula based on revenues collected in subleases and fees collected from the crane dock usage.

	FY20	FY19	FY18	FY17
Lease Payment to UA	\$10,861	\$12,367	\$11,083	\$9,570

Our sub-lessees include Maritime Hydraulics and Harri Commercial Marine (HCM). The latter is a boatyard sub-lease with Docks & Harbors (attachment C) which provides approximately 0.45 acres, an access corridor, 95 linear feet of a float known as Fishermen’s Terminal Dock and the use of a 35-ton Marine Travel Lift. In FY2020, Docks & Harbors collected \$36,435 from the three sub-lessees (HCM, Juneau Hydraulics and Alaska Memories – dba Nordic Tugs) and revenues from crane dock usage. The sub-leases will also expire with CBJ on May 4<sup>th</sup>, 2021.

The existing lease (attachment A) provides the option to CBJ to renew for 33 years. However, the original lease provided extremely fiscally favorable terms because CBJ provided advance rent of \$500K to the UAS Egan Library which greatly reduced lease rent to UA since 1988.

From CBJ/UAS Lease agreement 3/30/1988:

**Section 4: Advance Rent and Additional Compensation.**

**4.1 Advance Rent. For and in consideration of the lease, use, and occupancy of the Premises, facilities, and privileges granted in this Agreement, Lessee shall pay to Lessor, as Advance Rent, without deduction, set-off, prior notice, or demand, the sum of Five Hundred Thousand Dollars (\$500,000.00) payable in advance within ninety (90) days after the date of execution of this Agreement. The Advance Rent may be used by Lessor only for the construction of, or the purchase of capital equipment for, the new library facility at the University of Alaska Southeast campus in Juneau, Alaska, and for no other purposes whatsoever.**

White Paper  
**University of Alaska Property**  
**Juneau Fisheries Terminal**  
October 2<sup>nd</sup>, 2020

From the Memorandum Short Form Lease dated 4/28/1988 (Attachment D):

4. Option to Extend Term. Lessee is given the one-time option to extend the term of the lease on all the terms and conditions contained in the Long Form Lease with the exception of Section 4 thereof, for a thirty-three (33) year period following expiration of the initial term, by giving written notice of exercise of the option to Lessor at least ninety (90) days but not more than one hundred and eighty (180) days before the expiration of the term. The rental rate for the extended term shall be negotiated by Lessor and Lessee at that time as provided in the Long Form Lease.

UA/UAS is currently having the three parcels appraised and a report is due back in December 2020. Though an appraisal is pending, commercial waterfront property for ~ 3 acres could fetch in the neighborhood of \$2M. The 3 acre Subport Lot was appraised at \$3.6M prior to the unexpected \$20M offer from NCL.

A new lease agreement may require Docks & Harbors to pay up to fair market value (FMV) to UA for use of the property. The language in the existing contract states: *“Upon exercise of the option, Lessor and Lessee shall agree to a rental rate for the extended term, which rate may be nominal depending upon the benefit to the Lessor’s academic programs from Lessee’s use of the Premises and, in any event, shall not exceed the fair market rental rate for the Premises at that time”.*

As the University does not currently have academic programs using the lease area, it is likely that a negotiated rental rate approaching FMV could be demanded by UA. In negotiating lease rents, a typical 8% of the value of the raw unimproved land is often used, which could raise Docks & Harbors rent due to UA to greater than six figures per year in the next lease agreement.

Informal consultation with UAS indicates that UA may wish to pursue sale of this property. Should UA sell the property to another entity, most likely CBJ would lose its downtown boatyard capability and commercial use of the crane dock. These losses would be catastrophic to commercial fisheries and other shipwright interests in Juneau.

Docks & Harbors vehemently believes this property which bridges Harris and Aurora Harbors must be retained in local CBJ control. Unfortunately, the Harbor Enterprise Ending Available Fund Balance is \$258K and several competing projects, such as the Statter Harbor Phase III match, Aurora Harbor Phase III and LUMBERMAN disposal costs will quickly deplete the Harbor Fund Balance.

Docks & Harbors requests the attention of the City Manager/Assembly to secure funds necessary either through general funds, Open Space Waterfront Land Acquisition funds or other funds including future bond initiatives. In the event the Assembly funding is unable, the Port Director will recommend Docks & Harbors pursue revenue bonds to purchase.

#

White Paper  
**University of Alaska Property**  
**Juneau Fisheries Terminal**  
October 2<sup>nd</sup>, 2020

Attachment A – CBJ/UAS Lease Agreement dated 4/30/1988

Attachment B – Aerial Photo showing Parcels A, B & C

Attachment C – Sublease Agreement at Juneau Fisheries Terminal – CBJ & Juneau Marine Services (dba Harri Commercial Marine)

Attachment D - Memorandum Short Form Lease dated 4/28/1988

DRAFT

LEASE AGREEMENT  
FOR  
FISHERIES AND MARINE-RELATED DEVELOPMENT  
OF UAS MARINE TECH CENTER, JUNEAU, ALASKA

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LEASE AGREEMENT  
FOR FISHERIES AND MARINE-RELATED DEVELOPMENT  
OF UAS MARINE TECH CENTER, JUNEAU, ALASKA

This lease agreement is made and entered into this 6<sup>th</sup> day of May, 1988, by and between the University of Alaska, a constitutional corporation organized and existing under the laws of the State of Alaska, 3356 College Road, Fairbanks, Alaska 99701 (hereinafter referred to as "Lessor"), and the City and Borough of Juneau, a municipal corporation, 155 South Seward Street, Juneau, Alaska 99801 (hereinafter referred to as "Lessee").

R E C I T A L S

WHEREAS, Lessor owns certain real property in the City and Borough of Juneau, Alaska, which it agrees to lease to Lessee and which Lessee desires to lease from Lessor; and

WHEREAS, Lessee intends to use the leased premises, and to sublease portions of the leased premises to other entities or to a joint venture composed of itself and other entities, for the purpose of fostering entrepreneurial, development, and support activities in fisheries and marine-related industries, which activities will provide an opportunity to enhance the educational programs of Lessor; and

WHEREAS, Lessee intends to enhance the leased premises by improving the dock facilities and breakfront area, all for use in fisheries and marine-related development and support activities; and

WHEREAS, Lessee intends to use the leased premises and to sublease portions of the leased premises to other fisheries and marine-related entities for uses compatible with Lessor's use of its adjacent property; and

WHEREAS, Lessor is willing to enter into a lease for its real property because Lessee, with its existing infrastructure, facilities and available capital, is most likely to succeed in fostering the development of the property to its highest and best use for fisheries and marine-related business and support activities; and

WHEREAS, Lessor and Lessee desire that the Lessee operate and manage the leased premises for the mutual advantage of the Lessee, the Lessor, the public, and the fisheries and marine-related enterprises serving the City and Borough of Juneau; and

WHEREAS, Lessor and Lessee desire to promote the maximum utilization of the leased premises, and the adjacent property owned by Lessor and Lessee, respectively, by providing for the management and maintenance of the leased premises and by encouraging the construction of additional capital improvements

to the leased premises; and

WHEREAS, Lessor has not solicited competitive development proposals for its real property in Juneau, Alaska, with the understanding that Lessee will solicit same in order to further the development of viable fisheries and marine-related enterprises and support activities on the leased premises;

NOW, THEREFORE, for and in consideration of the terms, conditions, covenants, and other provisions hereinafter set forth, the parties hereto agree as follows:

Section 1: Leased Premises.

1.1 Premises. Subject to the terms, conditions, and provisions hereinafter set forth in this lease agreement (hereinafter referred to as the "Agreement"), Lessor lets and leases to Lessee and Lessee takes and leases from Lessor, those certain parcels of real property located in the City and Borough of Juneau, Alaska, together with all buildings, facilities, and other improvements situated or located thereon, including the travel lift, which property is more particularly described and shown on Exhibit I as Parcels A, B, and C, which exhibit is attached hereto and by this reference made a part hereof (hereinafter referred to collectively as the "Premises").



1.2 Access Corridors. Subject to the terms, conditions, and provisions of Section 17 of this Agreement, and all other applicable provisions of this Agreement, Lessor lets and leases to Lessee and Lessee takes and leases from Lessor, the Access Corridors, more particularly described and shown on Exhibit I as Access Corridors 1, 2, and 3, for the purpose of access to, in, and about the Premises (hereinafter referred to collectively as the "Access Corridors").

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1.3 Modification of Premises and Access Corridors If Lessee Fails to Utilize Parcel B Within Five Years. Lessee shall, within five (5) years after the commencement of the Term of this Agreement, begin utilizing Parcels B and C and the facilities thereon, including the travel lift, for fisheries and marine-related development and support activities. In the event Lessee had not begun to so utilize Parcels B and C within five (5) years after the commencement of the Term, Lessor may, at its discretion, and upon giving not less than ninety (90) days written notice to Lessee prior to the end of the five-year period, modify the Premises to eliminate Parcels B and C from this Agreement, provided that if Lessee begins utilizing Parcels B and C within such ninety (90) day period, the Premises shall not be modified. In the event the Premises are so modified, Access Corridor 2 extending between Parcel B and Parcel C, as shown on Exhibit I, may be eliminated at Lessor's discretion. The parties will amend this Agreement and the exhibits hereto to reflect any modification to the Premises or Access Corridor 2 pursuant to this subsection.

1.4 Conceptual Site Plan. Lessor and Lessee have each reviewed and approved the Conceptual Site Plan, Phase I, attached hereto as Exhibit II, and agree that the plan reflects the comprehensive manner in which Lessee intends to proceed with the improvement, development, and use of the Premises, the Access Corridors, the parking area on Lessor's adjacent property, and the replacement storage space area for Lessor on Lessee's adjacent property. The improvement and development of the dock

facilities, dredging, parking lot area, and replacement storage area as shown on the Conceptual Site Plan are not conditions of this Agreement, provided Lessee is required to provide replacement parking space and replacement storage space as set forth in Section 17, subsection 17.4, of this Agreement. The Conceptual Site Plan may be modified as necessary or desirable by agreement of the parties.

Section 2:        Term.

The term of this Agreement (hereinafter referred to as the "Term"), shall be thirty-three (33) years, commencing on May 5, 1988, and expiring at 11:59 p.m. on May 4, 2021, unless sooner terminated or extended as provided herein.

Section 3:        Option to Extend Term.

Lessee is given the one time option to extend the Term of this Agreement on all the terms, conditions, and provisions contained in this Agreement, with the exception of Section 4, for a thirty-three (33) year period following expiration of the Term, by giving written notice of exercise of the option to Lessor at least ninety (90) days but not more than one hundred and eighty (180) days before the expiration of the Term. Upon exercise of the option, Lessor and Lessee shall agree to a rental rate for the extended term, which rate may be nominal depending upon the benefit to Lessor's academic programs from Lessee's use of the Premises and, in any event, shall not exceed the fair market rental rate for the Premises at that time.

Section 4: Advance Rent and Additional Compensation.

4.1 Advance Rent. For and in consideration of the lease, use, and occupancy of the Premises, facilities, and privileges granted in this Agreement, Lessee shall pay to Lessor, as Advance Rent, without deduction, set-off, prior notice, or demand, the sum of Five Hundred Thousand Dollars (\$500,000.00) payable in advance within ninety (90) days after the date of execution of this Agreement. The Advance Rent may be used by Lessor only for the construction of, or the purchase of capital equipment for, the new library facility at the University of Alaska Southeast campus in Juneau, Alaska, and for no other purposes whatsoever.

4.2 Additional Compensation. In addition to the Advance Rent and Annual Subrent set forth in this Agreement, the parties agree that as part of the consideration for the lease, use and occupancy of the Premises, Lessee shall provide to Lessor:

(a) Moorage for the UAS research vessel "Maybeso," or its replacement, at nominal cost, in the City and Borough of Juneau Harbor System for the entire term of this Agreement (thus eliminating the need for moorage at the Premises). Such moorage will be designated by Lessee and will be provided in Harris Harbor, Aurora Harbor, or Auke Bay Harbor; provided such moorage may be provided at another location in the harbor system upon agreement of the parties. Initial electrical service hookup will be provided by Lessee at no cost to Lessor; Lessor shall be responsible for and pay all periodic water, sewer, electrical, and other utility charges associated with the moorage of the

"Maybeso." Lessor's preferred location for moorage of the "Maybeso" is in the Auke Bay harbor, and in the event such harbor becomes available for long-term moorage, Lessee will provide moorage for the vessel at the Auke Bay harbor in accordance with the terms and conditions of this subparagraph.

(b) Reasonable access to the Premises and such services thereon normally provided to the public for a user fee at no cost to Lessor for the entire Term of this Agreement, provided such use by Lessor is directly related to Lessor's academic programs.

(c) Twenty (20) boat lifts per year for the entire Term of this Agreement utilizing the travel lift on the Premises to remove, park, and insert boats from and into the water (40 operations total) at no cost to Lessor. If Lessee's sublessee or operator of the boat lift normally charges for such lift service, Lessee's sublease or use agreement shall provide for utilization of the lift by Lessor as herein provided, and shall provide that Lessee shall make appropriate payment directly to such sublessee or operator on behalf of Lessor.

(d) From time to time amounts may be expended by Lessor for the benefit of Lessee or to correct Lessee's nonconformance with the terms and conditions of this Agreement. When such amounts are expended in accordance with the terms of this Agreement, such amounts shall be deemed "Additional Rent," due and payable within thirty (30) days written notice.

Section 5: Annual Subrent From Subleasing and User Fees.

5.1 Annual Subrent. As additional consideration for the lease, use and occupancy of the Premises, Lessee shall pay to Lessor Annual Subrent commencing on September 1, 1989, and thereafter on September 1 of each year of the Term of this Agreement, without deduction, set-off, prior notice, or demand.

5.2 Calculation of Annual Subrent.

(a) Accounting Period. The accounting period for purposes of Annual Subrent shall be from July 1 to June 30 for each year of the Term, provided that the initial accounting period shall be May 5, 1988, to June 30, 1989.

(b) Amount of Annual Subrent. The Annual Subrent payable by Lessee to Lessor shall be an amount equal to certain percentages, as set forth hereafter, of the net revenues received by Lessee for the preceding accounting period from all subleases, use agreements, and user fees for the Premises, and the facilities and improvements thereon.

(c) "Gross revenues" means all income received by Lessee for an accounting period from subleases, use agreements, and user fees, as a result of the operation of the Premises and the facilities and improvements, including dockage fees, wharfage charges, lifting charges, fees for the sublease of land or improvements within the Premises, building and equipment rental fees, fees for vehicle parking on the Premises, all other fees, charges, rent, additional rent, commissions, percentages of user fees collected by sublessees and required to be remitted to

Lessee, and other revenues collected under Lessee's tariffs, use agreements, subleases, and other arrangements permitting use or occupancy of the Premises, facilities, or improvements by other persons or entities. "Gross revenues" shall not include federal or state shared revenues, contributions from other city and borough funds, the proceeds of any sales tax or other tax received by Lessee as a result of activities conducted on or from the Premises, or the proceeds of any loan or financing taken out by Lessee with respect to the Premises or otherwise.

(d) "Net revenues" means gross revenues, as defined above, received by Lessee for an accounting period, less the following expenses for that accounting period: insurance premiums paid by Lessee with respect to the Premises and its operation; utilities paid by Lessee in connection with operation of the Premises; reasonable fees for legal, accounting, and other professional services related to the operation of the Premises. Expenses shall not include depreciation or amortization of the cost of, or any value attributed to, the Premises or any leasehold estate created hereby, or the facilities or improvements, and shall not include the cost of installing or constructing any new improvements, alterations or additions to improvements to the Premises which may be installed by Lessee or any sublessee of Lessee.

(e) All gross revenues and net revenues shall be computed in accordance with generally accepted accounting principles consistently applied.

5.3 Percentage of Net Revenues Due Lessor as Annual Subrent. Lessee shall, commencing on September 1, 1989, and thereafter on or before September 1 of each year during the Term, prepare and submit to Lessor an internally audited financial statement itemizing the gross revenues, expenses, and resulting net revenues, received by Lessee during the preceding accounting period, and shall pay to Lessor an amount equal to the percentages of net revenues received for said accounting period as set forth below:

Percentage of Net Revenues  
Due Lessor as Annual Subrent

Net revenues to Lessee from subleases and use agreements for the Premises, facilities, or improvements existing thereon on the date of this Agreement or thereafter installed or constructed by Lessee.....	30%
Net revenues to Lessee from user fees charged by Lessee.....	40%

Section 6: Access to Lessee's Books; Audit.

Lessor shall, upon reasonable advance notice to Lessee, be entitled to examine and audit the books and records of Lessee pertaining to the Premises, including Lessee's records pertaining to any sublease or use agreement. All information obtained by Lessor from Lessee's books and records under this provision shall, to the extent allowed by applicable law, be treated as confidential, except in any litigation or arbitration proceedings between the parties and except that Lessor may divulge such information to a prospective purchaser or tenant of the Premises.



Section 7: Authorized Use and Operation of the Premises.

7.1 Lessee's Use and Operation.

(a) Lessee shall be permitted to use and occupy the Premises for purposes of constructing, operating and maintaining fisheries and marine-related development, support activities, and enterprises for itself, its sublessees and other operators, and the public, and for such other uses as are compatible with, incidental to, or supportive of the principle fisheries and marine-related purposes of the Premises; provided that the principle uses of Parcel B and Parcel C will be for activities which are relevant to the academic programs which Lessor conducts on its adjacent property and which may provide job training opportunities for Lessor's students in vocational and/or technical-oriented careers. Lessee's uses of the Premises shall not by noise, odor, dust or traffic congestion unreasonably interfere with Lessor's academic programs on its adjacent property or adversely affect the market value of either the Premises or Lessor's adjacent property. Lessee covenants and warrants that the Premises shall not be used or occupied for any unlawful or extra-hazardous activity.

(b) Lessee agrees that it will use and operate the Premises for the use and benefit of the public; make available, subject to reasonable fees, rules and regulations, the facilities, equipment, and improvements on the Premises to the public on fair and reasonable terms and conditions and without discrimination. It is further agreed that Lessee shall have the right, in accordance with the applicable provisions of this

Agreement, to enter into sublessees or operating or use agreements with a third party or parties for the use or operation of the Premises or any part thereof, or the facilities, equipment, or improvements thereon, including exclusive rights, and to make other agreements with third parties for the use or operation of the Premises or any part thereof, provided such subleases, uses, or operations are for fisheries or marine-related development, support activities, and enterprises, or for such other uses as are compatible with, incidental to, or supportive of the principle fisheries and marine-related purposes of the Premises and the purposes of this Agreement.

#### 7.2 Lessor's Use.

(a) The Premises may continue to be used by Lessor, its employees and students for academic uses, including but not limited to reasonable access to and use of the hoist, davets, lifeboat launch, and the southeast side of the floating dock, provided the floating dock shall not be used by Lessor for long-term or permanent moorage. The Lessee may relocate the davets, the lifeboat launch, and the hoist to another location on the Premises upon ten (10) days prior written notice to Lessor, provided the relocation schedule does not conflict with a scheduled class, in which case Lessor will so notify Lessee and the parties will establish a date upon which relocation may take place.

(b) Lessor's use of the Premises may be modified by agreement in writing by both parties from time to time in order to more efficiently address Lessee's use, development, operations, and activities on the Premises, Lessor's academic programs, and applicable zoning requirements.

Section 8: Improvements, Alterations, and Additions.

8.1 Definitions.

(a) "Improvements" means all improvements, alterations, or additions constructed, installed, or placed on the Premises by Lessee pursuant to this Agreement including, but not limited to, access roads, fencing, dock enhancements, breakfront improvements, any well or sanitary system, any electrical or other utility system, and any building or buildings erected on the Premises during the Term, but not including trade fixtures and personal property which Lessee is entitled to remove pursuant to Section 21 of this Agreement.

(b) "Major Improvement" means an improvement, repair, alteration or addition, whose costs for labor and/or materials are Twenty Five Thousand Dollars (\$25,000.00) or more.

(c) "Minor Improvement" means an improvement, repair, alteration, or addition whose costs for labor and/or materials are less than Twenty-five Thousand Dollars (\$25,000.00).

(d) "Cost" means all claims for work done on or materials furnished to the Premises, including sums expended for any demolition or removal of existing improvements or parts of improvements as well as for preparation, construction and

completion of all new improvements or parts of improvements.

8.2 Conditions Governing Improvements.

(a) Improvements by Lessee. The cost of all construction, installation, location, alteration, addition, and repair of improvements on the Premises shall be the sole responsibility of Lessee. Lessee shall not construct any major improvements in or upon the Premises, nor make any major repairs, alterations or additions to improvements previously constructed except as provided by this Agreement; provided, however, that Lessee shall immediately rectify any unsafe conditions existing at any time in or upon the Premises.

(b) Lessors' Approval Not Required. Lessor's approval is not required for Lessee's minor improvements, repairs, alterations, or additions unless Lessee intends to subordinate its leasehold interest in exchange for funds advanced for such repairs, alternations or additions. In addition, Lessor's approval shall not be required for the routine service or replacement of electrical, mechanical, hydraulic, or similar components necessitated by ordinary wear and tear.

(c) Lessor's Approval Required. Prior to construction of any major improvements, repairs, or alterations, or additions to improvements previously constructed on the Premises, Lessee shall deliver, for Lessor's review and conceptual approval, two (2) sets of preliminary plans and specifications (hereinafter referred to as "Plans"), including, but not limited to:

(1) grading and drainage plans;

- (2) location and specifications of utilities and buildings, including architectural or other drawings available;
- (3) location of ingress and egress to and from public thoroughfares; and
- (4) an analysis of the impacts of the construction, repair, alteration or addition with respect to adjacent property.

Lessor shall review the Plans and give written notice of its conceptual approval or disapproval to Lessee within thirty (30) days following receipt of said Plans from Lessee. Lessor's approval shall not be unreasonably withheld. Lessor shall accompany any disapproval of said Plans with a statement of the specific grounds for such disapproval. Such review and resulting approval or disapproval shall not be construed as Lessor's approval or disapproval of the design, safety features, specifications or any other feature of said Plans for the benefit of any third party. All work performed in connection with any repair, alteration, addition to improvements, or construction of new improvements shall be done in a manner which will not unreasonably disturb surrounding landowners or occupants, and which will not commit waste or injury to the Premises.

Section 9: Maintenance and Repair.

9.1 Lessee's Duty to Maintain. Throughout the Term, Lessee shall, at Lessee's sole cost and expense, maintain the Premises and all improvements:

(a) In good repair and in a safe, clean and sanitary condition to the reasonable satisfaction of Lessor, ordinary wear

and tear excepted;

(b) In accordance with all applicable laws, ordinances, orders and regulations of any governmental agency or body having or claiming jurisdiction over the Premises; and

(c) In a manner which will not jeopardize coverage provided by any insurance company or companies insuring all or any part of the Premises or the improvements.

9.2 Lessee's Duty to Repair; Lessor's Option.

(a) Lessee shall promptly and diligently perform all repair, maintenance, restoration, or replacement work which may be required to properly maintain the Premises and improvements in a safe and tenantable condition and which may be necessary to comply with the terms of this Agreement.

(b) In the event Lessee fails to promptly initiate and complete any repairs or maintenance which it is required to accomplish within sixty (60) days after notice and demand therefor by Lessor, Lessor shall have the right to take all action necessary to accomplish such repairs or maintenance at Lessee's cost and expense and charge the cost thereof to Lessee. Lessor shall always be entitled to make any repairs of an emergency nature and bill Lessee for the cost of making such repairs.

(c) Lessor's election to perform any obligation of Lessee under this section as a result of Lessee's failure or refusal to do so shall not constitute a waiver of any of Lessor's rights or remedies arising as a result of Lessee's default, and

all sums so expended by Lessor shall be treated as Additional Rent owing to Lessor.

(d) No deprivation, impairment or limitation of use resulting from any event or work contemplated by this section shall entitle Lessee to any abatement, deduction or offset in Advance Rent, or any Annual Subrent, or Additional Rent due from Lessee, or to any termination or extension of the Term.

Section 10:      Liens.

Lessee shall pay or cause to be paid, when due, all sums of money which may become due for any labor, services, materials, supplies, furnishings, machinery, or equipment furnished to, in, upon, or about the Premises at the request or upon the order of the Lessee or at the request of one of the Lessee's contractors or sublessees or at the request of any other person using the Premises under an agreement with the Lessee and which are or may be secured by such lien against the Premises or Lessee's interest therein. Lessee shall fully discharge and obtain the release of any lien against the Premises or the Lessee's interest therein that arises out of action taken pursuant to an agreement with the Lessee, and shall also fully discharge and obtain the release of any lien against the Premises or Lessee's interest therein that is created with the consent of Lessee. Lessee shall fully discharge and obtain the release of all such liens at the time the lien attaches or the amount secured thereby becomes immediately due and payable, whichever is earlier. Should Lessee fail to fully discharge any such lien, Lessor shall be entitled

to pay or contest such lien at Lessee's sole cost and expense, including reasonable attorney's fees and costs incurred by Lessor. Lessee may, however, contest in good faith, any such lien in which event the lien so contested may remain undischarged and unsatisfied during the period of such contest. If Lessee contests a lien, Lessee must post a lien release bond or other security satisfactory to Lessor providing assurances that the lien will be discharged in full if Lessee abandons or loses the contest.

Section 11: Insurance.

11.1 Lessee's Duty to Insure.

(a) All insurance required by this Agreement shall be carried with responsible insurance companies authorized to do business in the State of Alaska. All such policies shall be in the name of Lessee and, except for Lessee's worker's compensation and employer's liability insurance, shall name Lessor as an additional named insured and loss payee as its interest shall appear. Each policy must evidence statements that it may not be cancelled, not renewed, or materially altered except upon thirty (30) days prior written notice from the insurance company to both Lessor and Lessee, and that Lessor shall receive written notice in the event of nonpayment of premiums by Lessee.

(b) At Lessor's option, the minimum required insurance coverages may be adjusted as follows: for each ten (10) percent increase in the Consumer Price Index above its level on December 31, 1987, the minimum required insurance coverages shall increase



ten (10) percent. In the event Lessor exercises its option to so adjust the insurance coverage, the increased coverage must be obtained by Lessee upon its renewal of the insurance policies. Lessor shall give Lessee written notice of its intent to adjust the insurance coverages as provided herein.

(c) Lessee shall deliver to Lessor, within ten (10) days following the execution of this Agreement, copies of certificates or binders evidencing all insurance coverage required under this Agreement.

11.2 Lessor's Option to Insure. If Lessee fails or refuses to procure or to maintain insurance as required by this Agreement, or fails or refuses to furnish Lessor with suitable proof that such insurance has been procured and is in full force and effect, Lessor shall have the right, but not the duty, at Lessor's sole option and upon not less than fifteen (15) days prior written notice to Lessee, to procure and maintain said insurance. The premiums paid by Lessor shall be treated as Additional Rent due from Lessee.

11.3 Required Insurance.

(a) Worker's Compensation and Employer's Liability Insurance. Throughout the Term, at Lessee's sole cost and expense, Lessee shall keep or cause to be kept, worker's compensation insurance as required by Alaska law, along with applicable endorsements as follows: broad form all state's endorsement, state and federal act coverage, voluntary

compensation endorsement, and any endorsement appropriate to the authorized use of the Premises, for all of Lessee's employees engaged in work on the Premises. In the event any class of persons engaged in work on the Premises is not protected under Lessee's worker's compensation coverage, Lessee shall provide employer's liability insurance in the amount of Five Hundred Thousand Dollars (\$500,000) per person, and Five Hundred Thousand Dollars (\$500,000) per occurrence and for the coverage of such persons not otherwise covered.

(b) General Comprehensive Public Liability Insurance. Throughout the Term, at Lessee's sole cost and expense, Lessee shall keep or cause to be kept, general comprehensive public liability insurance for all claims which may arise out of its use and occupancy of the Premises, including, but not limited to, claims for damage because of injury or death to persons or destruction of real or personal property, including loss of use resulting therefrom. Where possible, said insurance shall delete exclusions applying to explosion, collapse and underground hazards. The amount of said liability insurance shall not be less than One Million Dollars (\$1,000,000) accident, and One Million Dollars (\$1,000,000) annual aggregate.

(c) Comprehensive Automobile Liability Insurance. Throughout the Term, at Lessee's sole cost and expense, Lessee shall keep or cause to be kept, comprehensive automobile liability insurance to include all owned vehicles, all hired vehicles, all non-owned vehicles and uninsured motorists for all claims which may arise out of the use of such vehicles in any

activity associated with the Premises. The amount of said liability insurance shall not be less than Five Hundred Thousand Dollars (\$500,000) accident, and Five Hundred Thousand Dollars (\$500,000) annual aggregate.

(d) Extended Coverage Property Insurance. Throughout the Term, at Lessee's sole cost and expense, Lessee shall keep the Premises and all improvements insured against loss or damage by fire, vandalism, malicious mischief and all other risks covered by extended coverage property insurance endorsements commonly in effect for property being used for the purposes allowed by this Agreement and for improvements of the type which may at such time exist on the Premises. The amount of such insurance shall be sufficient to prevent either Lessor or Lessee from becoming a co-insurer under the provisions of the policies, and in no event shall the amount be less than ninety percent (90%) of the then-actual replacement cost of the improvements.

(e) Professional Liability Insurance. Throughout the Term, at Lessee's sole cost and expense, Lessee shall keep or cause to be kept, professional liability insurance for all claims which may arise out of errors, omissions or negligent acts of Lessee's employees. The amount of said insurance shall not be less than One Million Dollars (\$1,000,000).

(f) Law of Admiralty Insurance. Throughout the Term, at Lessee's sole cost and expense, Lessee shall keep or cause to be kept, protection and indemnity coverage for all claims which may arise out of or which may result in the application of the Law of Admiralty. The amount of said insurance shall not be less

than One Million Dollars (\$1,000,000) accident, and Five Million Dollars (\$5,000,000) annual aggregate.

(g) Self Insurance. Because of its status as a municipal corporation with powers of taxation, the Lessee City and Borough of Juneau's program of self insurance shall be deemed to fulfill the requirements of subparagraphs 11.3(a) through (e).

11.4 Risk Regarding Storage of Property. The placement and storage of Lessee's or Lessor's property on the Premises shall be the responsibility of, and at the sole risk of Lessee or Lessor, as applicable.

11.5 Waiver of Subrogation. Lessee may require waiver of subrogation in favor of Lessor and Lessee in all contracts, subleases, and agreements between Lessee and other parties for the use, management, construction, or operation of the Premises or improvements or facilities on the Premises as a requirement to be met and maintained by such other party.

11.6 Adjustments of Claims. Lessee shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of Lessee under this Agreement. Lessee agrees that all such claims, whether processed by Lessee or Lessee's insurer, either directly or by means of an agent, will be handled by a person with a permanent office in Juneau, Alaska.

11.7 Applicability to Contracts, Subleases and Use Agreements. Lessee agrees that it will include the insurance coverages set forth above in subparagraphs 11.1. 11.2. and 11.3(a) through (d) in all contracts, subleases, and agreements between Lessee and other parties for the use, management, construction or operation of the Premises or improvements or facilities on the Premises, as requirements to be met and maintained by such other party with respect that portion or portions of the Premises used or occupied by such other party under its sublease, contract, or use agreement. Lessee will include the insurance coverage set forth in subparagraph 11.3(e) in those contracts, subleases and agreements between Lessee and other parties as to which such insurance coverage is applicable, as a requirement to be met and maintained by such other party. The insurance coverage required in subparagraph 11.3(f) is not required to be included by Lessee in contracts, subleases, or agreements between Lessee and other parties. The insurance requirements set forth in this section shall not apply to members of the public using the Premises or improvements or facilities on the Premises for a user fee or otherwise.

Section 12: Indemnity.

12.1 Lessee. Subject to the provisions of subsection 12.3 of this section, Lessee shall indemnify, save harmless and defend Lessor, from any and all claims, damages, losses, costs and expenses, including reasonable attorney's fees, which may arise by reason of injury or damage sustained by any person or property

arising out of, in connection with, or incident to the use, occupancy, or operation of the Premises or the Access Corridors, or any alteration, addition or improvement thereon, by Lessee or by any employee, contractor, sublessee, or assignee of Lessee, or by any invitee or customer of any of the foregoing, provided such injury or damage is not caused solely by or contributed to by Lessor, or by any of Lessor's employees, contractors, students, agents, representatives, lessees (other than Lessee under this Agreement), assigns, customers or invitees.

12.2 Lessor. Subject to the provisions of subsection 12.3 of this section, Lessor shall indemnify, save harmless and defend Lessee, from any and all claims, damages, losses, costs and expenses, including reasonable attorney's fees, which may arise by reason of injury or damage sustained by any person or property arising out of, or operation of the Premises or the Access Corridors, or any alteration, addition or improvement thereon, by Lessor or by any employee, contractor, student, lessee (other than Lessee under this agreement), or assignee of Lessor, or by any invitee or customer of any of the foregoing, provided such injury or damage is not caused solely by or contributed to by Lessee, or by any of Lessee's employees, contractors, sublessees, agents, representatives, assigns, customers or invitees.

12.3 Joint Responsibility. Lessor and Lessee agree that liability (including costs of defense and attorney's fees) for a

claim, action, loss, damage, or injury sustained by any person or property arising from, in connection with, or based upon the act(s), error(s) or omission(s) of both Lessor and Lessee shall be apportioned according to the respective percentage of fault attributable to each party as determined by agreement or by the trier of fact. The act(s), error(s) or omission(s) of a person or entity for whom Lessor is responsible or for whom Lessee is responsible, as set forth in subsections 12.1 and 12.2 above, shall be deemed to be the act(s), error(s) or omission(s) of such party (Lessor or Lessee) for purposes of the application of the provisions of this subsection. This subsection is intended to constitute a contractual modification of AS 09.16.010 et seq.

Section 13: Subleases and Use Agreements.

13.1 Right to Sublease. Lessee shall have the right, subject to the prior approval of the Lessor, to enter into subleases and use agreements for the exclusive or common use of the Premises, or any part thereof, or the facilities, improvements, and equipment located on the Premises. The terms and conditions of such subleases and use agreements may vary between subleases or use agreements as deemed appropriate by Lessee. Such subleases and use agreements may be entered into by Lessee for fisheries and marine-related development, support activities, and enterprises, or for such other uses as are compatible with, incidental to, or supportive of, the principle fisheries and marine-related purposes of the Premises and the purposes of this Agreement.

13.2 Lessor's Approval Required. Any proposed sublease or use agreement shall be submitted to Lessor for review and approval prior to execution. Such approval shall not be unreasonably withheld. Lessor shall have thirty (30) days from the date of submittal of the agreement to object to the agreement. Along with the agreement, Lessee shall provide to Lessor information regarding the types of activities and operations proposed in the agreement. Lessor's failure to give Lessee notice of its objection within said time period shall constitute a waiver of objection to the agreement and the agreement shall be deemed to be approved by Lessor. Lessor shall accompany any notice of objection or disapproval of an agreement with a statement of the specific grounds for such objection or disapproval.

Section 14: Taxes and Assessments.

14.1 Lessee to Pay Taxes. This Agreement may create certain interests which are subject to the payment of taxes levied against such interests. Lessee shall be responsible to pay directly to the charging authority, any and all real and personal property taxes, general and special assessments, and other charges levied against the Premises, improvements or Lessee's personal property, and all possessory interest taxes, prior to the delinquency date of said taxes, assessments and/or charges, to the full extent of installments falling due during the Term, whether belonging to or chargeable against Lessor or Lessee.



14.2 Transfer of Lessor's Interest. In the event that Lessor transfers its interest in and to all or any portion of the Premises or the improvements to the Premises to a taxable entity, Lessee shall be responsible to pay only those taxes, assessments and other charges which are attributable to Lessee's interest in and to the Premises and the improvements.

Section 15: Utilities.

15.1 Utility Charges. Lessee shall be responsible for, and shall timely pay, all costs of utilities furnished to or consumed on the Premises during the term of this Agreement, including all utility charges for sewer, water, gas, electricity, telephone, and all other utilities, hookups and separate metering.

15.2 Access for Utilities. Lessor agrees to allow reasonable access to Lessee through Lessor's adjacent property for the purposes of utility hookups, installation, and maintenance, provided Lessor shall incur no cost or expense nor incur any adverse electrical surges thereby.

15.3 Installation. Lessor and Lessee acknowledge that temporary overhead electrical utility hook-ups may be necessary to serve the Premises, facilities or improvements thereon. Temporary electrical hook-ups are subject to Lessor's prior approval. All permanent electrical utility hook-ups will be installed underground unless otherwise approved by Lessor.

15.4 Transformer Upgrade. Lessee acknowledges that the electrical transformer that presently services the Premises and Lessor's adjacent property may need to be upgraded or replaced in order to accommodate Lessee's uses and so as to not interfere with Lessor's electrical supply, and that such upgrade may necessitate the installation of computer suppressors to protect Lessor's computer equipment located in Lessor's facilities on its adjacent property. Lessee shall bear all costs associated with the upgrade or replacement of the transformer, including installation of computer suppressors.

Section 16: Eminent Domain.

16.1 Termination of Agreement as to Condemned Portion. In the event the whole or any part of the Premises is condemned by a public entity in the lawful exercise of the power of eminent domain, Lessee's right to possession and use of the Premises under this Agreement shall terminate as to the part so condemned upon the date possession of that part is taken by the public entity.

16.2 Partial Taking; Remainder Usable. If only a part of the Premises is condemned and, in the reasonable opinion of Lessee, the taking does not substantially impair the capacity of the part not so condemned to be used by Lessee for the purposes authorized by this Agreement, Lessee shall continue to be bound by the terms, covenants and conditions of this Agreement; provided, however, that the then-current Annual Subrent shall be

reduced in proportion to the relationship that the compensation paid by the public entity for the part so condemned bears to the value of the entire Premises as of the date possession of said part is taken by the public entity.

16.3 Partial Taking; Remainder Unusable. If only a part of the Premises is condemned and, in the reasonable opinion of Lessee, the taking substantially impairs the capacity of the part not so condemned to be used by Lessee for the purposes authorized by this Agreement, Lessee shall, within thirty (30) days following receipt by Lessee from Lessor, or from any public entity exercising the power of eminent domain, of a notice of intended taking, serve notice to Lessor of Lessee's election to:

- (a) Terminate this Agreement and be absolved of any obligations hereunder which have not accrued on the date possession is taken by the public entity; or
- (b) Continue to occupy the part of the Premises not so condemned and to remain bound by the terms, covenants and conditions of this Agreement.

If Lessee continues in possession of the part of the Premises not so condemned, the then-current Annual Subrent shall be proportionately reduced as provided in subsection 16.2 above.

16.4 Compensation. Lessor shall be entitled to and shall receive all compensation paid by any public entity for the condemnation of all or any portion of the Premises through the exercise of eminent domain, except as hereafter provided. Lessee shall be entitled to and shall receive that portion of said compensation which represents the then-current value of the loss

of use of the Premises and of the improvements which Lessee would be entitled to remove pursuant to Section 22 of this Agreement, but that Lessee is unable to remove and preserve in a usable condition because of such taking. As used herein, "loss of use" means the cost to Lessee of obtaining a suitable replacement facility for itself and its sublessees which Lessee and its sublessees can use until the end of the Term, less the costs of use Lessee would have incurred had it and its sublessees remained on the Premises to the end of the Term if there had been no taking (e.g., cost of rent, insurance, maintenance, etc.). The amount to which Lessee shall be entitled hereunder shall not exceed the actual cost of such improvements constructed by Lessee, and in no event shall Lessee be entitled to receive any portion of the award which is specifically designated as compensation for Lessor.

16.5 Taking for Temporary Use. In the event of any taking by a public entity in the lawful exercise of the power of eminent domain, of the temporary use of all or any part of the Premises or improvements, or both, for a period ending on or before the expiration date of the Term:

- (a) The parties' rights and obligations shall be suspended as to the part condemned for the duration of the taking;
- (b) Neither the Term nor the Annual Subrent or Additional Rent shall be reduced or affected in any way; and
- (c) Lessee shall be entitled to any award for the use or estate taken.

If the taking necessitates expenditures for changes, repairs, alterations, modifications or reconstruction of or to the Premises or the improvements in order to enable Lessee to use the Premises and improvements for the purposes authorized by this Agreement, Lessee shall receive, hold and disburse the award to effect such changes, repairs, alterations, modifications or reconstruction. Upon completion of such work and the discharge of the Premises and improvements from all liens, Lessee shall be entitled to any surplus and shall be liable for any deficiency of any such award.

Section 17: Access Corridors; Parking; Storage Space; Easements.

17.1 Access Corridor 1. Lessee, its contractors, sublessees, and operators, and public users, shall at all times be entitled to reasonable access, including commercial fisheries vehicle access, to the Premises by way of the Access Corridor, designated Access Corridor 1, on Lessor's property adjacent to the Premises, between Parcel A and Parcel C and around the Lessor's welding shop, as shown on Exhibit I. Such access rights shall not unreasonably interfere with Lessor's access to the welding shop and other facilities on its adjacent property. It is intended that Lessee shall control access and traffic flow to the Premises and through Access Corridor 1 as follows:

(a) Lessee may establish pullout and loading zones in Parcel A and in Access Corridor 1;

(b) Lessee may establish one-way vehicle traffic through the Access Corridor 1;

(c) Lessee may prohibit parking or stopping in Access Corridor 1 adjacent to the welding shop; and

(d) Lessee shall at all times keep and maintain Access Corridor 1 in a safe condition.

17.2 Access Corridor 2. Lessee, its contractors, sublessees, and operators, and public users, shall at all times be entitled to reasonable access, including commercial fisheries vehicle access and access associated with the operation and use of the travel lift, by way of Access Corridor 2, the travel lift access corridor, on Lessor's property adjacent to the Premises extending between Parcel B and Parcel C, as shown on Exhibit I. Such access rights shall not unreasonably interfere with Lessor's access to the welding shop and other facilities on its adjacent property. Lessee may prohibit parking or stopping in Access Corridor 2 and shall at all times keep and maintain the corridor in a safe condition.

17.3 Access Corridor 3. Lessee, its contractors, sublessees, and operators, and public users, shall at all times be entitled to reasonable access, including commercial fisheries vehicle access, to the Premises, and to and between Harris Harbor and Aurora Harbor, by way of Access Corridor 3 on Lessor's property adjacent to the Premises, extending between Harris and Aurora harbors on the upland side of the Marine Core Building and Parcel C, as shown on Exhibit I. Such access rights shall not unreasonably interfere with Lessor's access to its facilities on

Lessor's adjacent property. The parties understand that the final design plan for Access Corridor 3 is not complete as of the date of execution of this Agreement and that this corridor as shown on Exhibit I may need to be modified to meet safety, zoning, and other applicable requirements, and the actual "as built" design and location of the corridor.

17.4 Parking and Storage Space. Lessee agrees that in the event its use of Parcel C, or its development and use of Access Corridor 3, results in a loss of Lessor's parking spaces and/or storage space, Lessee will provide replacement parking spaces on Lessor's adjacent property, and/or replacement storage space on Lessee's adjacent property. The replacement parking spaces and the traffic flow associated therewith are subject to Lessor's approval. The parking lot area shown on Exhibit II may be developed in phases as replacement parking spaces become necessary, and Lessor agrees that such parking lot area will be a joint-use area available for use by both Lessee and Lessor, and their employees, operators, sublessees, students, and public users, in conjunction with the parties' use of the Premises and their respective adjacent properties. Lessor and Lessee shall adopt and enforce mutually agreeable rules and regulations concerning the joint-use of the parking lot area shown on Exhibit II.

### 17.5 Easements.

(a) Nothing in this Agreement effects or modifies in any way, or shall be construed to effect or modify, the water and sewer utility easements, and any and all other utility easements, presently reserved or granted on the Premises, the Access Corridors, or Lessor's adjacent property.

(b) Lessor reserves the right to reserve unto itself or grant to third parties, easements for utilities and rights-of-way over, under, or across the Premises, provided Lessor shall obtain Lessee's prior written approval of the specific easement or right-of-way to be reserved or granted, and provided further such easements or rights-of-way shall not unreasonably interfere with Lessee's use and occupancy of the Premises and operations thereon as authorized by this Agreement.

### Section 18: Default and Remedies.

#### 18.1 Events of Default.

(a) Failure to Comply with Agreement. The parties agree that a default will occur upon the failure of Lessee to comply with any term or condition or fulfill any obligation of this Agreement within forty-five (45) days after written notice is given to Lessee by Lessor specifying and identifying the default. If the default is of such a nature that it cannot be completely remedied within forty-five (45) days after receiving written notice, no default occurs if Lessee begins correction of the default within such forty-five (45) days and thereafter proceeds with reasonable diligence and in good faith to effect a



remedy.

(b) Insolvency. The parties agree that a default will occur upon an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; and adjudication that Lessee is bankrupt or the appointment of a receiver of the property of Lessee; the filing of an involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within sixty (60) days after filing; and the attachment of or the levying of execution on Lessee's interest in this Agreement and failure of Lessee to secure discharge of the attachment or release of the levy of execution within thirty (30) days.

(c) Abandonment. The parties agree that a default will occur if Lessee fails to use the Premises for the purposes permitted by this Agreement for a continuous period of twenty-four (24) months or more.

#### 18.2 Remedy in Event of Default.

(a) Notice of Default. Prior to pursuing any remedy for an alleged default by Lessee under this Agreement, Lessor shall give written notice of default to Lessee, and to all sublessees of the Premises of which Lessor has actual knowledge. Each notice of default shall specify in detail the alleged event of default.

(b) Cure Period; Remedies. If a default continues substantially uncured for a period of forty-five (45) days following notice of default as provided herein, or good faith

efforts to cure have not commenced within such forty-five (45) days, Lessor shall have the following remedies, in addition to all other remedies provided by this Agreement or by law or equity, to which Lessor may resort cumulatively or in the alternative: Lessor may, at its election, terminate this Agreement by giving Lessee notice of termination. On the giving of the notice, all of Lessee's rights in and to the Premises and improvements shall immediately terminate. Termination hereunder shall not operate to relieve Lessee from the payment of any sum then due Lessor or from any claim for damages previously accrued or then accruing against Lessee, but Lessee shall not remain liable for any loss of Annual Subrent or Additional Rent not already accrued. The election of one remedy for any one default event shall not foreclose an election of any other remedy for another event or for the same event at a later date.

Section 19: Natural Disasters.

In the event any cause which is not due to the fault or negligence of either Lessor or Lessee renders the Premises unusable and makes the performance of this Agreement impossible, this Agreement may be terminated by either party upon written notice to the other party. Such causes include, but are not limited to, acts of God, acts of public enemies of the state or the United States, acts of the United States, fires, floods, epidemics, quarantine restrictions, strikes, or riots. If either Lessor or Lessee receives disaster funds for repair of the Premises as a result of a natural disaster effecting the

Premises, such funds shall be applied to the Premises unless otherwise agreed by the parties.

Section 20: Waiver of Breach or Default.

No waiver of any breach or default of Lessee by Lessor shall constitute a waiver, of any other breach or default by Lessee, whether of the same or any other covenant or condition. No waiver, benefit, privilege or service voluntarily given or performed by Lessor shall give Lessee any contractual right by custom, estoppel or otherwise to such waiver, benefit, privilege or service. A subsequent acceptance of Annual Subrent or Additional Rent pursuant to this Agreement shall not constitute a waiver of any preceding default by Lessee other than waiver of default in the payment of the particular Annual Subrent or Additional Rent payment so accepted, regardless of Lessor's knowledge of the preceding breach at the time of accepting the Annual Subrent or Additional Rent, nor shall acceptance of Annual Subrent or Additional Rent or any other payment after termination of this Agreement constitute a reinstatement, extension, or renewal of this Agreement or revocation of any notice or other act of Lessor.

Section 21: Additional Rights to Terminate.

21.1 Lessee's Right to Terminate. Lessee reserves the right to terminate this Agreement at any time prior to July 1, 1989, in the event that Lessee is unable to obtain the proper equipment or permits, or both, required or, in Lessee's reasonable opinion,

necessary to improve, operate, and utilize the Premises as contemplated in this Agreement and the Recitals hereto. Lessee shall provide Lessor at least thirty (30) days prior notice of its election to terminate this Agreement under this section. Lessee's exercise of its right to terminate hereunder shall not operate to relieve Lessee from the payment of any sum then accrued and due Lessor, nor shall it entitle Lessee to reimbursement for any monies previously paid to Lessor as Advance Rent or Annual Subrent.

21.2 Termination by Lessee If Funds Not Appropriated.

Lessee's obligations under this Agreement are subject to appropriation, availability of funds, and grant eligibility, and Lessee shall have the right to terminate this Agreement in its entirety immediately in the event the Assembly of the City and Borough of Juneau or the Legislature of the State of Alaska, or both, fails to appropriate sufficient funds to fund Lessee's obligations under this Agreement, including but not limited to the Advance Rent payment set forth in Section 4, or in the event the State of Alaska, Department of Administration or Department of Transportation and Public Facilities, or both, determine for any reason that any of Lessee's obligations under this Agreement, including but not limited to the Advance Rent payment set forth in Section 4, are grant ineligible under the terms of the municipal grants from such departments, including the current DOA Grant Nos. 8-469 and 8-053. Such termination shall be without penalty. Lessee's exercise of its right to terminate hereunder

shall not operate to relieve Lessee from the payment of any Annual Subrent or Additional Rent then accrued and due Lessor, nor, except as provided below in this section, shall it entitle Lessee to reimbursement for any monies previously paid to Lessor as Advance Rent, Annual Subrent, or Additional Rent. In the event the Advance Rent payment set forth in Section 4 of this Agreement is for any reason determined to be grant ineligible by the State of Alaska, Lessee shall have the right to terminate this Agreement and Lessor shall immediately reimburse Lessee in full for such Advance Rent payment.

Section 22: Ownership and Removal of Improvements and Fixtures.

22.1 Improvements and Fixtures. All improvements constructed on the Premises by Lessee, as permitted and provided for in this Agreement, shall be owned by Lessee until the expiration or earlier termination of this Agreement. Lessee shall, upon the expiration or earlier termination of this Agreement, be entitled to remove from the Premises all of the ice making equipment, and any and all of Lessee's or its sublessee's or operator's trade fixtures and personal property, including, by way of illustration and not limitation, any equipment of Lessee or its sublessees or operator's which is housed in any buildings which are constructed on the Premises.

22.2 Travel Lift. Lessor has provided to Lessee as a part of this Agreement the use of a "like-new" travel lift to be utilized by Lessee in furtherance of and in conjunction with the use of the Premises and Lessee's adjacent property. The travel lift shall at all times remain the property of Lessor and all

repairs, replacements and enhancements Lessee may make to the travel lift shall at once become a part of the travel lift.

22.3 Extension of Term for Removal of Fixtures. To facilitate both the removal of the trade fixtures and personal property on the Premises and the restoration of the Premises following the expiration or earlier termination of this Agreement, Lessee shall be entitled to extend the Term of this Agreement, including all of Lessee's rights and obligations thereunder, for up to an additional two (2) month period, commencing on the date this Agreement would otherwise terminate; provided, however, that Lessor shall be entitled to receive Annual Subrent from Lessee on a month-to-month basis, pro-rated at the same rate which was in effect for the previous year.

22.4 Approval for Removal of Improvements Required. Notwithstanding any other provision herein, Lessee shall not be permitted to remove from the Premises any access roads, dock improvements, breakfront improvements, fencing, any well or sanitary system, any electrical or utility system, or any building or buildings, without Lessor's prior, written approval, which may be withheld for any reason. Lessor agrees that any such improvement, utility system, or building so retained by Lessor will, at Lessor's option, not be removed from the Premises, or will be relocated within the City Borough of Juneau, or may be demolished for scrap, provided that Lessee is hereby granted the right of first refusal to purchase any such improvement, utility system, or building so retained by Lessor at a price then negotiated by the parties.

22.5 Lessor's Election to Require Lessee to Remove the Lessee's and Sublessee's Leasehold Improvements. On or before the expiration or earlier termination of this Agreement, Lessor shall give Lessee notice of Lessor's election to require Lessee to dismantle and remove from the Premises all buildings and/or other leasehold improvements, but excluding dock improvements and breakfront improvements previously approved by Lessor which Lessee shall not be required to remove. In such event, Lessee shall remove the all identified improvements from the Premises within sixty (60) days after expiration or earlier termination of this Agreement at Lessee's sole cost and expense. In the event Lessee does not remove said improvements within said sixty (60) day period, Lessee shall be liable to reimburse Lessor for all reasonable costs incurred by Lessor in its removal of the improvements. In the event Lessor fails to notify Lessee of Lessor's election to require Lessee to dismantle and remove any buildings or other leasehold improvements from the Premises, Lessor shall be deemed to have waived its right to have said improvements removed at Lessee's sole cost and expense.

22.6 Restoration and Surrender of Premises. Within sixty (60) days after expiration or earlier termination of this Agreement, and at Lessor's sole option, Lessee, at its sole cost and expense, shall either demolish the improvements which Lessor has not required Lessee to remove, removing all debris and leaving the Premises in a rough-graded condition, or leave the improvements in place and surrender to Lessor the Premises and

improvements in broom-clean condition, which Premises and improvements shall then become the sole property of Lessor. All property that Lessee is not required to surrender but that Lessee abandons shall, upon sixty (60) days after expiration or earlier termination of this Agreement, at Lessor's election, become the property of Lessor, free and clear of all claims against it by Lessee or any third party and Lessee shall hold Lessor harmless from any claims regarding such property.

22.7 Indemnification. If Lessee fails to remove, demolish, leave or surrender the Premises or improvements as required above, Lessee shall defend, indemnify and save harmless Lessor from and against all liability, loss, cost or expense (including reasonable attorney's fees) resulting from the delay or failure to so remove, demolish, leave or surrender, including, without limitation, claims made by succeeding tenants founded on or resulting from Lessee's failure to properly remove, demolish, leave or surrender the Premises. In addition, if Lessee fails or refuses to remove or demolish improvements or property as required above, Lessor shall have the right to remove or demolish such improvements and abandoned property and bill Lessee for the reasonable costs incurred by Lessor in the removal or demolition of such improvements and property and the restoration of the Premises to a tenantable condition.



22.8 Reimbursement for Improvements Installed by Lessee.

Notwithstanding any other provision herein, in the event Lessor terminates this Agreement without cause, and without the consent of Lessee, and in violation of this Agreement, Lessee shall be reimbursed by Lessor for the depreciated costs of any and all improvements that have been installed by Lessee on the Premises or any of the Access Corridors with the consent of Lessor subsequent to the date of this Agreement, with due consideration given to the length of the Term of the Agreement remaining on the date of such termination. The amount and manner of reimbursement to be made pursuant to this subsection for an improvement hereafter installed by Lessee shall be mutually agreed upon by the parties at the time of such termination. Reimbursement pursuant to this subsection shall not waive or foreclose Lessee's selection of any other remedy provided by law or equity for the breach of this Agreement by Lessor.

Section 23: Tariffs, Rules, and Regulations.

23.1 Tariffs. Lessee may establish, and from time to time amend, and enforce a schedule of tariffs establishing fees for the use of the Premises, and the improvements, facilities, and equipment thereon, including but not limited to the dock facilities, travel lift, crane, life boat launch, utilities, ice-making equipment, and other facilities that are used by the public and Lessee's contractors, sublessees, and operators.

23.2 Rules and Regulations. Lessee may adopt and enforce reasonable rules and regulations consistent with the terms of this Agreement and all tariffs, subleases, and use agreements, concerning use of the Premises and the Access Corridors by the public, Lessee's contractors, sublessees, and operators, and by Lessor, and Lessor's students and contractors. Lessee will provide to Lessor for its information, a copy of all such rules and regulations.

Section 24: Consent Not Unreasonably Withheld.

Unless otherwise expressly provided, whenever in this Agreement, or pursuant thereto, the approval or consent of a party is required or requested, such approval or consent shall not be unreasonably withheld.

Section 25: Holding Over.

If Lessee with Lessor's consent, remains in possession of the Leased Premises after expiration or termination of the Term, such possession by Lessee shall be deemed to be a month-to-month tenancy terminable on thirty (30) days notice given at any time by either party. During any such month-to-month tenancy Lessee shall pay all Annual Subrent required by this Agreement prorated on a monthly basis. All provisions of this Agreement, except those pertaining to the term and option to extend, shall apply to the month-to-month tenancy. If Lessee remains in possession without the consent of Lessor, Lessee shall be a tenant at sufferance only, however, Lessee shall be responsible for payment

of all Annual Subrent prorated on a monthly basis, and compliance with all the terms and conditions of this Agreement.

Section 26: Access to Premises by Lessor.

Lessor and its authorized representatives may enter upon the Premises at reasonable intervals during regular business hours, or at any time in case of emergency, for the purposes of inspection. Lessee shall facilitate such inspection in every reasonable way; provided, however, that Lessor and its authorized representatives shall enter so as not to unreasonably disrupt Lessee's occupancy and use of the Premises, or the improvements, facilities, and equipment thereon. In addition, Lessor shall be entitled to post "For Sale" or "For Rent" signs on the Premises and shall be entitled to exhibit the Premises to prospective purchasers or tenants during the last one year of the Term.

Section 27: Quiet Enjoyment.

27.1 Lessee's Right to Quiet Enjoyment. Subject to full compliance with all material terms, provisions, and conditions of this Agreement, shall have and enjoy the quiet and undisturbed possession of the Premises and the improvements, facilities, and equipment located thereon without any hindrance, ejection or molestation by Lessor or any party claiming through Lessor.

27.2 Lessor's Warranties. Lessor represents and warrants to Lessee that as of the date of this Agreement, Lessor holds fee simple title to the Premises, and no assessments for public

improvements have been levied against the Premises which are unpaid; and that Lessor has no actual knowledge of any pending eminent domain proceedings against all or any portion of the Premises. Lessor has provided Lessee with all documents in its possession which attest to Lessor's status of title to the Premises, and Lessee has satisfied itself of the adequacy of Lessor's title for Lessee's own uses and purposes.

Section 28:      Disclaimer of Warranty.

Lessor makes no warranty, either express or implied, nor assumes any liability whatsoever, regarding the social, economic or environmental aspects of the Premises, including but not limited to zoning requirements, soil conditions, water, drainage, natural or artificial hazards which may exist, or the profitability or fitness of the Premises for any use. Lessee understands and agrees that Lessor makes no warranties or representations of any kind concerning the Premises, other than those expressly set forth in the Section 27 of this Agreement and Lessee accepts the Premises in an "as is" condition, regardless of defects, either patent or latent.

Section 29:      Notice.

Any notice, demand, request, approval or other communication that either party desires or is required to give to the other party or any other person must be in writing and either served personally or sent by certified mail, return receipt requested, to the other party at the address set forth below. Either party

may change its address and must notify the other party of its change of address in writing. Notice shall be deemed to have been duly given when delivered or served personally, or upon receipt if mailed as provided in this section.

Lessor:                   Facilities Planning and Construction  
University of Alaska  
3356 College Road  
Fairbanks, Alaska 99701  
  
Attn: Manager, Educational Properties

Lessee:                   City and Borough of Juneau  
155 South Seward Street  
Juneau, Alaska 99801  
  
Attn: City Manager

and

City and Borough of Juneau  
155 South Seward Street  
Juneau, Alaska 99801  
  
Attn: Harbormaster

Section 30: Administration of Agreement.

The City and Borough Harbormaster shall be the Lessee's representative, and the Chancellor of the University of Alaska Southeast shall be the Lessor's representative, for purposes of administering the day-to-day operations under this Agreement.

Section 31: Memorandum of Lease.

Upon the execution of this Agreement, the parties agree to execute a Memorandum Short Form Lease suitable for recording purposes, substantially in the form as set forth in Exhibit III attached hereto and by this reference made a part hereof.

Section 32: Miscellaneous.

32.1 Relationship of Parties. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither method of computation of rent nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than relationship of landlord and tenant.

32.2 Terminology. Whenever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders.

32.3 Paragraph Headings. The headings of the several sections and subsections contained herein are for convenience only and do not define, limit or construe the contents of such sections and subsections.

32.4 Law Applicable. The laws of the State of Alaska shall govern the construction, validity, performance and enforcement of this Agreement. Venue as to any action, claim, or proceeding arising out of, or based upon this Agreement, including, but not limited to, any action for declaratory or injunctive relief, shall be the appropriate court sitting in the City and Borough of

Juneau, First Judicial District, State of Alaska.

32.5 Compliance with Laws and Regulations. Lessee shall, at Lessee's sole cost and expense, comply with all of the requirements of all local, state, or federal laws, ordinances, or regulations now in force, or which may hereafter be in force, pertaining to use or occupancy of the Premises, and shall faithfully observe in the use and occupancy of the Premises all local, state, and federal laws, ordinances and regulations now in force or which may hereafter be in force.

32.6 Entire Agreement.

(a) This Agreement and the exhibits and documents referred to herein contain the entire agreement between the parties with respect to the lease of the Premises by Lessor to Lessee, and may only be modified by a document in writing executed by both Lessor and Lessee. No promise, representation, warranty or covenant relating to the lease of the Premises not included in this Agreement or the exhibits and documents referred to herein has been or is relied on by either party. This Agreement supersedes and replaces that certain agreement between Lessor and Lessee entitled "Interim Agreement For Use of a Portion of the Fisheries Terminal Site," dated September 14, 1987.

(b) Each party has relied on its own counsel and advisors, and on the warranties, representations and covenants of this Agreement. The parties have participated jointly in the

drafting and preparation of this Agreement. The failure of either party to inspect the Premises or improvements, to read this Agreement or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention or claim that might otherwise have been based on such inspection, reading or advice.

32.7 Successors. Except as otherwise provided in this Agreement, the terms, covenants and conditions herein contained shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns and personal representatives of the respective parties hereto.

32.8 Assignment of Interest or Rights. Lessee shall not assign this Agreement or any part thereof without the prior written consent of Lessor. Any such attempted assignment without the prior written consent of Lessor shall be void and of no force or effect.

32.9 Severability. If any provision of this Agreement or any application thereof shall be ruled invalid or unenforceable, the remainder of this Agreement any other application of such provision shall not be affected thereby.

32.10 Time of the Essence. Time is of the essence of each term, condition, covenant, and provision of this Agreement.



32.11 Representation as to Authority. Each signator to this Agreement represents and warrants that it has the authority and is authorized to enter into this Agreement.

WHEREFORE, the parties have executed this Agreement in duplicate the day and year first above written.

LESSEE

CITY AND BOROUGH OF JUNEAU

By: Kevin C. Ritchie  
Kevin C. Ritchie  
City and Borough Manager

Approved as to form:

Barbara J. Blasco  
Barbara J. Blasco  
City and Borough Attorney

LESSOR

UNIVERSITY OF ALASKA

By: Donald F. Behrend  
Donald Behrend  
Executive Vice President  
and Provost

ACKNOWLEDGMENTS

STATE OF ALASKA )  
 : ss  
FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 28<sup>th</sup> day of April, 1988, before me, the undersigned Notary Public, in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Kevin Ritchie, to me known to be the Manager of the City and Borough of Juneau, a municipal corporation organized and existing under the laws of the State of Alaska, and who acknowledged to me that he executed the within and foregoing Agreement on behalf of said corporation, as such officer thereof, by authority of its Assembly, as the voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

Patricia A. Polley  
Notary Public in and for Alaska  
My Commission Expires: 07-08-89

STATE OF ALASKA )  
 : ss  
FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 6<sup>th</sup> day of May, 1988, before me, the undersigned Notary Public, in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Donald Behrend, to me known to be the Executive Vice President and Provost of the University of Alaska, a constitutional corporation organized and existing under the laws of the State of Alaska, and who acknowledged to me that he executed the within and foregoing Agreement on behalf of said corporation, as such Executive Vice President thereof, by authority of its Board of Regents, as the voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

[Signature]  
Notary Public in and for Alaska  
My Commission Expires: 12-15-91

EXHIBITS

TO

LEASE AGREEMENT

FOR

FISHERIES AND MARINE-RELATED DEVELOPMENT  
OF UAS MARINE TECH CENTER, JUNEAU, ALASKA

EXHIBITS

- Exhibit I: Leased Premises
- Exhibit II: Conceptual Site Plan, Phase I
- Exhibit III: Memorandum Short Form Lease

TO MEMORANDUM SHORT FORM LEASEParcel "A"

That portion of Lot 2, Block 51 of the Tidelands Addition to the City of Juneau, within Alaska Tidelands Survey No. 3, in the Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning at the most westerly corner of said Lot 2, thence S 34° 28' 00" E, 246.94 feet along the common boundary of blocks 51 and 88; Thence, N 55° 32' 00" E, 251.85 feet, parallel with the southeast side of said Lot 2; thence, N 34° 28' 00" W, 148.82 feet, parallel with the southwest side of said Lot 2; thence N 55° 32' 00" E, 85.67 feet; thence, N 34° 44' 15" W, 35.60 feet to the northwesterly side of said Lot 2; thence S 73° 13' 00" W, 87.99 feet; thence S 87° 39' 00" W, 67.32 feet; thence S 55° 32' 00" W, 196.50 feet to the place of beginning.

Containing 65,443.1 square feet, more or less.

Parcel "B"

That portion of Lot 2, Block 51 of the Tidelands Addition to the City of Juneau, within Alaska Tidelands Survey No. 3, in the Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the southwest line of said Lot 2, said point being 246.94 feet, S 34° 28' 00" E from the most westerly corner of said lot. Thence S 34° 28' 00" E, 143.06 feet to the south corner of said Lot 2; thence N 55° 32' 00" E, 251.85 feet along the southeast side of said lot; thence N 34° 28' 00" W, 143.06 feet; thence S 55° 32' 00" W, 251.85 feet to the place of beginning.

Containing 36,029.7 square feet, more or less.

Parcel "C"

Those fractions of Lot 2A and 2B of Plat No. 79-1W, within Lot 2 Block 51 of the Tidelands Addition to the City of Juneau, in Alaska Tidelands Survey No. 3, Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the northwesterly line of said Lot 2A, said point being 251.53 feet, S 55° 32' 00" W from the most northerly corner of said Lot 2. Thence: N 55° 32' 00" E, 105.51 feet along said northwesterly line; thence S 48° 36' 00" E, 135.58 feet to the P.C. of a curve to the right having a radius of 20.00 feet, "Δ" of 104 08' and a length of 36.35 feet; thence S 3° 28' 00" W, 31.55 feet along the chord of said curve, to the P.T.; thence, S 55° 32' 00" W, 119.22 feet; thence N 34° 28' 00" W, 156.36 feet to the place of beginning.

Containing 19,425.6 square feet, more or less.

TO MEMORANDUM SHORT FORM LEASEAccess Corridor 1

That portion of Lot 2A, of Plat No. 79-1W, within Lot 2, Block 51 of the Tidelands Addition to the City of Juneau, in Alaska Tidelands Survey No. 3, Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the northwesterly line of said Lot 2A, said point being 251.53 feet, S 55° 32' 00" W from the most northerly corner of said Lot 2. Thence S 34° 28' 00" E, 179.36 feet; thence, S 55° 32' 00" W, 114.31 feet, thence, N 34° 28' 00" W, 151.82 feet; thence N 55° 32' 00" E, 85.67 feet, thence N 34° 44' 42" W, 35.60 feet to the northwesterly line of said Lot 2A; thence, N 75° 13' 00" E, 26.53 feet along said line to an angle point; thence, N 55° 32' 00" E, 3.69 feet to the place of beginning.

Except that portion, lying within the above parcel, described as follows:

Beginning 283.51 feet, S 44° 46' 20" W from the most north corner of said Lot 2. Thence S 34° 28' 00" E, 103.42 feet; thence, S 55° 32' 00" W, 66.14 feet; thence, N 34° 28' 00" W, 103.42 feet; thence, N 55° 32' 00" E, 66.14 feet to the place of beginning.

Containing 11,404.9 square feet, more or less, net area.

Access Corridor 2

That portion of Lot 2, Block 51 of the Tidelands Addition to the City of Juneau in the Alaska Tidelands Survey No. 3, within the Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the southeast line of Parcel "C" described above, said point being 204.82 feet, S 5° 46' 12" W from the north corner of said Lot 2. Thence, S 34° 28' 00" E, 14.00 feet; thence S 45° 46' 30" W, 254.77 feet to the loading dock; thence N 34° 54' 22" W, 28.39 feet; thence N 45° 46' 30" E, 169.90 feet to the southeast line of said Parcel "C"; thence N 55° 32' 00" E, 83.86 feet to the place of beginning.

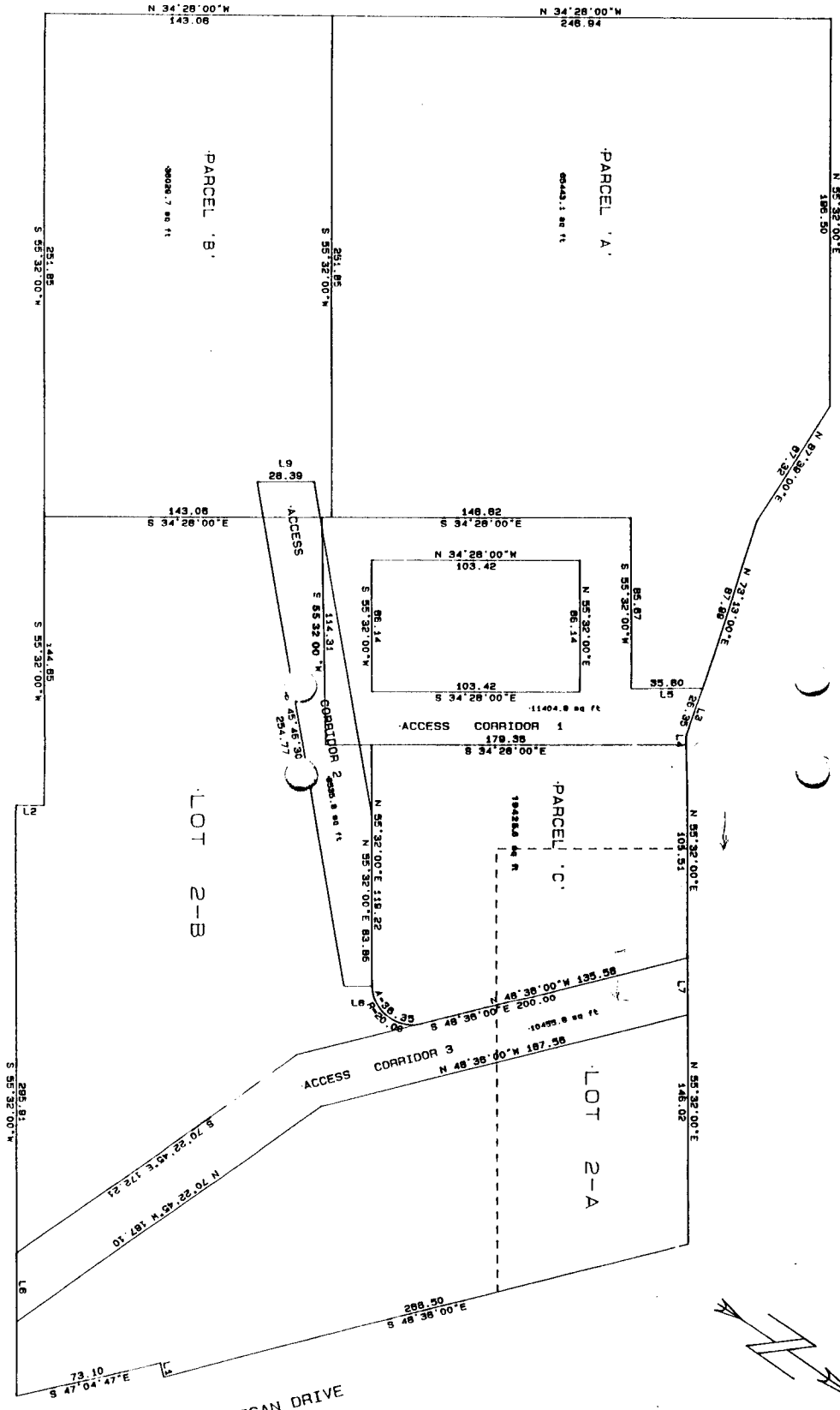
Containing 6,535.8 square feet, more or less.

Access Corridor 3

Those portions of Lot 2A and Lot 2B of Plat No. 79-1W, lying within Lot 2, Block 51 of the Tidelands Addition to the City of Juneau, within Alaska Tidelands Survey No. 3, Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the northwest side of said Lot 2A, said point being S 55° 32' 00" W, 117.15 feet from the north corner of said Lot 2. Thence, S 55° 32' 00" W, 28.87 feet, along said northwest line; thence, S 48° 36' 00" E, 200.00 feet; thence, S 70° 22' 45" E, 172.21 feet to the southeasterly line of said Lot 2; thence N 55° 32' 00" E, 34.57 feet along said line; thence, N 70° 22' 45" W, 187.10 feet; thence, N 48° 36' 00" W, 187.56 feet to the place of beginning.

GASTINEAU CHANNEL



Post-it® Fax Note 7671

To: **MARK JOHNSON** From: **J. STOKIE**

Co./Dept. \_\_\_\_\_ Co. \_\_\_\_\_

Phone # \_\_\_\_\_ Phone # \_\_\_\_\_

Fax # \_\_\_\_\_ Fax # \_\_\_\_\_

Date \_\_\_\_\_ # of pages \_\_\_\_\_



**EXHIBIT 1**

**LEASED PREMISES**

**LOT 2, BLOCK 51, A.T.S. NO. 3**

CITY AND BOROUGH OF JUNEAU  
ENGINEERING DIVISION  
135 SOUTH STANWELL STREET  
JUNEAU, ALASKA 99801

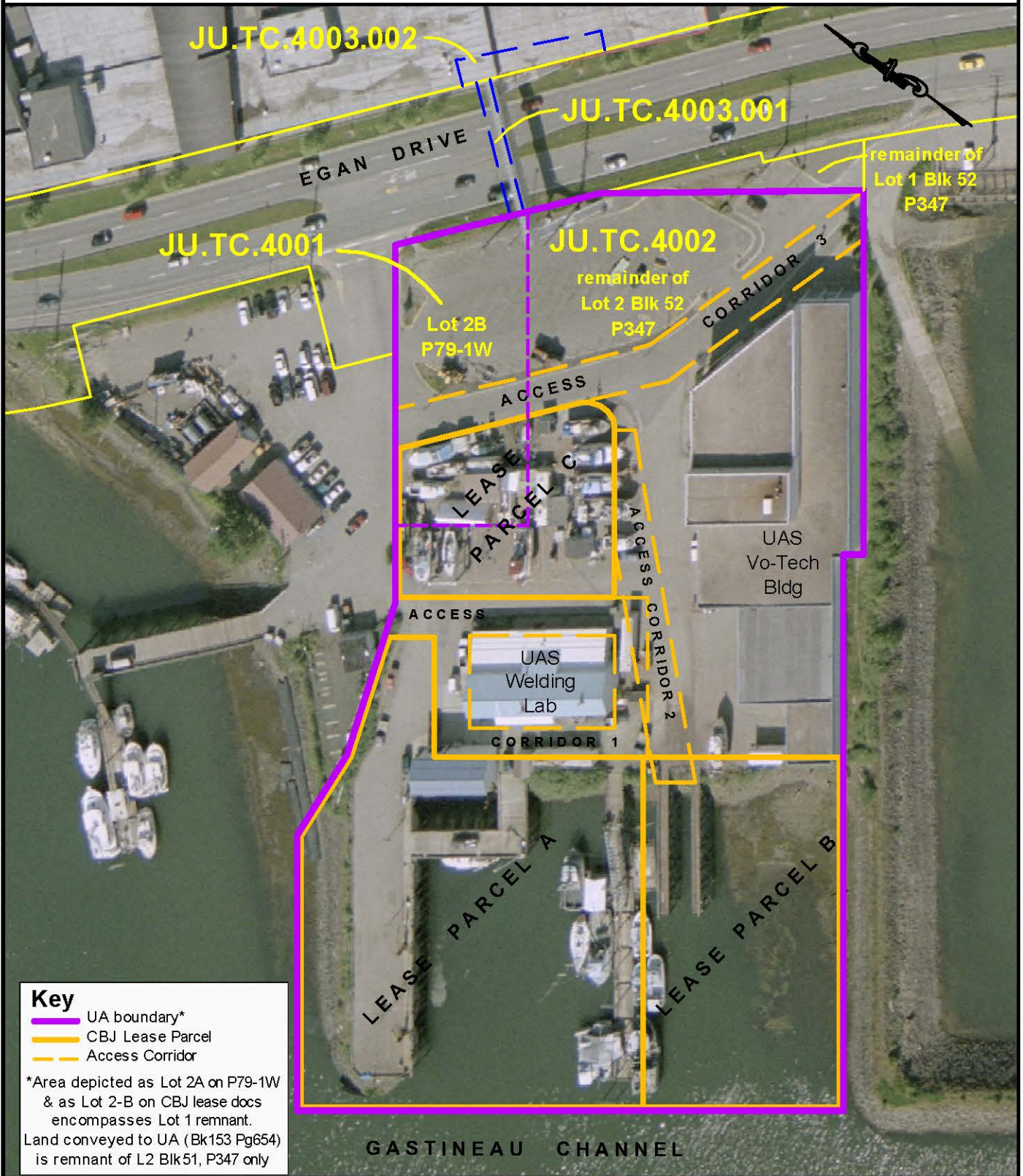
DATE: **APR 26, 1998**

SCALE: **1" = 30'**

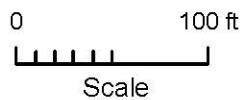
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# Juneau Tech Center

JU.TC.4001  
JU.TC.4002



UA LAND MANAGEMENT  
March 2009



Meridian C.R. Township 41S Range 67E  
Date of photo: 6-09-06 Source: Aero-Metric Anchorage  
(Photography is unrectified; Distortions exist.)

**CITY AND BOROUGH OF JUNEAU**

**SUBLEASE AGREEMENT FOR MARINE SUPPORT FACILITY**

**AT THE JUNEAU FISHERIES TERMINAL**

**WITH JUNEAU MARINE SERVICES, INC.**

THIS AGREEMENT is made by and between the CITY AND BOROUGH OF JUNEAU, ALASKA, 155 S. Seward Street, Juneau, AK 99801, a municipal corporation in the State of Alaska ("Sublessor"), and JUNEAU MARINE SERVICES, INC., P.O. Box 22625, Juneau, AK 99802, a corporation authorized to do business in the State of Alaska, ("Sublessee").

**WITNESSETH:**

Section 1: AUTHORITY. This sublease agreement ("sublease") is entered into pursuant to the authority of the City and Borough of Juneau Code 85.02.060(a)(5)(C)(iv), by motion of the Harbor Board on April 27, 1995, and the Juneau Fisheries Terminal Lease Agreement between the University of Alaska and the City and Borough of Juneau dated May 6, 1988 (hereinafter "lease"). A copy of the Juneau Fisheries Terminal Lease Agreement is attached as Exhibit A and incorporated into this agreement.

Sublessee is a corporation, and shall deliver to Sublessor at the time of execution of this agreement a certified copy of a resolution of its board of directors authorizing the execution of the agreement and naming the officers that are authorized to execute this agreement on behalf of the corporation.

Section 2: SUBLEASED PREMISES. This agreement concerns the property and improvements located thereon ("Subleased Premises") described as follows:

- A. Parcel C of the Juneau Fisheries Terminal, consisting of those fractions of Lot 2A and 2B of Plat No. 79-1W, within Lot 2, Block 51, of the Tidelands Addition to the City of Juneau, in Alaska Tidelands Survey No. 3, Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the northwesterly line of said Lot 2A, said point being 251.53 feet, S 55°32' 00" W from the most northerly corner of said Lot 2. Thence; N 55°32' 00" E, 105.51 feet along said northwesterly line; thence S 48° 36' 00" E, 135.58 feet to the P.C. 'of a curve to the right having a radius of 20.00 feet, "▲ " of 104°08' and a length of 36.35 feet; thence S 3°28' 00" W, 31.55 feet along the chord of said curve, to the P.T.; thence, S 55°32' 00" W, 119.22 feet; thence N 34° 28' 00" W, 156.36 feet to the place of beginning.

Containing 19,425.6 square feet, more or less.

And as further shown in Exhibit B.



- B. The following improvements located on Parcel B of the Juneau Fisheries Terminal:
1. A 35 ton MARINE WAY TRAVEL-LIFT in like-new condition
  2. The Travel-Lift dock.

The sublease of the Travel Lift and the dock are for the exclusive use of those improvements and the property located directly under those improvements. This sublease does not include exclusive use of other portions of Parcel B. The Travel-Lift dock is located in the northeast corner of Parcel B, at the end of Access Corridor #2. The Travel-Lift dock is comprised of two parallel dock structures 6' by 106', containing 1,272 square feet of dock deck total. Parcel B is described as:

That portion of Lot 2, Block 51 of the Tidelands Addition of the City of Juneau, within Alaska Tidelands Survey No. 3, in the Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the southwest line of said Lot 2, said point being 246.94 feet, S 34° 28' 00" E from the most westerly corner of said lot. Thence S 34° 28' 00" E, 143.06 feet to the south corner of said lot; thence N 55° 32' 00" E, 251.85 feet along the southeast side of said lot; thence N 34° 28' 00" W, 143.05 feet; thence S 55° 32' 00" W, 251.85 feet to the place of beginning.

Containing 36,029.7 square feet, more or less.

Section 3: MAINTENANCE AND REPAIR OF IMPROVEMENTS. Sublessee shall maintain and keep in good repair the Marine Way Travel-Lift and the Travel-Lift dock during the term of this agreement. Sublessee shall be responsible for these improvements which shall be in good condition and repair at the end of the term of this agreement less normal wear and tear. All damage or repairs required to maintain the improvements in good, workable condition shall be promptly undertaken by Sublessee. A failure to maintain the improvements in workable condition may be considered a breach of this agreement.

Section 4: USE OF PREMISES. Sublessee agrees to use the Subleased Premises for the uses described in Sublessee's proposal dated April 5, 1995, and attached as Exhibit C. These uses are:

- 1: Vessel haul out and space rental for boat-repair
- 2: Shipwright services
- 3: Steel and aluminum welding and fabrication
- 4: Mechanical repairs

These uses shall be part of a marine support facility. Sublessee shall provide appropriate fencing, landscaping and lighting.

A copy of RFP No. 95-304 is attached hereto as Exhibit D and is incorporated by this reference. Use or development of the Subleased Premises for other than the allowed uses shall constitute a violation of this Sublease Agreement and subject this Sublease Agreement to cancellation at any time.

A failure to make substantial use of the Subleased Premises, consistent with the uses described in above, within one year after execution of this Sublease Agreement shall, in the discretion of the Sublessor with the approval of the Harbor Board, constitute grounds for cancellation.

Section 5:     TERM. The term of this Sublease Agreement shall be for approximately 26 years, to commence on December 1, 1995, and shall expire on May 4, 2021, unless sooner terminated.

Section 6:     RENT. (a) The annual amount of rent shall be paid in twelve equal monthly installments. Each monthly rental payment shall be due and owing on the first day of each calendar month at the following address:

City and Borough of Juneau, Alaska  
Accounts Receivable  
155 S. Seward Street  
Juneau, AK 99801

Interest shall be assessed on any late payments according to section 9 of this agreement. Sublessor is also responsible for remitting sales tax on the sublease payments at the applicable rate. Rental rates stated in this agreement do not include applicable sales tax.

(b) The annual sublease rent shall be 3.5% of the assessed value of the Subleased Premises as of May 1995. This rate shall apply through December 31, 1996. For the first year of this agreement the annual rent shall be \$12,083.94 dollars to be paid in twelve installments due on the first day of every month beginning December 1, 1995. This amount shall be prorated by month for any portion of the sublease less than one calendar year.

(c) The term "assessed value" as used for rent calculation purposes shall be the value of the real property each year, not including any fixtures or improvements added by Sublessee, as determined by the city and borough assessor.

(d) As additional compensation for this sublease Sublessee shall provide at least twenty boat lifts at the premises per year to the University of Alaska-Southeast for the entire term of this agreement. Sublessee shall remove, park, and insert boats from and into the water (40 operations total) at no cost to the University of Alaska-Southeast or Sublessor.

Section 7:     ADJUSTMENT OF RENTAL. (a) For the first seven years of the sublease, up until December 31, 2001, there shall be a cap upon any increase in assessed value of the property upon which rent is calculated. The cap on the increase in assessed value for rent calculation purposes shall consist of a maximum increase on the assessed value to 125% of the 1995 assessed value. Each year the assessed value may change, but in no event shall the assessed value which is used to calculate the rental rate exceed 125% of the 1995 assessed value. As of January 1, 2002, and for the remaining term of the sublease the assessed value for rental rate calculation shall be the actual assessed value for that year, the cap on the increase in assessed value as applied to the rent shall no longer apply.

(b) From January 1, 1997 through December 31, 1998, the annual rental payment will be 5% of the assessed value of the Subleased Premises as of January 1, 1997.

(c) From January 1, 1999 through December 31, 2001, the annual rental payment will be 7% of the assessed value of the Subleased Premises as of January 1, 1999.

(d) Beginning on January 1, 2002, the parties shall negotiate a rental rate applicable to the following five years, and shall be renegotiated every five years thereafter for the remaining term of the sublease. The Sublessee shall provide its current business records including a financial statement, which Lessor may audit at its discretion. The annual rate negotiated shall not to be less than 7 percent nor greater than 10 percent of the most recently assessed land value.

Section 8: HOLDING OVER. If Sublessee holds over beyond the expiration of the term of this Sublease Agreement and the term has not been extended or renewed in writing, such holding over shall constitute a tenancy from month-to-month only.

Section 9: INTEREST ON LATE PAYMENTS. Should any installment of rent or other charges provided for under the terms of this Sublease Agreement not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of twelve percent per annum, if no rate has been set by ordinance. The rate shall be according to the ordinance in effect at the time that the delinquent payments accrue.

Sublessee hereby covenants and agrees to pay all rent when due and understands that payment of rent is a condition precedent to the continuance of this Sublease Agreement.

Section 10: TAXES, ASSESSMENTS, AND LIENS. During the term of this Sublease Agreement, Sublessee shall pay in addition to the rents, all taxes, assessments, rates, charges, and utility bills which Sublessee may become liable to pay including any tax generally imposed on leaseholds, however, Sublessee shall have the right to contest or review by legal proceeding, or in such other manner as they deem suitable any tax, assessment, utility charge or other liens asserted against the leasehold or Sublessee. Such action shall be brought at Sublessee's expense. Sublessee may defer payment upon any contested lien, charge or assessment, provided that the Sublessee, prior to instituting any such proceeding, furnishes Sublessor a surety company bond, a cash deposit, or other such security satisfactory to the Sublessor.

Section 11: SUBLEASING. (a) Sublessee may further sublease the Subleased Premises or any part thereof. Such subleases may be entered into by Sublessee for fisheries and marine-related development, support activities, and enterprises, or for such other uses as are compatible with, incidental to, or supportive of, the principle fisheries and marine-related purposes of the Subleased Premises. Subleases shall be in writing and be subject to the terms and conditions of this Sublease Agreement and all terms, conditions, and covenants of this sublease which may be made to apply to the further sublease are hereby incorporated into the further sublease.

(b) University of Alaska and Sublessor's Approval Required. Any proposed sublease shall be submitted to Sublessor and the University of Alaska for review and approval prior to execution. Such approval shall not be unreasonably withheld. Sublessor and the University of Alaska shall have thirty days from the date of submittal of the agreement to object to the agreement. Along with the agreement, Sublessee shall provide information regarding the types of activities and operations proposed in the agreement. Sublessor's and University of Alaska's failure to give Sublessee notice of their objection within said time period shall be deemed to be approved by Sublessor and the University of Alaska. Sublessor and/or the University of Alaska shall accompany any notice of objection or disapproval of an agreement with a statement of the specific grounds for such objection or disapproval.

Section 12: ASSIGNMENTS. Sublessee may assign the Sublease Premises, provided that any proposed assignment shall be first approved by Sublessor and the University of Alaska in writing. The assignee shall be subject to all of the provisions of this Sublease Agreement. All terms, conditions, and covenants of this Sublease Agreement which may be made applicable to the assignment are hereby

incorporated into the assignment. Any attempted assignment without the prior written consent of Sublessor and the University of Alaska shall be void and of no force and effect.

Section 13: DISCLAIMER OF WARRANTY. Sublessor makes no warranty, either express or implied, nor assumes any liability whatsoever, regarding social, economic or environmental aspects of the Subleased Premises including but not limited to zoning requirements, soil conditions, water, drainage, natural or artificial hazards which may exist, or the profitability or fitness of the Subleased Premises for any use. Sublessee understands and agrees that Sublessor makes no warranties or representations of any kind concerning that Subleased Premises, and Sublessee accepts the Subleased Premises in an "as is" condition, regardless of defects, either patent or latent.

Section 14: ACCESS CORRIDORS, EASEMENTS, AND PARKING. Sublessee shall place no building or structure over any portion of the Subleased Premises where the same has been set aside or reserved for easements or access corridors as shown on the attached Exhibit A. Sublessee shall have the right to the use the Access Corridors 1, 2, and 3, the easements, and the joint-use parking area, for vehicle parking only, as set forth in Section 17 of the Juneau Fisheries Terminal Lease Agreement.

Section 15: ENCUMBRANCE OF PARCEL. Sublessee, during the term of this Sublease Agreement, shall not encumber or cloud Sublessor's rights to the Subleased Premises or any portion thereof, nor enter into any sublease, easement, or other obligation of Sublessor's rights without the prior written consent of Sublessor, any such actions by the Sublessee shall be void and of no force and effect.

Section 16: VALID EXISTING RIGHTS. This Sublease Agreement 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 Sublease Agreement.

Section 17: MODIFICATION. This Sublease Agreement may be modified at any time by the mutual approval, in writing, of Sublessor, Sublessee, and the University of Alaska.

Section 18: CANCELLATION AND FORFEITURE. (a) This Sublease Agreement may be canceled in whole or in part, at any time, upon mutual written agreement by the Sublessee and Sublessor.

(b) Sublessor may cancel the Sublease Agreement if it used for any unlawful purpose.

(c) If Sublessee shall default in the performance or observance of any of the sublease terms, covenants, or stipulations thereto, or of the regulations now or hereafter in force, or any of the provisions of the city and borough code, and should the default continue for thirty calendar days after service of written notice by the Sublessor without remedy by the Sublessee of the conditions warranting default, Sublessor may subject Sublessee to appropriate legal action including, but not limited to, forfeiture of the sublease. No improvements may be removed by Sublessee or other person during any time Sublessee is in default.

(d) Failure to make substantial use of the Subleased Premises, consistent with the uses described in Section 4 above, within one year after execution of this Sublease Agreement shall, in the discretion of the Sublessor with the approval of the Harbor Board, constitute grounds for cancellation.

Section 19: RE-ENTRY. If this agreement is canceled, or if the Sublessee is in arrears in a payment of rent for a period of thirty days; or if Sublessee abandons the Subleased Premises; or if Sublessee shall fail or neglect to do or perform or observe any of the terms, agreements, covenants, or conditions contained herein on its part to be kept and performed and such failure or neglect shall continue for a period of not less than thirty days; or if Sublessee shall be declared to be bankrupt or insolvent according to law; or if any assignments of its property shall be made for the benefit of creditors, then, in any of the said cases or events, Sublessor may, at its option, immediately or at any time thereafter, without demand or notice, enter into and upon the Subleased Premises or any part thereof and in the name of the whole and repossess the same and expel Sublessee and those claiming by, through, or under it, remove its effects and improvements (if any) forcibly, if necessary, without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or breach of covenant or condition. On the re-entry aforesaid, this Sublease Agreement shall terminate.

Section 20: LANDLORD'S LIEN. In addition to its other remedies, Sublessor shall have a landlord's lien upon all property on the Subleased Premises for any rents in arrears, and Sublessor shall have a right to the common law, nonjudicial remedy of distress for rents in the event of any arrearage.

Section 21: WASTE AND INJURY TO SUBLEASED PREMISES. Sublessee shall be liable to and promptly pay Sublessor for any waste or injury to the Subleased Premises. Sublessee shall take all prudent precautions to prevent or suppress pollution of the ground surface, water, air, or land. If Sublessee commits waste, or trespass or injury upon Subleased Premises, Sublessee, in addition to being civilly liable for any damages caused, shall be criminally liable as provided by law.

Section 22: RIGHTS OF MORTGAGEE OR LIENHOLDER. In the event of cancellation or forfeiture of this Sublease Agreement for cause, the holder of a properly recorded mortgage, conditional assignment, or collateral assignment of the subleasehold will have the option within sixty days of such termination to acquire the sublease for the unexpired term thereof, subject to the same terms and conditions as in the original Sublease Agreement. In this event, Sublessee shall notify any such security interest holder of any termination.

Section 23: RE-SUBLEASE. In the event that this Sublease Agreement should be terminated as herein provided, or by summary proceedings, or otherwise, Sublessor may offer the Subleased Premises for sublease or other appropriate disposal pursuant to the provisions of the city and borough code and the Juneau Fisheries Terminal Lease Agreement.

Section 24: FORFEITURE OF RENTAL. In the event that this Sublease Agreement should be terminated because of any breach by Sublessee, the annual rental payment last made by the Sublessee shall be forfeited and retained by the Sublessor as partial or total damages for the breach, unless damages exceed such payment, in which case Sublessor may pursue such other recourse as necessary against Sublessee.

Section 25: WRITTEN WAIVER. The receipt of rent by the Sublessor with knowledge of any breach of the Sublease Agreement by the Sublessee or of any default on the part of the Sublessee in observance or performance of any of the conditions or covenants of the Sublease Agreement, shall not

be deemed to be a waiver of any provision of the Sublease Agreement. No failure on the part of the Sublessor to enforce any covenant or provision herein contained, nor any waiver of any right thereunder by Sublessor unless in writing, shall discharge or invalidate such covenants or provisions, or affect the right of the Sublessor to enforce the same in the event of any subsequent breach or default. The receipt, by Sublessor, of any rent or other sum of money after the termination, in any manner, of the term demised, or after the giving by the Sublessor 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 such notice of termination as may have been given thereunder by the Sublessor to the Sublessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by Sublessor.

Section 26: EXPIRATION OF SUBLEASE AGREEMENT. Unless the Sublease Agreement is renewed or sooner terminated as provided herein, Sublessee shall peaceably and quietly leave, surrender, and yield up unto the Sublessor all of the Subleased Premises on the last day of the term of the Sublease Agreement.

Section 27: REMOVAL OR REVERSION OF IMPROVEMENTS UPON TERMINATION OF SUBLEASE AGREEMENT. Improvements owned by Sublessee shall within sixty calendar days after the termination of the Sublease Agreement for any reason be removed by Sublessee, at the request of Sublessor; provided such removal will not cause injury or damage to the lands or improvements demised; and further provided that the Sublessor may extend the time for removing such improvements in cases where hardship is proven. If Sublessee, upon expiration of the time for removal, fails to so remove such improvements, they shall be removed and disposed of by Sublessor as provided by law.

Section 28: RENTAL FOR IMPROVEMENTS OR CHATTELS NOT REMOVED. Any improvements or chattels, belonging to the Sublessee or placed on the Subleased Premises during Sublessee's tenure with or without permission and remaining upon the premises after the termination date of the Sublease Agreement shall entitle Sublessor to charge a reasonable rent therefor.

Section 29: RENEWAL PREFERENCE. Any renewal preference granted Sublessee is a privilege and is neither a right nor bargained for consideration. The Sublease Agreement renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the Sublessor.

Section 30: STATE DISCRIMINATION LAWS. Sublessee agrees, in using and operating the Subleased Premises, to comply with applicable sections of Alaska statues prohibiting discrimination, particularly AS 18.80.220 (discrimination in employment) and AS 18.80.230 (discrimination in providing public accommodations or services). In the event of Sublessee's failure to comply any of the above nondiscrimination covenants, Sublessor shall have the right to terminate the Sublease Agreement and to re-enter and repossess the Subleased Premises and hold the same as if the Sublease Agreement had never been made or issued.

Section 31: COMPLIANCE WITH LAWS AND REGULATIONS. Sublessee shall, at Sublessee's sole cost and expense, comply with all of the requirements of all local, state, or federal laws, ordinances, or regulations now in force, or which may hereafter be in force, pertaining to use or occupancy of the Subleased Premises and shall faithfully observe in the use and occupancy of the Subleased Premises all local, state, and federal laws, ordinances, and regulations now in force or which may hereafter be in force.

Section 32: INSPECTION. Sublessor and its authorized representatives may enter upon the Subleased Premises at reasonable intervals during regular business hours, or at any time in case of emergency, for the purposes of inspection. Sublessee shall facilitate such inspection in every reasonable way; provided, however, that Sublessor and its authorized representatives shall enter so as not to unreasonably disrupt Sublessee's occupancy and use of the Subleased Premises, or the improvements, facilities, and equipment thereon.

Section 33: UNSAFE USE. Sublessee shall not do anything do anything in or upon the Subleased Premises, not bring or keep anything therein, which will unreasonable 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.

Section 34: RIGHTS-OF-WAY. Sublessor expressly reserves the right to grant easements or rights-of-way across the Subleased Premises if it is determined in the best interest of the Sublessor to do so, provided such easements or rights-of-way shall not unreasonably interfere with Sublessee's use and occupancy of the Subleased Premises and operations thereon as authorized by this Sublease Agreement.

Section 35: HOLD HARMLESS AND INDEMNITY. Sublessee agrees to indemnify, defend, and save Sublessor and the University of Alaska harmless to the maximum extent allowable under Alaska law from any and all claims, damages, losses, costs and expenses, including reasonable attorney's fees, which may arise by reason of injury or damage sustained by any person or property arising out of, in connection with, or incident to the use, occupancy, or operation of the Subleased Premises, the Access Corridors, the joint use parking lot, or any alteration, addition or improvement thereon, by Sublessee or by any employee, contractor, sublessee, or assignee of Sublessee, or by any invitee or customer of any of the foregoing.

Section 36: INSURANCE. The insurance required to by kept and maintained by Sublessee shall be as set forth in Section 11.7 of the Juneau Fisheries Terminal Lease Agreement. These requirements are as follows:

(a) Sublessee's Duty to Insure

(1) All insurance required by this Sublease Agreement shall be carried with responsible insurance companies authorized to do business in the State of Alaska. All such policies shall be in the name of Sublessee and, except for Sublessee's worker's compensation and employer's liability insurance, shall name Sublessor and the University of Alaska as additional named insureds and loss payees as their interest shall appear. Each policy must evidence statements that it may not be canceled, not renewed, or materially altered except upon thirty days prior written notice from the insurance company to Sublessor,

Sublessee, and the University of Alaska, and that Sublessor and the University of Alaska shall receive written notice in the event of nonpayment of premiums by Sublessee. The Sublessee shall also have a duty to give written notice to the Sublessor and the University of Alaska at least thirty days in advance of the cancellation, non-renewal or material modification of an insurance policy required by this Agreement.

(2) As provided in Section 11 of the Juneau Fisheries Terminal Lease Agreement, at the University of Alaska's option, the minimum required insurance coverage may be adjusted as follows: for each ten percent increase in the Consumer Price Index above its level on December 31, 1987, the minimum required insurance coverage shall increase ten percent. In the event the University of Alaska exercises its option to so adjust the insurance coverage, the increased coverage must be obtained by Sublessee written notice of the University of Alaska's intent to adjust the insurance coverage as provided herein.

(3) Copies of certificates or binders evidencing all insurance coverage required under this Sublease Agreement are attached as Exhibit E.

(b) Sublessor's and University of Alaska's Option to Insure. If Sublessee fails to procure or to maintain insurance as required by this Sublease Agreement or fails or refuses to furnish Sublessor and the University of Alaska with suitable proof that such insurance has been procured and is in full force and effect, Sublessor and the University of Alaska shall have the right, but not the duty, at their sole option and upon not less than fifteen days prior written notice to Sublessee, to procure and maintain said insurance. The premiums paid by Sublessor and the University of Alaska shall be treated as additional rent due from Sublessee. This may also be considered a breach of this agreement.

(c) Required Insurance.

(1) Worker's Compensation and Employer's Liability Insurance. Throughout the term, at Sublessee's sole cost and expense, Sublessee shall keep or cause to be kept, worker's compensation insurance as required by Alaska law, along with applicable endorsements as follows: broad form all state's endorsement, and any endorsement appropriate to the authorized use of the Subleased Premises, for all of Sublessee's employees engaged in work on the Subleased Premises. In the event any class of persons engaged in work on the Subleased Premises is not protected under Sublessee's worker's compensation coverage, Sublessee shall provide employer's liability insurance in the amount of Five Hundred Thousand Dollars (\$500,000) per person, and Five Hundred Thousand Dollars (\$500,000) per occurrence and for the coverage of such persons not otherwise covered.

(2) General Comprehensive Public Liability Insurance. Throughout the term, at Sublessee's sole cost and expense, Sublessee shall keep or cause to be kept, general comprehensive public liability insurance for all claims which may be kept, general comprehensive public liability insurance for all claims which may arise out of its use and occupancy of the Subleased Premises, including, but not limited to, claims for damage because of injury or death to persons or destruction of real or personal property, including loss of use resulting therefrom. Where possible, said insurance shall delete exclusions applying to explosion, collapse and underground hazards. The amount of said liability insurance shall not be less than One Million Dollars (\$1,000,000) accident, and One Million Dollars (\$1,000,000) annual aggregate.

(3) Comprehensive Automobile Liability Insurance. Throughout the term, at Sublessee's sole cost and expense, Sublessee shall keep or cause to be kept, comprehensive automobile liability insurance to include all owned vehicles, all hired vehicles, all non-owned vehicles and uninsured motorists for all claims which may arise out of the use of such vehicles in any activity associated



with the Subleased Premises. The amount of said liability insurance shall not be less than Five Hundred Thousand Dollars (\$500,000) annual aggregate.

(d) Extended Coverage Property Insurance. Throughout the term, Sublessee's sole cost and expense, Sublessee shall keep the Subleased Premises and all improvements insured against loss or damage by fire, vandalism, malicious mischief and all other risks covered by extended coverage property insurance endorsements commonly in effect for property being used for the purposes allowed by this Sublease Agreement and for improvements of the type which may at such time exist on the Subleased Premises. The amount of such insurance shall be sufficient to prevent either Sublessor, Sublessee, or the University of Alaska from becoming a co-insurer under the provisions of the policies, and in no event shall the amount be less than ninety percent of the then-actual replacement cost of the improvements.

Section 37: UTILITIES. Sublessee shall be responsible for, and shall timely pay, all costs of utilities furnished to or consumed on the Subleased Premises during the term of this Sublease Agreement, including all utility charges for sewer, water, gas, electricity, telephone, and all other utilities, hookups and separate metering.

Section 38: SUCCESSORS. This Sublease Agreement shall be binding on the successors, administrators, executors, heirs, and assigns of Sublessee and Sublessor.

Section 39: CONDITION OF PREMISES. Sublessee shall, during the term of this Sublease Agreement, at Sublessee's own cost, cause the Subleased Premises and any improvements thereon to be kept in good repair and kept in a neat, clean, sanitary, and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or fire on the Subleased Premises. Sublessee shall not undertake any activity which causes or increases a sloughing of or loss of surface materials of the Subleased Premises. Sublessee shall not in any manner, substantially change the contour or condition of the land without prior written permission of Sublessor.

Section 40: USE OF MATERIAL. Sublessee of the surface rights shall not sell or remove for any use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the subleasehold may be used, if its use is first approved in writing by Sublessor.

Section 41: SUBLEASE AGREEMENT RENTAL CREDIT. When authorized in writing by Sublessor prior to the commencement of any work, Sublessee may be granted credit against current or future rent; provided, the work accomplished on or off the Subleased Premises results in increased valuation of the Subleased Premises 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 the city and borough and shall not be removed by Sublessee upon termination of this Sublease Agreement.

Section 42: RESPONSIBILITY TO PROPERLY LOCATE ON SUBLEASED PREMISES. It shall be the responsibility of Sublessee to properly locate Sublessee and Sublessee's improvements on the

Subleased Premises and failure to so locate shall render Sublessee liable, criminally or civilly, as provided by law.

Section 43: APPROVAL OF OTHER AUTHORITIES. The issuance by the city and borough of this Sublease Agreement does not relieve Sublessee of responsibility of obtaining licenses or permits as may be required by the city and borough or by duly authorized state or federal agencies.

Section 44: NOTICE. Any notice, demand, request, approval or other communication that either party desires or is required to give to the other party or any other person must be in writing and either served personally or sent by certified mail, return receipt requested, to the other party at the address set forth below. Either party may change its address and must notify the other party of it's change of address in writing. Notice shall be deemed to have been duly given when delivered or served personally, or upon receipt if mailed as provided in this section.

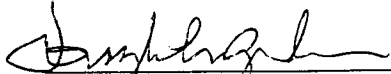
SUBLESSOR: City and Borough of Juneau  
155 S. Seward St.  
Juneau, AK 99801

SUBLESSEE: Juneau Marine Services, Inc.  
P.O. Box 22625  
Juneau, AK 99802

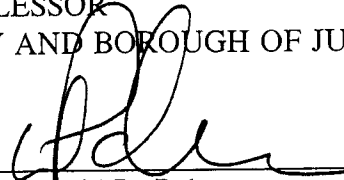
Section 45: ENTIRE AGREEMENT, AMENDMENTS. This document excluding any words or paragraphs struck out and including any language added, in either case, initialed and dated by both parties, and including exhibits attached hereto contains the entire agreement between the parties, and said agreement may not be modified except in writing. There are no oral promises, representations, or warranties between the parties regarding any matter or thing connected with or related to the matters and things which are the subject of this Sublease Agreement.

WHEREFORE, Sublessor and Sublessee agree and sign this contract on the dates at Juneau, Alaska.

Approved as to Content:

  
Harbormaster  
6/28/96  
Date

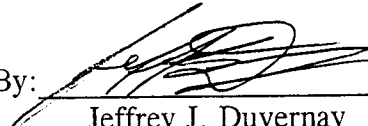
SUBLESSOR  
CITY AND BOROUGH OF JUNEAU

By:   
David R. Palmer, Date  
City Manager

Approved as to Form:

  
City & Borough Attorney  
3/28/96  
Date

SUBLESSEE  
JUNEAU MARINE SERVICES, INC.

By:  5/7/96  
Jeffrey J. Duvernay Date  
President

CITY ACKNOWLEDGMENT

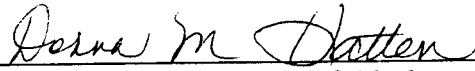
STATE OF ALASKA )

) ss:

FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on the 7<sup>th</sup> day of May, 1996, before me, the undersigned, a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared DAVID R. PALMER, to me known to be the CITY-BOROUGH MANAGER 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 for the State of Alaska  
My Commission Expires: 9-11-96

(seal)

JUNEAU MARINE SERVICES, INC.


STATE OF ALASKA )

) ss:

FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on the 7<sup>th</sup> day of May, 1996, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared JEFFREY J. DUVERNAY to me known to be the identical individual(s) described in and who executed the foregoing instrument as PRESIDENT of JUNEAU MARINE SERVICES, INC., and acknowledged to me that he signed and sealed the same in the name of and for and on behalf of said corporation, freely and voluntarily and by authority of its Board of Directors for the uses and purposes therein mentioned.

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

  
Notary Public for the State of Alaska  
My Commission Expires: 9-11-96

(seal)

\\BRC\DEPT\SHARBOR\MS\LEASE.WPD

CITY AND BOROUGH OF JUNEAU  
SUBLEASE AGREEMENT FOR MARINE SUPPORT FACILITY  
AT THE JUNEAU MARINE FISHERIES TERMINAL  
WITH JUNEAU MARINE SERVICES

AMENDMENT NO. 1

This amendment is made to the agreement between the City and Borough of Juneau, Alaska, 155 S. Seward Street, Juneau, AK 99801, a municipal corporation in the State of Alaska ("Sublessor"), and Juneau Marine Services, Inc., P.O. Box 22625, Juneau, AK 99802, a corporation authorized to do business in the State of Alaska, ("Sublessee").

This amendment modifies the Sublease Agreement entered into by the Sublessor and Sublessee for use of property and improvements at the Juneau Marine Fisheries Terminal on May 7, 1997. The Sublease Agreement is amended as follows:

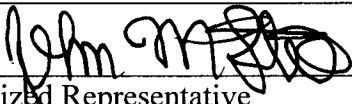
1. Add a new paragraph #3 to subsection B of Section 2 on the top of page 2 to read:
  3. Ninety-five lineal feet of moorage on the north side of the Fisheries Terminal Dock, starting at the gangway end of the dock and extending towards Gastineau Channel.
2. Add a new subsection (e) to Section 7 on page 3 to read:

(e) Beginning on January 1, 2006, the annual lease rent shall be \$23,805, to be paid in twelve equal installments of \$1983.75 due on the 1<sup>st</sup> day of every month beginning January 1. The annual lease rent shall be adjusted for the year starting January 1, 2011 and every five years thereafter until the lease expires on May 4, 2021, unless sooner terminated. The adjusted rent shall equal 5% of the assessed value of the premises for the year prior to the adjustment.

The Sublessor and Sublessee agree and sign this amendment on the dates at Juneau, Alaska.

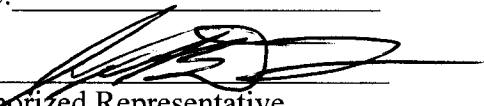
**Sublessor**

Date: NOVEMBER 16, 2005

By:   
Authorized Representative  
John M. Stone, Port Director

**Sublessee**

Date: 11-16-05

By:   
Authorized Representative  
Jeff Duvernay, President

29209

EXHIBIT III

TO LEASE AGREEMENT FOR FISHERIES AND MARINE-RELATED DEVELOPMENT OF UAS  
MARINE TECH CENTER, JUNEAU, ALASKA

MEMORANDUM SHORT FORM LEASE

This Memorandum Short Form Lease ("Short Form Lease") is made and entered into by and between the University of Alaska, a constitutional corporation organized and existing under the laws of the State of Alaska, 3356 College Road, Fairbanks, Alaska 99701 (hereinafter "Lessor"), and the City and Borough of Juneau, a municipal corporation, 155 South Seward Street, Juneau, Alaska 99801 (hereinafter "Lessee").

1. Long Form Lease. Lessor and Lessee entered into an agreement entitled "Lease Agreement for Fisheries and Marine-related Development of UAS Marine Tech Center, Juneau, Alaska," effective May 5, 1988, (hereinafter "Long Form Lease") for the lease of that certain real property (hereinafter "Leased Premises") together with all buildings, facilities, other improvements situated or located thereon, including the travel lift, situated in the Recording District, First Judicial District, State of Alaska, and more particularly described on Attachment "A" attached hereto and incorporated herein by this reference.

2. Short Form Lease. Lessor and Lessee are entering into this Short Form Lease for the purpose of incorporating the terms and conditions of the Long Form Lease and for the purpose of recording the lease of the Leased Premises. The Long Form Lease and all the terms and conditions thereof are by this reference incorporated herein and made a part hereof in all respects as if fully set forth therein. The Long Form Lease and the Short Form Lease shall be construed to be one lease and in the event there is any conflict between the terms and conditions thereof, the terms and conditions of the Long Form Lease shall control. The Long Form Lease and this Short Form Lease are collectively referred to herein as the "Lease."

3. Term. The term of the lease shall be thirty-three (33) years commencing on May 5, 1988, and expiring on May 4, 2021, unless sooner terminated or extended as provided in the Long Term Lease.

4. Option to Extend Term. Lessee is given the one-time option to extend the term of the lease on all the terms and conditions contained in the Long Form Lease with the exception of Section 4 thereof, for a thirty-three (33) year period following expiration of the initial term, by giving written notice of exercise of the option to Lessor at least ninety (90) days but not more than one hundred and eighty (180) days before the expiration of the term. The rental rate for the extended term shall be negotiated by Lessor and Lessee at that time as provided in the Long Form Lease.

5. Ownership of Improvements. All improvements constructed on the Leased Premises by Lessee shall be owned by Lessee until the expiration or earlier termination of the Lease. Upon expiration or earlier termination of the Lease, Lessee may remove and take all trade fixtures and other personal property and equipment it has placed on the Leased Premises. Lessee shall not remove any access roads, dock improvements, breakfront improvements, fencing, any well or sanitary system, any electrical or utility system, or any buildings without Lessor's prior written approval, all as set forth in the Long Form Lease.

6. Additional Provisions. Additional and supplementary terms, conditions, covenants and provisions pertaining to the Leased Premises are set forth in the Long Form Lease, executed copies of which shall be retained by Lessor and by Lessee to exhibit to any person having lawful right to knowledge of the details thereof, including without limitation, any and all purchasers, prospective purchasers, lenders, prospective lenders and title insurance companies.

LESSEE

CITY AND BOROUGH OF JUNEAU

By: Kevin Ritchie  
Kevin C. Ritchie  
City and Borough Manager

Approved as to form:

Barbara J. Blasco  
Barbara J. Blasco  
City and Borough Attorney

LESSOR

UNIVERSITY OF ALASKA

By: Donald Behrend  
Donald Behrend  
Executive Vice President  
and Provost

ACKNOWLEDGMENTS

STATE OF ALASKA )  
: ss  
FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 28<sup>th</sup> day of April, 1988, before me, the undersigned Notary Public, in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Kevin Ritchie, to me known to be the Manager of the City and Borough of Juneau, a municipal corporation organized and existing under the laws of the State of Alaska, and who acknowledged to me that he executed the within and foregoing Agreement on behalf of said corporation, as such officer thereof, by authority of its Assembly, as the voluntary act and deed of said corporation for the uses and purposes therein mentioned.

Patricia A. Polley  
Notary Public in and for Alaska  
My Commission Expires: 07-06-87

STATE OF ALASKA )  
: ss  
FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 6<sup>th</sup> day of May, 1988, before me, the undersigned Notary Public, in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Donald Behrend, to me known to be the Executive Vice President and Provost of the University of Alaska, a constitutional corporation organized and existing under the laws of the State of Alaska, and who acknowledged to me that he executed the within and foregoing Agreement on behalf of said corporation, as such Executive Vice President thereof, by authority of its Board of Regents, as the voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

Patricia A. Polley  
Notary Public in and for Alaska  
My Commission Expires: 07-06-87

Parcel "A"

That portion of Lot 2, Block 51 of the Tidelands Addition to the City of Juneau, within Alaska Tidelands Survey No. 3, in the Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning at the most westerly corner of said Lot 2, thence S 34° 28' 00" E, 246.94 feet along the common boundary of blocks 51 and 88; Thence, N 55° 32' 00" E, 251.85 feet, parallel with the southeast side of said Lot 2; thence, N 34° 28' 00" W, 148.82 feet, parallel with the southwest side of said Lot 2; thence N 55° 32' 00" E, 85.67 feet; thence, N 34° 44' 15" W, 35.60 feet to the northwesterly side of said Lot 2; thence S 73° 13' 00" W, 87.99 feet; thence S 87° 39' 00" W, 67.32 feet; thence S 55° 32' 00" W, 196.50 feet to the place of beginning.

Containing 65,443.1 square feet, more or less.

Parcel "B"

That portion of Lot 2, Block 51 of the Tidelands Addition to the City of Juneau, within Alaska Tidelands Survey No. 3, in the Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the southwest line of said Lot 2, said point being 246.94 feet, S 34° 28' 00" E from the most westerly corner of said lot. Thence S 34° 28' 00" E, 143.06 feet to the south corner of said Lot 2; thence N 55° 32' 00" E, 251.85 feet along the southeast side of said lot; thence N 34° 28' 00" W, 143.06 feet; thence S 55° 32' 00" W, 251.85 feet to the place of beginning.

Containing 36,029.7 square feet, more or less.

Parcel "C"

Those fractions of Lot 2A and 2B of Plat No. 79-1W, within Lot 2 Block 51 of the Tidelands Addition to the City of Juneau, in Alaska Tidelands Survey No. 3, Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the northwesterly line of said Lot 2A, said point being 251.53 feet, S 55° 32' 00" W from the most northerly corner of said Lot 2. Thence: N 55° 32' 00" E, 105.51 feet along said northwesterly line; thence S 48° 36' 00" E, 135.58 feet to the P.C. of a curve to the right having a radius of 20.00 feet, "Δ" of 104.08' and a length of 36.35 feet; thence S 3° 28' 00" W, 31.55 feet along the chord of said curve, to the P.T.; thence, S 55° 32' 00" W, 119.22 feet; thence N 34° 28' 00" W, 156.36 feet to the place of beginning.

Containing 19,425.6 square feet, more or less.

ATTACHMENT "A"

TO MEMORANDUM SHORT FORM LEASE

BOOK 0547 PAGE 723

Access Corridor 1

That portion of Lot 2A, of Plat No. 79-1W, within Lot 2, Block 51 of the Tidelands Addition to the City of Juneau, in Alaska Tidelands Survey No. 3, Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the northwesterly line of said Lot 2A, said point being 251.53 feet, S 55° 32' 00" W from the most northerly corner of said Lot 2. Thence S 34° 28' 00" E, 179.36 feet; thence, S 55° 32' 00" W, 114.31 feet, thence, N 34° 28' 00" W, 151.82 feet; thence N 55° 32' 00" E, 85.67 feet, thence N 34° 44' 42" W, 35.60 feet to the northwesterly line of said Lot 2A; thence, N 75° 13' 00" E, 26.53 feet along said line to an angle point; thence, N 55° 32' 00" E, 3.69 feet to the place of beginning.

Except that portion, lying within the above parcel, described as follows:

Beginning 283.51 feet, S 44° 46' 20" W from the most north corner of said Lot 2. Thence S 34° 28' 00" E, 103.42 feet; thence, S 55° 32' 00" W, 66.14 feet; thence, N 34° 28' 00" W, 103.42 feet; thence, N 55° 32' 00" E, 66.14 feet to the place of beginning.

Containing 11,404.9 square feet, more or less, net area.

Access Corridor 2

That portion of Lot 2, Block 51 of the Tidelands Addition to the City of Juneau in the Alaska Tidelands Survey No. 3, within the Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the southeast line of Parcel "C" described above, said point being 204.82 feet, S 5° 46' 12" W from the north corner of said Lot 2. Thence, S 34° 28' 00" E, 14.00 feet; thence S 45° 46' 30" W, 254.77 feet to the loading dock; thence N 34° 54' 22" W, 28.39 feet; thence N 45° 46' 30" E, 169.90 feet to the southeast line of said Parcel "C"; thence N 55° 32' 00" E, 83.86 feet to the place of beginning.

Containing 6,535.8 square feet, more or less.

Access Corridor 3

Those portions of Lot 2A and Lot 2B of Plat No. 79-1W, lying within Lot 2, Block 51 of the Tidelands Addition to the City of Juneau, within Alaska Tidelands Survey No. 3, Juneau Recording District, First Judicial District, State of Alaska, more particularly described as follows:

Beginning on the northwest side of said Lot 2A, said point being S 55° 32' 00" W, 117.15 feet from the north corner of said Lot 2. Thence, S 55° 32' 00" W, 28.87 feet, along said northwest line; thence, S 48° 36' 00" E, 200.00 feet; thence, S 70° 22' 45" E, 172.21 feet to the southeasterly line of said Lot 2; thence N 55° 32' 00" E, 34.57 feet along said line; thence, N 70° 22' 45" W, 187.10 feet; thence, N 48° 36' 00" W, 187.56 feet to the place of beginning.

RECORDING DISTRICT  
JUNEAU

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REQUESTED BY



#### 53.20.080 - Term of lease.

Leases may be issued for a period not to exceed 35 years. The term of any given lease shall depend upon the desirability of the proposed use, the amount of investment in improvements proposed and made and the nature of improvement proposed with respect to the durability and time required to amortize the proposed investment.

(CBJ Code 1970, § 53.20.080; Serial No. 71-45, § 4, 1971; Serial No. 83-09, § 7, 1983; Serial No. 97-07, § 17, 1997)

#### 53.20.090 - Renewal of lease.

If at the expiration of the lease of any lands under this chapter the lessee desires a renewal lease of the lands, properties or interests covered thereby, the lessee shall, not sooner than 60 days prior to the expiration, and not later than 30 calendar days prior to the expiration, make application for the renewal lease in writing on forms provided entitled "Application for Renewal of Lease," certifying under oath as to the character and value of all improvements existing on the lands, properties or interests, the purpose for which the lessee desires a renewal lease and such other information as the manager may require to evaluate the renewal. The applicant shall deposit \$25.00 if the lease does not require public bidding or \$50.00 if the lease does require public bidding. The manager may thereupon lease the lands in compliance with all sections of this chapter with a preference being allowed to the former lessee if all other pertinent factors are substantially equivalent. The date that the application for renewal of lease is presented to the manager, as evidenced by the City and Borough receipt date stamped thereon, whether delivered or forwarded by regular mail, certified or registered mail, shall be conclusive.

(CBJ Code 1970, § 53.20.090; Serial No. 71-45, § 4, 1971; Serial No. 83-09, § 8, 1983)

#### 53.20.100 - Preference privilege.

A lessee under an existing lease shall, upon the expiration or the termination by mutual agreement, be allowed a preference privilege to re-lease those lands previously leased by him or her if all other factors are substantially equivalent. If the lease offered the preference privilege holder does not exceed a term of ten years, the manager may permit the preference privilege holder to re-lease the subject lands under the same procedure, conditions and terms as the expired lease, except that the rental rate shall be reviewed and adjusted before re-leasing, and the assembly must approve the re-lease. The preference privilege holder shall exercise that right within 30 calendar days after the lease is offered by the manager. Failure to do so shall result in forfeiture and cancellation of the preference privilege. If the lease is put up for public bidding, the preference privilege holder shall at the close of the bidding indicate if the preference privilege holder wishes to exercise that preference privilege and meet the highest bid. If the preference privilege holder does so choose, all the requirements of this title shall be met. If the preference privilege holder does not choose to exercise that preference privilege at this time, or if the requirements of this title are not fulfilled, the preference privilege is then forfeited and canceled. No preference privilege shall inure to a lessee whose lease has been canceled or terminated for cause.

(CBJ Code 1970, § 53.20.100; Serial No. 71-45, § 4, 1971)



# Port of Juneau

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

**From:** Port Director  
**To:** Dock & Harbors Board  
**Via:** Dock & Harbors Operations-Planning Committee  
**Date:** October 19<sup>th</sup>, 2020  
**Re:** STATTER HARBOR – FOR HIRE FLOAT – FEE DISCUSSION

1. Statter Phase III(B) is scheduled for completion on May 28<sup>th</sup>, 2021. This infrastructure investment will benefit all Statter users but especially the charter vessel operators. Discussions regarding the appropriate fee structure for the charter vessel are in the infancy but this document helps to bracket what is a fair rate to apply to those using the for hire floats, once they become operational.

Statter Phase III	Construction Award
III (A) – Dredging	\$4.1M
III (B) - Floats	\$4.3M
III (C) – Uplands	\$4M (Estimated)
Total	\$12.4M

Phase III (C) is not yet fully designed but will provide restrooms, covered waiting area, curb & gutter and paving for the parking lot. The CLIA Settlement in 2019 did not object to using 75% of head tax in support of the Statter Phase III project. This implies that 25% must come from Harbor Enterprise fund or local CBJ match. We have sufficient Harbors Enterprise match for Phase III(A) and III(B).

2. The latest FY20 Available Fund Balance Summary:

	Revenue (FY20)	Expenditure (FY20)	Fund Balance (7/1/2020)
Docks Enterprise	\$1,708,507	\$1,399,191	\$2,588,939 (+\$309,316)
Harbor Enterprise	\$4,570,689	\$3,995,742	\$389,812 (+\$574,947)

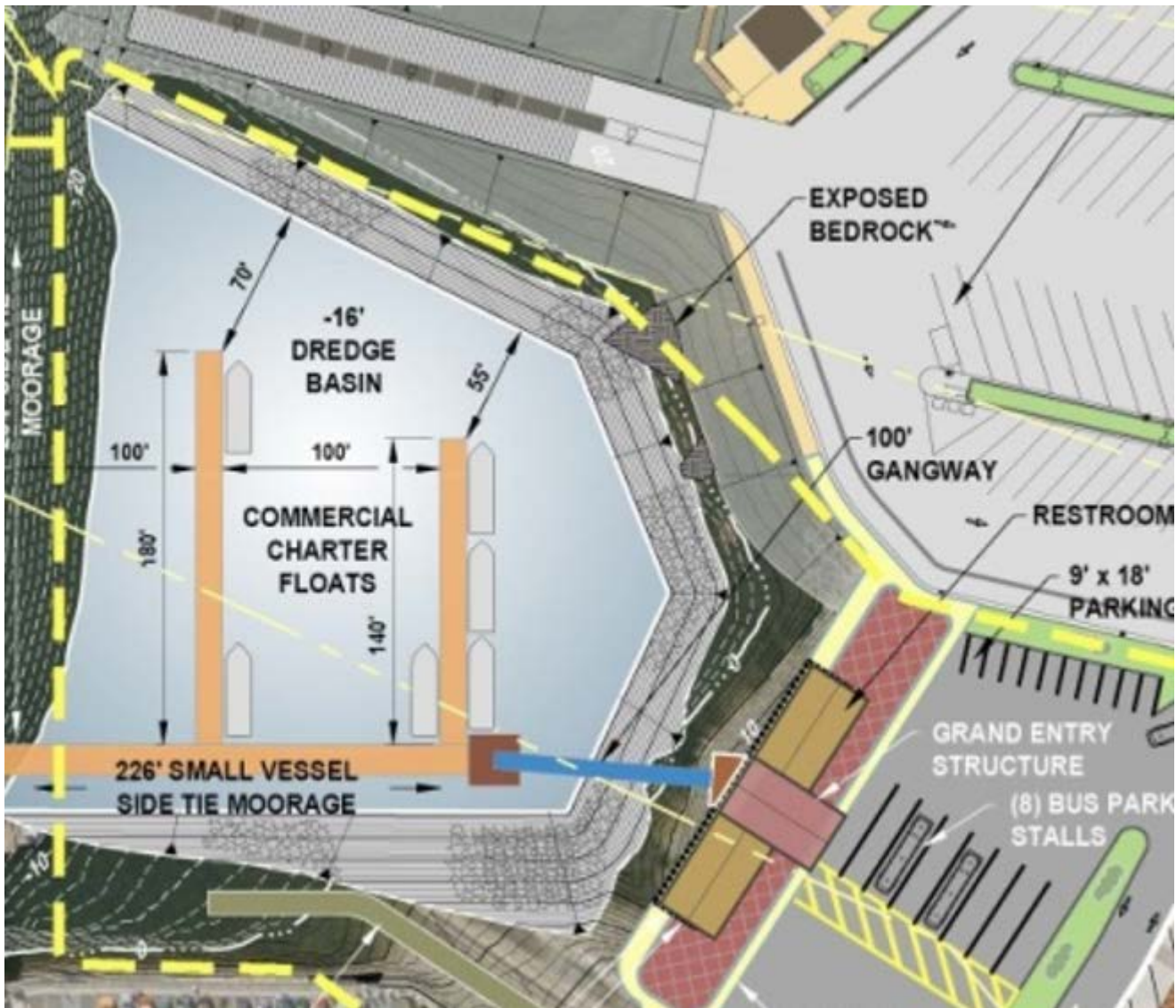
3. Currently the charter operator using Statter Harbor pay moorage (\$7.35/linear foot) and pay a passenger for hire fee as described in regulations (05 CBJAC 20.080 - Passenger-for-hire fee) for inspected vessels as \$518.00 per vessel plus \$1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity, adjusted annually for Anchorage CPI. It is our intentions that the newly constructed for-hire floats will be primarily used for Inspected Vessels and we will manage the Uninspected Vessels (i.e. 6 passenger operator) outside of the new facility. In 2019, Docks & Harbors collected \$150,703.50 under the Passenger-for-hire fee and \$73,780 from moorage from the vessels engaged in this activity. Collectively we received \$224,483.50 from the inspected charter operations in Statter Harbor.

4. In an attempt to discuss the appropriate fee structure, the following comments may be appropriate to consider:
  - Estimated construction award cost Phase III (all phases) is \$12.4M.
  - Estimate permitting, design, construction inspection & contract administration adds 17% to \$14.5M.
  - CLIA Settlement allows up to \$11M to be funded with head tax.
  - Harbor match of approximately \$3M is required – of which \$2M has been accounted for.
  - The user group which most benefits from Statter Phase III is the Inspected Charter Vessel Operators.
  - In 2019, the Inspected Charter Vessel Operators paid nearly \$225K.
  - There are 8896 square feet of new floats in Phase III(C).
  - For the Statter Phase III construction (all phases), the approximate cost is \$1600/sf.
  - The approximate cost per of new float at Douglas Harbor was \$360/sf (excludes USACE dredging).
  - The approximate cost per of new float at Aurora Harbors (Phase I & II) was \$273/sf.
  
5. At the October 15<sup>th</sup> Dock & Harbors Finance Sub-Committee meeting, it was recommend no new fees be implemented in the 2021 Calendar year. The Sub-committee agreed to continue to work on appropriate new passenger for hire rates applicable to Statter Harbor operations. The next meeting is proposed in late November.

#

Encl: (1) Rendering Statter Harbor Improvements  
(2) Large Scale – Statter Harbor Phase III  
(3) Revenue Collected by Passenger For Hire Fees





## Passenger For Hire Trends

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Total # of Uninspected Companies (Total Boats)</b>	18 (26)	13 (19)	11 (17)	15 (23)	10 (19)	13 (24)	16 (40)	12 (30)	10 (22)	11 (25)	10 (26)
<b>Boat Fee</b>	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$100.00	\$150.00	\$151.00	\$156.00
<b>Passenger Fee</b>	\$15 per seat one time fee	\$15 per seat one time fee	\$15 per seat one time fee	\$15 per seat one time fee	\$15 per seat one time fee	\$15 per seat one time fee	\$1.00	\$1.25	\$1.50	\$1.50	\$1.50
<b>Uninspected Vessels per passenger totals \$</b>	\$2,299.95	\$5,700.00	\$5,100.00	\$2,070.00	\$5,700.00	\$2,160.00	\$8,725.13	\$9,078.61	\$9,517.50	\$8,818.50	\$9,291.00
<b>Total # of Inspected Vessel Companies (Total Boats)</b>	8 (13)	9 (27)	5 (17)	7 (21)	7 (19)	7 (19)	7 (25)	7 (29)	8 (32)	9 (35)	10 (41)
<b>Boat Fee</b>	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$400.00	\$500.00	\$518.00	\$518.00
<b>Passenger Fee</b>	\$1.00	\$1.10	\$1.10	\$1.10	\$1.10	\$1.10	\$1.25	\$1.50	\$1.50	\$1.50	\$1.50
<b>Inspected Vessels per passenger totals \$</b>	\$45,571.16	\$38,616.10	\$51,408.00	\$65,929.66	\$57,842.49	\$57,855.24	\$85,770.20	\$106,518.40	\$82,826.00	\$119,979.00	\$150,703.50



# Port of Juneau

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

**From:** Port Director  
**To:** Dock & Harbors Board  
**Via:** Dock & Harbors Operations-Planning Committee  
**Date:** October 21<sup>th</sup>, 2020  
**Re:** CAPITAL IMPROVEMENT PROJECT (CIP) - FUNDS

1. Docks & Harbors needs to begin reviewing the CIP project list and adjusting strategically to meet needs of the community. Enclosure (1) is an accounting sheet showing the balance of CIP funds. Of particular note is the current balance in H51-125 Aurora Harbor Improvements which is at \$461,507. This amount of Harbor Enterprise funds plus \$1.5M of 2017 1% Sale Tax Commitment from the 2017 is our match for the ADOT Harbor Grant program. Unfortunately, based on the ADOT scoring for the program, it is extremely unlikely that Docks & Harbors will be successful again this legislative session in the matching grant program.
2. I request the Board discuss whether to move the Harbor Enterprise funds to other CIP or projects which will have an more immediate benefit to the CBJ harbor community. This could include payment to UA should the Fishermen Terminal be offered for sale or for Harbor matching funds to complete Statter Phase III.
3. Statter Phase III(B) is scheduled for completion on May 28<sup>th</sup>, 2021. This infrastructure investment will benefit all Statter users but especially the charter vessel operators. Discussions regarding the appropriate fee structure for the charter vessel are in the infancy.

Statter Phase III	Construction Award
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Phase III (C) is not yet fully designed but will provide restrooms, covered waiting area, curb & gutter and paving for the parking lot. The CLIA Settlement in 2019 did not object to using 75% of head tax in support of the Statter Phase III project. This implies that 25% must come from Harbor Enterprise fund or local CBJ match. We have sufficient Harbors Enterprise match for Phase III(A) and III(B). There is currently \$635K in the Statter Phase III project which include contingency for Phase III(B).

#

Encl (1): Activity Status Report - Waterfront CIP

# Activities One Liner Report

JJ401 Date 10/21/20  
Time 09:57

Activity Status Report

Page 1

Activity Group: CIP  
Project Manager:

Activity	Description	Budget	Commitments	Actuals	Funds Available
H51-083	Marine Pk/Steamship Whrf II	163,546.34	0.00	163,546.34	0.00
H51-092	Waterfront Seawalk II	15,299,208.49	10,333.15	15,230,740.83	58,134.51
H51-100	Aurora Harbor Improvements	15,842,719.71	0.00	15,842,719.71	0.00
H51-104	Dock Cathodic Protection	830,968.07	0.00	830,968.07	0.00
H51-105	Amalga Fish Cleaning Station	66,897.85	0.00	66,897.85	0.00
H51-107	Tug Assist	120,920.00	0.00	14,300.00	106,620.00
H51-108	Statter Improv-Phase III	11,524,745.25	5,142,948.20	5,747,581.17	634,215.88
H51-110	Visitor Info Kiosk Replmt-Desi	277,289.60	0.00	277,289.60	0.00
H51-112	Dwntwn Restrooms Location/Desi	575,000.00	0.00	1,856.70	573,143.30
H51-113	Waterfront Seawalk	697,780.00	70,142.53	607,176.19	20,461.28
H51-116	MPtoTaku Upland Imprv/Archiplg	19,546,875.96	3,321,235.34	14,980,366.07	1,245,274.55
H51-117	ABMS Maint & Impr	263,634.31	0.00	263,364.31	270.00
H51-118	Public/Private Port Infrastruc	150,000.00	0.00	918.11	149,081.89
H51-119	Small Cruiseshp Moorg	150,000.00	39,330.90	93,037.56	17,631.54
H51-120	Seawalk Major Maintenance	216,453.66	50,000.00	26,106.49	140,347.17
H51-121	Pile Anode Installation	346,555.39	67,349.50	121,265.73	157,940.16
H51-122	Dock Security Stations	698,999.66	19,615.50	668,221.60	11,162.56
H51-123	Weather Monitor & Communicatio	32,651.89	0.00	15,250.00	17,401.89
H51-124	Lrg Berth Shore Pwr Design	300,000.00	226,895.00	0.00	73,105.00
H51-125	Aurora Harbor Improvements	609,221.17	140,950.79	6,762.97	461,507.41
H51-126	Harris Harbor Pump Out	60,000.00	0.00	0.00	60,000.00
TOTALS:		67,773,467.35	9,088,800.91	54,958,369.30	3,726,297.14
REPORT TOTALS:		67,773,467.35	9,088,800.91	54,958,369.30	3,726,297.14



# 2021

January							February							March						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2		1	2	3	4	5	6		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28							28	29	30	31			
31																				

April							May							June						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3							1			1	2	3	4	5
4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
							30	31												

July							August							September						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3	1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31	29	29	30	31				26	27	28	29	30		

October							November							December						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2		1	2	3	4	5	6				1	2	3	4
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	
31																				

■ Operations/CIP - ????



■ Board/



■ Finance Sub – Teena