

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES
For Wednesday June 8th, 2022

I. Call to Order - Mr. Becker called the Special Board Meeting to order at 5:00pm in CBJ Room 224 also via Zoom.

II. Roll Call The following member were in CBJ Room 224 or via Zoom meeting - Paul Grant, David Larkin, Matthew Leither, Mark Ridgway, Annette Smith, Bob Wostmann, James Becker and Don Etheridge.

Absent – Lacey Derr

Also in attendance – Carl Uchytel – Port Director, Matthew Creswell – Harbormaster, Erich Schaal – Port Engineer, and Teena Larson – Administrative Officer.

III. Approval of Agenda

Mr. Uchytel requested to do action item #2 before #1 because Mr. Ben Brown with CBJ Law was going to have to leave at 5:30.

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

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items - None

IV. Action Items

1. Bid Award: Marine Park Deckover (BE21-203)

Port Engineer Schaal: This project will connect the northern edge of the Alaska Steamship wharf to the part of Marine Park that used to be segregated by the gangway to the old lightering float. The project was initiated by the CBJ Engineering Department, and that's where it was originally funded. You'll notice some artifacts of that history in the project and contract naming. Docks and Harbors received the project when Engineering was having staffing issues due to turn over. Photos depicting the current condition of the dock included one showing the gap left when the gangway was removed from the lightering float during the cruise ship berth construction project. The Board was shown a color-coded version of the construction plan, which includes a sloped timbered ramp, a new concrete landing, and some new landscaping mirroring near Bernadette's BBQ. This project would complete a walking-driving avenue on the existing Seawalk down a grade break to a seated bench area. This concept is the precursor to a new park planning study by Parks and Recreation, to determine what the future Marine Park looks like, so that may lead to some updates, depending on what comes out of the public process. As mentioned at other Harbor Board meetings, this is a unique project, because it is very expensive for the square footage. The original engineer's estimate brought comments about the expense and now with inflation and the current bidding climate, there are increases for most products and shipping. The original estimate included a little bit of everything, plus

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES
For Wednesday, June 8th, 2022

provisions to address ADA compliance. The custom nature of fitting the old infrastructure with new, plus added features like landscaping and drainage, adds to the cost of the project.

Port Director Uchytel: Today we had a bid opening. Part of what is driving the urgency of this is that we need to advertise to give the bidder enough time to prepare and submit, while also opening the bids in time for the Assembly to approve, which they must do for all awards over \$100,000; they only meet once in June, July, and August. There was one bidder, Trucano Construction, Inc. for \$2.5 million. The engineer's estimate was \$1.8M. Costs that were driving up the contractor's bid were materials: concrete is twice the engineers estimate and timber is 150% more. Mobilization and demolition were also twice as high as the estimate and contractors are fighting procurement and material issues as well. We have enough money to award. I consulted with the City Manager who recommended bringing the matter before the Assembly. We will need roughly \$100,000 more for project contingency purposes.

Board Questions

Mr. Wostmann: Am I to understand that the source of funding is not Docks and Harbors funds, but CBJ Engineering funds?

Port Director Uchytel: CBJ received a significant amount from the American Rescue Plan Act monies (ARPA) and the City Manager recommended \$2.5M for this project and \$3.0M for Statter Harbor. There were other requests, but that's what we ended up with. It was money that was unburdened, meaning it could have gone to any project. There might also have been some head tax money. The city got about \$16 million, total.

Mr. Wostmann: It's a huge amount of money for a small park. What's the driving motivation to do this at all, aesthetics, or is there another benefit? If Parks & Rec is going to redesign the entire area, why not fold this into their project?

Port Director Uchytel: Parks & Rec has wanted to do a project at Marine Park for ten years, but haven't moved on anything yet, maybe it's a funding thing, but we don't know when Marine Park will be developed. The idea of this project, and the vision of the City Manager is to extend the continuity of the Seawalk with no dead end, which would allow people to move between downtown and Marine Park.

Mr. Ridgway: I share the same questions as Mr. Wostmann. This is just a few dollars short of \$1,000/sf construction cost; I don't believe I've ever seen that in Alaska. When was the last time we updated our engineer's cost estimate? And, what's the significant impact of delaying this, other than we might lose out on the funds?

Port Director Uchytel: We already put out the announcement and received a bid. If you want the project done, you need to do it now. It's not fair to the bidder to expose their numbers and then bid it again. Typically you don't close the bidding, see numbers you don't like, and reopen the process. At least without substantial changes being made to the project.

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES
For Wednesday, June 8th, 2022

Mr. Ridgway: As far as I know, this is a responsive and reasonable bid in today's climate. I'm not asking about de-scoping, I'm asking about the validity of the entire project. A park, to me, is something for a lot of people, local folks. Given the expensive nature of this type of work, and things probably won't get cheaper, I wonder about the possibility that the design will get amended after Parks and Rec's input. How much input for our design did we seek out from Parks and Rec?

Port Engineer Schaal: We had a COVID cost escalation at the first of the year of about 25%.

Mr. Grant: How does this relate to the pipe dream that some of us have of having a lightering float there in the future? Are we spending money that would be used for that?

Port Engineer Schaal: Mr. Ridgway, Ms. Smith and I met last fall to talk about the lightering float and other master planning study plans for the sea walk. One solution that I see as feasible – if the public and the Board and others agree - is that future developments of the Seawalk near The Hanger could involve some floating elements. That use would need to coincide with some critical thinking on the exact location of Wings Airways. There have been requests to re-attach a water connection for the public to access that float. The float could take a new form as some sort of floating Seawalk element in that general location. While that does not directly replace the gangway that was removed in 2016, there are some ideas on the table for that location that could provide water access again to both visitors and locals.

Mr. Wostmann: Am I to understand that, should that come to fruition, then this project would end up being undone, at least partially, in order to accommodate that?

Port Engineer Schaal: This project would not relate to that connection – it would be more in the Wings Airway location. With this location, we are bound by all these existing structures. The way the Alaska Steamship dock was built, it's the highest section of dock that we have. At some point we have to address all the grade changes. If we are going to add to the pedestrian flow, it will tie into the existing boundaries of the Marine Park proper, which Parks and Rec is going to reimagine after public comment. I don't see this project negatively impacting that idea, it's going to add to the square footage and provide a broader canvas to reimagine that area. I've seen multiple concepts for Marine Park and they all involve expansion; more deck, more square footage, and this adds to that. I haven't seen any that make it smaller, so we think we will see an expansion, versus a reduction. I don't see this project being torn out because of something that's found in the Park master plan.

Port Director Uchtyl: Docks and Harbors inherited this project from Engineering. I can't say that we would not have brought this to the Board and said it's a great idea, but it's a project that we inherited from the Engineering Department after they lost an engineer. We had the capacity to take the project to execution and told them we'd love to do that. So that's where we're at, processwise. Right or wrong, I don't think the Board members should be looking at this project as whether or not it's a bad project, or something they would or wouldn't vote for. I don't think that's the reason we're here today. The

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES
For Wednesday, June 8th, 2022

contractor put a lot of money and effort into putting a bid together, and I think that's really the question for the Board.

Mr. Ridgway: Obviously these are not the questions to ask and I appreciate Carl bringing us back to recalling that it was an Engineering Department project that was handed to us for execution – I think that's very important to consider. You're doing a great job of answering the Board's questions about the project and costs, and I think that should inform us in the future. We want to be careful about the terms we use during a bid opening – I used 'validity' inappropriately. We're stuck with exactly what Carl said, this question is thumbs up, thumbs down and there's no ifs, ands, or buts about it.

Mr. Leither: A lot of these questions appear moot if the city already gave us the money and told us what we are going to do with it. Is that a fair assessment?

Mr. Becker: There is a nodding of heads, 'yes'.

Mr. Larkin: I'm having difficulty visualizing the location of the new construction on the graphics provided.

Port Engineer Schaal: Clarified the layout of the project for the Board.

Ms. Smith: What happens if we vote this down?

Port Director Uchytel: What I would probably do, unless the Board gave me specific directions, is say that the bids opened today, the bidder was this, the Docks and Harbors Board recommended not to approve it – then send it to the Assembly for their action. The way the code reads, the Board does not have to approve – the code is written that the Assembly approves projects over \$100,000. No place in code says the Board approves projects over \$100,000. It's kind of implied, since staff brings things through a Board that then goes to an Assembly, but there is nothing that says that if the Board disapproves something that the Assembly can't approve it. That is a possibility.

Mr. Larkin: If the City was going to do this, and they handed it to us and gave us the money to do it, could they just take it back and do it anyway?

Port Director Uchytel: Yes.

Port Engineer Schaal: This could have stayed with Engineering and would never have come in front of the Board; it could have gone straight to the Assembly and been built. There is also another use that's minor, but actually really important, especially now with the number of vessels we have downtown. The longshore and cruise ship industries are regularly using the first bollard and a truck to pull up to the dolphin. This is blocking off the Seawalk and is very disruptive. This project will add gates to improve the situation for all involved; we'll see an immediate reduction in safety concerns for our facility. This project is also a good reminder that Parks & Rec will be meeting soon. I'll bring you updates, but also encourage the Board to work with Engineering and Parks & Rec, and get involved in the public process.

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES
For Wednesday, June 8th, 2022

Mr. Ridgway: What designs, in your tenure, has this Board impacted through our input? Was that difficult? Would you like to see us do more/less of it, or can we do a better job? I'm trying to think of any design that has been impacted by the Board – I just don't know.

Port Director Uchytel: Think back to the 2006 Statter Harbor master plan. One of the examples there was the For Hire Float, which was disconnected from the harbor. Board member Bob James and charter operator Doug Ward suggested connecting the float to a new approach ramp and tying them together. That made perfect sense – it got done and now there are two entrances for Statter Harbor. There is always room for improvement – no one on staff thinks we have all the answers; public meetings are good - people have good ideas.

Port Engineer Schaal: Then there were the two planning studies. During the discussion on Norway Point to Bridge Park many Board members shared what was important to them. Same with Marine Park to Taku Smokeries. These planning exercises resulted in an outdoor space being envisioned for Peratrovich Plaza. It takes time to work through it, but we are incrementally grabbing the ideas from those planning processes and building them.

Public Comment - None

Board Discussion/Action

Mr. Etheridge: It's a better opportunity for us if we get to design a project, rather than letting Parks & Rec do it and say we've got to live with it. We can design something that works for our operation on the waterfront if we maintain control of a project.

MOTION By MR. RIDGWAY: TO RECOMMEND THE ASSEMBLY APPROVE BID AWARD BE21-203 FOR THE MARINE PARK DECKOVER TO TRUCANO CONSTRUCTION COMPANY, INC, IN THE AMOUNT OF \$2,504,284, AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

2. Resolution 2987 – Potential NOAA Dock Conveyance

Port Director Uchytel said that things have been moving fast on this project since early May. He referenced a cover letter and resolution in the Board's meeting packet (pp.4-5) and described a series of recent meetings and a tour he and Harbormaster Creswell conducted with the ADFG Commissioner regarding potential conveyance of the 2.4 acre downtown NOAA dock facility to CBJ at fair market value. This is part of a process to better utilize the Juneau waterfront. ADFG Commissioner Doug Vincent-Lang originally expressed concerns about the impact of this conveyance on ADFG's ongoing use of warehouse and moorage facilities, which have been used in support of the 110' research vessel MV Medeia that is moored in Harris Harbor. ADFG's use of the facility is provided for under an existing use agreement with NOAA. After several meetings with ADFG, proposed Resolution 2987 was developed to help reassure the state that CBJ is committed

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES
For Wednesday, June 8th, 2022

to ensuring ADFG's ongoing use of the facility. He noted that the CBJ legal staff produced a cleaner draft of the resolution than is found in the packet, but he thinks the changes are editorial and not substantive (hard copies were distributed at the meeting). Lobbyist Kevin Jardell has informed him that Commissioner Vincent-Lang's concerns have been alleviated, and that ADFG and the Governor's office support the current resolution, as written. CBJ Docks and Harbors wrote the Congressional Delegation and worked through the CBJ lobbyist in D.C. to secure support for the conveyance from Senators Sullivan and Murkowski. Senator Dan Sullivan has indicated a willingness to work with Senator Cantwell, chair of the Senate Committee on Commerce, Science and Transportation, to advance legislation authorizing the Department of Commerce (DOC) to enter into negotiations with an intent to convey the property to CBJ; the legislation would also allow the Marine Administration (MARAD) to receive funding. The National Defense Authorization Act (NDAA) is the anticipated vehicle for the legislation.

Board Questions

Mr. Ridgway: Requested clarification about ADFG's interest in this property.

Mr. Uchytel: There is currently a 30-year Memorandum of Agreement (MOA) between NOAA and ADFG (2004-2034) providing for ADFG's use of the property. He thinks ADFG funded construction of the warehouse, which includes an office for the skipper of the MV Medeia. ADFG uses the NOAA dock to change out their gear. Since the NOAA Dock is, for all intents and purposes, condemned, ADFG is looking for different work space. CBJ Docks and Harbors has been helping them with temporary accommodations and ADFG might eventually work out an agreement to use the USCG dock. There are two federal owners of the dock space in question, but NOAA's side is currently unusable.

Mr. Grant: Asks about liability associated with the 2nd whereas clause and whether there is a cost estimate for getting the facility into useable shape. How does this fit into the master plan? Are we taking on a large liability without a way to pay for it?

Port Director Uchytel: A 2016 report suggested \$2 million for the repairs necessary to make it a useable facility. NOAA has estimated about \$5 million. This is factored into a current plan. The Small Cruise Ship Infrastructure Plan identifies this as a dilapidated pier and someone else's property in need of conveyance or easement in order to move forward; the \$25 million cost associated with that plan includes investment in the NOAA dock.

Port Engineer Schaal: The Assembly has long wanted CBJ to manage its own waterfront and identified this property as part of the long term build out plan, along with the Seawalk initiative. Regaining control of the dock facility has been on their priority list and it is recognized that it will be a costly replacement project. There are multiple avenues, if we receive this property, to come up with a long term plan to replace and improve the facility as it becomes a city managed waterfront facility again, and not a mostly empty federal facility.

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES
For Wednesday, June 8th, 2022

Mr. Ridgway: Since the MV Medeia can't currently use the dock, is this just letting ADFG know that we'll work with them to make sure they can perform their functions and offload gear, as opposed to committing use of that specific facility for the MV Medeia?

Port Director Uchytel: Said the resolution is just to reassure ADFG and our other government partners that CBJ will always try to help them with their waterfront needs. Commissioner Vincent-Lang was concerned about whether this commitment will be upheld by the Assembly in future years and wanted to discuss an MOA or lease agreement. Mr. Uchytel felt it was way too early in the process for that, since the conveyance might not even happen, but wanted to assure the users that we aren't going to squeeze them out. He says they will find a way to keep the MV Medeia whole.

Mr. Ridgway: What is the plan for helping the MV Medeia – how can we best support ADFG in the interim if the dock is condemned and they can't use it currently? Is there anything we can do for ADFG?

Harbormaster Creswell: Yes there is. They are already being accommodated at the Juneau Fishermen's Terminal dock. Mr. Osborn and staff are working with them. There is also the USCG pier that they used this week. The MV Medeia crew is very communicative about their schedule and have been great to work with.

Mr. Grant: Mr. Brown, what kind of liability does this impose upon us financially?

Mr. Brown: I don't think it imposes any liability on the city, financially, because it is a resolution of intent. All actions taken pursuant to the resolution will be taken – if things move really quickly - by the next elected Assembly, at the earliest. I think Mr. Uchytel described the history that got us here very accurately. The ADFG Commissioner was concerned about the potential that, without something in writing, CBJ wouldn't be inclined to pay heed to their existing use agreement with NOAA. This puts out there that if the Harbor Board forwards, and the Assembly adopts, this resolution, the current Assembly members will be on record expressing their intent to honor the agreement. But as far as any actual liability, I don't see any arising from the passage of this resolution by the Harbor Board or Assembly.

Ms. Smith: Do we have any idea what fair market is for this?

Port Director Uchytel: The three acre sub port is 200 yards away and sold for \$20M, so it could be as much as \$20M. Language going into the National Defense Authorization Act to allow the City to negotiate with the Secretary of Commerce, which could include some form of 'in kind' payment. It's a multi-million dollar facility, and we have some ideas about how to do it cheaply, but it's not going to be a fair market bid-type transaction.

Public Comment – None

Board Discussion/Action

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES
For Wednesday, June 8th, 2022

Mr. Ridgway: Commends staff for moving so quickly and coordinating with ADFG. He noted that this is a key and irreplaceable piece of infrastructure in the heart of downtown Juneau, which the Harbor Board has been interested in for over ten years. He is in support of moving the resolution forward, given the attorney's comments and Harbormaster Creswell's statements about being able to help out ADFG.

Mr. Grant: I am voting in favor, but reminded of the old song - *Money for nothing and your docks are free...* it concerns me that at some point during this process we are going to find ourselves with a maintenance problem and another capitol construction project that we don't know how to pay for. On the assurance that this won't happen with this very resolution, I'm going to vote for it, but it makes me nervous.

Mr. Ridgway: I would concur with Mr. Grant that this definitely has some nervous elements. I don't think of a song, I think of the facility out at Auke Bay that is a maintenance nightmare. But this facility is key to the long-term plan. We aren't making new waterfront – it's already part of the master plan and will potentially add a massive amount to Juneau's economy with the small cruise ship build out. You're right, we should be wary, and need agreement with ADFG. But long-term thinking for Juneau, this is absolutely critical, in my opinion.

MOTION By MR. RIDGWAY: TO RECOMMEND THE ASSEMBLY ADOPT RESOLUTION 2987 SUPPORTING THE NOAA DOCK CONVEYANCE AND COMMITMENT TO ADFG TO MEET THEIR LOGISTICAL NEEDS AT THAT FACILITY AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

VI. Staff or Member Reports - None

VII. Adjournment – The meeting adjourned at 5:58PM