

# Proposed Work Plan for the Cold Storage Feasibility Project

Presented to the Juneau Docks and Harbors Board by the Fisheries Development Committee, April 29, 2010

## Juneau Fisheries Development Committee Direction

The Juneau Fisheries Development Committee (FDC), under the direction of Assembly resolution 2418, is carrying out its purpose to advise and assist the Assembly regarding the development of a cold storage facility. (Exhibit I) The following proposal seeks funding from the Juneau Docks & Harbor's (D&H) discretionary funds to update a decade old public cold storage feasibility study.

The FDC is prepared to handle a majority of the development work related to a cold storage facility, but requires seed funding to perform this function. Through this proposal, the FDC is seeking funds and administrative support from D&H for portions of the due diligence.

## Proposal Assumptions

The timelines set forth in this proposal assumes D&H approves the use of funding at its April 29, 2010 meeting, and concurrent approval is received by the CBJ Assembly at its May 17, 2010 meeting. There is an Assembly Finance Committee meeting May 12.

This proposal is developed without a thorough review of the City's procurement process. Timelines and tasks to be performed are expected to change based on the appropriate authority.

## Steps 1 – 2 seek whether the project is feasible.

- 1.) To update and fine tune the findings of the "Feasibility Analysis of a Publicly Owned Refrigerated Warehouse Facility for the City and Borough of Juneau" – prepared by Northern Economics, in association with MBA Consulting Engineers, March 1998.
- 2.) Analyze capital funding and organizational alternatives and prepare a complete set of recommendations for consideration by the Assembly.

Scope	Timeline	Cost/In-Kind
<b>Prepare solicitation.</b> All activities will follow CBJ's procurement procedures for this purpose and amount of funding. The solicitation seeks an update to the study in the areas of cost (for a range of sizes), site selection, demand, profitability, optimum design, technology driven cost savings, capital funding alternatives and organizational and management structures. The solicitation will also describe the evaluation criteria and review process. The FDC will provide an initial draft and work closely with D&H staff throughout solicitation development.	May 24 – June 18, 2010	D&H's administrative support.
<b>Issue solicitation:</b> Solicitation will be published in the Juneau Empire. FDC and D&H may also contact interested service providers.	June 21 – June 25, 2010	Advertising costs - \$350
<b>Bid preparation:</b> Time allowed for bid preparation.	June 21 – July 31, 2010	

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<b>Receive and review bids:</b> D&H staff, participating board members and FDC members will form a committee and evaluate bids.	August 2 – 27, 2010	D&H's administrative support.
<b>Award recipient:</b> Award recipient announced August 2. Remaining time allotted for appeals to the decision.	August 30 – September 30, 2010	D&H's administrative support.
<b>Project work:</b> Consultant will perform the work.	October 1– November 30, 2010	\$25,000 est.
<b>Report Findings:</b> Consultant will deliver feasibility update at first available FDC and D&H meetings.	December 2010	

### ***If the project appears feasible, Steps 3 – 4 will be taken in order.***

3.) Conduct local seafood industry focus groups and workshops regarding the proposed facility.

Scope	Timeline	Cost/In-Kind
<b>Set up public meetings.</b> Led by the FDC and Sea Grant Marine Advisory Program (MAP), organize and promote three public meetings on the cold storage facility. One venue will be an initial meeting specifically on the cold storage and results of the Feasibility Project. The other two meetings will be regular FDC meetings, but with additional notice to the public regarding requests for comment on the proposed cold storage facility.	December 2010.	FDC and MAP in-kind work.  \$500 for promotion and meeting space.
<b>Hold public meetings:</b> Led by the FDC and MAP, seek public comment on the proposed cold storage facility.	December 2010 – January 2011.	FDC and MAP in-kind work.
<b>Prepare public comment findings:</b> FDC and MAP will prepare public comment findings including presentation material and public comment received at the three meetings. Any written comment will also be included.	January 2011	FDC and MAP in-kind work.
<b>Present findings with recommendation:</b> At the earliest CBJ Assembly meetings, FDC will present its public comment findings and offer a recommendation regarding continued support the project.	By February 2011	FDC and MAP in-kind work.

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4.) Establish the legal structure for the entity that will operate the facility.

Scope	Timeline	Cost
<b>Set up public meeting.</b> Organize and promote FDC public meetings with interested parties regarding a management structure for a public cold storage facility. The purpose will be to determine the best management structure and organization for the cold storage facility. The attendees will determine the Cold Storage Management Team.	March 2011	FDC and MAP in-kind work.  \$200 for promotion and meeting space.

## **Docks & Harbors Questions Regarding Cold Storage Facility**

By Glenn Haight, member of the Fisheries Development Committee

April 27, 2010

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### **Why Docks & Harbors (D&H)?**

- A cold storage facility's primary purpose is to enhance Juneau as a seafood port by improving efficiencies and expanding the capacity of new and existing local seafood producers. If the facility improves the processing environment, it will enhance Juneau as a seafood port through increased deliveries. Ancillary benefits will fall to other providers of goods and services. Increased deliveries should have a positive impact on D&H and the City.
- Co-location of facility and/or equipment. The appropriate site for a cold storage facility is unclear and part of the feasibility work. It may or may not be on or close to the waterfront. Regardless, it is likely D&H might need to make infrastructure and equipment investments down the road to support increased deliveries. Better yet, increased activity may more fully utilize recent D&H investments.

**Why is fish tax receipts a good funding source?** The Alaska Department of Commerce, Community & Economic Development reports fish tax is paid based on where the reporting processor says it was processed. Therefore, if the cold storage held fish coming from Excursion Inlet, which is in the Haines Borough, it would not increase tax to the CBJ. However, if the cold storage increased the profitability of local seafood processors, enabling them to buy and process more fish, it would increase the fish tax to CBJ.

**Does Docks & Harbor's have the authority to fund the study?** It appears this question is one of "policy" and not so much "authority". The Deputy City Attorney Barbara Ritchie suggests D&H could fund the project through a resolution and an appropriation ordinance. Craig Duncan, Finance Director, suggests the project be grouped together in a broader seafood development plan. (Exhibit 1)

**Is there private match on the feasibility study?** The question was put to a number of local seafood processors. Those who responded are supportive of the project, but did not comment on putting funds into the feasibility study.

**A feasibility study should look at a range of facility sizes.** The board was concerned about the size of the facility in the original feasibility study and urged further work focus on feasibilities at various sizes. This concern is incorporated into the draft bid solicitation.

**Is this something the Juneau Economic Development Council could do?** JEDC is supportive of the project. The Sea Grant Marine Advisory Program worked with JEDC on putting together a grant proposal to USDA for the feasibility work. After a more detailed review of the grant source it was determined a difficult funding source to obtain, and likely not a good use of further resources. The grant program was the Rural Business Opportunity Grant. The suggestion of working with Docks & Harbors surfaced and attentions turned here. JEDC would be happy to work on the project if funds can be found.

**Has the FDC made Funding inquiries to the Juneau Legislative Delegation?** No, the FDC has not made any contact with the legislative delegation over any development project. At an early meeting the FDC discussed its role vis-à-vis the legislature and thought it would

# Docks & Harbors Questions Regarding Cold Storage Facility

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be beyond the “advisory” scope to the Assembly to lobby the Legislature without Assembly approval.

Moreover, Alaskans frequently look to the federal or state governments to pay for costs of government. Demonstration of local commitment to a project through self-funding is important for outside funders and improves the chance for large-scale funding. The feasibility work is a relatively low budget item. It appears a good strategy to devote local investment to low cost activities, while keeping our powder dry with large funders for bigger capital construction costs.

**Has the FDC had discussions with Mayor Botelho? Does the Mayor support the study or funding?** The FDC has not had formal discussions with Mayor Botelho regarding the project. However, in the authorizing resolution (#2418) for the FDC, signed by the Mayor, the Assembly specifically states a purpose of the FDC’s is to advise and assist in matters dealing with cold storage facilities. (Exhibit 2) The FDC mentioned its review of the “cold storage question” to the Assembly’s Human Resource Committee in its report March 15, 2010. (Exhibit 3)

**Are there other Docks & Harbors improvements for commercial fisheries?** Although not a conclusive or exhaustive review, the FDC launched a resident survey last summer and obtained the following suggestions related to docks & harbors. It should be noted the survey occurred during an time when most commercial fishermen were fishing and unable to respond to the survey. You will also note the suggestions related to a cold storage.

## Harbor Issues

- Auke Bay
  - Cranes, ice and cold storage facilities available for pay at Auke Bay
  - Separate boat ramp for commercial operations in Auke Bay
  - Drive-down dock in Auke Bay commercial use only
  - Upgrade Auke Bay haulout facilities to accommodate larger boats
  - Encourage development of a second fuel in or near Auke bay
- Larger boat haulout system
- New dock cranes
- Moorage availability for 58' and up longline vessels

## Commercial Fishing Related

- Nearby storage/staging areas for commercial fishing use
- Complete downtown fisherman's terminal @ University
- Better infrastructure for commercial fleet

## Seafood Processing

- Enable/enhance the commercial seafood processing infrastructure/capacity
- Additional/Greater processing capacity
- New ice machine in city ice house at Taku
- Ice machines for commercial use
- New fisheries processing/value added plant
- City dock expansion at Taku Fisheries
- Seafood-related industrial park in or near Auke Bay
- Improving quality of seafood products
- A facility to dispose of and make use of salmon waste

## Cold Storage

- A public Cold Storage that is not reserved for just the seafood companies like it is the case in Sitka.
- Better cold storage locations for fisheries and market
- Chilled storage to consolidate full-load shipping of fresh
- Temperature controlled holding facility for fresh product
- Cold storage for fresh frozen premium product
- Cold storage to allow winter value added

**Glenn Haight**

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**From:** John Stone  
**Sent:** Tuesday, April 20, 2010 3:18 PM  
**To:** Glenn Haight  
**Subject:** FW: Authority to Spend Money on an Feasibility Study

FYI

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**From:** Barbara Ritchie  
**Sent:** Wednesday, March 31, 2010 3:42 PM  
**To:** John Stone  
**Subject:** FW: Authority to Spend Money on an Feasibility Study

I have been working under a briefing deadline, thus just now getting back to this. See below -- comments on your question from me and Craig Duncan. I think the Board could do this with Assembly approval by resolution (and appropriation ord. as needed per Finance). I think Craig makes good points on how to best present this to the Assembly.

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**From:** Craig Duncan  
**Sent:** Friday, March 26, 2010 4:54 PM  
**To:** Barbara Ritchie  
**Subject:** RE: Authority to Spend Money on an Feasibility Study

Barbara,  
I don't have anything creative to the code. I can tell you that the Assembly has requested that we assist, if possible, AK Glacier Seafoods with issuing some debt to build a new ice plant and some possible freezer cold storage in Auke Bay. It seems to me that this should be grouped together in a comprehensive plan. To do that it should probably go on to the Assembly (as the COW).  
Craig W. Duncan  
Finance Director  
City and Borough of Juneau

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**From:** Barbara Ritchie  
**Sent:** Friday, March 26, 2010 11:18 AM  
**To:** Craig Duncan  
**Subject:** FW: Authority to Spend Money on an Feasibility Study

**Craig -- I would appreciate your thoughts on the email below and attachment (his email says \$30,000 and the memo says \$25,000 but the point is the authority and process question). I don't think this is so much a legal question as it is a policy question for the Assembly -- do they want to do spend \$ to undertake a cold storage feasibility study and if so, do they want D and H be the lead agency?**

**As for process, I think I'd suggest a resolution by the assembly and an appropriation ordinance.**

**Your views?**

**Thanks, B.**

4/27/2010

**85.02.065 Limitation on authority.**

The Board of Directors of the City and Borough Docks and Harbors Board may commit the City and Borough to long-range port development or capital improvement plans or projects only as authorized in advance by the assembly by ordinance or resolution.  
(Serial No. 2004-03b, § 2, 3-9-2004)

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**From:** John Stone  
**Sent:** Friday, March 26, 2010 10:20 AM  
**To:** Barbara Ritchie  
**Subject:** Authority to Spend Money on an Feasibility Study

Barbara,

The Fisheries Development Committee (FDC) submitted the attached request to the Board. The FDC is requesting the Board spend \$30,000 to investigate the feasibility of a cold storage in Juneau.

The Board asked me to check to see if their authority allowed them to do this since a cold storage is getting pretty far away from the business of docks and boat harbors. During the meeting, they looked at 85.02.060 and didn't see a clear authority for looking at a cold storage. However, it looks like 85.02.065 would allow them to do it provided the Assembly approved it. If they decide to do the study, they would ask the Assembly to appropriate money into a CIP for this purpose.

Can you look over this and let us know if the Board can do this and if so what approval we may need to get from the Assembly?

Thanks,

John

4/27/2010

Presented by: The Manager  
Introduced: 09/24/2007  
Drafted by: J.W. Hartle

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

**Serial No. 2418**

**A Resolution Reestablishing the Fisheries Development Committee, and Repealing Resolution 1399.**

WHEREAS, fisheries development, including the production, harvesting, primary and secondary processing, and transporting businesses associated with commercial and recreational fisheries, continue to be a very important area of economic activity in Juneau; and

WHEREAS, in Resolution 1399 the Assembly determined that the establishment of a fisheries development committee would assist in furthering the goal of fisheries development in Juneau; and

WHEREAS, it is in the public interest to reduce the membership on the Fisheries Development Committee from nine to seven members to better meet quorum requirements and recruitment needs.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Committee Reestablished.** There is reestablished the City and Borough of Juneau Fisheries Development Committee. The Committee shall consist of seven members appointed by the Assembly to serve for three-year staggered terms. In future appointments, the Assembly shall endeavor to select persons with demonstrated interest in fisheries development, including but not limited to such areas of interest and experience as commercial fishing, sport fishing, processing and transporting of fish, support, service, and supply needs of the commercial fishing fleet and recreational fishing boats, aquacultural development, and fish habitat protection and enhancement.

**Section 2. Committee Purposes.** The purpose of the Committee shall be to advise and assist the Assembly regarding all aspects of fisheries development and enhancement in the Juneau area, including expanded salmon production such as wild stock stream enhancement and aquacultural development, infrastructure requirements, cold storage facilities, secondary processing facilities, fisheries terminal facilities, and recreational fishing opportunities. In carrying out its functions, the Committee should draw on the expertise of professionals in the field from the University of Alaska



Southeast, the National Marine Fisheries Service, and the Alaska Department of Fish and Game as technical advisors. The Committee shall perform such other functions and advise the Assembly on such other matters as the Assembly may request.

**Section 3. Staff Assistance.** Staff support and assistance to the Committee shall be provided by the Harbors Department, as available and appropriate.

**Section 4. Procedures.** The rules of procedure for Assembly advisory committees as established by Resolution Serial No. 2246, as it may be amended from time to time, shall govern the conduct of business by the Committee.

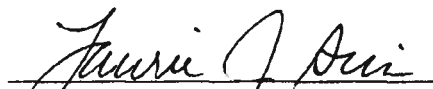
**Section 5. Repeal of Resolution.** Resolution 1399 is repealed.

**Section 6. Effective Date.** This resolution shall be effective immediately upon adoption.

Adopted this 24<sup>th</sup> day of September, 2007.

  
Bruce Botelho, Mayor

Attest:

  
Laurie J. Sica, Clerk

## Annual report from the Fisheries Development Committee to the City & Borough Assembly on this date March 15, 2010.

On June 24, 2009, newly appointed members Mike Peterson, Jim Becker, Glenn Haight, Bill Brown, Brian Holst and Thomas Fletcher reconstructed the Fisheries Development Committee (FDC). With the support of Beth McEwen - Deputy Clerk, and Greg Fisk - Docks & Harbors vice chair and past member of the FDC, the new members elected a chair and received an overview of the history of the committee. The committee reviewed Resolution # 2418(a resolution reestablishing the FDC and repealing Resolution # 1399), and paid special attention to the purpose of the committee "... to advise and assist the Assembly regarding all aspects of fisheries development and enhancement in the Juneau area...".

Towards that end, the FDC spent the past eight meetings (once a month) inviting and listening to organizations and individuals that represent fisheries in the Juneau area. They include John Stone - CBJ Harbormaster; Brian Glynn, Brian Frenette, and Scott Kelly - staff members from Fish & Game; Elizabeth Dubovsky and Chris Zimmer - Juneau Trout Unlimited; Wayne Regilin - Territorial Sportsmen, Stephen Wright - past and now current member of the FDC; Jim and Mike Erickson - Glacier Seafoods; and Todd Wicks, Chris Condor and associate representatives Greg and Tina Brown from the Juneau Charter Boat Operators Association.

Topics discussed (but not limited to) include: a cold storage facility, developing off road fisheries, CBJ Harbor CIP projects, an ad hoc Juneau Fisheries Development Needs Survey, and a Juneau Maritime Festival. The Juneau Economic Development Council plans to initiate the Juneau Maritime Festival for this spring. Two committee members, Fletcher and Haight, agreed to serve on an organizing committee for the Festival.

The FDC worked alongside the Gov. Parnell Welcoming Committee and was instrumental in supplying fresh fish for the Sandy Beach picnic. Members of the FDC also helped with the barbeque, serving fish brushed with a secret sauce.

The FDC unanimously passed a motion to support the Docks and Harbors Board FY 11 CIP Request of the Auke Bay Ice Plant and the Downtown Fisheries Improvements, both which would be funded by Buy America Bonds.

Thank you for your Support

Respectfully submitted,

Jim Becker  
Chair- FDC