

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING AGENDA
For Tuesday, March 27th, 2012

- I. Call to Order** (5:00 p.m. to 7:00 p.m.) in the **Room 224, City Hall.**
- II. Roll Call** (John Bush, Tom Donek, Kevin Jardell, Michael Williams, Wayne Wilson, and Eric Kueffner).
- 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 January 24, 2012 Finance Committee Meeting Minutes.**
- VI. Items for Action.**

- 1. Michael Donohue Lease ADL 29281
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

- 2. Potable Water Fees Increase
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

- 3. Parking Fee Establishment – Terminal Staging Area
Presentation by the Port Director

Committee Questions

Public Comment

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING AGENDA
For Tuesday, March 27th, 2012

Committee Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

VII. Items for Information/Discussion.

1. Auke Bay Fuel Dock Lease
2. Mount Roberts Tram Lease
3. March Revenues & Expense Report

VIII. Staff & Member Reports.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting April 24th, 2012

X. Adjournment.

CBJ DOCKS & HARBORS BOARD
FINANCE COMMITTEE MEETING MINUTES
For Tuesday, January 24, 2012

I. Call to Order.

Eric Kueffner called the Finance Committee Meeting to order at 5:09 p.m. in room 224 of the Assembly building.

II. Roll Call.

The following members were present: Tom Donek, Kevin Jardell, Michael Williams and Eric Kueffner.

The following members were absent: Wayne Wilson and John Bush.

III. Approval of Agenda.

Mr. Uchytel added the following to Items for Information/Discussion.

1. Parking Management at Statter Harbor.
2. Summer Moorage Promotion Rates.

MOTION by Mr. Williams: TO APPROVE THE AGENDA AS AMENDED.

The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

There was none.

V. Approval of December 13, 2011 Finance Committee Meeting Minutes.

Hearing no objection, the minutes of the December 13, 2011 Finance Committee Meeting were approved as presented.

VI. Items for Action.

1. Juneau Alaska Communications Lease Rent.

Mr. Uchytel said this is an active lease that expired in February of 2011. The lease was transferred from the State of the City so a new lease with the City needs to be written. Horan and Company LLC has prepared an appraisal and they have proposed a new lease rent of \$2,170.95. Juneau Alaska Communications has no objection to the proposed lease rent increase, but they would like the new lease to include the appraisal period every ten years.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, January 24th, 2012

VI. Items for Action (continued).

Amy Mead from CBJ Legal said the Assembly could approve an appraisal period of every ten years. The Lease will go to the Full Board and then to the City Attorney so they could approach the Assembly with the request for 10 years. Mr. Uchytel said Juneau Alaska Communications did provide about \$1,300.00 worth free advertising for the Christmas boat lighting event this year.

Mr. Williams said he preferred the lease rent appraisal period at every five years.

Mr. Jardell said he thought it made sense that a lease rent under \$5,000 doesn't need an appraisal every 5 years. We could build a slight increase into the lease rent agreement.

Mr. Kueffner said he recalled the regulation mandates an appraisal. He said he was in favor of the 10 year period because the lease is a very small one.

Mr. Williams said the five year period does increase Juneau Alaska Communications expenses as far as paying for appraisals costs.

Mr. Donek said we have a process in place already that we should follow. He said he did agree that this small a lease rent did not make sense to do an appraisal every 5 years.

There was further discussion among Committee Members about Lease Appraisal time lengths.

Mr. Kueffner suggested the board take the proposal as it is for discussion.

MOTION by Mr. Jardell: TO ADVANCE THE PROPOSED LEASE RENT FOR JUNEAU ALASKA COMMUNICATIONS OF \$2,170.95 TO THE FULL BOARD FOR APPROVAL AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

2. Doug Trucano-Nowell Ave. ATS 123 Lot 2 Lease Rent.

Mr. Uchytel said this is the property adjacent to the bridge. Mr. Trucano is interested in leasing this property again. Horan & Company, LLC. has done an appraisal and recommended an annual lease rent of \$2,271.65.

Mr. Williams said the property lease rent is the same as before. He asked if anyone else was interested in the tideland property.

Mr. Uchytel said we did advertise this property for lease and had not interest.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, January 24th, 2012

VI. Items for Action (continued).

MOTION by Mr. Jardell: TO APPROVED THE NOWELL AVE. ATS 123 LOT 2 LEASE RENT PROPOSAL OF \$2,271.65 AND ADVANCE IT TO THE REGULAR BOARD FOR APPROVAL AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

3. Fee Special – Seattle Boat Show.

Mr. Uchytel said the Seattle Boat show starts Friday, January 27, 2012. He would like to be able to offer discounted moorage to promote the Juneau Harbors. We did give out some free moorage last year at the boat show.

Mr. Donek recalled a proposal from the previous year when John Stone wanted to allow reserved moorage. The proposal never went anywhere. He asked what the harbor rates currently were.

Ms. Allison (D&H Admin.) said the daily rate for moorage in the CBJ Harbors is \$.50 per ft. She said John Stone did give away coupons for a day of free moorage the previous year at the Seattle Boat show.

Mr. Donek suggested giving away a day of free moorage with a cap of \$25. He also said the discounts should be given to people not from Juneau as an incentive to visit Juneau Harbors.

Mr. Jardell asked if Ms. Allison could find one of the coupons from the previous year.

Mr. Uchytel said he wasn't sure what customer base we are offering the discounts to.

Mr. Kueffner suggested giving away one day of free moorage up to \$50.

A member of the public suggested giving a percentage off of monthly moorage as a discount.

MOTION by Mr. Jardell: TO HAVE THE PORT DIRECTOR ESTABLISH A DISCOUNT INCENTIVE FOR THE SEATTLE BOAT SHOW BASED ON THE DISCUSSION FROM THE FINANCE COMMITTEE MEETING ON JANUARY 24, 2012 AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, January 24th, 2012

VII. Items for Information/Discussion.

1. 2012 Summer Moorage Promotion.

Mr. Uchytel said he included a copy of last year's moorage promotions and he wanted to get a sense for what customers we are targeting and if the promotions are being used and if we should offer them again.

Mr. Jardell said before we removed the fingers on K & L floats in Aurora Harbor, we had a ton of empty 24ft. slips and by offering the promotions we were trying to encourage small vessel owners to just leave their boats in the water for the summer.

Mr. Kueffner asked if the moorage promotion offered last year was successful.

Ms. Allison said we have offered summer moorage promotions for at least two years and more people took advantage of it last year. She felt the moorage promotion was successful and well received.

Mr. Donek asked if we still had an excess of small slips after removing the extra Fingers.

Ms. Allison said we still have an excess of small slips in Aurora and we could remove another half of the fingers from N float and still have an excess.

Mr. Williams said if we have such an excess, let's offer the promotion and hope to fill some slips. It seems like we are not losing anything by doing this.

Mr. Uchytel said he would have the Harbormaster look at the profitability of removing more fingers from Aurora Harbor.

Mr. Kueffner asked how the Harbor Department would advertise the promotions. He did not want to spend a lot on advertising the promotion.

Mr. Donek said last year John Stone advertised the promotions over the radio.

Mr. Uchytel suggested advertising the promotions in the Harbor News Letter and on the website.

2. Parking Management at Statter Harbor.

Mr. Uchytel said Dennis Watson brought up some issues about parking at Statter Harbor. Monthly passes are limited to 21 per month. He was concerned about loss of parking along the road when D.O.T puts in the round out in front of Dehart's and the Auke Bay Elementary School will not be available for parking the next two years.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, January 24th, 2012

VII. Items for Information/Discussion(continued)

There will be a parking deficit for the next two years. We may want allow patrons to park at the loading facility free of charge. Mr. Watson said we are giving away parking at Statter and the rates could be raised. Could we encourage parking of trailers and vehicles at the ABLF?

Mr. Jardell did not like the idea of raising the parking rates out at Statter and pricing the patrons right out of parking out there. He asked if we call about the availability of the lots in back of Squires or consider other parking options that are free of charge.

Mr. Williams said we should do some research and see what our options are. We might want to have staff monitor the traffic during the transition. He was not opposed to raising the daily parking rate at Statter Harbor.

Mr. Donek asked what the cost for parking was down town. He also was concerned that if the ABLF was used for parking that people would want to use the launch ramp there.

Mr. Uchtyl said on street parking downtown is free for two hours. It is \$2 for two hours in the parking garage. He also said people can use the ABLF launch ramp, they just have to purchase a commercial launch permit to do so.

Mr. Jardell said the only way to solve the parking problem at Statter is to raise the parking fee so high that people are so angry they refuse to park there.

Mr. Uchtyl said you are still not guaranteed a parking spot when you pay the monthly fee. We just need to communicate to the patrons that the parking at Statter Harbor will be an issue the next few years.

Mr. Donek suggested getting rid of the monthly parking passes and only having the daily and hourly. He also asked which patrons were buying the monthly parking passes at Statter.

Mr. Jardell said the Coast Guard is paying for monthly parking.

VIII. Staff & Member Reports.

Mr. Uchtyl said Craig Duncan contacted him about the 120% to pay down revenue bonds. In 2011 we did not make the 120% and he is currently working on the budge and is concerned about costs. He wants to avoid adding more employees and adding expense to Docks & Harbors.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, January 24th, 2012

VIII. Staff & Member Reports(continued).

Mr. Uchytel said we are working on a lease rent adjustment for the Tram and Mr. Duncan has asked if we can just renegotiate a new lease rent without having an appraisal done by Horan. The City Attorney did not think this was a good idea.

We are advertising for Waterfront Sales Permits right now.

The Liberty Lease Rent proposal is ongoing.

I do have a delinquent Tideland lease and we are working with the Leaser to get his lease current.

He said he would like to see Docks & Harbors purchase any available downtown waterfront property.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting is February 21st, 2012.

X. Adjournment.

MOTION by Mr. Jardell: TO ADJOURN THE FINANCE COMMITTEE MEETING AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

The Finance Committee Meeting adjourned at 6:24p.m.



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

Port of Juneau

March 8, 2012

Mr. Mike Donohue
18228 Pt. Stephens Rd.
Juneau, AK 99801

Dear Mr. Donohue,

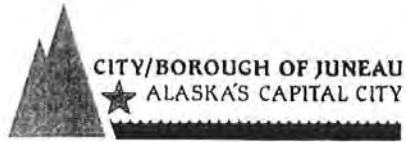
Docks and Harbors has been very patient and reasonable in attempting to work with and to provide you every opportunity to resolve an outstanding balance on your tideland lease. This is the third letter I have sent you after first meeting with you back in September. You respond only after I follow-up with phone calls and then with only vacuities as to when you intend to honor your legal contractual responsibility.

Your annual lease rent is \$6930. As of 1 March 2012, you owe CBJ Docks and Harbors \$18,771.95 and your last payment was made on 14 June 2011. This places the lease rent nearly 3 years in arrears. I have a fiduciary responsibility to the Docks and Harbor Board and a moral responsibility to the Juneau citizens, to be fair and impartial in carrying out my Port Director duties. My intentions are to notify the Docks & Harbors Finance Committee of your outstanding delinquent lease rent. This meeting will be held at 5PM at the City Hall Room 224 on March 27th. You are welcome to attend this meeting personally or attend telephonically. Please let me know if you desire any accommodations to participate in this meeting.

Sincerely,

Carl J. Uchytel, PE
Port Director

Encl: (1) CBJ letter of December 3rd, 2008
(2) CBJ letter of September 18th, 2008
(3) CBJ letter of February 6th, 2009
(4) CBJ letter of June 16th, 2009
(5) CBJ letter of November 16th, 2010
(6) CBJ letter of March 7th, 2011
(7) CBJ letter of October 5th, 2011
(8) Your letter of December 9th, 2011
(9) CBJ letter of January 13th, 2012
(10) Your email of January 31st, 2012



Port of Juneau

December 3, 2008

Mr. Michael Donohue
18228 Point Stephens Road
Juneau, Alaska 99801

Dear Mike:

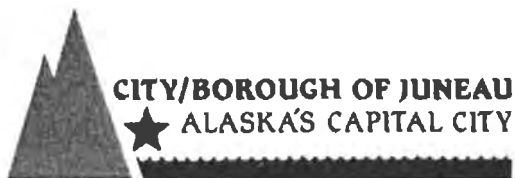
Cecilia tells me that you are behind on your lease payments and owe us \$3,834.33 of overdue rent on Tidelands Lease No. ADL 29281. I am enclosing your billing statement.

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

Sincerely,

John M. Stone, P.E.
Port Director

Enclosure



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

Port of Juneau

September 18, 2008

Mr. Michael Donohue
18228 Point Stephens Rd
Juneau, AK 99801

Dear Mr. Donohue:

I'd like to bring to your attention that you are delinquent in your lease payments for tideland lease noted as ADL#29281.

You owe the following as payment for your annual rent and late fees:

6/5/2008 (invoice for 7/16/08-7/16/09)	\$7,276.50
7/31/2008 (late fee)	\$64.03
8/31/2008 (late fee)	<u>\$64.60</u>
Total	\$7,405.13

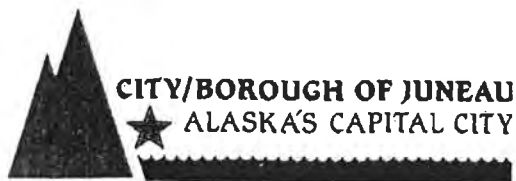
I am enclosing a copy of the invoices for your reference.

Section 16 of your lease agreement (copy attached) stipulates conditions for default of performance of any of the terms, covenants or stipulations therein, and goes on to state that default not remedied within 30 days after written notice shall subject the lessee to legal action or forfeiture of the lease. This includes non-payment of rent. Please accept this notice as a reminder that payment is due.

Thank you for your consideration and please call me at 586-0292 if you have questions.

Sincerely,

Pam Johansen
Administrative Officer II



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

Port of Juneau

February 6, 2009

Mr. Michael Donohue
18228 Point Stephens Rd
Juneau, AK 99801

Dear Mr. Donohue:

The terms of your lease on ADL# 29281 state that a payment of \$7,276.50 is due in full on July 16 annually. On February 16, 2009 you will be 7 months past due on this lease payment.

You were initially invoiced on 6/5/08. In response to a 9/18/08 delinquency notice, you paid \$3,670.28. We sent you a second delinquency notice on 12/3/08 and a reminder invoice on 1/8/09 with no response.

You owe the following as payment for your annual rent and late fees:

6/5/2008 (invoice for 7/16/08-7/16/09)	\$7,276.50
7/31/2008 (late fee)	\$64.03
8/31/2008 (late fee)	\$64.60
9/26/08 Partial Payment received	-3,670.28
9/30/2008 (late fee)	32.87
10/31/2008 (late fee)	33.16
11/30/2008 (late fee)	33.45
12/31/2008 (late fee)	33.74
<u>1/31/2009 (late fee)</u>	<u>34.04</u>
BALANCE DUE	\$3,902.11

I am enclosing a copy of the invoices for your reference.

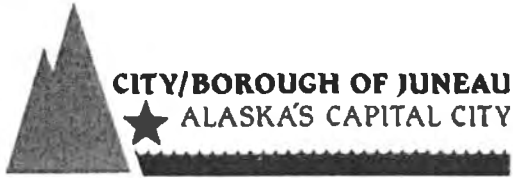
Section 16 of your lease agreement (copy attached) stipulates conditions for default of performance of any of the terms, covenants or stipulations therein, and goes on to state that default not remedied within 30 days after written notice shall subject the lessee to legal action or forfeiture of the lease. This includes non-payment of rent.

It has been 60 days since our last written notice. If this account is not brought current immediately, we will be presenting it for review at the Docks & Harbors Board of Director's Finance Committee Meeting next week, Thursday, February 12, 2009.

Please call me at 586-0397 to resolve this matter.

Sincerely,

Mary Kay Havens
Administrative Officer II



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

Port of Juneau

June 16, 2009

Michael Donohue
18228 Point Stephens Road
Juneau, AK 99801

Dear Mr. Donohue:

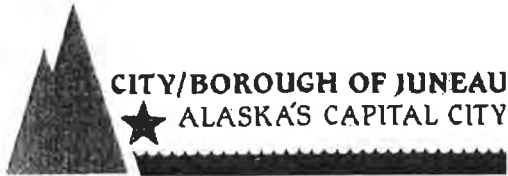
It has been brought to my attention that you are delinquent in your lease payments for the ADL #29281 tideland lease. The balance of the lease payment for the year ending July 16, 2009 is overdue and the monthly billing for the next year has begun. The total due at this time is \$1,465.62 (including \$359.40 late fees) for last year and \$606.38 for the first month of this next billing year, for a total of \$2,072.00.

The lease agreement stipulates conditions for forfeiture of the lease. This includes non-payment of rent. This letter constitutes notice that you are in default on your lease and that in 60 days your lease will be terminated if this delinquency remains unresolved. This lease termination will be discussed at the Docks and Harbors Finance Committee public meeting on July 23, 2009 in the CBJ Assembly Chambers at 5:00 p.m.

Please call me at 586-0397 if you have questions.

Sincerely,

Roy McLeod
Port Administrative Officer



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

Port of Juneau

November 16, 2010

Michael Donahue
18228 Point Stephens Road
Juneau, AK 99801

Dear Mr. Donohue:

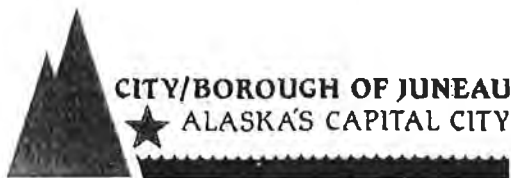
You are currently delinquent in your lease payments for ADL #29281 tideland lease. After our last letter dated June 16, 2009, on July 14, 2009 you brought your account balance to zero. However, since then you have accrued \$525.10 in late fees, paid one \$500.00 payment, and had sixteen months of the monthly charge of \$606.38 which brings you to a balance due of \$9,727.18.

The lease agreement stipulates conditions for forfeiture of the lease. This includes non-payment of rent. Please make arrangements for immediate payment of this debt to avoid further late fees. If not resolved within 30 days, this matter will be forwarded to the Docks and Harbors Board.

Please call me at 586-0292 if you have questions.

Sincerely,

John M. Stone, P.E.
Port Director



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

Port of Juneau

March 7, 2011

Michael Donahue
18228 Point Stephens Road
Juneau, AK 99801

Dear Mr. Donohue:

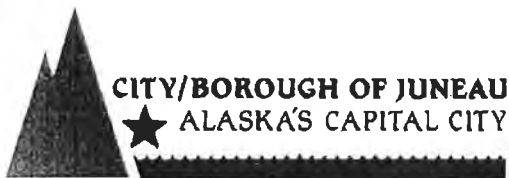
You are currently delinquent in your lease payments for ADL #29281 tideland lease. After our last letter dated November 16, 2010, you said you were going to start making payments. However, since then you have not made any payments. This gives you a new balance due of \$12,487.28.

The lease agreement stipulates conditions for forfeiture of the lease. This includes non-payment of rent. Please make arrangements for immediate payment of this debt to avoid further late fees. If not resolved within 30 days, this matter will be forwarded to the Docks and Harbors Board.

Please call me at 586-0292 if you have questions.

Sincerely,

John M. Stone, P.E.
Port Director



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

Port of Juneau

October 5, 2011

Michael Donahue
18228 Point Stephens Road
Juneau, AK 99801

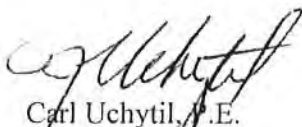
Dear Mr. Donohue:

As you know, you are currently delinquent in your lease payments for ADL #29281 tideland lease. Your last payment was on June 14th, for \$1,500.00. You informed us of your tax exempt status at that time and your taxes were credited on the unpaid invoices. You were given copies of the paid invoices and were instructed to work with CBJ Sales Tax for reimbursement of taxes already paid. The Port Secretary called you on July 28th to determine when to expect payment on your delinquent account and you indicated "soon". It has been over two months since that call and still no payment. You now have a balance due of \$15,256.45 with the November lease payment included.

The Docks and Harbors Department has been patient, given your personal situation, but can not exempt you from financial responsibilities for your lease. The lease agreement stipulates conditions for forfeiture of the lease, including non-payment of rent. Please make arrangements for payment of this debt to avoid forfeiture of your lease. If not resolved within 30 days, this matter will be forwarded to the Docks and Harbors Board.

Please call me at 586-0292 if you have questions.

Sincerely,



Carl Uchytel, P.E.
Port Director

TROUBLE'S END
18228 PT. STEPHENS RD.
JUNEAU, AK 99801
(907) 789-9175

December 9, 2011

Carl Uchytel
Port Director
City & Borough of Juneau
155 South Seward St.
Juneau, AK 99801

RE: Tidelands Lease ATS 615

Dear Carl,

Thank you for taking the time to discuss my Tidelands Lease balance. Sorry for the delay in getting this letter to you. I am working on a financing solution to my problem which may involve selling some property. I hope to have a better idea soon and will relay that information to you when I have it figured out.

Best regards,

A handwritten signature in black ink, appearing to read "Mike Donohue", written in a cursive style.

Mike Donohue

Port of Juneau

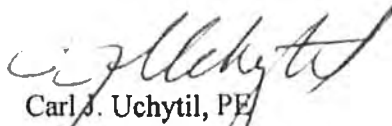
January 13, 2012

Mr. Mike Donahue
18228 Pt. Stephens Rd.
Juneau, AK 99801

Dear Mr. Donahue,

I have received your letter indicating you request additional time for back rent associated with your tideland lease with CBJ Docks and Harbors. Please provide me with the date you anticipate you will be providing Docks and Harbors with the balance of your back rent. I will need this letter by 31 January 2012. Including February 2012 rent payment, you owe CBJ Docks and Harbors \$17,350.51 and your last payment was made on 14 June 2011. I am willing to work with you on this matter but I need a commitment as to when CBJ Docks and Harbors should expect payment? Please feel free to contact me at any time with any concerns.

Sincerely,



Carl J. Uchytel, PE
Port Director

Teena Scovill

From: Carl Uchytill
Sent: Wednesday, February 01, 2012 7:44 AM
To: miked@acsalaska.net
Cc: Teena Scovill
Subject: FW: Tidelands Lease

Mike -
Thank you for the email. Please keep me informed to your progress in two weeks.
regards,
Carl Uchytill
Port Director

From: miked@acsalaska.net [miked@acsalaska.net]
Sent: Tuesday, January 31, 2012 6:40 PM
To: Carl Uchytill
Subject: Tidelands Lease

TROUBLE'S END
18228 PT. STEPHENS RD.
JUNEAU, AK 99801
(907) 789-9175

January 31, 2012

Carl Uchytill

Port Director

City & Borough of Juneau

155 South Seward St.

Juneau, AK 99801

RE: Tidelands Lease ATS 615

2/1/2012

Dear Carl,

I am writing in response to your letter. I am currently consulting with my lawyer about some legal issues regarding the original lease. One of my partners has passed away and her portion was inherited by family members. My new partners and I need to have further discussions about continuing the lease and finances. I will update you on this issue in 2 weeks.

Best regards,

Mike Donohue

2/1/2012

ASSIGNMENT OF INTERESTS

BENJAMIN O. HAFFNER hereby assigns to ELIZABETH A. HAFFNER any and all interests he has in and to the marina business commonly known as DONOHUE'S MARINA located at Tee Harbor, Juneau, Alaska, and formerly operated by Benjamin O. Haffner and Elizabeth A. Haffner, husband and wife. This assignment covers all fixtures, personal property, accounts receivable, accounts payable, goodwill, etc. associated with the operation of the marina business.

BENJAMIN O. HAFFNER hereby further assigns and quitclaims to ELIZABETH A. HAFFNER any and all interests he has in and to the attached Tidelands Lease Agreement between Michael J. Donohue, Benjamin O. Haffner and the State of Alaska which was originally issued on July 1, 1966 as ADL 5-0-29281-9, and which was amended on January 1, 1979.

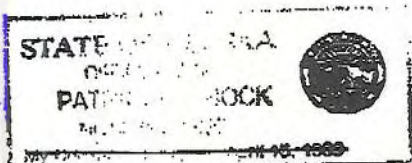
DATED this 21 day of December, 1990.

Benjamin O. Haffner

Benjamin O. Haffner

SUBSCRIBED, SWORN TO, and ACKNOWLEDGED before me on this 21st day of December, 1990.

Patricia L. Brock
Notary Public for Alaska
My Commission expires: APRIL 15, 1991



STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FOREST, LAND AND WATER MANAGEMENT

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT to that certain 55-year lease issued on 7/1/66
and serialized ADL 29281 is executed and made effective as follows:

* * * * *

The above referenced lease agreement is amended in accordance with Chapter 138 of the Session Laws of 1977, as amended by Chapter 182 of the Session Laws of 1978. The lessee has filed with the Lessor a Request for Conversion of Lease on 12/20/78. Under the provisions of these Acts the annual lease rental will be \$ 1498.16, effective 1/1/79 for a 25-year period starting with the effective date of this amendment. This rental is subject to adjustment at the expiration of the initial 25-year period, and at intervals of 10 years thereafter, in accordance with the procedures and limitations prescribed by statute.

A quarterly/annual rental payment of \$ 1498.16 is due on or before July 1st of each lease year until reappraised in accordance with law.

All other terms and conditions of the above-referenced lease agreement are not affected by this amendment, and remain in full force and effect.

This amendment is hereby incorporated into and made a part of the above-referenced lease agreement as of the effective date of this amendment.

LESSEE:

Michael J. Donohue
Benjamin O. Haffner

Date: Feb. 18, 1979

LESSOR:

[Signature]
Chief, Land Management Section
Division of Forest, Land and Water
Management
Alaska Division of Lands

Date: MAR 5 1979

APPROVED AS TO FORM:

Shelley J. Higgins
Assistant Attorney General
Sept 14, 1978
Date

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS
344 Sixth Avenue
Anchorage, Alaska

DL-37a (Tidelands)
Revised December, 1961

Lease No. ADL 29281

LEASE AGREEMENT

THIS INDENTURE made and entered into this 1st day of July 19 66, by and between the STATE OF ALASKA, through the Director of the Division of Lands, with the consent and approval of the Commissioner of the Department of Natural Resources, acting for and on its behalf under and pursuant to Chapter 169, SLA 1959, as amended, and the regulations promulgated thereunder, as amended or hereafter amended, hereinafter referred to as the LESSOR; and Benjamin O. Haffner and Michael Donohue of Star Route, Box 1135, Juneau, Alaska hereinafter referred to as the LESSEE:

WITNESSETH, that whereas the Lessor has classified the lands herein demised as: Commercial lands on December 30 19 65, pursuant to Chapter 169, SLA 1959, as amended; and

WHEREAS, the Lessor has caused the lands herein demised to be appraised and such appraisal was made and approved on or after December 6, 19 65; and

WHEREAS, the Lessor has caused a notice of intent to lease the lands herein demised to be published as required by law or caused notices of intent to lease to be posted as required by law; and

WHEREAS, an auction of the within demised property was held at the time and place designated by notice and said sale was approved by the Director of the Division of Lands, Department of Natural Resources, State of Alaska:

NOW THEREFOR, the Lessor has agreed to let and does hereby let and demise to the Lessee, and the Lessee has agreed to take and does hereby take from the Lessor all that lot, piece, or parcel of land more particularly bounded and described, as follows:

Known as ATS 615: A tract of tidelands being located on the south shore of Tee Harbor the Greater Juneau Borough, and within protracted Sec. 12, T40S, R64E, Copper River Meridian, and being more specifically described as follows: Commencing at Corner No. 2, U.S.S. Survey 378, thence North 225.06 feet to Corner No. 1, U. S. Survey No. 378, which is also Corner No. 1, ATS 615, and the true point of beginning for this description: thence, S73°59'30"W 178.20 feet to a point which is Corner No. 2 for this description; thence N69°30'30"W 26.9 feet to a point which is Corner No. 3 for this description; thence N01°36'47"W 626.92 feet to a point which is Corner No. 4 for this description; thence East 200 feet to a point which is Corner No. 5 for this description; thence S17°41'44"E., 567.58 ft to a point which is Corner No. 6 for this description; thence S73°44'W, 165.00 feet to a point which is Corner No. 1, and the true point of beginning for this description, containing 3.877 acres more or less, Latitude 58°24'37", Longitude 134°45'30" at Corner No. 1.

for 8-5-66 mgk
"INTEGRATED INTO RECORDS"

TO HAVE AND TO HOLD the said demised premises for a term of Fifty-Five
(55) years commencing on the 1st day of July, 19 66 and ending
at 12 o'clock midnight on the 30th day of June, 2021, unless
sooner terminated as hereinafter provided.

The Lessee shall pay to the Lessor rental as follows: Equal annual
payments, in advance, on or before the 1st day of July of every
year during said term at the rate of Eleven Hundred and 00/100
Dollars (\$ 1100.00) per year, such payments to
be subject to adjustment at each five year interval from the effective date hereof, if the
lease term hereof exceeds five years, such adjustment to be based primarily upon a reappraised
annual rental value of land in a state of improvement similar to that of the land described
herein at the time this lease was entered into.

It is hereby mutually covenanted and agreed that this indenture is made upon the
foregoing, and upon the following agreements, conditions, covenants, and terms, VIZ:

1. The word "Lessor" as and wherever used in the lease, shall be construed to
include, and shall include, bind and inure to the benefit of, the State of Alaska, its
successor and assigns, at any time during the term of this lease or any renewal thereof;
and the word "Lessee" as and wherever used in this lease shall be construed to include and
shall include and bind and inure to the benefit of the Lessee, his successors and assigns.

2. It shall be the responsibility of the Lessee to properly locate himself and
his improvements within the confines of the property leased herein.

3. The Lessor, Alaska, hereby expressly saves, excepts and reserves out of the
grant hereby made unto itself, its lessees, successors, and assigns forever, all oils,
gases, coal, ores, minerals, fissionable materials, and fossils of every name, kind or
description, and which may be in or upon said lands above described, or any part thereof,
and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable
materials, and fossils, and it also hereby expressly saves and reserves out of the grant
hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter
by itself, its or their agents, attorneys, and servants upon said lands, or any part or
parts thereof, at any and all times, for the purpose of opening, developing, drilling and
working mines or wells on these or other lands and taking out and removing therefrom all
such oils, gases, coal, ores, minerals, fissionable materials and fossils, and to that
end it further expressly reserves out of the grant hereby made, unto itself, its lessees,
successors, and assigns forever, the right by its or their agents, servants and attorneys
at any and all times to erect, construct, maintain, and use all such buildings, machinery,
roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove
such soil, and to remain on said lands or any part thereof for the foregoing purposes and
to occupy as much of said lands as may be necessary or convenient for such purposes hereby
expressly reserving to itself, its lessees, successors, and assigns, as aforesaid,
generally all rights and power in, to and over said land, whether herein expressed or not,
reasonably necessary or convenient to render beneficial and efficient the complete enjoy-
ment of the property and rights hereby expressly reserved.

Provided, however, no rights shall be exercised by Alaska, its lessees, successors
or assigns, until provision has been made by Alaska, its lessees, successors or assigns,
to pay to the owner of the land, upon which the rights herein reserved to Alaska, its
lessees, successors, or assigns are sought to be exercised, full payment for all damages
sustained by said owner, by reason of entering upon said land; provided, that if said
owner for any cause whatever refuses or neglects to settle said damages, Alaska, its
lessees, successors or assigns or any applicant for a lease or contract from Alaska for

the purpose of prospecting for valuable minerals, or option contract or lease for mining coal or lease for extracting petroleum or natural gas, shall have the right, after posting a surety bond with the Director in a company qualified to do business in Alaska or in a form as determined by the Director, after due notice and opportunity to be heard, to be sufficient in amount and security to secure the said owner full payment for all such damages, to enter upon the land in the exercise of said reserved rights, and shall have the right to institute such legal proceedings in a court of competent jurisdiction wherein the land is situated, as may be necessary to determine the damages which the surface lessee of such lands may suffer.

4. The lands leased herein have been classified as shown on page 1 of this agreement and in accordance with the Classification Regulations, Title II, Division I, Chapter I, Subchapter I, and any use thereof which shall be in material conflict with said classification shall, if not remedied after due notice thereof has been served on the Lessee, constitute a breach of this lease and the Lessor may thereupon terminate same in accordance with provisions herein contained. The Lessor does not warrant that by such classification the land is ideally suited for the use authorized thereunder and the Lessor gives no guaranty, actual or implied, that the utilization under said classification will be profitable.

5. All coal, oil, gas and other minerals and all deposits of stone or gravel valuable for extraction and utilization and all materials subject to Title II, Division I, Chapters Four (4), Five (5) and Six (6), Alaska Administrative Code, as amended or as shall hereafter be amended are excepted from the operation of this lease. Viz: The Lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peatmoss, or any other material valuable for building or commercial purposes; provided, however, that material required in the enjoyment of this lease may be used after a written permit therefor has been obtained from the Lessor.

6. The Lessor expressly reserves the right to grant easements or rights-of-way across the land herein leased if it is determined to be in the best interests of the State to do so; provided, however, that the Lessee shall be entitled to compensation for all improvements or crops which are damaged or destroyed as a direct result of such easement or right-of-way.

7. The Lessee shall not commit waste or injury upon the lands leased herein. Any violation of this agreement shall not only subject the offender to civil liability, but upon conviction thereof he may be fined in any sum not exceeding \$1000.00.

8. If the lands leased herein are classified and leased as grazing or agricultural lands the Lessee shall not prevent or deny the lawful pursuit or the hunting of game or the taking of fish; provided, however, the Director, upon request in writing, may allow the lands leased herein, or portions thereof, to be posted to prohibit hunting and fishing when it appears necessary in order to properly protect the Lessee and his property.

9. Should the lands herein leased lie within the jurisdiction of any authorized building or zoning authority they shall be utilized in accordance with the rules and regulations promulgated by said authority.

10. The Lessee shall take all reasonable precaution to prevent, and take all reasonable action to suppress grass, brush and forest fires on the land herein leased.

11. The Lessee shall allow the Lessor, through its duly authorized representative, to enter upon the leased premises, at any reasonable time, for the purpose of an inspection thereof.

12. When the Lessee shall use the lands leased herein to construct any form of hydraulic project or employ any equipment or engage in any activity which will use, divert, obstruct, pollute or change the natural flow or bed of any river, lake or stream or that will utilize any of the waters of the State or materials from any river, lake or stream beds, the Lessee shall, prior to the commencement of any such operations, procure the approval of the Commissioner of the Department of Fish and Game and the original or an image copy thereof shall be filed with the Lessor prior to the commencement of such activity.

13. The Lessee may assign the lands, or portion thereof, herein demised, provided, he first makes application to the Lessor for a permit and the Lessor, in his discretion, may issue such permit if he finds it to be in the best interest of Alaska. Upon an assignment being granted, the assignee thereunder shall become subject to and be governed by the provisions of this lease in the same manner as though he were the original Lessee.

14. This lease may not be modified orally or in any manner other than by an agreement in writing signed by all parties hereto or their respective successors in interest.

15. This lease may be cancelled, in whole or in part, under one or more of the following conditions:

- A. While in good standing by the mutual agreement in writing of the respective parties hereto.
- B. If issued in error with respect to material facts.
- C. If the leased premises are being used for an unlawful purpose.

16. If the Lessee should default in the performance of any of the terms, covenants or stipulations herein contained or of the regulations promulgated pursuant to Chapter 169, SLA 1959, as amended, and said default shall not be remedied within 30 days after written notice of such default has been served upon the Lessee by the Lessor, the Lessee shall be subjected to such legal action as the Lessor shall deem appropriate including but not limited to, the forfeiture of this lease. No improvements may be removed by the Lessee during any period in which this lease is in default. In the event that this lease shall be terminated because of a breach of any of the terms, covenants, or stipulations contained herein the annual rental payment last made by the Lessee shall be retained by the Lessor as liquidated damages.

17. Any notice or demand which must be given or made by the parties hereto shall be in writing, and shall be complete by sending such notice or demand by United States registered or certified mail to the address shown on the lease or to such other address as the parties shall designate in writing from time to time. A copy of any such notice shall be forwarded by the Lessor to any lienholder who has properly recorded his interest in the lease with the Lessor.

18. In the event that this lease is terminated as herein provided, by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by the Lessee during the term of this lease, the Lessor may immediately, or at any time thereafter, enter or re-enter and take possession of said lands, or any part thereof, and without liability for any damage therefor, remove all persons and property therefrom either by summary proceedings or by a suitable action or proceeding at law; provided, however, that the words "entry" and "re-entry" as used herein, are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession,

dispossess, and/or dispossession by the Lessor, whether had or taken by summary proceedings, or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or in part, from any liability hereunder.

19. Upon the expiration, termination or cancellation of this lease, unless the same has been renewed, the Lessee shall quietly and peaceably leave, surrender, and yield up unto the Lessor all of the leased land on the last day of the term of the lease.

20. The receipt of rent by the Lessor, with or without knowledge of any breach of the lease by the Lessee or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of this lease, shall not be deemed to be a waiver of any provision of this lease. No failure on the part of the Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate such terms or covenants or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money or the termination, in any manner, of the term therein demised, or after giving by the Lessor of any notice hereunder to affect such termination, shall not reinstate, continue, or extend the resultant term herein demised, or destroy, or in any manner impair the efficacy of any such notice of termination as may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless expressed in writing and signed by the Lessor.

21. The Lessee, after written request therefor has been filed with the Lessor and prior to the commencement of such work, may receive credit toward current or future rentals, provided the contemplated work, to be accomplished on or off the area leased herein, in the discretion of the Lessor, shall result in increased valuation to other State owned lands. The Lessor's authorization to proceed with the work for rental credit, if granted, shall stipulate the type and extent of improvements, standards of construction to be followed and the maximum allowable rental credit therefor; provided further that no rental credit shall inure to the Lessee until the work has been completed and the Lessor has inspected same to determine compliance with the provisions of said authorization.

22. If, upon the expiration of this lease, the Lessee desires a renewal lease on the lands, properties or interests covered herein, he shall within 30 days before the expiration of this lease, make application to the Lessor on Form DL-74 entitled "Application for Renewal of Lease," in which he must certify under oath as to the character and value of all the improvements existing upon the land, the purpose for which he desires a renewal and such other information as the Director of the Division of Lands may require. Along with the application the applicant shall deposit a sum equal to 50% of the current annual rental, as provided herein, but in no event to exceed the sum of \$50.00. The Lessor may thereupon lease said lands in compliance with the provisions herein enumerated, Chapter 169, SLA 1959, as amended, and the rules and regulations promulgated thereunder, allowing a preference right to the Lessee herein.

23. The Lessee hereunder shall, upon the expiration of this lease or the prior termination thereof by mutual agreement, be allowed a preference right to re-lease the lands leased herein if all other pertinent factors are substantially equivalent. If the renewal lease does not require public auction the preference right holder shall exercise his right within 30 days before the expiration of this lease by written notice directed to the Lessor and failure to do so shall result in forfeiture and cancellation of such preference right. In the event that the lease is subject to and is offered at public auction the preference right holder shall, at the close of bidding, indicate his desire to exercise his preference right and meet the highest bid. In the event the preference right holder does not elect to exercise his right and fails to do so at this time his preference right shall be forfeited and forever lost.

24. Improvements owned by a Lessee on Alaska lands shall within 60 days after the termination of the lease be removed by him; provided, such removal will not cause injury or damage to the lands; and further provided, that the Lessor may extend the time for removing such improvements in cases where hardship is proven. The retiring Lessee or permittee may, with the consent of the Lessor, sell his improvements to the succeeding lessee or permittee.

If any improvements and/or chattels having an appraised value in excess of \$10,000.00 as determined by the Lessor are not removed within the time allowed, such improvements and/or chattels shall upon due notice to the Lessee, be sold at public sale under the direction of the Lessor. The proceeds of sale shall inure to the Lessee who placed such improvements and/or chattels on the lands after paying to Alaska all rents due and owing and expenses incurred in making such sale. In case there are no other bidders at any such sales, the Lessor is authorized to bid, in the name of Alaska, on such improvements and/or chattels. The bid money shall be taken from the fund to which said lands belong and the said fund shall receive all monies or other value subsequently derived from the sale or leasing of such improvements and/or chattels. Alaska shall acquire all the rights, both legal and equitable, that any other purchaser could acquire by reason of said purchase.

If any improvements and/or chattels having an appraised value of \$10,000.00 or less, as determined by the Lessor, are not removed within the time allowed, such improvements and/or chattels shall revert to and absolute title shall vest in Alaska.

25. If any clause, or provision, herein contained, shall be adjudged to be invalid, it shall not affect the validity of any other clause or provision, of this lease or constitute any cause of action in favor of either party as against the other.

HERRING SPAWN COVENANT:


This lease is issued subject to Section 2, Chapter 34, SLA 1959, as thereafter amended.

It is agreed that the covenants, terms and agreements herein contained shall be binding upon the successors and assigns of the respective parties hereto.

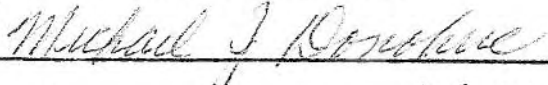
IN WITNESS WHEREOF, the State of Alaska, Lessor, acting through the Director of the Division of Lands of the Department of Natural Resources, lawfully authorized thereunto, has caused these presents to be executed at Anchorage, Alaska, in duplicate and the said Lessee has hereunto set his hand, agreeing to keep, observe and perform the rules and regulations promulgated under Chapter 169, SLA 1959, as amended, the terms, conditions and provisions herein contained, on the Lessee's part to be kept, observed and performed; and executed said instrument, in duplicate on the 19 day of July, 1966.

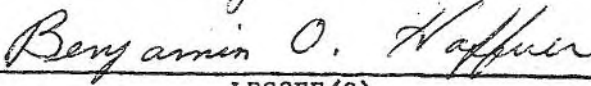
APPROVED:

COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES
STATE OF ALASKA



Director, Division of Lands





LESSEE(S)

UNITED STATES OF AMERICA)
State of Alaska) ss.

THIS IS TO CERTIFY that on the 19th day of July, 1966
before me, the undersigned Notary Public, personally appeared Roscoe E. Bell
known to me and known by me to be the Director of the Division
of Lands of the Department of Natural Resources, and acknowledged to me that he executed
the foregoing lease for and on behalf of said State, freely and voluntarily and for the
use and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal,
the day and year in this certificate first above written.

Edith Butcher
Notary Public in and for the State of Alaska
My commission expires November 9, 1968

UNITED STATES OF AMERICA)
State of Alaska) ss.

THIS IS TO CERTIFY that on this 11th day of July, 1966
before me, the undersigned, a Notary Public in and for Alaska duly commissioned and sworn,
personally appeared Michael J. Donohue and Benjamin O. Halfner to me
personally known to be one of the persons described in and who executed the within instru-
ment and the said Michael J. Donohue and Benjamin O. Halfner (V.A.)
acknowledged to me that he signed and executed the same freely and voluntarily for the
uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal,
the day and year in this certificate first above written.

W. J. Brocher
Notary Public in and for the State of Alaska
My commissioner expires 7-19-68

Approved as to Form:

Ralph E. Moody
Attorney General

By Richard A. Bradley
Title Assistant Attorney General

3.8 PARCEL 8

Common Name: Tee Harbor Marina
Address: 17880 Chilkat Road, Approximately 18 Mile Glacier Highway, Juneau, Alaska

Lease Summary

ADL No.: ADL 29281
Legal Description: ATS 615
Lessor: City and Borough of Juneau as successor to the State of Alaska
Lessee: Donahue
Original Lease Date: July 1, 1966
Ending Lease Date: June 30, 2021
Last Rent Adj. Date: March 20, 1989
Last Rent Adj. Amount: \$1,499.16
Reappraisal Anniversary: January 1, 2004
Use: Marina
Property Rights Excluded: No mineral rights are conveyed by the lease
Easements: None Known
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

Apparently when the property was first leased, it had remnants of the old territory ferry landing which included pilings, roads, concrete ramps, and other miscellaneous improvements. There were no original improvements noted on the site, and it is leased as vacant and available for development. Apparently, there has been no proper private access to the site. As it is surveyed, there is a gap between it and the adjacent ATS 41 also controlled by the lessee, who in the past wished to expand the marina onto the subject tidelands. Because of the lack of direct float access, and the inability to connect these tidelands in the past, the functional utility was inhibited by this lack of access or contiguity. The property appears to be in its original state, sloping in a tidal zone and mostly well protected due to submerged lands. There was an apparent quiet title action for accreted lands reflected in Plat 2001-42 which reduced the size of the leasehold estate.

Size and Shape: The parcel is 138,628 SF or 3.18 acres. It has 317' of frontage as it abuts upland at mean high tide and extends 497' to 630' into the harbor where it has 200' of outward frontage.
Topography: A toe of tidal lands to mean low water (approximately 70% to 80% of this site) appears to be submerged lands.
Access: There is no public upland access to the parcel and adjacent property ownership is not controlled by the lessee. Normal access appears to be via public waters only.

Utilities:

Water and power utilities are in the area but not extended to the subject site.

Functional Utility:

The site was leased with the hopes of expanding the marina located on ATS 41 to the west. The insistence of an upland neighbor required a public unoccupied strip between the two tideland parcels. Therefore the improvements from ATS 41 could not be extended onto ATS 615. Over the years, the owners of the marina have attempted to acquire control of better access. About ten years ago, the upland parcel which fronted the unoccupied tidelands was acquired by certain marina owners. There is a possibility they could pursue additional tideland modification, but at present, this has not occurred. The tidelands, as they sit, are very well protected deep water marina potential, but have limited access.

Zoning:

WC, Waterfront Commercial

*Assessed Valuation and Taxes - 2003:**CBJ Assessor's ID No.:*

N/A

Land Value:

\$37,500

Improvements:

\$ 0

Total:

\$37,500

Three Year Sales History:

No known sales.

Valuation*Highest and Best Use:*

Hold for future speculation perhaps marina development.

Summary of Comparables:

TIDELAND RENT INDICATORS				
#	Transaction Description	Size (SF)	Land Use Description	Annual Rent/SF
R5	Gitkov - Auke Bay ATS 1525, Tract A&B	50,094	Vessel dock	\$0.14
R6	Allen Marine Auke Bay ATS 1533	187,352	Vessel dock	\$0.15
S14	5010 North Douglas Hwy Waterside Park	127,195	Low utility tideflats with creek	\$0.04
S15	5050 North Douglas Hwy Channel View Terrace ATS 713	67,953	Tide flats - low utility	\$0.05
S16	17860 Chilkat Road Tee Harbor	97,574	Near harbor - poor access	\$0.05

Comparables R5 and R6 are samples of well protected marinas in the Auke Bay area closer to town with deep water docks. Comparables S14 and S15 are low utility tidelands on Douglas Island which

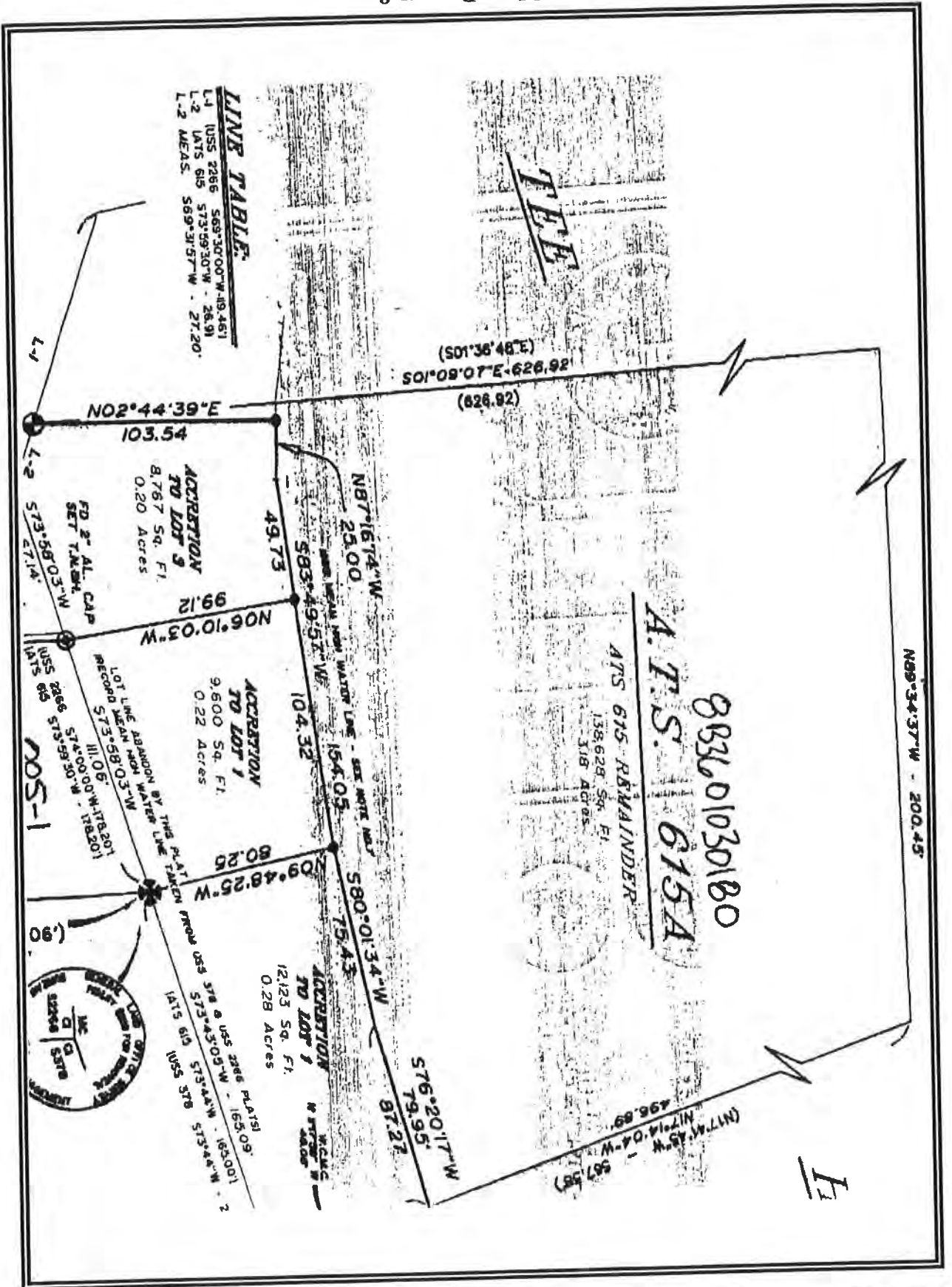
in a way proxy for the poor access situation exhibited by the subject. Comparable S16 is an adjusted uplands value of adjacent land near the harbor in the immediate area also with poor access at the time of sale. These area sales confirm a market rent at about \$0.05/SF/year.

Market Rental Value Conclusion:

138,628 SF @ \$0.05/SF = \$6,931.40/year
Rounded to \$6,930/year



MAP - PARCEL 8









Port of Juneau

To: Docks and Harbors Finance Committee
CC:
From: Carl Uchytel, Port Director
Date: March 13th, 2012
Re: Potable Water Fees Increase

I am recommending the Committee review the current Potable Water fee set out in 05 CBJAC 15.050 and consider amendment to the Fees and Charges Regulation. Currently Docks and Harbors charges \$3.35 per 1,000 U.S. gallons which became Effective 05/01/2005.

Docks and Harbors potable water fees were raised in August of 2011.

Previous Water Fees

1st 4,000 gal - \$16.88

After 4,000 gal - \$2.27

Current Water Fees

1st 4,000 gal - \$18.06

After 4,000 gal - \$2.43

To raise the water fees, it would require a recommendation from the Committee to the Board. This would also need Assembly review and approval.

Chapter 15

FEES AND CHARGES*

* **Editors Note:** It should be noted that Ch. 15, Fees and Charges, becomes effective May 1, 2005, however, at the request of the city said provisions have been included herein prior to the effective date.

05 CBJAC 15.010 Reserved.
05 CBJAC 15.020 Port fee policy.
05 CBJAC 15.030 Dockage charges.
05 CBJAC 15.040 Port maintenance fee.
05 CBJAC 15.050 Potable water fee.
05 CBJAC 15.060 Vessel lightering fees.
05 CBJAC 15.070 Tour broker and vending permit fees.
05 CBJAC 15.080 Loading permit fees.
05 CBJAC 15.090 Electricity fees.
05 CBJAC 15.095 Other fees.
05 CBJAC 15.100 Other CBJ fees billed by docks and harbors department.

05 CBJAC 15.010 Reserved.

05 CBJAC 15.020 Port fee policy.

(a) *Legal authority.* The City and Borough of Juneau Docks and Harbors Board adopt fees and charges pursuant to the authority granted by CBJ Ordinance Title 85.02.100.

(b) *Enterprise fund.* Except as otherwise provided, all fees and charges assessed by the CBJ Docks and Harbors Department shall be deposited into an enterprise fund that is used to finance the port activities of the CBJ Docks and Harbors Department. The enterprise fund is established under the authority of Section 9.16 of the "Home Rule Charter of the City and Borough of Juneau, Alaska" and CBJ Ordinance Title 85.

(c) *Sales tax.* Fees and charges do not include local sales taxes. The Port of Juneau will assess local sales taxes upon the fees and charges in accordance with applicable local sales tax law.

(d) *Currency denomination.* All fees and charges are in U.S. dollars.

(e) *Payment deadlines, overdue amounts and penalty.* All fees and charges are due within 30 day receipt of the billing. Fees and charges not paid within 30 day receipt of billing will be considered delinquent and subject to the interest provisions established in CBJ Ordinance Title 1.41 and the penalty provisions established in CBJ Ordinance Title 85.20.010 and 85.25.170.

(f) *Refundability and prorating.* Unless specifically provided in CBJ Administrative Code Title 05, Chapter 15, the Docks and Harbors Department will not refund or pro-rate fees and charges.

(g) *Billing records.* Records of billings are available for inspection at the Port Office, 76 Egan Drive, Juneau, Alaska 99801. Persons may request copies of records for their billings free-of-charge. Other persons may request copies in accordance with applicable state and local public records laws.

(h) *Billing disputes.* A person may dispute their billing to the Port Director. In order to file a dispute, the person must submit written notice with 30 days of receiving the bill under dispute. The written notice must include a copy of the bill, a concise and complete description of the dispute, and the requested relief. The Port Director shall respond within 30 days of receiving the dispute. The person may dispute the Port Director's decision to the CBJ Docks and Harbors Board and thereafter to the City and Borough of Juneau Assembly in accordance with applicable CBJ ordinance.
(Eff. 5-1-2005)

05 CBJAC 15.030 Dockage charges.

(a) *Definition.* The charge assessed to vessels for berthing at the Steamship Wharf, the Cruise Ship Terminal, the Intermediate Vessel Float, and the Marine Park Lightering Float.

(b) *Basis for computing charges.* Dockage charges are assessed upon length-over-all (LOA) of the vessel. Length-over-all is defined as the linear distance, in feet, from the forward most part at the stem to the aftermost part of the stern of the vessel, measured parallel to the base line of the vessel.

Length-over-all of the vessel, as published in "Lloyd's Register of Shipping" will be used and, when not published, the Port reserves the right to measure the vessel or obtain the length-over-all from the vessel's register.

(c) *Dockage period; how calculated.* The period of time which dockage will be assessed shall commence when the vessel is made fast to an allocated berth or moored, or comes within a slip and shall continue until such vessel casts off and has vacated the position allocated. All time is counted and no deductions shall be allowed because of weather or other conditions, except when the Port Director provides for such allowance for good cause shown.

(d) *Charges when a vessel shifts to different berth.* When a vessel is shifted directly from one position to another berth or slip, the total time at such berths or slips will be considered together when computing the dockage or charge.

(e) *From May 1 to September 30, dockage for all vessels, except fishing vessels, will be assessed for each 24-hour period or portion thereof as follows:*

- (1) \$1.50 per foot for vessels less than 65 feet in length overall;
- (2) \$2.50 per foot for vessels with a length overall from 65 feet up to 200 feet; and
- (3) \$3.00 per foot for vessels greater than or equal to 200 feet in length overall.

(f) *From May 1 to September 30, dockage for fishing vessels will be assessed as follows:*

Time Period	Charge
Staging for Taku Fisheries Offload	No charge up to 4 hours
Each 24 hour period or portion thereof	\$0.75 per foot

(g) *From October 1 to April 30, dockage will be assessed as set out in 05 CBJAC 20.030 and 05 CBJAC 20.040.*

(Eff. 5-1-2005; Amended 12-11-2006, eff. 5-1-2007)

05 CBJAC 15.040 Port maintenance fee.

(a) *Definition.* The charged assessed for use of the Steamship Wharf, the Cruise Ship Terminal, the Intermediate Vessel Float, and the Marine Park Lightering Float to provide for maintenance, replacement, and improvement of these facilities.

(b) *Applicability and basis for computing charges.* Port maintenance fees shall be assessed to any vessel over 100 gross tons, carrying passengers-for-hire that makes voyages lasting more than 24 hours of which any part is on the high seas when such vessels tie to, or lighter to, the Steamship Wharf, the Cruise Ship Terminal, the Intermediate Vessel Float, and the Marine Park Lightering Float. Gross tonnage means the gross tonnage measurement of the vessel as set out in 46 U.S.C. Chapter 143 or Chapter 145. The Port reserves the right to obtain the gross tonnage from the vessel's register. Except for lightering operations less than three hours in duration, the port maintenance fee shall be assessed based on the net registered tonnage of the vessel. For lightering operations less than three hours in duration, the port maintenance fee shall be assessed based on one-half of the net registered tonnage of the vessel. If the vessel subsequently moves from anchor to alongside a public dock, the port maintenance fee shall be assessed based on the net registered tonnage of the vessel.

(c) *Port maintenance fee period; how calculated.* The period of time which the port maintenance fee will be assessed shall commence when the vessel is made fast to an allocated berth or moored, comes within a slip, or begins lightering operations and shall continue until such vessel casts off and has vacated the position allocated, or terminates lightering operations. All time is counted and no deductions are allowed because of weather or other conditions, except when the Port Director provides for such allowance for good cause shown.

(d) *Charges when a vessel shifts to different berth.* When a vessel is shifted directly from one position to another berth or slip, or shifts lightering operations, the total time at such berths or slips, or lightering operation shall be combined when computing the port maintenance fee.

(e) *Port maintenance fees assessment:*

Time Period	Charge
Each 24 hour period or portion thereof	\$0.055 for each net registered ton of vessel displacement

(Eff. 5-1-2005; Amended 3-5-2007, eff. 3-13-2007)

05 CBJAC 15.050 Potable water fee.

(a) *Definition.* The charge assessed to vessels for taking on potable water through a metered connection at the Port.

(b) *Basis for computing charges.* The charge shall be assessed based on water meter readings recorded by the Port staff.

(c) *Potable water fees assessment:*

Unit	Charge
Each 1,000 U.S. gallons or portion thereof	\$3.35

(Eff. 5-1-2005)

05 CBJAC 15.060 Vessel lightering fee.

(a) *Definition.* The charge assessed to vessels for dropping-off or picking-up passengers at the Marine Park Lightering Float or the Intermediate Vessel Float.

(b) *Applicability and basis for computing charges.* A vessel lightering fee shall be assessed to any vessel over 100 gross register tons, carrying more than 100 passengers -for-hire which makes voyages lasting more than 24 hours, of which any part is on the high seas when such vessels lighter passengers to the Intermediate Vessel Float or the Marine Park Lightering Float. Gross tonnage means the gross tonnage measurement of the vessel under 46 U.S.C. Chapter 143 or Chapter 145. The Port reserves the right to obtain the gross tonnage from the vessel's register.

(c) *Vessel lightering fee period.* The period of time which the vessel lightering fee shall be assessed shall commence when the first lightering tender is made fast to an allocated berth or moored, comes within a slip, and shall continue until the last lightering tender such vessel casts off and has vacated the position allocated, or terminates lightering operations. All time is counted and no deductions are allowed because of weather or other conditions, except when the Port Director provides for such allowance for good cause shown.

(d) *Charges when a vessel shifts to different berth.* When a vessel is shifted directly from one position to another berth or slip, or shifts lightering operations, the total time at such berths or slips, or lightering operation shall be combined when computing the lightering fee.

(e) *Vessel lightering fees assessment:*

Unit	Charge
Each 24-hour period or portion thereof.	\$600.00

(Eff. 5-1-2005)

05 CBJAC 15.070 Tour broker and vending permit fees.

(a) *Definition.* The charge assessed for obtaining a tour broker or tour vendor permit as set out in CBJ Administrative Code Title 05, Chapter 10.

(b) *Basis for charge.* Permits are issued to qualifying entities by means of a public bid in accordance with CBJ Administrative Code Title 05, Chapter 10. The public bid usually occurs each January.

(Eff. 5-1-2005)

05 CBJAC 15.080 Loading permit fees.

(a) *Definition.* The charge assessed for obtaining a loading permit as set out in CBJ Administrative Code Title 05, Chapter 10.

(b) *Basis for charge.* Permits are issued to qualifying entities pursuant to the regulations set out in CBJ Administrative Code Title 05, Chapter 10. Three classes of permits are issued, "A" permits, "B" permits, and limited loading permits. The "A" and/or "B" permits have two fee components. The first component is assessed to each company obtaining one or more "A" and/or "B" permits. The second component is assessed to each company based on the total number of passenger seats, excluding the vehicle drivers, that are permitted. All fees are assessed on a per calendar year basis.

(c) *Loading permit fees assessment:*

Permit Type	Fee
"A" or "B" Permit	\$300 per company plus \$7 per passenger seat
Limited Loading Permit	\$15 per vehicle for each permit day; or \$250 per year, whichever is less.

(Eff. 5-1-2005)

05 CBJAC 15.090 Electricity fees.

(a) *Definition.* The fee assessed for the use of electrical outlets at the Marine Park Lightering Float, the Steamship Wharf, the Cruise Ship Terminal, the Intermediate Vessel Float and adjacent facilities under the administration of the Docks and Harbors Board.

(b) Fees for electricity will be assessed in accordance with the fees and charges in effect at the time the electricity is consumed.

(Eff. 5-1-2005)

05 CBJAC 15.095 Other fees.

(a) *Definition.* The fee assessed for the use of CBJ Docks and Harbors Department facilities that are not specifically identified in CBJ Administrative Code Title 05, Chapter 15.

(b) *Basis for charges.* Fees will be established by the CBJ Docks and Harbors Board on a case-by-case basis.

(Eff. 5-1-2005)

05 CBJAC 15.100 Other CBJ fees billed by docks and harbors department.

(a) *Marine passenger fee.* The CBJ Docks and Harbors Department assesses a marine passenger fee in accordance with CBJ Ordinance 69.20. The marine passenger fee is currently \$5.00 per arriving passenger.

The fee is assessed to certain passenger vessels entering into any port within the City and Borough of Juneau. Fee proceeds are deposited into the general fund of the CBJ.

(b) *Port development fee.* The CBJ Docks and Harbors Department assesses a port development fee in accordance with CBJ Resolution Serial No. 2163. The port development fee is currently \$0.18 per arriving passenger for certain passenger vessels calling at the Port of Juneau and an additional \$2.00 per arriving passenger for vessels calling at a City and Borough of Juneau facility. Fee proceeds are deposited into a fund that is used to finance the cost of certain capital improvement and planning efforts related to large passenger vessels.

(Eff. 5-1-2005)

AFTER RECORDING RETURN TO: Carl Uchytel, Port Director
City and Borough of Juneau
155 S. Seward Street
Juneau, AK 99801

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FUEL DOCK LEASE AGREEMENT

PART I. PARTIES. This lease is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, hereafter "City" or "Lessor," and Harbor Enterprises, Inc. dba Petro Marine Services, hereafter "Petro" or "Lessee", a corporation organized under the laws of the State of Alaska.

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PART II. LEASE ADMINISTRATION. All communications about this lease 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.

City: <u>Carl Uchytel</u>	Lessee: James Beckham
Port Director	Vice-President, Operations
City and Borough of Juneau	Harbor Enterprises, Inc
155 S. Seward Street	d/b/a Petro Marine
Juneau, AK 99801	P.O. Box 389
Phone: (907) 586-0292	Seward, AK 99664
Fax: (907) 586-0295	(907) _____
	(907) _____

Deleted: John M. Stone

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PART III. LEASE DESCRIPTION. This lease agreement is identified as: Fuel Dock Lease Agreement. The following appendices, as well as anything incorporated by reference or attached to those appendices, are attached hereto and are considered to be part of this lease agreement.

- Appendix A: Property Description & Additional Lease 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 V. LEASE EXECUTION. City and Lessee agree and sign below. This contract is not effective until signed by the City.

City: _____ Lessee: Harbor Enterprises, Inc.

Date: _____ Date: _____

By: Carl Uchytel, Port Director By: Carol A. Lindsey, CEO

Deleted: John M. Stone

Deleted: Petro Marine Services, Inc.

CITY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2012, 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.

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Deleted: John M. Stone

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: _____

LESSEE ACKNOWLEDGMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2012, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Carol A. Lindsey, to me known to be the identical individual described in and who executed the foregoing instrument for and on behalf of Harbor Enterprises, Inc., as Lessee, which executed the Fuel Dock Lease

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above and foregoing instrument; who on oath stated that she was duly authorized to execute said instrument; who acknowledged to me that she 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: _____

Risk Management Review:	_____	, Risk Manager
Approved as to Form:	_____	, Law Department
Approved as to Content:	_____	, Docks & Harbors
Fuel Dock Lease		Page 3 of 12

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

1. DESCRIPTION OF PROPERTY

The property subject to this lease is generally referred to as “the Leased Premises” or “the Property.” The Leased Premises are described as follows (as depicted in Exhibit 1):

- a. The uplands area where the Lessee has its fuel storage tanks and associated equipment;
- b. An easement extending from the fuel storage tank uplands area to the Lessee’s fuel float in the harbor allowing the Lessee to install, maintain, and operate fuel lines, electrical lines, and communication lines;
- c. Submerged lands where the Lessee’s fuel dock is located, including the adjacent area surrounding the fuel dock that is used by marine vessels to access the fuel dock, provided such use does not interfere with the operation of the City’s facilities that are adjacent to the fuel dock; and
- d. The end of the City’s main float where the Lessee’s fuel dock is attached.

A copy of Exhibit 1 is attached to and made a part of this lease by this reference.

Lessee shall submit to the City an as-built legal description and plat within 1 year of executing the Lease.

2. AUTHORITY

This lease is entered into pursuant to the authority of CBJ Code Section 85.02.060(a)(5) and CBJ Chapter 53.20.

3. TERM AND RENEWAL OPTION

The effective date of this lease shall be the date this lease agreement is signed by the City. The term of the lease is 35 years, commencing on the effective date of this lease agreement, unless sooner terminated. City grants Lessee an option to renew this lease for one, successive period of 35 years. Lessee shall exercise this option, if at all, by written notice given to City during the first six months of the last year of the underlying lease term.

It is intended that with the effective date of this lease, the lease agreement assigned by Richard Deems for the DeHarts fuel float lease to the City on <date> is terminated, except that Lessee may continue to operate its fuel float at DeHarts under the provisions of that lease until September 30, 2013 and no additional rent or flowage fee will occur as result of continued operations.

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4. LEASE PAYMENTS AND ADJUSTMENTS

Fuel Dock Lease

Lessee shall pay rent in the amount of \$0.05 for each gallon of fuel sold at the facility, plus CBJ sales tax if applicable.

Lessee shall determine fuel sales from daily meter readings and keep records of these readings for a period of no less than one year from the date of the reading. The City may inspect, in the manner and at reasonable times it considers appropriate, Lessee's daily meter reading records.

5. AUTHORIZED USE OF PREMISES

Lessee may use the leased premises only for fuel sales and the sale of other products customarily sold by the Lessee. The leased premises may be used for other purposes only with the written consent of the City, which consent shall not be unreasonably withheld. The Lessee shall notify the City of any seasonal or other closure of the facility no later than ten (10) days prior to closure.

6. INSURANCE

Commercial General Liability Insurance

Lessee shall maintain at all times during this lease commercial general liability insurance, including marina operator's liability insurance, in the amounts of \$1,000,000 per occurrence and \$2,000,000 general aggregate. The insurance policy shall name City as an "Additional Insured" and shall contain a clause that the insurer will not cancel or change the insurance without first giving City 31 days' prior written notice. Lessee will provide evidence of this insurance to City in a form acceptable to the City Office of Risk Management.

Property Insurance

Lessee acknowledges that City carries no fire or other casualty insurance on the Lease Premises or improvements located thereon belonging to Lessee, and 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 Leased Premises, and adequate insurance to cover debris removal.

7. SPECIAL CANCELLATION PROVISION.

This provision applies only during the initial lease term, and only if CBJ terminates the lease because CBJ, due to its own actions, is unable to provide the Lessee with either the leased premises listed in this lease or alternate leased premises acceptable to the Lessee. If the lease is terminated due to these factors, CBJ will compensate the Lessee in an amount equal to the initial capital investment made by the Lessee minus depreciation (calculated by a 35 year straight line method) and any residual salvage value at the time of termination. If this provision is exercised, Lessee will provide CBJ with documentation, satisfactory to the City, establishing Lessee's initial capital investment. This documentation will form the basis for the depreciation calculation.

8. REQUIRED HOURS OF OPERATION

Fuel Dock Lease

Comment [WU1]: Carl, as I was beginning to discuss with John, this move and repiping and new float is going to cost us in excess of \$1.5m. we think it is a good move on everyone's part and benefits the city, the customers and us. Scpg is the most by a factor of 3 that we assess anywhere in the state. We want to keep that from escalating because all you harbormasters and port directors talk and want to push that fee and ultimately the customer pays. and I am opposed to an automatic escalation based on CPI or other factors. We are providing a service to your customer base as well as selling fuel, so we dont want to make that cost prohibitive. Ideally, we sell more fuel, you get more \$ without squeezing more money out of customers. Our current lease does not provide for an escalation of fees, so we woudnt face this for quite a few yrs under that lease.

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Deleted: Beginning on March 1, 2014 and continuing for a five year period until February 28, 2019, and for every five year interval thereafter, the rent shall be adjusted to no higher than the highest of the following, plus CBJ sales tax if applicable:¶

¶
a. 1.075 multiplied by the rent currently in effect; or¶

¶
b. (1 + The Anchorage CPI for the cumulative 5 year period immediately preceding the renewal as reported by the Alaska Department of Labor) multiplied by the rent currently in effect.

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It is intended for Lessee to provide fuel dock service on a year-round basis. During the boating season (April 1 to September 30), Lessee is intended to operate seven days per week. Hours of operation shall be prominently posted at the fuel dock office and made available to the Statter Harbor Office. During the off-season (October 1 to March 31), Lessee is intended to, operate the fuel dock service on a periodically scheduled and/or appointment basis with hours of operation and contact number prominently posted at the fuel dock office.

Comment [WU2]: If we for some reason have slow business hours, we do not want to , for the sake of the lease, have to operate a little used facility and incur the overhead costs. We will of course operate it to the maximum extent possible which is good for both parties.

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9. LEASEHOLD IMPROVEMENTS

The Lessee shall obtain the prior approval of the City before installing any improvements to the leased premises. Improvements made to Lessee's equipment or facilities do not need prior approval. The City shall not unreasonably withhold approval.

10. MAINTENANCE

Lessee shall be responsible for maintaining all improvements made to the leased premises in good working order. The City shall be responsible for maintaining all areas adjacent to the leased premises in good working order.

11. UTILITIES AND SERVICES

The Lessee shall be responsible for electricity, communications, and janitorial services at their facilities. The Lessee may use the Lessor's solid waste dumpster. The Lessor will provide seasonal water service to the fuel float.

12. PARKING

The City will designate one (1) parking space for use by the Lessee's employees.

13. FUEL DELIVERY

The Lessee shall, to the extent possible, schedule fuel deliveries to replenish the upland tanks so as not to conflict with peak use of the City's facilities. During peak activity periods, it may be necessary to make multiple deliveries per day and assistance from the Statter Harbor staff may be necessary to accomplish this. Lessee shall, where possible, notify Lessor 24 hours in advance if such conditions are expected to occur.

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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 Leased Premises and failure to so locate shall render Lessee's liable as provided by law.

Fuel Dock Lease

2. APPROVAL OF OTHER AUTHORITIES.

As required by CBJ 53.20.180, the issuance by City 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 City 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.

(1) **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 City 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.

(2) **Adjustment of Rental.** Lessee agrees to a review and possible adjustment of the annual rental payment by the Port Director not less often than every fifth year of the lease term beginning after completion of the initial term.

Deleted: with the rental due on March 1, 2014, as provided above

(3) **Subleasing.** Lessee may sublease Leased Premises or any part thereof leased to Lessee hereunder; provided, that the proposed sub-lessee shall first apply to City 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.

(4) **Assignment.** Lessee may assign its rights and obligations under this lease; provided, that the proposed assignment shall be approved by City prior to any assignment. Approval of assignment will not unreasonably be withheld. 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.

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

(6) Cancellation and Forfeiture.

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

(b) City may cancel the lease if it is used for any unlawful purpose.

(c) ~~City shall provide written notice 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, ~~without remedy by Lessee of the conditions warranting default within 30 days of receipt of notice,~~ City 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.

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City

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

(7) **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 prepaied wrapper or envelope addressed as hereinbefore provided.

(8) **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.

(9) **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, City 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 City shall be deemed an acceptance of a surrender of the lease.

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

(11) **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 City as partial or total damages for the breach.

(12) **Written Waiver.** The receipt of rent by City 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 Fuel Dock Lease

the Lease. No failure on the part of the City to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by City unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same in the event of any subsequent breach or default. The receipt, by City, of any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by City 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 City to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by City.

(13) **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 City all of the leased land on the last day of the term of the lease.

(14) **Renewal Preference.** Any renewal preference granted 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.

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

(a) If any improvements and/or chattels not owned by City 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 City 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 City.

(b) 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, City.

(16) **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 City to charge Lessee a reasonable rent therefor.

(17) **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.

(18) **Condition of Premises.** Lessee shall keep the premises of the lease in neat, clean, sanitary and safe condition.

Comment [WU3]: Doesn't apply to this lease

(19) **Inspection.** Lessee shall allow an authorized representative of City to enter the lease land for inspection at any reasonable time and upon 24hrs advanced notice.

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(20) **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 City.

Deleted: 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

(21) **Rights-of-Way.** City expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the City to do so. If City 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 only, and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate Lessee for loss of use and loss of business.

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(22) **Warranty.** City 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.

(23) **Lease Rental Credit.** When authorized in writing by City 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 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 City and shall not be removed by Lessee upon termination of the lease.

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 City's title to the Leased Premises or enter into any lease, easement, or other obligation of City's title without the prior written consent of the City; and any such act or omission, without the prior written consent of City, shall be void against City 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) **State Discrimination Laws.** Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska law prohibiting discrimination, particularly Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited). In the event of Lessee's failure to comply any of the above non-discrimination covenants, City 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 City, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of 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, and without limitation as to any damages resulting from settlement, judgment or verdict, and includes the Fuel Dock Lease

award of any attorneys fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice to City of any action, claim, or lawsuit. City shall notify Lessee in a timely manner if the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and may be waived where Lessee has actual notice. This agreement applies, and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against the City.

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

(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.

**RETROSPECTIVE MARKET VALUE APPRAISAL
MOUNT ROBERTS TRAMWAY LANDS LEASED
FROM THE CITY AND BOROUGH OF JUNEAU,
JUNEAU, ALASKA**



Rear of tram building looking east from dock towards air rights area.

062311_1828

PREPARED FOR: Carl Uchtyl, Port Director
City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

PREPARED BY: Charles E. Horan, MAI
HORAN & COMPANY, LLC
403 Lincoln Street, Suite 210
Sitka, Alaska 99835

EFFECTIVE DATE: January 1, 2011

REPORT DATE: March 9, 2012

OUR FILE NO.: 12-038

HORAN & COMPANY, LLC

403 LINCOLN STREET, SUITE 210 SITKA, ALASKA 99835

TELEPHONE (907) 747-6666 FAX (907) 747-7417

EMAIL commercial@horanappraisals.com

CHARLES E. HORAN, MAI / WILLIAM G. FERGUSON, TIMOTHY W. RILEY, JOSHUA C. HORAN,
JAMES A. CORAK AND JACQUE WALTON

REAL ESTATE APPRAISERS / CONSULTANTS

March 9, 2012

Carl Uchtyl, Port Director
City and Borough of Juneau Docks and Harbors
155 S. Seward Street
Juneau, Alaska 99801

VIA Email: carl_uchtyl@ci.juneau.ak.us

Re: Retrospective Market Value Appraisal Mount Roberts Tramway Lands Leased from the City and
Borough of Juneau, Juneau, Alaska; Our File 12-038

Dear Mr. Uchtyl:

At your request, I made a market value appraisal of the "unimproved lands of the lease premises including the air rights easements at its highest and best use" of those lands leased to the Mt. Roberts Development Corporation from the City and Borough of Juneau (CBJ). These lands include the lower tram terminal site of 10,000 SF and the adjacent Air Rights Easement of 21,815 SF. The effective date is January 2, 2011, which coincides with the last third year basic rental renewal anniversary date. As a result of my investigation and analysis, it is my opinion the market value of these lands as of the effective date is as follows:

\$3,330,000

I have not made the estimated rental calculation. According to the original lease, it was set at 10%. According to the harbor board, the revision of the lease rate reflected in the April 3, 2006 letter from John Stone, Port Director, a rate of 8% was applied.

Your attention is invited to the attached report, which contains the description of the property as appraised, the most pertinent market information considered and analysis used in arriving at this opinion. Also, it contains the definition of Market Value, Certification of Appraisal, Assumptions and Limited Conditions and other relevant data. This is a complete summary appraisal.

If you have any questions or comments, please feel free to contact me at your convenience.

Sincerely,

Horan & Company, LLC



Charles E. Horan, MAI
AA685

CEH:jrw

3.3 ASSESSED VALUATION AND TAXES

The subject property is assessed by the CBJ. The subject is identified by the assessor's office as 490 South Franklin Street. Its assessor parcel number is 1C100K830011, and the 2011 assessed possessory interest for the land is \$2,509,500. The estimated total value of the site by the assessor is \$3,000,000, with the entire site estimated as filled, and valued at \$300/SF fee simple value. Improvements are noted by the assessor and valued at \$1,533,000. The typical mil rate in Juneau has been between 10.17 and 12 mils over the past few years and is currently 10.55 mils for fiscal year 2012.

The assessed valuation had been appealed in 2011, both on the basis of value and use of the incorrect square foot area. It is not clear whether or not the assessment includes the air right easements. Some passed assessments have added a nominal amount for easements and the recent assessments have been calculated based on the apparent incorrect square footage of the lower tram site. Further, the assessments are reduce by possessory interests of the land since they are owned by the tax exempt entity and will eventually revert to tax exempt status. Therefore, just a portion of the fee value is attributed to the taxable entity. For purposes of consistency, the following shows a nominal square foot value for what the lower tram site land had been assessed at over the years.

2005	\$130/SF
2006	\$130/SF
2007	\$500/SF
2008	\$500/SF
2009	\$500/SF
2010	\$350/SF
2011	\$350/SF appealed \$300 adjusted

3.4 EASEMENTS AND OTHER RESTRICTIONS

The lease spells out that the lessor has clear title to the lease premises and warrants most of the lands. There may be a clouded title on the portion of the air rights which it does not warrant as outlined in Section 2 of th lease. There are prior easements and use agreements (see Section 12 of lease) which do not appear to inhibit the highest and best use of the site.

3.5 DESCRIPTION OF AIR RIGHTS

As indicated on Fig 7, the air rights extend due east of the irregular-shaped lower tram landing site. These air rights extend 50' north and south of the center line of the tram and run over portions of Lot 13, Block 83, a fraction of Lot 15, portions of Lots 1 and 2A of the Dockside Subdivision, portions of Lots 1 and 2 of Block 6, and the Roberts and South Franklin Streets' rights-of-way. The air rights apparently terminate to the east where they enter AJ mine properties.

These air rights are unspecified as to their exact height or what aerial box or three dimension corridor may include. Apparently, the air rights do not inhibit other nominal uses along the ground being of a sufficient height to allow other normal activities.



Port of Juneau

April 3, 2006

J. Gary Droubay
Goldbelt, Incorporated
9097 Glacier Hwy, Suite 200
Juneau, Alaska 99801

Dear Mr. Droubay,

On March 30, 2006, the Docks and Harbors Board adjusted the annual rent for the Mount Robert's Tramway lease.

The Board set the rent at \$104,000 per year, or 8% of the 2005 assessment of the leased premises. This rent will remain in effect for three years until adjusted pursuant to paragraph 5 of the lease. This rent replaces the current rent charged under paragraph 5 and 6 of the lease.

I will direct staff to assess the new rent according to the current quarterly payment schedule. Your new quarterly payment will be \$26,000. This will replace the current quarterly payment of \$7,500 and the end-of-year annual payment of \$60,000. The new payment plan will start on July 1, 2006.

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


Sincerely,

John M. Stone, P.E.
Port Director

cc: Barbara Rolfe, CBJ Treasurer



Port of Juneau

To: Docks and Harbors Board
CC:
From: John M. Stone, Port Director 
Date: March 20, 2006
Re: Mt. Robert's Tram Tidelands Rent Adjustment

The rent for the Mt. Robert's Tramway tidelands lease is due for adjustment. The Finance Committee reviewed the rent at its March 16, 2006 meeting and recommends the Board set the rent to equal 8% of the assessed value of the leased premises.

The 2005 assessment of the leased premises is attached. The CBJ Assessor values the leased premises at \$1,300,000. If approved, the annual rent would be set at \$104,000 per year. The current rent is \$90,000 per year. The new rent would remain in effect for three years and be adjusted in 2009. The CBJ Assessor reviewed the proposed rent and felt it is equitable. The owner of the Tram reviewed the proposed rent and feels it is acceptable.

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

Attachments

March Totals
Prepared March 20, 2012

Downtown Moorage (Aurora, Harris, and Douglas)		March-12
Annual DT Reserved Moorage (H01)		\$1,215.81
Annual DT Moorage - Non Res (H02)		\$0.00
Monthly DT Reserved Moorage (H03)		-\$59.51
Monthly DT Moorage (H15)		\$9,025.41
Daily DT Moorage (H10)		\$2,137.50
Annual Skiff Moorage (H94)		\$0.00
Downtown Totals		\$12,319.21

DeHart's Moorage		
Dehart's Annual Reserved Moorage (H04)		\$0.00
DeHarts' Annual NR Moorage (H05)		\$0.00
DeHart's Monthly Reserved Moorage (H06)		\$0.00
DeHart's Monthly NR Moorage (H07)		\$0.00
DeHart's Seasonal Moorage (H08)		\$0.00
DeHart's Daily Moorage (H09)		\$0.00
DeHart's Totals		\$0.00

Auke Bay Moorage		
Auke Bay Daily Moorage (H11)		\$6,721.50
Auke Bay Annual Moorage (H13)		\$0.00
Auke Bay- Fishing Vessel Credit (H14)		-\$151.00
Auke Bay Monthly Moorage - Deposit (H16)		\$0.00
Auke Bay Monthly Moorage - Lottery (H17)		\$0.00
Auke Bay Monthly Moorage (H18)		\$8,342.40
Auke Bay Totals		\$14,912.90

Parking		
Statter Bus Parking - Company Fee (H37)		\$0.00
Statter Bus Parking - Seat Fee (H38)		\$0.00
Statter Car parking Daily (H41)		\$0.00
Statter Car parking Monthly (H42)		\$0.00
Parking Totals		\$0.00

Boat Launch Permits		
Recreational Boat Launch Permits Annual (H23)		\$5,940.00
Recreational Boat Launch Permits Daily (H24)		\$0.00
Commerical Boat Launch Annual (H25)		\$450.00
Boat Launch Totals		\$6,390.00

Power		
Power Winter 50 A (H82)		\$540.00
Power Winter 30 A (H81)		\$1,056.00
Power Winter 20A (H80)		\$216.00
Power Winter Liveaboard 50A (H77)		\$900.00
Power Winter Liveaboard 30A (H76)		\$1,134.00
Power Winter Liveaboard 20A (H75)		\$120.00
Power Daily 50A (H64)		\$600.00
Power Daily 30A (H63)		\$684.00
Power Daily 20A (H62)		\$307.20
Power Totals		\$5,557.20

March Totals
Prepared March 20, 2012

Crane	
Crane Fee (H45)	\$1,278.45
Key Card Charge (H48)	\$20.00
Crane Fee Totals	\$1,298.45

Auke Bay Loading Facility	
Auke Bay Loading Facility Moorage (H96)	\$617.00
Commercial Freight - 1st 30 minutes (H26)	\$0.00
Commercial Freight - > 30 minutes (H27)	\$0.00
Personal Freight (H28)	\$0.00
Freight Staging (H29)	\$225.00
Auke Bay Loading Facility Totals	\$842.00

Commercial/Miscellaneous User Fees	
Launch Ramp Tour Permit Fees (H30)	\$0.00
Inspected Vessel - Annual Vessel Fee (H31)	\$0.00
Harbors Reservation Moorage <65 (H12)	\$0.00
Harbors Resevation Moorage >65 (H93)	\$0.00
Residence Surcharge (H22)	\$1,932.00
Storage Fees (H51)	-\$660.00
Staff Labor Fees (H52)	\$60.00
Vessel Disposal Surcharge (H95)	-\$120.00
Vessel Demolition - Landfill Disposal (H59)	\$0.00
Vessel Demolition - Vessel Disposal (H58)	\$0.00
Lease Rental Fees	\$0.00
Miscellaneous Harbor Fees (H61)	\$349.45
Moorage Waitlist - Initial Sign up (H56)	\$100.00
Moorage Waitlist - annual Renewal (H57)	\$0.00
Pump Use Fee - Minimum Charge (H49)	\$0.00
Pump Use Fee - Beyond 2 hours (H50)	\$0.00
Grid Fee (H44)	\$33.25
Commercial/Miscellaneous User Fee Totals	\$1,694.70

March Invoice Totals \$43,014.46

Lawson Harbor Operatons Totals	
Salaries	\$26,063.90
Overtime	\$102.93
Accrued leave	\$1,509.49
Benefits	\$14,992.71
Telephone	\$1,235.51
Advertising	\$40.32
Electricity	\$23,765.40
Fuel Oil & Propane	\$699.95
Refuse Disposal	\$6,136.85
Repairs	\$750.00
Contractural Services	\$5,109.52
Materials & Commodities	\$8.53
Vehicles & Equipment	\$3,463.11
Harbor Expense Totals	\$83,861.16