

CBJ DOCKS & HARBORS BOARD
OPERATIONS COMMITTEE MEETING REVISED AGENDA
For Tuesday, November 15, 2011

- I. Call to Order** (5:00 p.m. at the **AURORA HARBOR OFFICE**).
- II. Roll Call** (John Bush, Tom Donek, Don Etheridge, Kevin Jardell, Bud Simpson, Wayne Wilson, and Greg Busch)
- III. Approval of Agenda.**

MOTION: TO APPROVE 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 October 19, 2011 Operations Board Meeting Minutes.**
- VI. Items for Action.**

- 1. Lease Application for ATS 123 Lot 2
Presentation by Port Director

Committee Question

Public Comment

Committee Discussion/Action

MOTION: APPROVAL FOR THE PORT DIRECTOR TO PROCESS AN APPLICATION FOR LEASE BY DOUG TRUCANO FOR TIDELANDS ATS 123, LOT 2 (DOUGLAS ISLAND IN VICINITY OF DOUGLAS BRIDGE) FOR THE PURPOSE OF CONDUCTING A RENT APPRAISAL.

- 2. Echo Cove Launch Ramp area trash can.
Presentation by Harbormaster

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: APPROVAL FOR HARBORMASTER TO CONDUCT WEEKLY TRASH REMOVAL AT ECHO COVE LAUNCH RAMP THROUGHOUT THE YEAR.

VII. Items for Information/Discussion.

1. Harbormaster Operations Report
Presentation by Harbormaster

VIII. Staff & Member Reports.

IX. Committee Administrative Matters.

1. Next Operations Committee meeting – December 6th, 2011 at 5:00 pm at the Aurora Harbor Office

X. Adjournment.

CBJ DOCKS & HARBORS BOARD
OPERATIONS COMMITTEE MEETING MINUTES
For Wednesday, October 19, 2011

I. Call to Order.

Mr. Busch called the meeting to order at 5:01 p.m. at the Aurora Harbor Office.

II. Roll.

The following members were present: Don Etheridge, Bud Simpson, Kevin Jardell, Wayne Wilson, Tom Donek, and Michael Williams.

The following members were absent: John Bush

Also in attendance were: Dwight Tajon – Harbor Master, Carl Uchytel – Port Director, Johanna Young – Auke Bay Staff Admin Assistant I.

III. Approval of Agenda.

MOTION by Mr. Etheridge: TO APPROVE THE AGENDA AS PRESENTED.

IV. Public Participation on Non-Agenda Items.

Dennis Watson-9333 Northland St. Juneau, AK 99801

These comments around the City's current financial situation that were brought up last Assembly Meeting on Monday night October 17, 2011. The Port Director got grilled quite pointedly about the PN&D. The next day Docks & Harbors (DH) was hammered pretty hard by a recognizable radio personality about the amount of money being spent on the harbor system for limited special users. Then the article in the paper this morning and the conversation I had with Mr. Swope earlier all point to the fact that the City will cut where they have to. My concern is Statter Harbor and all the hard work that has gone into it. I think this would be the time to have DH projects come in on time and under budget. There are three new assembly members and two will challenge DH when it comes to financial issues. I remember John Stone comment the new Statter Harbors facility could be built for somewhere around four or four point five million dollars and it is at five million now. I know from past experiences that Docks & Harbors has struggled to come in on budget.

V. Approval of September 20, 2011 Operations committee Meeting Minutes.

Hearing no objection, the minutes from the September 20, 2011 Operations Committee Meeting is approved once the corrections are made.

VI. Items for Action.

1. Boom Truck Fee Structure

Presentation by Harbormaster (Mr. Tajon)

Mr. Tajon

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The boom truck will only be used within the property of CBJ at either the hoist or storage area, which is located downtown and the ABLF. With an estimated labor cost at \$60.00 per/hr and quarter tank of diesel at \$50.00, the total estimate would be \$110.00 per/hr. minimum. Then pro rate it after the first hour. Once the truck is here Docks & Harbors (DH) can use it to move fishermen's stuff around for free until April, 1st for training and implement the final fee schedule at that time. This will give DH time to train on the truck and see what type of demand is out there for it.

Mr. Busch

The intention is that you will present a formal proposal to the next Finance Committee meeting. So in terms of today's agenda, this committee doesn't have a copy of that proposal in front of us. Is there any action that you are looking for us to take right now or should be taking at this meeting? Is this just more of informational that is going to the finance committee as a proposal?

Mr. Tajon

More of an informational.

Mr. Uchytel

I would suggest that if this committee wants the Finance Committee to consider something or weigh in and want to speak as committee you may want to take it up in that way to voice it. The fee structure is really a Finance Committee issue but it impact operation so it should come here and get looked at. An action is not necessary. It would be valuable for this committee to give some guidance regarding how DH intends on using the Boom Truck.

Mr. Williams

30 minutes would be the best for prorated blocks. Between phone calls and personnel having to get things set up and getting back out to the facilities, it takes a lot of time. Also maybe there should be some information put out to the public stating what DH has to offer.

Mr. Busch

For the process what needs to happen tonight is: Continue with questions then go to public comments and return to discuss the terms of the rates and guidance Operations Committee wants to put into the package that gets presented to the Finance Committee.

Mr. Uchytel

Not to operate at customers homes.

Committee Questions

Mr. Jardell

Why did that decision get made?

Mr. Tajon

It was more of the liability. Knowing that there was an issue with the Fire Department last summer in the Auke Bay area, they tried to back up and almost lost their truck. That is something that

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needs to be avoided.

Mr. Donek

How is this going to be used, unload boats and/or more stuff around at Statter Harbor?

Mr. Tajon

When a fishing boat needs equipment moved to and from the boat from the DH storage areas?

Mr. Williams

Is there going to be a schedule for it between town and Auke Bay?

Mr. Tajon

We can do that.

Mr. Wilson

How much of the new ABLF parking lot area is going to be used for fenced in secured storage?

Mr. Tajon

The area closes to the Auke Nu Cove.

Mr. Busch

How does that area compare to the diagrams of the boat storage and lift area in that same upland area?

Mr. Tajon

The boat lift area is going to be at the top of the ramp. The boat storage is going to be around the same area as the gear storage. The boats are going right around the new building.

Public Comments

NONE

Committee Discussion/Action

Mr. Etheridge

Half hour minimum by the time you warm up the truck and everything going. I totally agree not taking it on to public property. Don't take it off DH property and \$110.00 is a fair price.

Mr. Jardell

One hour minimum then prorate it after that.

Mr. Simpson

After that first hour what increments do you allow, do you prorate in 15 or 30 minutes increments? \$120.00 per hour would be an easier number to divide by the hour then \$110.00

Mr. Donek

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I understood it to be one hour block to start with then half hours after that. At \$110.00 an hour is there any profit built into that for DH or is that just a break even type of thing. Is DH going to recover any cost of the truck, is there any consideration on that?

Mr. Tajon

With the \$50.00 for fuel that is the biggest cost, with it being a new truck there shouldn't be much servicing needed for awhile. That money can be turned around and put into a service funds for the truck. If it needs to be increased more that is okay.

Mr. Donek

A certain allowance worth, future maintenance or tier repair, whatever to recover the cost of the truck.

Mr. Tajon

Currently I am the only one with a Class B CDL on staff. I will be doing the training for anyone that wants to get their CDL

Mr. Etheridge

I recommend that the board make a motion that would recommend to the Finance Board that is be \$120.00 for the first hour and break it off in 30 minute blocks after that. Leave the operation of the truck and staff to the future meeting of this committee after the letter is drafted from Mr. Tajon.

Mr. Uchytel

Is there any expectation to contact the local business that does this to let them know what the fee schedule would be and get their feed back. Is that necessary? Is anyone in town going to think that DH is undercutting a commercial enterprise at that price?

Mr. Busch

Make this motion and adopt it, incorporated into Mr. Tajon proposal for the Finance Committee. It would be appropriate to send those few companies in that type of business a copy of the proposal. This would give them a heads up that this is going to be disused at a Finance Committee meeting for action and the regular Board meeting. This will allow them a chance to weigh in on what is going to be proposed.

Mr. Etheridge

Mr. Chairman I would believe that this committee should send to the Finance Committee a recommendation of a \$120.00 an hour for the first hour block, then breaking it down to half blocks there after. Then the operation of the equipment and staffing should come back to the committee with Mr. Tajon recommendations at the next committee meeting.

MOTION: Approved Unanimously

2. Boat Lift Fee Structure

Presentation by Port Director (Mr. Uchytel)

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Mr. Uchytel

There needs to be direction from the committee. What needs to be in the draft? How should it be used? How will it be staffed? What area is going to be used? There needs to be a fee schedule for haul-out and storage. Does DH want to move towards commercial concessionaire to operate it? That is something else DH needs to start talking about now instead of later.

Mr. Simpson

Is DH intending to put this out for proposal to consider a commercial operator to run it like the other one or is DH going to run it?

Mr. Tajon

The boat haul-out will be delivered here this spring. Once it is assembled training will be given to the staff on hand for operation and use of the boat lift. DH will be looking at operating it simply because it would allow the boat owners a choice to bring in their own contractor and/or work on it themselves. With the current boat lift operators they are not allow to bring in their own contractors.

Mr. Jardell

The terms of the current lease it says the term of the lease shall be ten years, or until such time as a new haul-out facility is constructed, whichever is sooner. In the event a new haul-out facility is constructed during the term of the lease, the City agrees to offer Lessee a new lease. What does that mean? Is there an argument that is a new haul-out facility? Does the current operator have interest in a lease option? That is on page 3 or 11.

Mr. Uchytel

This lease agreement was not necessarily for this discussion, this lease is a stand alone document. DH is talking about a new operating facility out at the Auke Bay Loading Facility (ABLF). What happens at Statter Harbor could change this lease altogether.

Public Comment

NONE

Committee Discussion/Action

Mr. Donek

With DH operating the new lift and a contractor operating the other two, I have a problem with that. This will put DH in competition with a private enterprise. Now making it where a boat owner can have their own contractor do the work that could be written in a contract with the operator. What would change is the current operator has the expectations of higher profits based on doing all the work themselves or official contractors. That will change the financial of the contract. But that is something that can be written into the contract or the lease agreement vs. having DH going into competition with private enterprise. These two facilities are not going to be equal. One will only be able to lift smaller boats and DH will be able to do

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any size boat.

Mr. Wilson

Did Finance already look at how much it is going to cost to run a ship yard?

Mr. Busch

Before this is discussed further, the lease should be brought to legal.

Mr. Jardell

I like the idea of offering this service as cheap as DH can. I don't really have a problem with DH operating it but I do with competing. It all has to be sorted out to see the big picture.

Mr. Wilson

Is there going to be a requirement for additional personnel to run these proposed adventures?

Mr. Tajon

Probably just one full time staff member.

Mr. Simpson

It seems that the rationale behind acquiring this new piece of equipment is to provide a service that is not available now for larger vessels. That is what is driving this, not competition. Maybe look at the market and see what can not be done by the other yard. That way the market can be shared. The other rationale is that a private company couldn't afford this let alone have the place for it.

Mr. Williams

It would be nice to have the opportunity for boat owners to do the work their self and not have to have a contractor.

Mr. Simpson

The existing yard will let you do your own work but you can not bring in your own contractor.

Mr. Etheridge

DH needs to structure it so it doesn't compete with the existing facility. The reason this was looked at was for the larger boats that can not be done anywhere else. DH still needs the opinion from legal on the current contract and the insurance division to weigh in on this too. Those two could make a big difference.

Mr. Busch

This needs to go back to legal for a review of the current contract with Juneau Marine Services, as well as looking at potential increase in insurance. Then bring it back next meeting and discuss it and not be in competition.

Mr. Simpson

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I will look it to the conditions of the TIGER grant in regards to funding for the boat lift and make sure that DH will be able to sub-lease it. Also, maybe the boom truck also goes as a package deal. As I look at the current lease and the insurance part of it, the yard looks more like a parking lot more then a boat yard. It is not a heavy industrial use facility.

VII. Items for Information/Discussion.

1. Condition Report of Statter Harbor Travel Lift

Presentation by Port Director (Mr. Uchytel)

Mr. Uchytel

The report states that it is in poor condition. It could be \$40,000.00 to repair the structure. This was the reason Juneau Marine Services (JMS) lease agreement was in the packet. Look at page 4 of 11, MAINTENANCE AND REPAIR OF IMPROVEMENTS paragraph six. Essentially it requires JMS to maintain it in good workable order however, with the DH board if they elect to repair it or if JMS fixes it up DH can provide credit for doing so.

Mr. Simpson

Has DH implemented any load restrictions currently based on this report? Has there been any action taken to limit the loads? Given that it will only be recommended for 25,000 lbs. after the repairs are done. What liabilities is DH looking at now?

Mr. Uchytel

Essentially I just got this and at this point I don't know if PND has reported this to JMS. I don't know how JMS is going to respond.

Mr. Simpson

I would observe that they could probably fix it a lot cheaper then DH can. Get someone, get it done and then get a credit from DH. That seams like that might be a good way to go.

Mr. Donek

How much are they paying DH for using our facilities right now per year? This came up this spring to John Stone. I thought the travel lift didn't look good. I asked for this report this spring. In my opinion from this report it could fail at anytime.

Mr. Uchytel

\$10,500.00 a year.

Mr. Busch

From a safety stand point DH should be putting restrictions on it, JMS can't lift any boats until it gets looked at.

Mr. Williams

DH need to talk to them and included them in discussion.

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Mr. Jardell

How soon does the new lift get here? My recommendation is to sit down with the vendor and walk them through the report and put in some safe guards now.

Mr. Uchytel

April or March

Mr. Jardell

I suggest that the Port Director has enough authority with out this committee taking any action to ensure the safety of operation on all of our property. Mr. Uchytel needs to sit down with JMS and maybe even DND, get whoever he needs, and get on top of this. As Port Director make a decision on what is and isn't safe. If he thinks there is a need, it should be just it down. The direction from the committee is the safety of people, boats and facilities. Make a judgment based on the information you have to work with. If in fact it is true they can't take boats more then ten thousand then there is a problem that JMS didn't contemplate.

Discussion followed.

2. Net Float Barge and Related Fees

Presentation by Harbormaster (Mr. Tajon)

Mr. Tajon

DH is in the progress of filing for the anchoring permits for the barge that belongs to Marion Hobbs. He has agreed to let DH use it for up to two years then after that he will decide if he wants it back or put it up for offer for DH to purchase it for about \$30,000.00. The area DH is looking at to anchor it, is in front of where the pilings are next to the ABLF. It will be for the gillnetters to use for working on their nets. Not for storage, not for anything else. I don't think there was any plans for charging for storage on the float it self. There will be a sign that says no storage at anytime.

Mr. Uchytel

Essentially Marion Hobbs needs the barge out of his facilities for two years while he is doing dredging. He even said that if he still doesn't need it he would make a reasonable offer to sell it to DH. The question is does DH want to take on another facility for two years. If it is successful I will guarantee DH just bought it for the next decade. You know once something is installed and people are use to it DH will have to offer that service.

Mr. Busch

Can you refresh my memory of what DH was planning on using before the barge?

Mr. Etheridge

What was going to be used was the same set up that is used where the Nordic Tugs dock at.

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Mr. Tajon

At the ABLF in the summer time the gillnetters use the dock the most and it is interfering with the use of the cranes and other users. There is a very high use and demand for it.

Mr. Jardell

How seasonal it is and what would DH do with it the rest of the year? Would it just sit the rest of the year?

Mr. Tajon

Yes it would. The anchors are 3,500 lbs a piece and there will be two and spud anchors that if the tied gets low enough they can dig deeper.

Mr. Jardell

The sign would be that no one can use it, not the rest of the year and only gillnetters.

Mr. Tajon

They can only use it to work on nets, no moorage on it.

Mr. Etheridge

If DH starts charging them they won't use it, they will keep using the dock.

Mr. Busch

Make sure it doesn't turn into a storage area or off season mooring area. It will all depend on the signage and what to do if the sign is ignored.

Mr. Donek

Off season floating storage, with a date of when all the stuff needs to be moved.

3. Update to Proposed Resident Vessel Regulations

Presentation by Port Director (Mr. Uchytel)

Mr. Uchytel

The attorney didn't like some of the existing wording that was used. I told Amy Mead that DH would do more research with the Alaska Association of Harbors, Port Administrators and Pacific Coast Congress of Harbormasters. Find out who else has voiced similar concerns and has some ordinances that DH can steal. I want to make sure that DH want to move forward with this.

Mr. Busch

The big issue is to outline the issues that need to be resolved. Some of the issues were notification, sub lease stalls and pet management. Not sure how much is needs to be implemented compared to what is already in the regulations. DH needs to look at the enforceability of these.

Mr. Williams

I am worried about H float and the dog feces in and around the harbors. Yes we have to continue

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with this.

Mr. Busch

Should this new regulation continue?

Mr. Etheridge

Another concern is the so called flop houses. Bigger boats renting out rooms for \$100.00 a month to anyone that comes along, there is no control.

Mr. Jardell

Some of this goes back to a police instant when there was a shooting and DH was unable to verify who was on the boat.

Mr. Simpson

I would be supported of tweaking this, fine tuning it and try to satisfy some of laws concerns. My observation would be that just because law doesn't know the rational for these rules doesn't mean that they are arbitrary. DH knows what all these rules are about. Maybe DH can explain these rules better. I would guarantee that none of these liveboards are visiting the pump out.

Mr. Uchytel

The law office was happy with the safety aspect on knowing who is on the boats. DH needs to know what they want in this new ordinance. Dwight can do some more research from DH network

Mr. Busch

This committee will give you some input on the issues that need to be addressed and compare them to what is already on the books and see if some of them are being met already.

Discussion Follows

4. Complaints

Mr. Wilson

I got a complaint from Willies Marine the other day. They were trying to pull a boat out at the new ABLF ramp and they were scorned for it. Isn't that what the facilities are for? They have to pay every time they use it.

Mr. Tajon

I read over the regulations and they can use it as long as they pay the fees to use it on top of their permit fee.

Johanna Young (Auke Bay Staff)

I was the one they called. They didn't call and make a reservation and there was a landing craft scheduled to use the ramp. I told them they couldn't use it unless they made a reservation just like the landing craft. I also stated that Dwight needed to get back with me on what the regulations said about them using it.

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VIII. Staff & Member Reports.

1. Harbormaster Operations Report

Presentation by Harbormaster

1. Prepped winter snow removal equipment.
2. Repaired boat trailer-axel bearing failed-made in-house repair.
3. Seasonal shut down for water front is complete.
4. Pressure washed whalers at corners of A & B floats of Statter for bull rail replacement.
5. Repaired water line break at end of main Fish Table at Statter.
6. Completed two finger floats bull rail replacements at Statter, ran out of plastic chalk materials on order.
7. Brushed and vacuumed used oil burner, 1,400 gallons burned since installation.
8. Replaced break room cabinets, water leak in wall discovered from public restroom – Aurora Office.
9. Platform built for Aurora office oil sumps after customer had trouble dumping oil.
10. Floats 2 & 3 in Harris pressured washed
11. Completed winter hot berth list – town.
12. Shut down transient power boxes for Aurora, Douglas and Harris Harbors.
13. Truck radio purchased/installed for Auke Bay truck.

Mr. Tajon

Most of the staff has been laid off for the season. There are four seasonal that will stay on until the end of October. Half of them are at Auke Bay working on the bull rails until they ran out. The other two seasonal staff are working down here pressure washing the finger floats as much as they can. The broken pilings down here were under a 30 day nation wide permit. That was filed and now Trucano can come in and install it. Risk Management Self Insurance will cover part of it due to the fact it was damaged by the wind. The third piling may just have to be paid for.

Mr. Donek

I thought DeHarts was supposed to be out by October 1st.

Mr. Tajon

No, November 1st so the staff could get the bull rails done of B-float.

Mr. Busch

How has it been received in terms of people moving out for the winter?

Mr. Tajon

23 patrons signed up for moving out, one for downtown.

Ms. Young

There are a few that haven't signed up but are coming over, there are about four that have not confirmed either way. But Doug knows everyone and has a handle on it.

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IX. Committee Administrative Matters.

1. The next Operations Committee Meeting November 15th, 2011 at the Aurora Harbor Office.


X. Adjournment.

The meeting Adjourned at 6:29 P.M.



CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Port of Juneau

To: Docks and Harbors Operations Committee
CC:
From: 
Carl Uchytel, Port Director
Date: November 9, 2011
Re: Doug Trucano Lease Application for ATS 123, Lot 2

An application has been received from Doug Trucano to lease ATS 123, Lot 2. I have reviewed the application and I am recommending to have a new appraisal completed at the applicants expense. I have attached a 2004 appraisal. Upon receipt of new appraisal, this would then be forwarded to the Finance Committee to establish lease rent.

I have received a \$2,500.00 cost estimate for a new appraisal to be completed by Horan. Mr. Trucano has been provided this information.

I recommend the Board authorize to move forward with this application.

Please call me at 586-0294 if you have questions.

Attachments

**City and Borough of Juneau Property
Docks and Harbors
Application for Lease**

RECEIVED
NOV 08 2011
BY: _____

Application processing - The Port Director will review each application for completeness within 30 days of receipt unless the Director notifies the applicant that more time is required to complete the review. If the port director determines that the application is not complete, the Director will provide the applicant with a general description of the information needed to make the application complete. Once the application is complete, the Port Director will estimate the cost for the docks and harbors department to process the application and will notify the applicant in writing of the estimated cost. The applicant is required to pay all costs associated with processing of the application, including any costs to survey and appraise the area proposed to be leased. The applicant must agree in writing to pay the processing costs prior to the Docks and Harbors Board taking action on the application. Failure of the applicant to agree to pay, or pay, any processing cost will result in the application being denied. The applicant may assist the Port Director by arranging for specified components of the work, such as survey and appraisal, provided any such work to be performed by applicant is approved in writing in advance by the Port Director.

Date 11/8/11 ATS ADL 1799
~~ADL#~~ ATS 123 Lot 2
Applicant's Name: Doug Trucano
Group, Association, or Corporation Name Nowell Ave Development
Mailing Address: P.O. Box 020870
City/State/Zip Juneau, Alaska 99802
Message Phone _____ Work Phone 586-2444

Is applicant authorized to conduct business under the laws of the State of Alaska?

Yes

Is applicant 19 years or older?

Yes

What type of lease are you applying for?

Tidelands

(uplands lease, tidelands lease, easement)

Legal Description:

Lot(s) 2 Block/Tract# Section 22 Survey/Subdivision ATS 123 township 41 South.

Other: Range 67 East, Copper River Meridian,

Acres 1.043 acres.

What is the proposed use and activity on the leased land?

Unknown at This time

Proposed term of lease 35?

Are you planning to Sublease this land? Yes No

Are there any improvements or construction planned?

No

If yes, submit a development plan that includes.

- The nature and purpose of the proposed lease.
- A site plan
- The use, value, and nature of improvements to be constructed.
- The dates construction is estimated to commence and be completed.
- A detailed description of the proposed operation.
- Whether the intended use complies with the CBJ Land Use Code, CBJ Title 49, and the comprehensive plan of the City and Borough of Juneau.
- Additional information that would assist the Port Director, the Docks and Harbors Board, and the Assembly in acting on the application.

CBJ zoning title and plans are available from the Community Development Department.

The Board recommends that applicants carefully review current site conditions before making an application.

The Board intends to award leases to the development that provides the most marine-related benefit to the community of Juneau and the development that provides the most economic benefit to the City and Borough of Juneau in general and the Docks and Harbors Department in particular.

The lease must meet all applicable requirements listed in CBJ ordinance 53.20.

 11/8/11
Signature Date

If applying on behalf of an agency, municipality, or organization, state which one.

Title

Please do not write below. Docks and Harbor use only.

Application Received 11/8/11 \$10.00 Filing Fee Received 11/8/11

Date approved by Operations Committee _____

Date approved by Finance Committee _____

Approved by Regular Board _____

Law Department Ordinance _____

Assembly Action _____

Lands _____

Public Notice _____

Ad Option _____

Final Lease Signed Date _____

3 PROPERTY DESCRIPTION AND VALUATION- PART III

3.1 PARCEL 1

Common Name: Open storage south of Cowee Creek
Address: 3502 North Douglas Highway, Juneau, Alaska

Lease Summary

ADL No.: ADL 1799
Legal Description: ATS 123, Lot 2
Lessor: City and Borough of Juneau as successor to the State of Alaska
Lessee: Nowell Avenue Development
Original Lease Date: 1963
Ending Lease Date: Unknown
Last Rent Adj. Date: January 16, 1979
Last Rent Adj. Amount: \$350.76
Reappraisal Anniversary: January 1, 2004
Use: Truck Storage
Property Rights Excluded: No mineral rights are conveyed by the lease
Easements: There is a 20' power line easement crossing the property running east and west, and a wider extension of this easement in the southwest corner.
Other Terms of Lease: Typical fully net lease indemnifying lessee
Reversion of Improvements: Not specified but typically able to be retained by lessee or its successor if obligations of the lease are fulfilled.
Building/Site Improvements Included: Any improvements to the site by lessee not valued in market rent estimate.

Property Description

A description of the property in its pre-lease state has not been found. The 1973 appraisal (Appraisal Number 1022) describes property under highest and best use stating "there are no uplands between the subject and the road, and that considerable fill will be needed to furnish physical access." Based on its value at that time and its relative value to other properties appraised together, it appears it would be unfilled tidal flat lands. Inspection of the property and survey map shows that the edge of the site is nearly 500' from actual mean low tide precluding effective use of the deep water access. Further, the site is encumbered by several easements limiting the utility of the site.

Size and Shape: 1.043 acres or 45,433 SF. Irregular in shape forming somewhat of a triangle with adjacent Lot 1 carving away highway frontage on the curve leaving the subject as an "L" shaped remnant. It extends about 335' from North Douglas Highway seaward, and over 200' seaward from the bridge approach at its northeast boundary.
Topography: Level tidal lands.
Access: Public paved roads.

Utilities: All those available within the City and Borough of Juneau
Functional Utility: Open storage, limited due to easements.
Zoning: WI - Waterfront Industrial

Assessed Valuation - 2003:
 CBJ Assessor's ID No.: 1D060L010020
Land Value: \$12,300
Improvements: \$ 0
 Total: \$12,300
Three Year Sales History: The site sold with a small adjacent fee owned site for \$47,500 in 1993.

Valuation

Highest and Best Use: The site has limited utility. To develop it would require filling or dredging. It is difficult to obtain fill permits without a sound utilization of the site and protection of aquatic resources. Further, the site's utility is limited by its encumbrance with power line easements. Its elevation is significantly below road grade. The highest and best use is for open storage and future speculation consistent with its zoning.

Summary of Comparables:

TIDELAND RENT INDICATORS - PARCEL 1				
#	Transaction Description	Size (SF)	Land Use Description	Annual Rent/SF
S10	3150 Channel Dr ATS 1412	62,703	Poor deep water access	\$0.18
S11	Channel Dr Lot 1, ATS 7	51,401	Poor deep water access	\$0.13
S12	Douglas Hwy & Bridge	47,394	Some filled; mostly low utility	\$0.19
S13	North Side Cowee Creek Tract B, ATS 556	17,621	Sold as unfilled barge site	\$0.18
S14	5010 Nourth Douglas Hwy Waterside Park	127,195	Tide flats - low utility; with creek	\$0.04

These comparable rents bracket the subject in terms of utility, location, and developability of the site. All are superior to the subject's utility except for Comparable S14. This comparable was located further out North Douglas Highway having similarly limited utility. The next most comparable is Comparable S11 on Channel Drive which has marginal deep-water access used as a barge landing site. These indicators suggest an annual rental rate of \$0.05/SF/year which indicates the following:

$$\begin{aligned}
 45,433 \text{ SF @ } \$0.05/\text{SF} &= \$2,271.65/\text{year} \\
 &= \$2,270/\text{year}
 \end{aligned}$$

Teena Scovill

From: Bill Ferguson [bill@horanappraisals.com]

Sent: Tuesday, November 01, 2011 10:18 AM

To: Teena Scovill

Good morning Teena,

Tim had forwarded me your request for a bid on an appraisal for this property. We could do an appraisal on this property for \$2,500. The report will most likely be completed by either Charles Horan or Tim Riley. Do you know what you are looking at for a timeline at this point? Thanks for the opportunity to bid.

.....Bill Ferguson

Hello,

I asked about this lot earlier, but I don't know if you remember. I was asking if you thought it needed to be reappraised. This is the lot Doug Trucano gave back to the City and now is interested in leasing again. This has not been leased since he gave it back to the City. How much would an appraisal for this piece of property cost? The last appraisal effective date done by Horan was 04/12/04 and the report date was 04/30/04. Contract number was HD04-261 and your file number was 03-102. I'm not sure how Carl is going to move forward with this, so I wanted to get a cost estimate?

Thanks,

Teena Scovill

Port Secretary

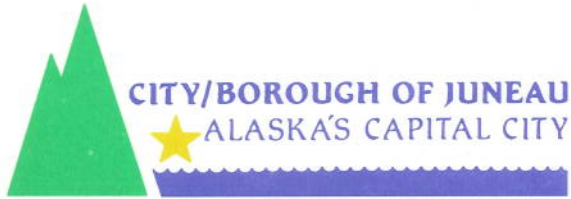
CBJ Docks and Harbors

907-586-0292

Fax 907-586-0295

William G. Ferguson
General Real Estate Appraiser
Horan and Company
(P) 907-747-6666
(F) 907-747-7417

11/9/2011



CBJ Harbors

Harbormasters project/repair report

1. Removed North Douglas Boarding floats
2. Pressure washed Harris & Douglas Floats
3. Pulled water meter & back flow preventer at Fishermans Terminal
4. Service cleaning on used oil burner
5. Constructed new pouring deck at used oil collection area outside of office
6. Called diver in for 3 water line repairs in Aurora. One was pending a water meter reading, it is a very minor leak
7. Removed barriers from paid parking area
8. Completed bullrail preparations for the season- shipment of plastic round stock arrived later than expected
9. Graveled area near the Horton lot for the core sampling contractor
10. Contractor cleaned off Echo Cove launch ramp
11. Auke bay crew trouble shot issue with hydraulic sander-took to Maritime Hydraulics-pump is shot and part is hard to find-need to go out to bid.
12. Deharts was finally vacated on November 1
13. Created a shared lock system with the fuel dock operators
14. Shut off power to B & C float in Deharts for the winter