

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING AGENDA
For Thursday, March 29th, 2012

- I. Call to Order** (7:00 p.m. at the CBJ Assembly Chambers.)
- II. Roll** (Greg Busch, John Bush, Tom Donek, Don Etheridge, Eric Kueffner, Budd Simpson, Michael Williams, Wayne Wilson and Kevin Jardell).
- III. Approval of Agenda**

MOTION: TO APPROVE THE AGENDA AS PRESENTED.
- IV. Approval of February 23rd, 2012 Regular Board Meeting Minutes.**
- V. Public Participation on Non-Agenda Items** (not to exceed 5 minutes per person, or twenty minutes total time).
- VI. Items for Action.**

- 1. Naming of Douglas Harbor
Presentation by the Port Director

Board Questions

Public Comment

Board Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING.

VII. Items for Information/Discussion.

- 1. DeHart's Round-About ADOT Construction Plan
Presented by ADOT
-

VI. Items for Action (continued)

- 2. ADOT \$5 Million Grant for Statter Harbor
Presentation by the Port Engineer

Board Questions

Public Comment

Board Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING AGENDA (CONTINUED)
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VI. Items for Action (continued).

3. Cruise Ship Terminal Parking Plan
Presentation by the Port Engineer

Board Questions

Public Comment

Board Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

4. Establishment of a Parking Rate Structure at the Cruise Ship Terminal Lot
Presented by the Port Director

Board Questions

Public Comment

Board Discussion/Action

MOTION: TO AUTHORIZE THE PORT DIRECTOR TO ESTABLISH AN HOURLY PARKING RATE OF \$1 AT THE CRUISE SHIP TERMINAL LOT, IN ACCORDANCE WITH 05 CBJAC 20.180.

5. 2012 Summer Moorage Rate Promotion
Presentation by the Port Director

Board Questions

Public Comment

Board Discussion/Action

MOTION: TO AUTHORIZE THE SPECIAL MOORAGE PROMOTION FOR 2012 AS RECOMMENDED BY THE OPERATIONS COMMITTEE AND AS APPROVED BY THE BOARD IN 2010 AND 2011.

6. Seasonal Administration Position
Presentation by the Port Director

Board Questions

Public Comment

Board Discussion/Action

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING AGENDA (CONTINUED)
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VI. Items for Action (continued).

MOTION: TO AUTHORIZE THE PORT DIRECTOR TO REPROGRAM ONE (VACANT) FULL TIME HARBOR OFFICER INTO ONE SEASONAL HARBOR OFFICER AND ONE SEASONAL ADMINISTRATIVE ASSISTANT I.

7. Termination and eviction of Lease ADL 29281
Presentation by the Port Director

Board Questions

Public Comment

Board Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

8. Docks & Harbors Logo
Presentation by the Port Director

Board Questions

Public Comment

Board Discussion/Action

MOTION: TO ADOPT PRESENTED LOGO AS THE FORMAL SEAL FOR DOCKS AND HARBORS.

VIII. Committee and Board Member Reports

1. Operations Committee Meeting – March 20, 2012
2. CIP/Planning Committee Meeting – March 22, 2012
3. Finance Committee Meeting – March 27, 2012
4. Member Reports

IX. PRAC Representative Report

X. Port Engineer's Report

XI. Harbormaster's Report

XII. Port Director's Report

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING AGENDA (CONTINUED)
For Thursday, March 29th, 2012

XIII. Assembly Liaison Report

XIV. Committee Administrative Matters

- a. Operations Committee Meeting – April 17, 2012 at the Aurora Office at 5:00 pm
- b. Special Meeting (Bid Award/Statter Harbor) – April 19th, 2012 in CBJ Room 224 at 5:00 pm
- c. CIP/Planning Committee Meeting – April 19, 2012 in CBJ Room 224 following Special Meeting
- d. Finance Committee Meeting– April 24, 2012 in CBJ Room 224 at 5:00 pm
- e. Board Meeting – April 26, 2012 in Assembly Chambers at 7:00 pm

XV. Adjournment

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES
For Thursday, February 23rd, 2012

I. Call to Order.

Mr. Jardell called the Regular Board Meeting to order at 7:00 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: Greg Busch, Tom Donek, Don Etheridge, Eric Kueffner, Budd Simpson, and Kevin Jardell.

Via Telephone: John Bush

Absent: Michael Williams and Wayne Wilson.

Also present were the following: Carl Uchtyl – Port Director, Dwight Tajon – Harbormaster, and Dixie Hood – Parks & Recreation Liaison.

III. Approval of Agenda.

Mr. Jardell wanted VII, (1) Staff Recognition moved to just after approval of agenda.

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

The motion passed without objection

VII. Items for Information/Discussion

1. Staff Recognition

Mr. Uchtyl read a letter he received from Mr. Moeser recognizing Doug Liermann's dedication and hard work to Harbors.

Mr. Uchtyl recognized staff members for service to CBJ.

Tom Boddy was recognized for five years of service, Bill Hodge was recognized for ten years of service, John Forchemer was recognized for five years of service, and Greg Craig was recognized for twenty years of service.

Mr. Jardell thanked all the staff for their hard work.

IV. Approval of Previous Meeting Minutes.

Hearing no objection, the minutes of the January 26th, 2012 Regular Board Meeting minutes were approved.

V. Public Participation on Non-Agenda Items.
None

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VI. Items for Action

1. Docks and Harbors FY13 & 14 Budget

Mr. Uchytel gave a power point presentation on Docks and Harbors budget similar to what would be presented to the Assembly for approval. He discussed the FY 13 and FY 14 Harbors budget and Docks budget. Mr. Uchytel said because he is new in the Port Directors position and unfamiliar with Docks and Harbors accounting system he is staying close to what was budgeted in the past. With the exception of changing revenues from Dock to Harbors and vice versa, the budget has been pretty flat since 2009. He explained line by line on the handouts on the expenses and revenues for FY13 and FY14 Harbor budget requests.

Board Question

Mr. Kueffner asked how the \$3.1 in the Harbors budget was figured?

Mr. Uchytel said there are some mistakes on the spreadsheet, but was advised not to change anything but the numbers on the spreadsheet. He said the \$3.1 amount is personnel, commodities and services(contingency), and the Support to Capital Projects.

Mr. Jardell asked about the Harbors telephone budgeted amount.

Mr. Uchytel said he talked to Angela Hull and she said in the past has been \$17,000 out of Harbors, but because there are phones in both Harbors and Docks, Mr. Uchytel would like to split the amount between Harbors and Docks budget. Docks and Harbors receives no revenues for providing the phone service.

Mr. Uchytel said he would like the Intermediate Vessel Float (IVF) revenues of about \$90,000 to go to the Harbor revenues budget from the Dock revenues budget starting FY13 & FY14.

Mr. Uchytel said as a matter of principal he is not going to write off the Harbors \$10,000 bad debt, it is carried over from FY12.

Mr. Uchytel explained the Harbors needs to maintain about \$152,000 annually to meet the bond covenant. FY11 the bond covenant was about \$9,000 short. FY12, FY13 and FY14 Docks and Harbors is projecting to meet the bond covenant.

Mr. Jardell asked if the moving of the IVF revenues over to the Harbor is to meet the bond covenant for FY12?

Mr. Uchytel said he has not moved it for FY12, but can with the concurrence of the Board.

Mr. Uchytel explained line by line on the handout on the expenses and revenues for FY13 and FY14 Docks budget requests.

Mr. Busch asked about moving the expenses for the IVF over to the Harbor as well as the revenues?

Mr. Uchytel agreed the expense should move to the Harbor as well.

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Mr. Kueffner said both Docks and Harbors has a revenue item (Interest income in Lawson), and was wondering what was Lawson.

Mr. Uchytel said Lawson is the new accounting system that CBJ has. The amount in the budget by this revenue item is the interest on the fund balance.

Mr. Busch asked if the Docks budget needs a required fund balance for bond covenants?

Mr. Uchytel said he was not aware of any bond covenant the Docks fund balance was required to meet.

Mr. Etheridge commented that the contingency fund was put in the budget years ago for an emergency fund. He said money was put aside for repairs in case a cruise ship damaged a bollard.

Mr. Uchytel said the staffing schedule is also included in the packet, and Docks and Harbors has some vacancies. He has budgeted for the vacancies as a cushion, with the anticipation of the upcoming projects a potential need for additional personnel, but has not filled those positions. He has also changed the Port Engineer and Deputy Port Engineer to have 10% of there time budgeted to the Harbors, with 90% budgeted to the CIP projects.

Mr. Kueffner said he understands allocating to CIP projects, but what does it mean with respect to the budget?

Mr. Uchytel said the staff's time identified on a CIP project is paid by the CIP monies.

Mr. Jardell asked what is the process if the Board finds mistakes in the budget?

Mr. Uchytel said Docks & Harbors accountant is reviewing this and all CBJ budgets need to be approved by the Assembly by April 5th.

Public Comments

Dennis Watson, Juneau, AK

He said the budget presented is easy to follow as a citizen. He would like to see the Harbors (Aurora, Harris, Douglas, and Statter) revenues and expenses separated. He said he thought Docks and Harbors bought a software program that separated all that information, and now he hears that Docks and Harbors is using CBJ's new accounting system. He said he remembers in a Assembly meeting that CBJ will maintain telephones in certain areas of the City, and he is trying to figure out why the Harbors is burdened with the cost. He said the way it was presented was that CBJ was going to incur the expense. The Refuse Disposal on the budget is paid by the pound. Arrow should provide a covered container. He said Docks and Harbors is paying a lot for wet garbage.

Board Discussion/Action

Mr. Jardell said whatever happens tonight, he would like the Finance Committee to be briefed this next month on where the Port Director is with the budget, and if the Committee feels the full Board needs to be involved with the recommendation to the Assembly, then it would come back to the full Board.

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Mr. Etheridge said the Board should go ahead and approve the budget. He said transferring the IVF revenues and expense to the Harbors is an excellent idea.

Mr. Kueffner concurs with Mr. Etheridge to approve the budget and also transfer the IVF revenues and expenses.

Mr. Jardell asked the question if the Board wants the IVF transfer to start on the current FY12 budget?

Mr. Jardell said there was no objection from the Board to move the IVF revenues and expense to the Harbors budget in the Current FY12 budget and the FY13 and FY14 budget.

Mr. Busch said he would also like to see the different Harbors revenues and expenses separated.

Mr. Jardell wanted Mr. Uchytel to look at separating the different Harbors revenues and expense and report back to the Finance Committee.

Mr. Uchytel said he concurs, and the granularity is available through Docks and Harbors FSM software program.

MOTION by MR KUEFFNER: TO ADOPT DOCKS AND HARBORS FY13 & FY14 BUDGET AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion approved with no objection.

2. Auke Bay BoatYard Haul-Out Funding

Mr. Uchytel said in October, Docks and Harbors received a structural evaluation of the Auke Bay BoatYard Haul-Out facility. The report indicated the haul-out requires complete recapitalization. It also said if you can't replace it, repairs are estimated at \$40,000, and with these repairs the haul-out will need to be downgraded to 25,000 pounds of lift capacity. The problems with the haul-out is split piling and crushed pile caps. This facility is operated and leased by Juneau Marine Services. Juneau Marine Services was able to complete their season using the facility, but Docks and Harbors is at a point there needs to be a decision on a strategy for major repairs.

Mr. Uchytel said he included in the packet three options.

1. JMS to make the repairs and incur all the charges directly.
2. The Board to provide consideration to the lessee for back rent after repairs allowing the lessee to amortize the capital investment over 40 months.
3. In conjunction with the two leases JMS has with Docks and Harbors the Board provides consideration on both leases to allow the lessee to amortize the capital investment over a period approximately 12 months.
4. Mr. Uchytel said there could be a 4th option of no work done at all, and essentially condemning the haul-out facility.

Board Questions - None

Public Comments

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Dennis Watson, Juneau, AK

He wanted to remind the Board that when Docks and Harbors bought DeHart's, an appraiser did look at the condition. He said from when the purchase took affect, there was no maintenance done on that haul-out. When someone signs a lease, there is some kind of recognition for the condition of the property. He said he looked at the lease agreement and did not recall any disclosure the property owner made on the condition of that property. He does not feel the lessee should be responsible for the repairs. He also wanted to know the condition of the downtown haul out.

Jeff Duvernay, Juneau, AK

He is the President of the two leases talked about here tonight, at Juneau Fisheries Terminal and at Auke Bay BoatYard. He said he has reviewed the lease and the options Mr. Uchytel talked about. Mr. Duvernay said he would like to continue to do business at the Auke Bay BoatYard, and not exercise option (4) listed above. He said he does not think JMS should be responsible for the repair of the haul-out facility. It is probably in the same shape as when it was purchased. It is wore out and everybody knew that during the purchase. There is the option of making repairs that will allow some limited use for a limited amount of time. He said he doesn't know what the long term is, but he has six years remaining on his lease. At this point he is ready to begin making repairs immediately, and proposes to do so with using option (3) above. Combining both the leases rent credits to pay for the repairs of the facility, the amortization would actually be about 11 or 12 months. He said with only considering the one lease it would be about 18 months payback.

Mr. Etheridge asked what was the amount estimated for the boatyard haul-out repairs that he received?

Mr. Duvernay said it is right around \$33,000, it might be a little higher than that, but less than \$40,000.

Mr. Busch asked if he had time to work with PND and go over their plans for the repairs.

Mr. Duvernay said he did not, but thought North Pacific Erectors did.

Mr. Kueffner asked about the rent amounts, and said essentially Docks and Harbors would not receive any rent from both leases for an entire year. He asked if Mr. Duvernay would oversee the repairs?

Mr. Duvernay said he would oversee the repairs and hire PND to make sure the repairs met their intent.

Mr. Kueffner wanted to know if Mr. Duvernay has done any other repairs to the Auke Bay Facility?

Mr. Duvernay said a hand rail and numerous repairs to the equipment. Nothing underneath on the structure of the pier.

Paul Swanson, Juneau, AK

He said he doesn't like combining the two leases to pay off the debt. Who will be performing the work?

Board Discussion/Action

Mr. Kueffner said both parties went into this lease with their eyes wide open and the lease itself allocated the obligation to keep the property in good repair to the tenant, and that is all that Docks and Harbors is doing. He said he also appreciated what Mr. Swanson said and doesn't see any reason to mix the two leases together. This is a repair obligation for Auke Bay, and should stay with the Auke Bay lease. He recommends to go with option (1) and finance the repair under the provisions of the lease.

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Mr. Jardell said he was close to that decision for along time, and some of it was lack of communication from the lessee. He said when he reread the lease, and the lease has a provision that says upon approval of the Docks and Harbors Board the lessee may be granted lease rental credit for repairs and improvements judged to be beyond what is expected due to normal wear and tear. Mr. Jardell said that clause made him rethink his position that it was contemplated that beyond normal wear and tear, that Docks and Harbors Board was authorized to consider that.

Mr. Busch said he thought about this for awhile also and the lack of communication from the lessee was frustrating. The other part that weighed more heavily is the condition that DeHart's is in, and what is normal wear and tear. The structural condition of the facility was poor to begin with and the expectation of the lease was to lease a fully functional 40,000 pound facility to begin with and expect them to pay for repairs at that point. He said he would go with option (3), which essentially is taking out a year loan with Juneau Marine Services to get a fast repair to the facility and it can be functional at a 25,000 pound rating. Docks and Harbors would be required to do a much more expensive contracting protocol to pay for these repairs out of a Docks and Harbors project. Mr. Busch said it is Docks and Harbors responsibility to make sure this haul-out is available and ready for use.

Mr. Donek said option (4) is not going to be talked about. The lift is going to stay in service. What has to be decided is how does Docks and Harbors get this lift fixed and how does it get paid for. Mr. Donek said he likes option (3) to combine both leases to pay for this. He does not want to get mixed up with the CBJ procurement.

Mr. Etheridge said if Docks and Harbors does this with all the CBJ requirements it could be an additional 30% in the cost of repairs. He said he liked the Chairs idea of combining the leases and setting a time frame.

Mr. Kueffner said he is starting to get persuaded by the discussion, but suggests to put a cap on what the rent credits would be. He does not want an open ended number.

Mr. Bush said he likes the idea of limiting the total amount to maybe \$30,000 to \$35,000, and has no problem with combining the two leases to pay for the repairs. He said he had a question on how long it would take to get the haul-out repaired, and expressed concern that Docks and Harbors would not want to be in the same boat in three to five years.

Mr. Duvernay said he is not hard to get a hold of. He carries a cell phone, and an ipad, and he is on his e-mail constantly. He said to his knowledge he had one phone call that he did not return. It is off season, so all the mail goes into a box until the season starts again. He didn't know anything was going on until he received the registered letter. He said if you send an e-mail, you will get a reply in minutes, hours maybe. He said the repairs would be done by North Pacific Erectors, and the repairs will be done up to PND's requirements with the intent to make this as durable as can be, but with the knowledge that this is a temporary repair. This is a rotten pier that needs to be torn down.

MOTION By MR. ETHERIDGE: TO ALLOW MR. DUVERNAY TO PROCEED WITH REPAIRS TO THE AUKE BAY HAUL-OUT FACILITY AND COMBINE THE TWO LEASE RENT CREDITS TO PAY FOR THE REPAIRS IN ONE YEAR OR LESS WITH A MAXIMUM OF 12 MONTHS OR ACTUAL COST, WHICH EVER IS LESS, AND ASK UNANIMOUS CONSENT.

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Mr. Donek objected.

Mr. Donek said he wants the rent credits to cover the cost of all the repairs.

Mr. Kueffner understands that, but still believes there should be a cap on what the repair costs should be.

Mr. Kueffner recommended no more rent credit over \$40,000.

Mr. Donek added without prior approval.

Mr. Kueffner agreed.

Mr. Donek said he would accept not to exceed \$40,000 without prior approval.

Mr. Etheridge accepted not to exceed \$40,000 without prior approval as a friendly amendment.

Mr. Jardell verified the Amended Motion

TO AUTHORIZE RENT CREDITS UP TO THE AMOUNT OF \$40,000 OR ACTUAL COST,
WHICH EVER IS LESS.

Mr. Donek removed his objection.

Motion passed

VII. Items for Information/Discussion.

2. Auke Bay Commercial Loading Facility Operational Plan.

Mr. Uchytel said the hydraulic boat lift should arrive in April. Docks and Harbors has the boom truck, but no plan on lay down area. The conditional use permit for this area is not for a boatyard, but for a lay down area, or storage area. Docks and Harbors needs a wash down area to make this area a fully operational, full service boat yard and boat and gear storage area. He just wants the Board to think about how they envision the Loading Facility to be operated. There are three options.

1. Docks and Harbors operated this area completely.
2. The Auke Bay BoatYard lessee be given the option to manage this area.
3. Go out with a new RFP to new comers and have them provide a business plan on how they would run it.

Mr. Jardell said the recent plan has been to use the hydraulic lift at Statter and the Loading Facility. In JMS's lease, it states if a new facility is built, JMS has the right to it. There is no money for a wash down at this time. Docks and Harbors does not have the Statter uplands money. Mr. Jardell requested the Board members to comment.

Mr. Donek said Docks and Harbors has the cart in front of the horse. We don't have a conditional use permit to operate this, but the machine is on its way. Docks and Harbors should try to change the conditional use permit. Mr. Donek said he does not want to have Docks and Harbors staff in competition with private enterprise.

Mr. Etheridge said he doesn't know why the Auke Bay Commercial Loading Facility turned into a full sized boatyard. Docks and Harbors identified money for a trailer and so now a trailer is on the way. He does not think Docks and Harbors should be operating a boat lift, but should be contracted out. At this point, there is no money for the wash down or permits, and a long way from operating a boat yard.

Mr. Kueffner wanted to hear Mr. Duvernay's thoughts on the facility.

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Mr. Simpson said he agrees this should be kept in the private sector, and Docks and Harbors not get into the boat launch. The whole idea has been to be able to lift larger boats than what we have been lifting and to provide a service that doesn't exist in the community. However, if this goes out to RFP and no one is interested because of volume, Docks and Harbors could find themselves in a position that someone on Docks and Harbors staff would have to be trained to operate this facility.

Mr. Busch said he is in agreement with the other Board members to have the private sector operate this facility. He is concerned without having a wash down water treatment area when Docks and Harbors is looking at years before Statter Harbor will be ready for this lift.

Mr. Jardell wanted to know the lift capacity of the lift trailer?

Mr. Uchytel said 45 ton, 65 ft.

Mr. Uchytel said he looked into any stipulation on this lift because it was funded with a Tiger Grant, and there are none.

Mr. Jardell commented on the phrase the horse before the cart. The Board did approve the funds for the hydraulic lift, and that is how it happened.

Public Comments

Jeff Duvernay, Juneau, AK

He said as a boat yard operator, this is really a great thing. There could be a battle given Docks and Harbors does not have permitting in place to allow for that type of use. He also noticed that all of the uplands are allocated toward the use of a boatyard when there is a drive down facility there to support the commercial fisherman and they are of the opinion that is to be used as a lay down area, and that is something that is badly needed. The way the commercial fisherman operate they need a place to put gear. There is no place for that in this plan. He said what ever happens, the Board needs to develop a plan that will work for all the different user groups. On an operational level, this will be a challenge managing this site. Mr. Duvernay said he is interested in sitting down with the Port Director and the Board and seeing if there is an opportunity to pursue this through his lease covenant or the RFP process. He said this is a great addition to the community. There are a lot of challenges, but he thinks they are worth working on.

Dennis Watson, Juneau, AK

Originally when this was presented before the Planning commission, it was for a storage yard. Then, Docks and Harbors needed a conditional use permit for fueling boats, now it will go one step further. This boatyard haul-out was not disclosed in the initial plan to the Planning Commission. He agrees with Mr. Duvernay that this could be challenging to move forward with. Mr. Watson talked about Allen Marine's portable dock and wash down containment. He said they have come up with a solution, and it may possibly work for this area. He said it may be another alternative.

Mr. Jardell said this will be going to an Operations Committee meeting for discussion.

3. Waterfront Vendor Booths Outcry Auction Results

The Board members have received the auction results and will be posted on the website.

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VIII. Committee and Board Member Reports.

1. Operations Committee Meeting- February 14, 2012

Mr. Busch reported the Operations Committee discussed an action item for a tideland lease adjustment and it will be going to Finance Committee next before the Regular Board.

Discussion items

1. Rescue ladders - staff is looking into.
 2. The Auke Bay Boatyard Haul-out that was on tonight's agenda.
 3. Bull rail rot in Aurora Harbor by the Boat Houses. The staff will be doing repairs on the ones that need to be fixed now and continue to monitor and repair when needed. The staff will continue to look into ways to maintain the structural integrity in that area.
 4. Information presentation- the Committee looked at the Clean Harbors Provision.
 5. Downtown dumpsters – one of the patrons was injured trying to open one of the lids to the dumpster. The staff is looking at alternatives to cover the dumpsters and still allow access by the dump trucks, keep the rain and snow out, and have a safe access.
 6. The Harbormaster is looking into mail issues. The Harbor staff is receiving patrons boxes and mail that blocks the entrance way. The staff will be sending out letters to the patrons that they need to set up a separate mail box for their mail.
 7. The Committee also received a Harbormaster report and an update on the participation by the Harbormaster and Port Director at the Seattle Boat Show.
2. CIP/Planning Committee Meeting – Cancelled
3. Finance Committee Meeting- Cancelled
Mr. Kueffner said he is looking forward to looking at the budget in the future.
4. Member Reports - None

IX. PRAC Representative Report

Ms. Hood said she had nothing to report as the PRAC Representative.

X. Port Engineer's Report.

Mr. Gillette was not at the meeting.

XI. Harbormaster's Report.

Mr. Tajon said the waterline break on C float in Aurora Harbor was finally repaired yesterday.

Mr. Kueffner said he was on the docks in Harris and noticed a lot of gravel on the docks. He asked if the gravel was put on the dock purposely for traction?

Mr. Tajon said yes it is used for traction and when the seasonal staff come back, they use pressure washers on the docks to get them clean for the summer use.

XII. Port Director's Report.

None

XIII. Assembly Liaison Report

Ms. Becker was not at the meeting.

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XIV. Committee Administrative Matters.

1. Operations Committee Meeting – March 20, 2012
5:00 p.m. at the Aurora Harbor Office
2. CIP/Planning Committee Meeting – March 22, 2012
5:00 p.m. in the CBJ Assembly Chambers
3. Finance Committee Meeting – March 27, 2012
5:00 p.m. in CBJ room 224.
4. Regular Board Meeting – March 29, 2012
7.00 p.m. in the CBJ Assembly Chambers


XV. Adjournment.

The Regular Board Meeting adjourned at 8:56 p.m.



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Port of Juneau


From: Carl Uchytel, PE Port Director
To: Docks & Harbors Board
Date: March 29, 2012
Re: 2012 Summer Moorage Promotions

At its March 20, 2012 meeting, the Docks and Harbors Operations Committee recommended adopting two promotional moorage rates for the 2012 boating season. These rates were also offered and approved by the Board during the 2010 and 2011 seasons. The rates are good in Douglas, Harris, and Aurora Harbors as space allows on a first come, first served basis. Numbered slips are available along with shore power connections.

Buy Two Months, Get One Month Free Promotion

1. Must have purchased a 2010 annual launch ramp permit to qualify.
2. Buy two months of moorage for a summer stay during May or June and get an additional month free.
3. Limited to vessels with maximum LOA of 27' (maximum size that can fit in a 24' slip).

5% Discount Promotion

1. Buy three months of moorage for a summer stay during May or June get a 5% discount of published moorage rate plus two one-day permits to use a CBJ launch ramp to launch and retrieve your boat. If you pay by Friday, May 25, moorage is good from Friday, May 25 through Monday, September 3, 2012.
2. Limited to vessels with maximum LOA of 27' (maximum size that can fit in a 24' slip).

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STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

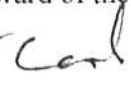
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October 19, 2011

Mr. Carl Uchytel, P.E.
Port Director
City and Borough of Juneau
155 Seward Street
Juneau, Alaska 99801

Subject: Letter of Award of the FY10 Municipal Harbor Facility Grant Funds

Dear Mr. Uchytel: 

Congratulations on your successful application for the Department of Transportation and Public Facilities' Municipal Harbor Facility Grant Program. Upon successful execution of a harbor grant agreement with the department, the City and Borough of Juneau will receive a Tier I 50/50 matching harbor grant in the amount of \$5,000,000 for construction of the Statter (aka Auke Bay) Harbor project. These funds are 100% state general funds.

As a reminder, and as explained in the harbor grant instructions, the municipality will have six (6) months from the date of this Letter of Award to properly ratify and execute a mutually agreeable grant agreement with the department. Note if there is a change in your harbor project that affects the nature of the municipality's original application, then that could prevent us from executing a harbor grant agreement. If a grant agreement cannot be completed within that six month period, the department may deny the award and select the next highest scoring proposal or award the funds in subsequent years. After the grant agreement is signed, the City and Borough of Juneau will have eighteen (18) months to complete the construction phase of the Statter Harbor project.

Please contact me at your earliest convenience to discuss the grant agreement and the timing for your harbor project. I look forward to working with you on this important municipal harbor project. My phone number is 465-3979.

Sincerely,



Michael Lukshin, P.E.
State Ports and Harbors Engineer

"Providing for the movement of people and goods and the delivery of state services."

Presented by: The Manager
Introduced: 04/02/2012
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2011-11(AH)

An Ordinance Appropriating To The Manager The Sum Of \$5,000,000 As Grant Funding for Statter Harbor Improvements, Funding Provided By The Alaska Department of Transportation and Public Facilities.

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

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$5,000,000 for Statter Harbor Improvements.

Section 3. Source of Funds

Alaska Department of Transportation and Public Facilities	\$5,000,000
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Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2012.

Bruce Botelho, Mayor

Attest:

Laurie J. Sica, Municipal Clerk



REPRESENTATIVE CATHY MUÑOZ

November 29, 2011

City and Borough of Juneau
Harbor Board
Attn: Chairman Kevin Jardell
155 South Seward Street
Juneau, AK 99801

Dear Kevin,

It has been brought to my attention that the Douglas Advisory Board and the CBJ Harbor Board are considering a request to rename the Douglas Boat Harbor in honor of longtime Douglas resident Mike Pusich.

The Pusich family history in the Juneau-Douglas area is well-known. Over the years, several businesses operated by Pusich family members have contributed significantly to the fabric of our community. I remember fondly Mike's Place restaurant, home of the first salad bar in Alaska, a place where generations of Juneau and Douglas family celebrations occurred.

The patriarch of the family, Mike Pusich, came to Alaska in 1909. He was a generous and hard-working man who contributed to the development of early Douglas. He was active in many civic organizations, including the Douglas City Council, the Douglas Fire Department where he served as Chief from 1936 through 1947 and Mayor of Douglas from 1947 until his death in 1953.

Mike lobbied Congress encouraging support for the location of the US Borough of Mines Office and Laboratory on Mayflower Island, and later worked to see the development of the Douglas Boat Harbor. As an early advocate for the economic and community benefits of a harbor facility, the renaming of the Douglas Boat Harbor to the Mike Pusich Harbor Facility would be a lasting and significant honor to his vision and dedication to his home community and to the State of Alaska.

Sincerely,


Cathy Muñoz
Representative - District 4

My name is Grace Russo the third of Mike and Anna Pusich's 7 children. When my niece, Sharon called me and read me the letter she was sending to the boards requesting the Douglas boat harbor to be named after my father, I cried. I know how hard my father worked not only to get the harbor built, but for the community of Douglas. Even the thought of renaming it for my father made me very happy.

My father was one of the hardest working person's I have ever met. As busy as he was with his businesses, he was an involved parent, the strictest one of the two. When dad spoke we all jumped and did not question him. Dad was always involved in the community of Douglas. Growing up he was a volunteer of the fire department, then the city council and died while still holding the position of Mayor. Dad suffered from severe gout in the feet, but if the fire alarm sounded he would somehow manage to get out of the chair and run down the hill to fight the fire. I remember during the fire of '37 that he had our mother bundle us all up, walking out of town amongst the flying embers to meet an uncle on the other side to bring us all to the safety of Juneau. We were not sure if we would see dad or our home again. Dad stayed as he always would, to help save the town. In that fire he lost everything, but he put his head down and carried on rebuilding his business.

Douglas was his world. He chose to live there and never wanted to leave. The residents of Douglas were his new family. Dad was loyal to a fault to his friends and he would defend and give them the shirt off his back if they needed it. He was unable to serve but gave back in so many ways to the community. It was a well-known fact that the meal for any returning service man was on the house when they came to his restaurant. As a waitress at the restaurant, I missed out on many a tip because of his generosity!

Dad's only recreational passion was watching the Douglas basketball teams play. He loved watching the youth and young men of Douglas on the courts. He would take me to the games but refused to even sit next to me, as I was too loud and vocal for him. Dad sponsored a Douglas team for years, even paying their way to play in a state tournament up north.

His only trip out of town before his fateful trip to his homeland was his trip south to lobby for the harbor. He could have afforded to travel but always worked and had no desire to travel; his energy went into the city and his business. His final trip was when he traveled with my mother to meet his family in 1953. Letters mother wrote us tell us that dad wished he had never started out on that journey. I know if it had been possible he would have wanted his body to be returned home and buried in Alaska.

My dad was a very humble man; he would have been embarrassed by all of the fuss. But I know in my heart that he would be very appreciative of the honor bestowed on him to have his name linked with the town he served all of his adult life.

I thank you for considering naming the harbor after my father, Mike Pusich.

Grace A. Russo

A handwritten signature in cursive script that reads "Grace A. Russo". The signature is written in dark ink and is positioned below the typed name.

March 15, 2012

To the Juneau Harbor Board:

It is important to me to write this letter to you in support of naming the Douglas Harbor after my father, Mike Pusich. Meet Mike Pusich in the photo below with Governor Ernest Gruening in 1951 at the Governor's Mansion. He is not the one wearing a black tie.



I remember after graduation from Douglas High School flying to Seattle and driving a new car with my father, mother and brother to Alabama and Washington DC to promote construction of the Mine's building on Mayflower Island. My father was the mayor of Douglas. He paid for this trip. In Alabama, he met with the Bureau of Mines personnel. From what I understand now, my father was promoting this for many reasons including mining, employment for the community, and a road to the island which would make a natural causeway for a harbor. After Alabama, we drove to Washington DC to meet with Senator Bartlett. I remember departing Washington DC and getting lost. My dad hired a cab for us to follow to get out of the city.

My father was known for his support of the Douglas community. He was married and raised his seven children in Douglas. He volunteered and contributed extensively. He lived in Douglas from 1912 until his death in 1953. He died on his first return to Yugoslavia since his arrival on Ellis Island. He was a Douglas fireman, and then fire chief from 1936-1947. In 1947 he was elected Mayor and remained in that position until his death. Starting in 1914, at

the opening of his saloon, he was always a business owner in Douglas. He opened the Dreamland nightclub in 1935 which seated 200 people and was decorated by a New York decorator from the Rockefeller Center. The Dreamland burnt in the Douglas fire of 1935 and reopened smaller as Mike's Place, a restaurant some of you may know.

My father was an outstanding citizen. He gave to the community in many ways. He had welcome parties for Veterans. Annually he donated hamburgers and beverages for the workers who cleaned out the dam. He found a band when one did not arrive for a prom. He loaned the City of Douglas money in conjunction with Federal Housing to promote home loans. I still hear new accounts of his life I did not know from many members of the Douglas community, and our large Pusich family.

I support the naming of the Douglas harbor the Mike Pusich Douglas Boat Harbor. I hope you do also.

Lawrence F. "Larry" Pusich and Family

Larry Pusich
2616 Douglas Highway
Juneau, AK 99801

Daughter:
Deborah Pusich
4471 Mountainside Dr.
Juneau, AK 99801

Daughter:
Linda Burger
23928 148th Ave. SE
Snohomish, WA 98296

Gill, Sharon P (DOR)

From: Wellington [jowell@swtexas.net]
Sent: Thursday, March 15, 2012 9:28 AM
To: Gill, Sharon P (DOR)
Subject: Renaming of Douglas Boat Harbor, Mike Pusich

I am writing this letter in support of renaming the Douglas Boat Harbor after former Douglas Mayor and Fire Chief Mike Pusich.

My Sister, Mrs. Edith Bonnett and myself, Pat Wellington, feel it would be a fitting tribute to Mike Pusich for his many contributions to the citizens of Douglas to rename the Boat Harbor after him.

Although my sister and I were young when Mike was Mayor, we both remember our father talking about the many good things Mike did for Douglas. Our father served on the city council when Mike was Mayor and our mother served on the School Board.

My sister graduated from Douglas High School in 1949, and still lives in the area. I graduated in 1953, left for the Army, then returned to Douglas in 1961 as a State Trooper. I served as Juneau Chief of Police in the 60's while also serving as Assistant Douglas Fire Chief for 13 years. So we have deep ties to Douglas.

Every small town has a go to guy to get things done, and in Douglas that was Mike Pusich.

Mike was one of the most instrumental persons in securing major projects and equipment for our city, to name a few; the relocation of the Bureau of Mines on Mayflower Island, the Housing Project on 5th Street, spearheaded the School Replacement after the 1937 fire, and later the School Gym Replacement, Street and Water upgrades, Fire Department upgrades (including a new fire truck).

Mike personally supported Douglas School activities; including a \$500.00 donation to the High School basketball team, so we could travel to Fairbanks for the All Alaska Championship games. And when my sisters class held their Senior Prom, the scheduled band did not show up, and Mike made his band available to the class so the dance could go on.

Mike also sponsored the only men's basketball team, "Mike Night Owls", so Douglas could have their own team to play in the Juneau City League.


I am sure these may seem insignificant, but, I still remember them 50+ years later.

I am sure there are many more contributions Mike made for the betterment of Douglas that we are not aware of, but I wanted to list a few that stood out to me so many years later.

Although Mike was not a fisherman, he took great pride in Douglas and renaming the Boat Harbor in his honor would be a fitting tribute for a man who did so much for our community.

Sincerely,

Pat Wellington

From: "Vince DeMuth" <p-vdemuth@gci.net>
To: slp_gill@gci.net
Date: 11/15/2011 02:48:25 AKST
Subject: Renaming Douglas Boat Harbor for Douglas pioneer Mike Pusich
Attachments:  image001.gif (1KB)

My name is Phyllis DeMuth and I am a strong advocate of preserving local history and a retired librarian (25 years in charge of the Alaska State Library Historical Collections). This history includes recognizing the leadership of pioneers that contributed to development of their communities in various ways.

As a resident of Douglas since 1963 I have known the Pusich descendants of Mike Pusich and enjoyed learning about the early history of Douglas. It seems very appropriate to me to rename the Douglas Boat Harbor the "Mike Pusich Harbor Facility" as recommended by the Douglas Advisory Board. In this way CBJ recognizes the extensive contributions of this pioneer in the development of Douglas from 1914-1953 and we gain a better understanding of our community roots for residents and visitors.

Phyllis DeMuth

411 H St.

Douglas, Ak. 99824

364-3223

November 9, 2011

City and Borough of Juneau

Docks and Harbors Division

Dear board members:

My husband and I would like to express our support in naming the Douglas boat harbor after Mr. Mike Pusich.

I myself have been a resident of Douglas for close to 45 years and love this community. When it came time to build our house my husband and I looked everywhere in the borough, we always came back to this is where we wanted to live. The sense of community is strong here and the life and commitment of Mr. Pusich is a strong example of this community's life blood.

After reading a letter that was sent to the Douglas Advisory board by his Granddaughter Sharon Gill, I was amazed at the dedication, commitment and love that this man had for his community. Attached is a copy of that letter in case you did not receive it. In there you will find a man that gave so much of himself for a country that he was not even born in just to make a place he called home better for everyone not just himself.

I would like to encourage the board members to take a good look at honoring a man that deserves to be recognized for all that he gave and has done for Douglas by naming the boat harbor the Mike Pusich Harbor Facility. Thank you for your time and consideration.

Sincerely,

Wendy and Daniel Glidmann

PO Box 240713

Douglas, Alaska 99824

To: Douglas Citizens Advisory Board
Juneau Harbor Board
Juneau Assembly Members

Date: 7 November 2011

RE: Support Letter to recognize Mike Pusich for his efforts in securing the Douglas Boat Harbor.

I am writing this letter in support of naming/recognizing the efforts of Douglas Pioneer Mike Pusich for bringing to fruition the Federal Governments Support of the Douglas Boat Harbor.

My grandfather, Mike Pusich, passed away in 1953 and I was not born until 1960, but I do recall stories growing up of how important Mike Pusich was to the City of Douglas. How he was a prominent business man during the time of the Treadwell Mine, how he supported the war efforts and local soldiers in WWII, mayor, and how he helped keep Douglas on the Map after the collapse of the underground /under the channel Treadwell Mexican Mine. With the collapse of the mine and ultimately the closure of the mine, the economic life line of Treadwell and its supporting city of Douglas were not looking good.

One of the stories told by my aunts was how Grandpa Mike went to Washington D.C. with the intent on securing Federal Funding for a new causeway to Mayflower Island and the infrastructure for a boat harbor. This was a tall order in those days as Alaska was a Territory and did not have the recognition or congressional delegation power afforded by Statehood. Alaska was still seen as an outpost.

I recall the story included information that kept in touch with his contacts in Washington D.C. after he returned to Alaska by sending telegrams and flowers, trying not to be forgotten.

My Grandfather was a very hard working man who fulfilled many civic duties, including Mayor for 6 years, Chief of the Volunteer Fire Department for 11 years. But perhaps his most enduring feat was to secure funding for the Douglas Boat Harbor to a town with limited resources, but a need that was immeasurable for the water based economy of Southeast Alaska.

There are not too many "old timers" left any more but if you ask any of those around to the influence that Mike Pusich had on Douglas as well as the later succession of his sons Rudy, Mickey, Larry, and Louie had on the business and commercial activity of Douglas they would all support recognition for the family and all of their hard work and community support.

We appreciate your time and consideration of acknowledging the efforts to secure Douglas Boat Harbor by including Mike Pusich in the naming of the Harbor.

Respectfully,



J. Patrick Pusich
Juneau and Douglas Resident from 1960 to 1988.

TO: Boat Harbor Board

FROM: Jim Carroll, concerned citizen and friend of the Pusich family for 45 years.

In Douglas, the Pusich name goes back many decades due to their involvement in many community activities such as, the Douglas fire department, elective positions, businesses, charity fund raisers, senior citizen advocates, church ministries, and civic community activities.

The Pusich family of Douglas, myself and other friends of the family have a request which we hope that you can honor: That the boat harbor in Douglas be named the Pusich Harbor. We see this as a fitting tribute to a well-known and community involved Douglas family of many generations.

Thank you in advance for your consideration of this request.

Sincerely,

Jim Carroll

From: Denise Carroll [alaskadmc@gmail.com]
Sent: Tuesday, November 01, 2011 9:02 AM
To: Gill, Sharon P (DOR)
Subject: Pusich Boat Harbor
Attachments: Pusich Boat Harbor 10-31-11.docx

Hi, Sharon,

Attached is your request for support for naming the boat harbor in Douglas "the Pusich Boat Harbor."

Jim Carroll

October 23, 2011

To: Douglas Advisory Board
Re: Renaming of the Douglas Boat Harbor

Dear Advisory Board

We know that it would not have been Mike Pusich's expectation to have a city landmark named in his memory, but no one would have been more proud to receive this honor. A true ambassador for city, borough and state issues, Mike's tireless commitment to the construction and establishment of the Douglas Boat Harbor deserves recognition. In addition to his personal efforts, he instilled in his family this same spirit and pride in their community for generations to come. We wholeheartedly endorse the recommendation for the renaming of the Douglas Boat Harbor to the "Mike Pusich Harbor Facility".

Patti and Paul Dietz

From: Patti Dietz [pcdietz@upwardaccess.com]
Sent: Sunday, October 23, 2011 7:28 PM
To: Gill, Sharon P (DOR)

**PO Box 32982
Juneau, AK 99803**

November 15, 2011

**Docks and Harbors Board
Attn: CIP/Planning Committee
155 South Seward Street
Juneau, AK 99801**

Re: Douglas Boat Harbor Renaming

I support renaming the Douglas Boat Harbor to *Mike Pusich Harbor Facility*.

Attached is biographical information regarding Mike Pusich for whom the name change would honor. Douglas is a close-knit family of long-time Alaskans of which Mike Pusich was a spirited participant. His contributions to Douglas were many and honorable and your committee has the unique opportunity to recognize these considerable contributions to Douglas.

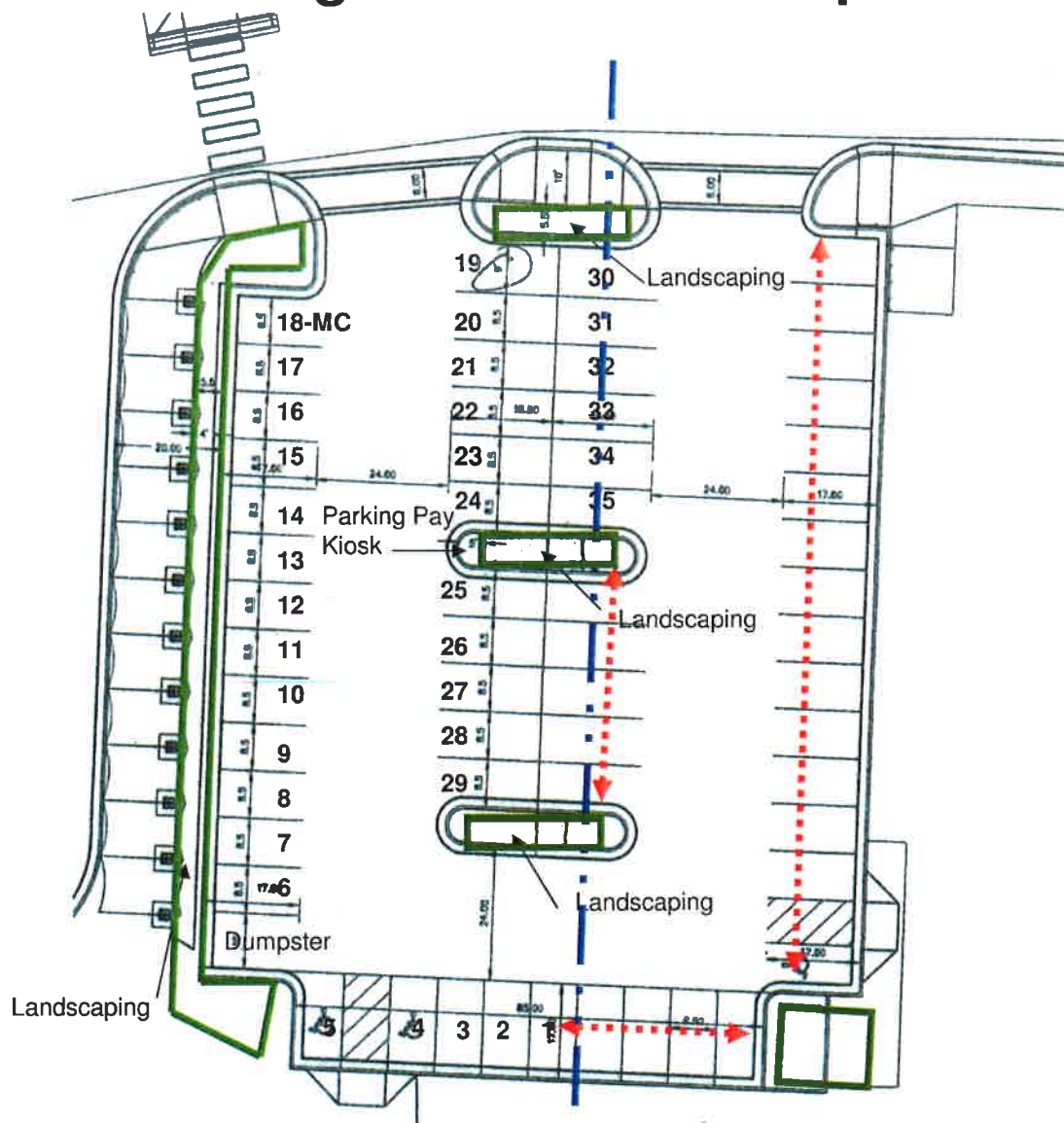
Alaska is the land of our ancestors and I encourage you to rename this landmark based on knowledge and relationship of the place, resources, and community to the Pusich family and to Mike Pusich in particular.

Sincerely,

A handwritten signature in black ink that reads "Carol A. Bruce". The signature is fluid and cursive, with the first name "Carol" and last name "Bruce" being clearly legible.

**Carol A. (Neal) Bruce
Juneau-Douglas resident since 1947**

New Parking Lot at Cruise Ship Terminal



- - - Approximate Location of Property Line
- ↔ Taku Fisheries Building Parking = 24 spaces
- Landscaping
- 1 Cruise Line Agency
- 2-3 Taxi
- 4-5 ADA Parking
- 6-7 US Customs
- 8-18 Paid Parking
- 19-20 Visitor Center Volunteers
- 21-29 Paid Parking
- 30-35 Harbor Permit (IVF)

29 March 2012



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,

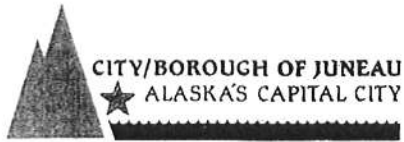
Docks and Harbors has been very patient and reasonable in attempting to work with and to provide you every opportunity to resolve an outstanding balance on your tideland lease. This is the third letter I have sent you after first meeting with you back in September. You respond only after I follow-up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

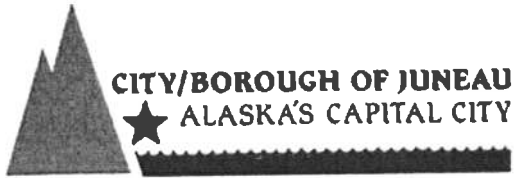
Please call me if you have questions at 586-0294.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Stone".

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)	\$64.60
Total	\$7,405.13

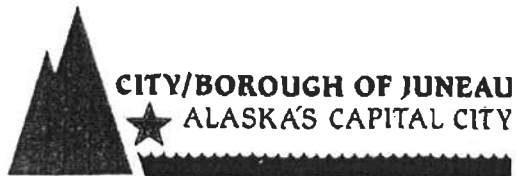
I am enclosing a copy of the invoices for your reference.

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.

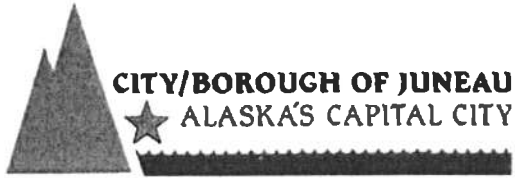
Section 16 of your lease agreement (copy attached) stipulates conditions for default of performance of any of the terms, covenants or stipulations therein, and goes on to state that default not remedied within 30 days after written notice shall subject the lessee to legal action or forfeiture of the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

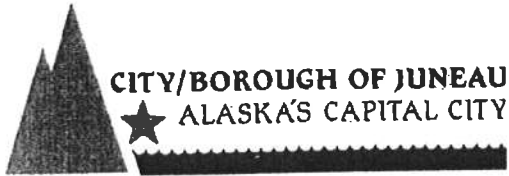
It has been brought to my attention that you are delinquent in your lease payments for the ADL #29281 tideland lease. The balance of the lease payment for the year ending July 16, 2009 is overdue and the monthly billing for the next year has begun. The total due at this time is \$1,465.62 (including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

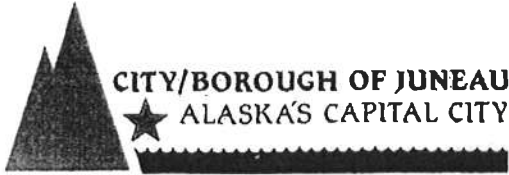
You are currently delinquent in your lease payments for ADL #29281 tideland lease. After our last letter dated June 16, 2009, on July 14, 2009 you brought your account balance to zero. However, since then you have accrued \$525.10 in late fees, paid one \$500.00 payment, and had sixteen months of the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

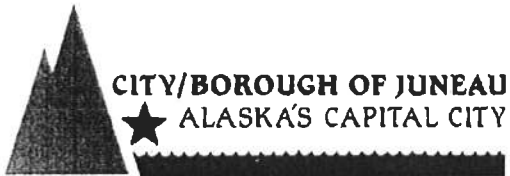
The lease agreement stipulates conditions for forfeiture of the lease. This includes non-payment of rent. Please make arrangements for immediate payment of this debt to avoid further late fees. If not resolved within 30 days, this matter will be forwarded to the Docks and Harbors Board.

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

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Stone". The signature is fluid and cursive, with the first and last names being more prominent.

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

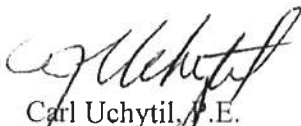
Dear Mr. Donohue:

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 cursive script, appearing to read "Mike Donohue".

Mike Donohue



CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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

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

DL-37a (Tidelands)
Revised December, 1961

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

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.

See 8-5-66 2nd pt.
"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.

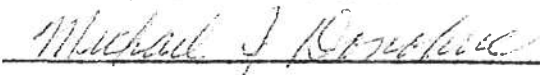
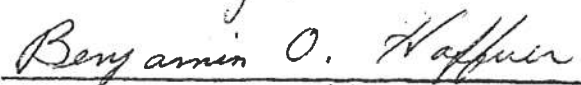
It is agreed that the covenants, terms and agreements herein contained shall be binding upon the successors and assigns of the respective parties hereto.

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.

Loeth 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. Haffner to m
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. Haffner (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. Butcher
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

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 7/2/66
and serialized ADL 1001 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 2/2/79. Under the provisions of these Acts the annual lease rental will be \$ 1,000.00, 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 \$ 1,000.00 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:

Shirley J. Burdick
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

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.

PENJAMIN 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.

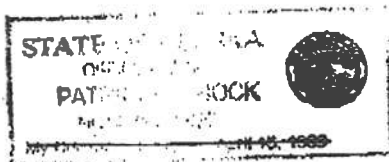
DATED this 21 day of December, 1990.

Benjamin O. Haffner

Benjamin O. Haffner

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

Patricia L. Bock
Notary Public for Alaska
My Commission expires: APRIL 15/91



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.

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



