

**CBJ DOCKS AND HARBORS BOARD**  
**REGULAR MEETING AGENDA**  
**For Thursday, March 30<sup>th</sup>, 2017**

- I. Call to Order** (5:00 p.m. in the CBJ Assembly Chambers)
- II. Roll** (John Bush, Weston Eiler, Bob Janes, David Lowell, Robert Mosher, David Seng, David Summers, Budd Simpson, and Tom Donek)
- III. Approval of Agenda**  
  
**MOTION: TO APPROVE THE AGENDA AS PRESENTED.**
- IV. Approval of January 19<sup>th</sup>, 2017 Docks Fee Review Committee Meeting Minutes, February 23<sup>rd</sup>, 2017 Regular Board Meeting Minutes, and March 8<sup>th</sup>, 2017 Harbor Fee Review Committee Meeting Minutes**
- V. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total time).
- VI. Consent Agenda-** None
- VII. Unfinished Business**

1. Public Hearing for Regulation Changes to the Potable Water Fee ([05 CBJAC 15.050](#)), Grid Usage Fees ([05 CBJAC 20.100](#)), and Pump Use Fees ([05 CBJAC 20.120](#))  
Presentation by Port Director

Board Questions

Public Comment

Board Discussion/Action

**MOTION: TO APPROVE PROPOSED REGULATION CHANGES AND RECOMMEND THE ASSEMBLY TAKE ACTION TO ADOPT.**

2. Bid Award – Aurora Harbor Phase II  
<http://www.juneau.org/harbors/documents/FinalBoardMemo-DH17-021BidAward-3-29-17.pdf>  
Presentation by the Port Engineer

Board Questions

Public Comment

Board Discussion/Action

**MOTION: TO RECOMMEND AWARD OF CONTRACT # DH17-021 (REBUILD OF AURORA HARBOR PHASE II) TO NORTHERN CONSTRUCTION SERVICES FOR \$3,452,060.**

**CBJ DOCKS AND HARBORS BOARD**  
**REGULAR MEETING AGENDA (CONTINUED)**  
**For Thursday, March 30<sup>th</sup>, 2017**

**VIII. New Business**

1. FY17&18 Budget  
Presentation by the Administrative Officer

Board Questions

Public Comment

Board Discussion/Action

**MOTION: TO APPROVE THE FY17 & FY18 BUDGET AS PRESENTED.**

2. Land Use Master Plan – Norway Point to Bridge Park  
<http://www.juneau.org/harbors/documents/DRAFTMasterPlanSummaryMarch27.pdf>  
Presentation by the Port Engineer

Board Questions

Public Comment

Board Discussion/Action

**MOTION: TO APPROVE THE NORWAY POINT TO BRIDGE PARK MASTER PLAN.**

3. Shorepower access Fee ([05 CBJAC 30.010](#))  
Presentation by the Harbormaster

Board Questions

Public Comment

Board Discussion/Action

**MOTION: TO USE 80% MAX USAGE IN CALCULATION FOR DAILY POWER USE AND ROUND PRICE PER DAY COLUMN UP TO THE NEAREST FULL DOLLAR ON ALL IN THE CHART AND TO ADOPT THE CURRENT SUMMER AND WINTER MONTHLY SHOREPOWER ACCESS FEES WITHOUT CHANGING THE RATES, DELETE THE SENTENCE IN 05 CJBAC 30.010 SHOREPOWER ACCESS FEES SUBSECTION (b) (*With approval of the Docks and Harbors Department, a person may use a 50 amp service and be assessed a 30 amp fee provided the service is current limited to 30 amps*), AND ADD A COST ADJUSTMENT PROVISION TO TRACK INCREASES IN THE COST OF OUR RATES IMPOSED BY AEL&P ON AN ANNUAL BASIS SUBJECT TO REVIEW BY THE BOARD.**

**CBJ DOCKS AND HARBORS BOARD**  
**REGULAR MEETING AGENDA (CONTINUED)**  
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	Volts	amps	KW per hour	KW per day	Cost per KW from AELP	% of realistic max usage, per day	Price per day	Rounded rate	current
3 phase 100 AMP	208	100	36.0256	864.6144	0.124	0.8	\$85.77	\$86.00	\$48.00
3 phase 60 AMP	208	60	21.61536	518.7686	0.124	0.8	\$51.46	\$52.00	
3 phase 100 AMP	480	100	83.136	1995.264	0.124	0.8	\$197.93	\$198.00	\$120.00
1 phase 30 AMP	120	30	3.6	86.4	0.124	0.8	\$8.57	\$9.00	\$7.20
1 phase 50 AMP	208	50	10.4	249.6	0.124	0.8	\$24.76	\$25.00	\$24.00
1 phase 20 AMP	120	20	2.4	57.6	0.124	0.8	\$5.71	\$6.00	\$4.80

4. Daily Commercial Launch Permit  
Presentation by the Harbormaster

Board Questions

Public Comment

Board Discussion/Action

**MOTION: TO ADOPT STAFF RECOMMENDATION FOR AN ABLF DAILY COMMERCIAL LAUNCH RAMP FEE OF \$30.00.**

5. Alignment of the Facility Security Plan with Title 85  
Presentation by the Port Director

Board Questions

Public Comment

Board Discussion/Action

**MOTION: TO APPROVE THE DELETION OF 85.02.045 (F) AND DIRECT STAFF TO COMMENCE THE REGULATION CHANGE PROCESS.**

**IX. Items for Information/Discussion**

1. Annual Moorage CPI Adjustment  
Presentation by the Port Director

Board Discussion/Public Comment

2. Statter Harbor Parking Lot Reconfiguration  
Presentation by the Port Engineer

Board Discussion/Public Comment

**CBJ DOCKS AND HARBORS BOARD**  
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3. Appraisal Process/Methodologies  
Presentation by the Port Director

Board Discussion/Public Comment

4. Auke Bay Marine Station – Lease Update  
Presentation by the Port Director

Board Discussion/Public Comment

**X. Committee and Member Reports**

1. Harbor Fee Review Committee Meeting- Wednesday, March 8<sup>th</sup>, 2017
2. Special Board Meeting- Thursday, March 16<sup>th</sup>, 2017
3. Finance Committee Meeting- Thursday, March 23<sup>rd</sup>, 2017
4. Operations/Planning Committee Meeting- Wednesday, March 29<sup>th</sup>, 2017
5. Member Reports

**XI. Port Engineer's Report**

**XII. Harbormaster's Report**

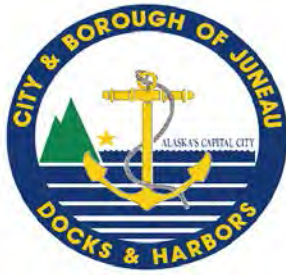
**XIII. Port Director's Report**

**XIV. Assembly Liaison Report**

**XV. Board Administrative Matters**

- a. Strategic Retreat – Saturday, April 1<sup>st</sup>, 2017
- b. Ops/Planning Committee Meeting – Wednesday, April 19<sup>th</sup>, 2017 at 5:00pm
- c. Finance Committee Meeting – Thursday, April 20<sup>th</sup>, 2017 at 5:00pm
- d. Board Meeting – Thursday, April 27<sup>th</sup>, 2017 at 5:00pm

**XVI. Adjournment**



## **DOCKS & HARBORS BOARD DOCKS FEE REVIEW COMMITTEE MEETING MINUTES**

Thursday, January 19<sup>th</sup>, 2017  
CBJ Assembly Chambers

**I. Call to Order** Mr. Bush called the Docks Fee Review Committee meeting to order at 5:53pm in the CBJ Assembly Chambers.

**II. Roll Call** The following members were present: Tom Donek, Weston Eiler, David Seng, and John Bush.

Also present: Carl Uchtyl – Port Director; and David Borg – Harbormaster

Absent: David Summers

**III. Approval of Agenda**

**MOTION By MR. EILER: TO APPROVE THE AGENDA AS PRESENTED AND ASKED FOR UNANIMOUS CONSENT.**

Motion passed with no objection.

**IV. Approval of November 10<sup>th</sup>, 2016 Docks Fee Review Committee Minutes**

**MOTION By MR. SENG: TO APPROVE THE NOVEMBER 10<sup>th</sup>, 2016 DOCKS FEE REVIEW COMMITTEE MINUTES AND ASKED FOR UNANIMOUS CONSENT.**

Motion passed with no objection.

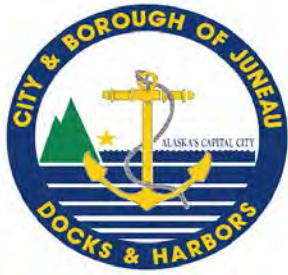
**V. Public Participation on Non-Agenda Items- None**

**VI. Unfinished Business**

1. Loading Permit Fees ([05 CBJAC 15.080](#))

Mr. Uchtyl said the limited loading permit is the last item for the Docks Fee Review Committee to deliberate on. This was omitted when the Ops Committee took action to increase the A and B loading zone permit company and seat fees. This fee is not used very much. First Student uses it, but we have not charged them for the past two years because they were generous in providing trailer parking during construction of the new Statter Harbor launch ramp. The question is whether we want to keep the fee the same, raise it, or do away with it.

Mr. Bush said he thinks there is a place for it and asked for staff's opinion.



## **DOCKS & HARBORS BOARD DOCKS FEE REVIEW COMMITTEE MEETING MINUTES**

Thursday, January 19<sup>th</sup>, 2017  
CBJ Assembly Chambers

Mr. Uchtyl said it's not hurting anything to keep it on the books. Since we are proposing to raise the company fee and the seat fee, should we raise this fee a commensurate amount?

Committee Questions- None

Public Discussion

### Dennis Harris, 12<sup>th</sup> Street Tours – Juneau, AK

Mr. Harris said he went to the Ops Committee meeting and he still objects to the loading zone fees being raised to \$350 per company and \$8 per seat in 2018 and then \$400 per company and \$9 per seat in 2019. He said it's horribly inequitable and the cruise lines and tour buses are getting a huge volume discount for their cost per person. Mr. Zaruba had it right when he was on the Docks & Harbors Board the year before last and that's the way we ought to be pricing it, based on volume. The cruise lines will complain every time we try to do something they don't like, but local businesses are getting squeezed and it's totally unfair. He said he is operating on a very tight margin and his prices have to be competitive because people shop online now. There needs to be some equity in this community and some support of local businesses. Thank you.

### William Quayle – Juneau, AK

Mr. Quayle said he is in the same boat, but he can only take three passengers at a time. He asked where the Class C is, and said it is wrong to put the pedicabs with the taxis.

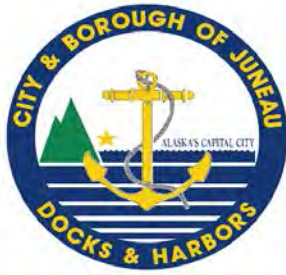
Mr. Uchtyl said our regulations don't recognize pedicabs specifically, we do charge the same company fee and per seat fee as a taxi. There is something called a "Class C" that JPD regulates, and last year the fee for that was \$1500. That's what Mr. Quayle is asking for consideration for from JPD and Docks & Harbors.

Mr. Quayle said he is paying the same price as the big cruise lines and it's not fair. He can only charge \$10-\$15 for his rides. Juneau needs to be business friendly and this is not very friendly when it comes to trying to start a new business. Pedicabs don't even need the loading zone.

Committee Discussion/Action

Mr. Donek asked if the limited loading zone permit is something we need or if it is left over from past years?

Mr. Uchtyl said he does think First Student might use it for trips downtown.



## **DOCKS & HARBORS BOARD DOCKS FEE REVIEW COMMITTEE MEETING MINUTES**

Thursday, January 19<sup>th</sup>, 2017  
CBJ Assembly Chambers

Mr. Borg said in the past when we had the old parking lot configuration, the limited loading permit allowed companies access to drop off deliveries and leave. We have designated the first parking spot in the new CT lot for deliveries, so it's not an issue anymore. The only company it would probably affect would be First Student. A lot of times they are just picking people up for sporting events. They will bring a bus down, pick up forty crew members, and take them to a local ball field so they can play soccer.

Mr. Eiler asked if this is like a crew shuttle to Walmart?

Mr. Uchtyl said that would be a B Zone permit.

Mr. Bush asked if First Student just contacts staff when they are coming?

Mr. Uchtyl said we gave them a special limited loading zone permit the last two years.

Mr. Bush said having the fee here leaves us an avenue to use it if we need it.

**MOTION By MR. SENG: TO RETAIN THE EXISTING FEE STRUCTURE OF \$15 PER VEHICLE FOR EACH PERMIT DAY OR \$250 PER YEAR, WHICHEVER IS LESS, AND ASKED FOR UNANIMOUS CONSENT.**

Motion passed with no objection.

**VII. New Business** - None

**VIII. Next Docks Fee Review Meeting** - To be determined

**IX. Adjournment** - The Docks Fee Review Committee Meeting adjourned at 6:16pm.

**CBJ DOCKS AND HARBORS BOARD**  
**REGULAR BOARD MEETING MINUTES**  
**For Thursday, February 23<sup>rd</sup>, 2017**

I. Call to Order

Mr. Donek called the Regular Board Meeting to order at 5:04pm in the CBJ Assembly Chambers.

II. Roll Call

The following members were present: John Bush, Weston Eiler, Bob Janes, David Lowell, Robert Mosher, David Seng, David Summers, Budd Simpson, and Tom Donek.

Also present were the following: Carl Uchtyl – Port Director, Gary Gillete – Port Engineer, David Borg – Harbormaster, Matthew Creswell – Senior Harbor Officer, Mary Becker – Assembly Liason, and Robert Palmer – Assistant Municipal Attorney for CBJ.

III. Approval of Agenda

**MOTION By MR. SIMPSON: TO APPROVE THE AGENDA AS PRESENTED AND ASKED FOR UNANIMOUS CONSENT.**

Motion passed with no objection.

IV. Approval of January 26<sup>th</sup>, 2017 Regular Board Meeting Minutes

**MOTION By MR. BUSH: TO APPROVE THE JANUARY 26<sup>th</sup>, 2017 REGULAR BOARD MEETING MINUTES AS PRESENTED AND ASKED FOR UNANIMOUS CONSENT.**

Motion passed with no objection.

V. Public Participation on Non-Agenda Items

Sandy Williams, Douglas, AK

Mr. Williams said he has not been able to find any landscaping plans through the Planning Commission for the Mike Pusich Douglas Harbor. Elaborate landscaping has been completed at other harbors, and he would hope Douglas would enjoy the same consideration. The Director of Parks and Rec said the park in Douglas is the highest used park in the City by far. It seems there should be some consideration for landscaping in that light.

Mr. Simpson said when the harbor was expanded 10-12 years ago there was a plan showing improvements to the parking lot, pavement, striping, islands, and some landscaping. There was just never any money for it, but he would like to do something about it.

Mr. Williams said a landscaping plan was required in the building permit, but he has never been able to find any landscaping plans.



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**VI. Consent Agenda**

- A. Public Requests for Consent Agenda Changes
- B. Board Members Requests for Consent Agenda Changes
- C. Items for Action

- 1. Winter Management (05 CBJAC 25.080, 05 CBJAC 25.090, 05 CBJAC 40.050)

RECOMMENDATION: TO DELETE SECTION 05 CBJAC 25.080 AND 05 CBJAC 25.090 AND SUB-SECTION (D) IN 05 CBJAC 40.050 AND DIRECT STAFF TO COMMENCE THE PUBLIC NOTIFICATION PROCESS.

**MOTION By MR. EILER: TO APPROVE THE CONSENT AGENDA AS PRESENTED AND ASKED FOR UNANIMOUS CONSENT.**

Motion passed with no objection.

**VII. Unfinished Business**

- 1. Temporary Request for Use of Docks & Harbors Property along People's Wharf

Bill Heumann, owner of People's Wharf, Juneau, AK

Mr. Heumann said he was asked at the Operations Committee Meeting to present some concrete proposals for what he and his business partners are requesting. Their first priority is a place for a propane tank, and their second priority is a cook shack which is essentially three 30 inch crab pots. He thinks they have found a solution for garbage. He does not understand the controversy about their proposal because it is provided for by City ordinance and this kind of consideration has been given to numerous other people in the community. They would like to accomplish their needs prior to tourist season, so they are requesting a use permit from the Board. He quoted City ordinance saying "Permits for less than one year for the use of City and Borough owned land may be granted by the Manager after review and an opportunity to comment by the Planning Commission." If they requested a lease for a long period of time, then that's got more burden associated with it and would need to go higher up the chain. Anybody can come before the Board and ask for a use permit. He suspects the reason they don't is it's rarely economical to do so. There are many configurations that could provide for their needs. The most preferable is to enlarge the small triangle that's presently part of their lease by approximately 45 square feet to make enough room for three pots instead of one pot. There are already obstructions along the seawalk in that area and there is plenty of room for people to walk. The root of his whole problem is there is no foot traffic there since the cruise ship offloading ramp was relocated down to the tram.

**Board Questions**

Mr. Summers asked if the 45 square feet laid out by two-by-fours in front of the building is the full extent of Mr. Heumann's request? (photo on page 52 of the packet)

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Mr. Heumann said yes, that is correct.

Mr. Simpson asked what the solution for garbage is?

Mr. Heumann said he found a trash compactor on the internet that is 30 inches by 30 inches and will compact two cubic yards of trash. It could go inside the existing space. The trash would still need to be picked up twice a day but it's a little cube of garbage.

Mr. Bush asked if the propane would still be required out across from the building?

Mr. Heumann said there are two ways the propane could be managed. They could have one large tank approx. three feet by ten feet which they would have to fill once a week or they could have as few as two vertical tanks with a 30 inch circular footprint each that have to be filled every other day or so before the boats come in. The tanks could go on improvements constructed inside the undeveloped portion of the enclosed water area, so they are not on any part of the existing dock structure. The propane tanks could also possibly be located right next to the building, but he would prefer not to do that.

Mr. Donek asked if the crab shack, the propane, and the trash compactor would all be in the area within the two-by-fours?

Mr. Heumann said no, the trash compactor would be inside the building. He would like to put the propane tanks over the water area, but if the Board is unwilling to allow it then the fallback location would be against the building.

Mr. Janes asked Mr. Heumann to confirm if he is currently leasing property from CBJ?

Mr. Heumann said yes he has a tideland lease because part of his building rests upon a tideland. He initially thought to amend the existing lease to add the square footage, but he thinks a use permit would be more expeditious.

Mr. Lowell asked if Mr. Heumann was successful in getting the encroachment permit for the City right-of-way adjacent to his building?

Mr. Heumann said he is waiting for Assembly approval.

Mr. Lowell asked if all these operations could be put on that space instead?

Mr. Heumann said no because that permit is for outside seating.

Mr. Summers asked where the propane tank would go if it was up against the building?

Mr. Heumann said the long edge of the building facing the tram. He would not put it along the seawalk end of the building.

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Mr. Janes said that would still be CBJ seawalk under Docks & Harbors jurisdiction so he would need approval to put it there as well even if it was up against the building.

Mr. Donek asked Mr. Palmer to explain what the process is moving forward for a permit vs. a lease if the Board approves the plan.

Mr. Palmer said temporary use permits and leases are both provided for in code and anybody can ask for one or the other. They have slightly different processes but they take the same amount of time. The absolute fastest that a lease or a temporary use permit could occur is probably six to eight weeks. Realistically, both take a little longer because of the process. A temporary use permit is for non-consumptive temporary uses and there are two options. One, if it can be completed within a year, or two, if it is in anticipation of a lease, easement, or sale being arranged. Mr. Heumann said he is asking for a temporary use permit for less than a year not associated with a lease. He would have to file a complete application. There would be an initial review by Docks & Harbors staff and if it looked like the application was complete it would be referred to other departments. It appears that it would have to go to Engineering, Public Works, the Community Development Department, and likely the Fire Department. There would have to be at least two weeks for public notice, then it would go to the Planning Commission for their review and back to this Board. The code allows the City Manager to grant temporary use permits. Because the Docks & Harbors code inserts the Port Director for the City Manager, the Port Director has authority to grant temporary use permits. However, if this Board wants to review it, you could ask that the Port Director not have that entire power delegated and you retain some power to make any recommendations or decisions, then instruct the Port Director as you see fit. Realistically this is an eight to twelve week process and there are only slight differences between this process and a lease. Both need appraisals, both need complete applications, and they may need a survey depending on what this Board requires.

Mr. Summers asked if the Board said it is our intent to issue a temporary use permit for 45 square feet and a propane tank up against the building, would the six to eight week clock start right there?

Mr. Palmer said no, that would just give Mr. Heumann an indication that the Board is willing to process the application. The Board would still retain authority to make the final decision after the Planning Commission reviews it.

Mr. Eiler said that information is very helpful. He would like to get a diagram of the process from Law or staff. He gets asked that question on the street and it would be nice to have a cheat sheet.

Mr. Lowell said that under a use permit, no improvements or changes to improvements may be made in a permit area unless first approved by the Manager. Is that an issue if they intend to build some sort of platform off the edge of an existing structure?

Mr. Palmer said no, not up front. However, if they do intend to build some type of platform, they are required to get it surveyed and have an as-built survey provided to Docks & Harbors after they complete the platform.

Public Comment

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Reecia Wilson, Juneau, AK

Ms. Wilson said she is here tonight on behalf of Merchants Wharf LLC, who owns the Wharf building and private tidelands downtown. She has no intent to prohibit Mr. Heumann to facilitate his new tenant. She is here specifically as a property owner. She read the following letter from the Merchants Wharf partnership addressing this issue as it relates to what she thought was a moratorium on leases on the seawalk:

*Dear Members of the Docks and Harbor Board,*

*Considering recent developments, we are concerned that policy changes and/or exceptions regarding the moratorium on seawalk leases may have unintended consequences and influence the use and value of private property for those of us invested in the downtown waterfront.*

*Merchants Wharf, LLC would appreciate an explanation on the intent and the will of this board to manage public tidelands developed and paid for by taxpayer dollars.*

*We also ask that a rational and consistent process be followed for a master plan, so both property owners and operators can make educated assumptions prior to engaging in new ventures, including potential transactions with the CBJ, which may be impacted by the leasing of property managed by Docks and Harbors.*

*Thank you all for your time and public service.*

Ms. Wilson said Merchants Wharf and her partners felt it necessary to go on record at this juncture. Although she has made 20 years of investment in waterfront property here in Juneau, most people likely recognize her as a restaurant operator. This is a small community and she operates in an even smaller industry. Everyone in this industry shares customers and employees. Her whole career she has been very passionate about downtown businesses engaging entrepreneurs and she likes to see young people having opportunities for small businesses. She doesn't want to see any harm done to any local business and she can absolutely support some of Mr. Heumann's ideas. Her concern is the potential for long term ramifications for local businesses and sticking to the existing waterfront plan. She appreciates the Board's consideration of this complex scenario as it relates to the moratorium on potential leases on real estate that's been created by taxpayer dollars.

Mr. Eiler asked if the LLC owns or leases property between the Library and Taku Smokeries?

Ms. Wilson said Merchants Wharf LLC owns the uplands, the historic blue building, the tidelands it sits on, and about 50,000 square feet beyond Merchants Wharf.

Mr. Heumann said there are a lot of tideland leases and other leases that CBJ has given to people because they have a need for them. He is aware that there is a planning process for the area from the tram down to the Library that may be completed in the fall. The use permit they are requesting is for less than a year. They will probably be back asking for something again next year, but then it will be in the context of the plan. At that time, the plan could make no accommodations for them. That is the risk they take. He does not think a use permit for a period of less than a year is out of concert with the idea of developing a plan.

Board Discussion/Action

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Mr. Summers said if the ask is for a short term permit to put a propane tank on the cement up against the south side of the building and 45 square feet on the corner and it's limited to those things only, he thinks the Board should consider it.

Mr. Donek said keep in mind that tanks against the building will still be a Fire Department consideration with building codes, and the propane may still need to go on the dock.

Mr. Simpson said he feels strongly that an uplands property owner adjacent to CBJ tidelands should enjoy some kind of preferential right about use of those CBJ tidelands. We are under a moratorium right now, and we did that because we didn't want to see all kinds of different things happening on the seawalk while we're trying to develop a plan to use that property. He could go along with the request for the 45 square feet because it's adjacent to the existing building but he has a real problem allowing something out on the dock until the plan is complete.

Mr. Janes said he was under the impression that our moratorium was as a result of people asking to put carts and different kinds of activities on the dock, unrelated to upland property owners. What Mr. Heumann is asking for doesn't restrict the dock any more than the existing handicap ramp on the Tripp Building, and he thinks it's reasonable.

Mr. Mosher agreed and said he is not concerned about the moratorium because they are asking for a temporary permit.

Mr. Lowell said his concern is that the Board passed a motion to put a moratorium on leases. He asked if a temporary use permit is considered a lease? If the Board could allow a use permit in lieu of a lease and if that was consistent with our previous public process, he could support their plan.

Mr. Bush said he would be willing to consider a temporary use permit which allows the study to go forward unencumbered.

Mr. Seng said it was his understanding that the Board established the moratorium on leases to provide continuity and predictability both for Docks & Harbors and for the public. In the interest of fairness to the entire community, there is a lot to be said for consistency. If we were to entertain a motion to let something move forward, what are we telegraphing to the rest of the business community along the waterfront? Changing the rules is a significant concern to him.

Mr. Eiler said we need to be careful in the terms we use and the certainty we provide but also not be afraid to allow folks to innovate.

Mr. Seng asked if the proposed bumpout is going to be made an integral part of the building? Is it a stand-alone structure that can be wheeled off in an afternoon or are we talking about a temporary use permit for a permanent part of the building?

Mr. Heumann said it will be temporary and removable within a day. We don't want to make permanent changes to the building when we don't know what we'll be able to do after the master planning.

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**MOTION By MR. SUMMERS: TO EXPRESS OUR INTENT TO GRANT A TEMPORARY USE PERMIT FOR APPROXIMATELY 45-70 SQUARE FEET ON THE SOUTHWEST CORNER OF THE PEOPLE’S WHARF BUILDING AS PRESENTED ON PAGE 48 OF THE PACKET, AND SPACE ON THE CEMENT AGAINST THE SOUTH SIDE OF THE BUILDING TO PLACE A PROPANE TANK AND ASKED FOR A ROLL CALL VOTE.**

Mr. Bush suggested that Mr. Heumann and the Port Director work together on the details for the temporary use permit and bring it back so the Board can know exactly what the plan is as it progresses with the application process.

Mr. Janes said he supports the Crab Shack but he is uneasy because other property owners along the waterfront might think more square footage is going to bring more revenue to their operations and want to put temporary additions on their buildings as well.

Mr. Donek said if this blows up in the next couple of months we’ll have the opportunity to shut the whole thing down.

Roll Call Vote

John Bush - yes

Weston Eiler - yes

Bob Janes - yes

David Lowell - yes

Robert Mosher - yes

David Seng - no

David Summers - yes

Budd Simpson - yes

Tom Donek – yes

Motion passed.

**VIII. New Business**

**1. Proposed New Regulation – Vessel Sewage Requirements**

Mr. Borg said there is an amended proposal for a regulation passed by the Ops/Planning Committee on page 63 of the packet. An individual from the harbor thought some of the requirements for marine sanitation devices were unclear in section (b). Instead of just saying you can use a Coast Guard approved marine sanitation device (MSD), he added type I, II, or III for clarity. Type I is a flow through device that ion scans and discharges a clean effluent which is legal anywhere in the United States that is not designated as a no discharge zone. He does not want to designate the harbors as no discharge zones because of EPA standards. Type II is also a flow through device that has a holding tank to treat sewage before discharging it. Type III devices are common in a lot of older boats, and consist of a holding tank that does not treat sewage and needs to be pumped out. He specified that a vessel with a type II or III must have a holding tank of no less than 10 gallons. He changed the word *waste* to *untreated sewage*, because anything treated

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properly with a type I or II MSD can be discharged within the harbor. He also removed *composting or incinerating* because they are covered as type III in the vessel requirements and still need to be Coast Guard approved. A five gallon bucket with a lid on it will not be accepted.

Committee Questions

Mr. Simpson asked if ground-up toilet paper and particulates would be visible in treated sewage?

Mr. Borg said in order to get a Type I certificate of approval through the Coast Guard and the EPA, no visible floating solids can be present. The discharge looks similar to graywater from a shower or sink. There are probably visiting vessels already practicing this because it's not against the law unless you are in a designated no discharge zone.

Mr. Bush asked if this regulation conforms with existing federal law?

Mr. Borg said yes, it is already against federal law to dump raw sewage. It's not illegal to have a treatment system and utilize that.

Mr. Janes asked if there is a way to monitor if type I and II systems are working properly?

Mr. Borg said he believes the devices will not discharge if they are not working properly. He would like to repeat the fecal coliform test in the harbors after a year of this regulation, and hopefully see the numbers go way down. These systems are very expensive, and anything that's installed will have to work properly.

Mr. Simpson asked how the regulation will be implemented?

Mr. Borg said vessels requesting new liveaboard status will be required to comply, and vessels that are already in the harbor will have one year.

Mr. Simpson asked if the regulation only applies to liveaboards?

Mr. Borg said the regulation applies to everyone, but if you want to utilize your vessel as a liveaboard then you're going to have to use one of these technologies. The regulation can be addressed with other vessel owners through our Clean Harbors program.

Mr. Mosher asked what about dogs?

Mr. Borg said it's already in regulation that people have to pick up after their dogs. We're going to start putting bags on the docks and all we can do is hope people do the right thing.

Public Comment- None.

Committee Discussion/Action

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Mr. Donek suggested changing the language to require *all vessels* to be equipped with a permanently installed operational Coast Guard approved type I, II, or III MSD.

Mr. Borg said *all vessels* means an 18 foot skiff would be required to have a type I, II, or III device and that's not reasonable. Some vessels are not equipped with a head. That's why we are making the requirement for liveaboards. If you are living on your vessel, you are generating waste.

Mr. Donek said he was just trying to keep this from becoming a liveboard issue.

Mr. Borg said we borrowed this language from Ketchikan and it's working really well for them.

Mr. Donek said there is value in being consistent between harbors.

Mr. Mosher said he is in favor of the regulation.

**MOTION By MR. SIMPSON: TO ADOPT NEW REGULATIONS PROHIBITING THE DISCHARGE OF SEWAGE IN THE HARBORS AND DIRECT STAFF TO COMMENCE THE PUBLIC NOTIFICATION PROCESS AND ASKED FOR UNANIMOUS CONSENT.**

Motion passed with no objection.

2. ~~Bid Award—Aurora Harbor Phase II~~ – Item removed from agenda.

3. Docks & Harbors Personnel Increase Request

Mr. Uchytel said we would like to increase the docks enterprise FTE and reduce the harbor enterprise FTE, which will allow us to add one additional harbor technician at the port and one harbor officer splitting their time between the port and the harbor. He was hoping to decrease personnel at the port with the new cruise ship docks and less yellow fence activity, but the updated facility security plan requires more personnel at the floats.

Board Questions

Mr. Simpson asked how much of the security is Docks & Harbors' responsibility?

Mr. Borg said in the past our employees ensured that the cruise ship personnel screened every passenger going on the ship. We had a lot of flexibility to move about the dock within our yellow barricaded area. Our security zone is stretched out differently now and the requirement is now that we pre-screen all passengers prior to allowing them into our security area, which gives them access into their restricted area. We have a facility security plan that the Coast Guard reviews and manages. They gave us a lot of latitude in the past because we did the best we could. Now that we are able to provide a better security zone, we are required to have more security personnel.

Mr. Simpson asked if the Coast Guard is requiring this, who is paying for it?

Mr. Borg said we are.



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Mr. Simpson asked if we can use the fees that we levy against the cruise lines for that purpose?

Mr. Uchytel said we ask the City Manager for marine passenger fees every year, and a portion of that is for personnel.

Mr. Eiler said this was assigned to the Finance Committee, and they didn't end up meeting but he has looked this over and as Finance Chair he supports the FTE increase.

Public Comment- None.

Board Discussion/Action

Mr. Simpson said the State and every other agency is being asked to reduce personnel and he is concerned about the optics of adding somebody. Also, the creation of these new docks with limited access points was supposed to simplify security.

Mr. Uchytel said Mr. Borg and Mr. Creswell are doing a great job engaging the Coast Guard in a lot of issues. The inside of the CT float was designed for packers and commercial fishing boats. The Coast Guard thought that was an unreasonable threat to the larger cruise ships, but he believes it was negotiated that commercial fishing boats and small cruise ships will be able to tie up there.

Mr. Borg said we believe so, but we're still waiting for our plan to come back signed.

Mr. Donek said we request marine passenger fees each year and the rest also comes out of cruise ship monies. We are not spending local funds for this.

**MOTION By MR. JANES: TO INCREASE THE DOCKS & HARBORS PERSONNEL ROSTER 0.66 FTE FOR A TOTAL OF 29.09 FTE.**

Roll Call Vote

John Bush - yes

Weston Eiler - yes

Bob Janes - yes

David Lowell - yes

Robert Mosher - yes

David Seng - yes

David Summers - no

Budd Simpson - no

Tom Donek – yes

Motion passed.

**IX. Items for Information/Discussion**

1. Alaska Glacier Seafood (AGS) – Lease Amendment #4

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Mr. Uchytel said this lease amendment allows Alaska Glacier Seafoods to use a no cost portion of the Auke Bay Loading Facility. It was approved by the Board in October, and he is bringing it forward as information.

Board Discussion/Public Comment

Mr. Donek asked if the timing was coordinated with the original lease?

Mr. Uchytel said he will link it when the original lease comes up for renewal.

**2. Assignment of Lease – AJT Mining Properties**

Mr. Uchytel said Docks & Harbors leases tidelands adjacent to the former Thane Ore House, now the Tlingit and Haida Cultural Immersion Park, to AJT Mining. The property was formerly sublet, and AJT Mining would like to now reassign the sublet to Central Council of Tlingit and Haida Indian Tribes of Alaska. He has the authority as Port Director to approve the sublet, unless the Board does not want to allow it.

Board Discussion/Public Comment

Mr. Simpson asked if Tlingit and Haida is moving forward with their project down there?

**Alec Mesdag, AJT Mining Properties, Juneau, AK**

Mr. Mesdag said Tlingit and Haida are intending to incorporate the warehouse building into their overall plans. He has seen preliminary design documents for redevelopment of the entire site.

**3. Update - Land Use Master Plan Bridge Park to Norway Point**

Mr. Gillette said we have had numerous public meetings on this over the last few months. He gave a Powerpoint presentation of the preferred conceptual plan, which is essentially a marine service yard at Norway Point with a 150 ton travel lift, a 120 foot float for people to work on their boats, a relocated grid, a pedestrian harbor walk along the edge of the water, a frontage road connection, consolidated parking, retail space, a mixed use building, a new Harbormaster's Office, an extended crane dock, a drive down float similar to the one at the Auke Bay Loading Facility, a net shed, a location for selling fish, and potential relocation of the Yacht Club to Bridge Park. The entire cost estimate right now from PND Engineers is about \$96 million. Obviously this would not all be done in one shot. A report package will be presented at the Docks & Harbors Regular Board Meeting on March 30<sup>th</sup>, hopefully for final approval and adoption of the plan.

Board Discussion/Public Comment

Mr. Simpson said Mr. Uchytel and the consultant did a great job presenting this at the Regular Yacht Club Meeting. In general, the Yacht Club members were first startled by the idea of moving the Yacht Club, but once they got used to the bigger picture they saw the value in improving the boat yard, getting a bigger lift, etc. There is a lot of push back on putting the Yacht Club at Bridge

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Park. There is either going to have to be a huge education effort to get them to understand why that's the best or only spot for the Yacht Club, or it might be easier to find another spot.

Mr. Donek said he has also gotten feedback that Bridge Park is not a popular location for the Yacht Club. Someone suggested collocating the Yacht Club with the Harbormaster's Office. It could go on the second floor and have a view of Aurora Harbor.

Mr. Eiler said he would like to remind the Board of the importance of this planning, when we start it, and how we want it phased in being mindful of the dollar sign that's there at the end. It's a multigenerational plan. We need to have a clear vision and public process for it, but also understand the realities of the current budget recession the State is facing as we're communicating with the public about it.

Mr. Simpson asked that the Yacht Club be moved from under the bridge conceptually prior to the Board meeting in March.

Mr. Bush said he is concerned about improved access to the whole area. He would like to see a roundabout by the high school and one at the end of the bridge.

Mr. Gillette said the Department of Transportation did a study and because of the traffic count on the Juneau side of the bridge, it would need to be a three lane roundabout. Even next to the high school, it would need to be quite large to handle the traffic flow.

Mike Baldwin- Juneau, AK

Mr. Baldwin said he has lived in Aurora Harbor since 2011. The vehicle and foot traffic have increased since then and there is a problem with security. There are four access points into Aurora Harbor, and we need gates with card operated locks. Seattle and California have gates with one way locks so your key card gets you into your float but if it's locked you can still get out.

Mr. Janes asked if the key lock is to the dock ramp itself or to get into the area?

Mr. Baldwin said at the dock ramp, to control the traffic right there. It's done in all major harbors. Only boat owners have access to the area. Right now, anybody can get into the harbor, especially Aurora Harbor with all the entrances. You can start over where the Yacht Club is now, walk the full length of Aurora Harbor, and come up at the Harbormaster's Office with no resistance whatsoever. That's a lot of the problem.

Mr. Eiler asked if Mr. Baldwin has seen this in other public harbors?

Mr. Baldwin said yes he has.

Mr. Donek said it is something for staff to think about.

Mr. Borg said we are working with the Law Department to address security.

4. Update – Auke Bay Marine Station

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Mr. Gillete said we are still in negotiations with UAS. We have generally agreed to a subdivision line. The University wants exclusive access to the Fish House and the float for a period of ten years. We have pointed out recently that the Fish House and the float are actually on our tidelands and are leased to the National Marine Fisheries Service. They should not be a point of discussion because they are not GSA's property to dispose of. We received the lease, which originally started in 1965, from the State. It expires in 2020. It will be discussed at another meeting tomorrow.

**Board Discussion/Public Comment**

Mr. Eiler asked if the subdivision means the property is being disposed of through MARAD?

Mr. Gillette said GSA has indicated that if we come up with a subdivision line, they will give the University their piece through the Department of Education, and Docks & Harbors will get our piece through MARAD.

**5. Board Strategic Retreat Scheduling and Update Board Calendar**

Mr. Uchytel said he would like to propose that the Board come together on a Saturday and prioritize the next big things to do in the community. We did this a couple of years ago and we have basically cleared the list of goals. He asked if the Board would like a facilitator? He said discussions may include Taku Harbor, the net float, the bathrooms at Harris Harbor, paving at Douglas Harbor, dredging Wayside Float, installing Fibergrates over the Statter Harbor breakwater pools, etc. It might be a good opportunity to talk about the Fisheries Development Committee being disbanded, whether there is an opportunity to have some kind of fisheries input into the Docks & Harbors Board and what that might look like. This would be an opportunity to discuss things we never have time for during committee meetings and regular board meetings.

**Board Discussion/Public Comment**

Mr. Donek asked Mr. Uchytel to ask Mila Cosgrove to facilitate the meeting. He suggested to put all the big picture things on the table. The Board will make time for Mr. Becker and the Fisheries Committee, and get through whatever else they can.

The strategic retreat is scheduled for April 1<sup>st</sup>, 2017 from 9:00am to 3:00pm.

**X. Committee and Member Reports**

**1. Bridge Park to Norway Point Master Plan- Board Review- Thursday, February 2<sup>nd</sup>, 2017**

Mr. Janes said it went just as it's been presented here. It is a good process.

**2. Assembly COW Joint Meeting with D&H Board- Monday, February 6<sup>th</sup>, 2017**

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Mr. Donek said we went through a list of five different things- an update of CIP projects, planning efforts, operations and regulations, the removal of the Marine Park Lightering Float, and the Auke Bay Marine Station Property.

3. Harbor Fee Review Committee Meeting- Wednesday, February 15<sup>th</sup>, 2017

Mr. Simpson said we recommended the elimination of the Winter Management regulations on the Consent Agenda tonight.

4. Operations/Planning Committee Meeting- Wednesday, February 15<sup>th</sup>, 2017

Mr. Simpson said we discussed Mr. Heumann's proposal which was also presented tonight.

5. ~~Finance Committee Meeting- Thursday, February 16<sup>th</sup>, 2017~~ CANCELLED

6. Member Reports- None.

**XI. Port Engineer's Report**

Mr. Gillette said his written report is in the packet. We have selected Corvus Design for the Marine Park to Taku Dock urban design plan. It will basically be the same team that we've been working with on the harbors master plan. We've got a fee proposal and a draft contract ready to give them, with the plan to start around mid-March. Staff will schedule meetings for the Board in late March. There will be a workshop session with the Board to concentrate on ideas, then there will be an open studio session and a public meeting presentation. This will be similar to the process we just went through, but a little shortened because it's not as big of an area. Staff would like to have a plan by the end of fall that can be brought to the Board for approval.

Mr. Simpson asked what the budget is for the consultant?

Mr. Gillette said we are limited to \$50,000 and it was \$49,900.

**XII. Harbormaster's Report**

Mr. Borg reported:

- The Board's support on the sewage proposal will help in reaching our Clean Harbors goal.
- Two cranes are down at the Fishermen's Terminal. There was a pretty serious near miss the other day with one of the cranes. We had a near minus tide and there was a fishing vessel sitting underneath in the mud. They were lowering a 400lb load down to the deck when the cable came unspooled and it fell about four feet. Nobody was hurt and there was no damage to the vessel. Staff measured the cable and it only had 50 feet of cable. We're putting a new winch motor on the crane that will hold 125 feet of cable so there should still be 30 feet on the boom at a minus four foot tide. The other crane is not working because the cylinder was leaking. Jim at Southeast Industrial pulled the arm off and rebuilt the boom so it should be back in operation before next week.

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**XIII. Port Director's Report**

Mr. Uchtyl said we removed the award for Aurora Phase II from the agenda. The bids were opened on February 8<sup>th</sup> and the apparent low bidder was NCS. Trucano was second low bidder. Trucano filed a notice that he may protest, so we pulled that from the Special Board Meeting and the Assembly Meeting on February 13<sup>th</sup>. We've received information from the Department of Labor that there may be some labor issues with one of the contracts NCS recently completed in Sitka. They may potentially be disbarred from the State. We may hear something from the State on March 6<sup>th</sup>, and will decide what to do at that point. If we award it now and give them notice to proceed, then the State takes action midway through the project, they would be given a cease and desist order and it would get very messy. We have to hold their bid for 90 days from bid opening. This moves up the start date of moving boat shelters around, but we don't know the right thing to do at this point.

**XIV. Assembly Liaison Report**

Ms. Becker reported:

- Franklin Street is being remodeled starting Monday. This project will be completed in phases. One sidewalk and one part of the road will be open almost at all times. They will go block by block and there will be no on-street parking in that block.
- She agrees with waiting on the Aurora Harbor Phase II bid award. She has heard about it from the community, and it is never wrong to be cautious.
- The appropriation asked for from deferred maintenance to the harbor CIP was approved by the Assembly.
- The Assembly is talking about a new road to Bartlett Hospital as a secondary road for emergencies.
- There will be an ordinance prepared to exempt taxes onboard cruise ships. There are a limited number of things sold on ships when they are in town like hair appointments and alcohol. The store is not open. According to the Financial Director, we only get \$50,000 to \$100,000.

**XV. Board Administrative Matters**

- a. Harbor Fee Review Committee Meeting- Wednesday, March 8<sup>th</sup>, 2017 at noon
- b. Ops/Planning Committee Meeting – Wednesday, **March 22<sup>nd</sup>, 2017** at 5:00pm
- c. Finance Committee Meeting – Thursday, **March 23<sup>rd</sup>, 2017** at 5:00pm
- d. Strategic Retreat – Saturday, April 1<sup>st</sup>, 2017 at 9:00am
- e. Board Meeting – Thursday, **March 30<sup>th</sup>, 2017** at 5:00pm

**XVI. Adjournment** – The regular Board Meeting adjourned at 8:02pm.

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**I.**     Call To Order – Budd Simpson called the meeting to order at 12:07 p.m. in CBJ Room 224.

**II.**     Roll Call – The following members were present: Bob Janes, David Lowell, Robert Mosher, and Budd Simpson.

Absent: Tom Donek

Also present were the following: Carl Uchtyl – Port Director, Dave Borg – Harbormaster, and Doug Unruh – Operations Maintenance Supervisor.

**III.**    Approval of Agenda.

Mr. Uchtyl requested to add a staff report after Future Business.

***MOTION By MR.JANES: TO APPROVE THE AGENDA AS AMENDED AND ASK FOR UNANIMOUS CONSENT.***

*Motion Passed With No Objection*

**IV.**     Approval of February 15th Harbor Fee Review Committee minutes.

Hearing no objection, the February 15th, 2017 Harbor Fee Review minutes were approved as presented.

**V.**     Public Participation on Non-Agenda Items – None

**VI.**     Unfinished Business - None

1. Monthly Shorepower access Fee (05 CBJAC 30.010)

Mr. Uchtyl said the monthly rates are on page 9 in the packet and staff recommends leaving the monthly rates as is. Docks & Harbors is charging enough to cover the expense.

**Committee Questions - None**

**Public Discussion - None**

**Committee Discussion/Action**

Mr. Simpson commented that the monthly rate is more of a bargain than the daily electrical rate. From his own experience from a metered rate, the winter rates are right in line, but the summer rate is high. He recommended to leave it the same

Mr. Janes recommended to keep the current rates, but keep the rates in line with what AEL & P charges. If the rate increases for Docks & Harbors, our customers rates should go up proportionately.

Mr. Simpson clarified that if the rate Docks & Harbors is paying changes, our customers are subject to adjustment and if there is another emergency with a surcharge the surcharge could also be applied.

Mr. Uchtyl pointed out that on page 9 paragraph (h) in the packet the regulation already covers the emergency situations.

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Mr. Uchytel said staff wants to omit the sentence in (b) With approval of the Docks and Harbors Department, a person may use a 50 amp service and be assessed a 30 amp fee provided the service is current limited to 30 amps.

Mr. Borg said this is not needed. If they are plugged into a 50 amp that is the service they will pay for. If they are plugged into a 30 amp, that is the service they will pay for.

Mr. Lowell said there is something in regulation in case of an avalanche, but nothing that covers a normal rate increase.

Mr. Simpson said the monthly rates will stay the same as long as the rates are what they are today. This regulation deals with an emergency increase, but nothing on a routine increase. That should be part of our policy if AEL & P raises their rates, our rates go up.

Mr. Janes recommended to have staff look at AEL&P rates annually and provide the Board with a verbal report annually.

Mr. Simpson recommended to look at the current base line rate and check every year.

Mr. Uchytel said his preference is to have the electricity rate looked at the same time as the CPI is looked at for the moorage rates. He would like this more of a policy than a regulation.

Mr. Simpson recommended to have the rate based off the rate we pay to AEL & P and not on a CPI rate increase and have that implemented as part of the policy that would apply to the daily and monthly electrical rates. With it part of the policy, it would be pre-approved to make a cost of living adjustment as rates change. The Board will have the final decision if the rates will be raised or not and not have to take it to the Assembly every time.

**MOTION By MR. LOWELL: TO ADOPT THE CURRENT SUMMER AND WINTER MONTHLY SHOREPOWER ACCESS FEES AS SHOWN ON PAGE 9 WITHOUT CHANGING THE RATES, DELETE THE SENTENCE IN 05 CJBAC 30.010 SHOREPOWER ACCESS FEES SUBSECTION (b) (*With approval of the Docks and Harbors Department, a person may use a 50 amp service and be assessed a 30 amp fee provided the service is current limited to 30 amps*). ADD A COST ADJUSTMENT PROVISION TO TRACK INCREASES IN THE COST OF OUR RATES IMPOSED BY AEL&P ON AN ANNUAL BASIS SUBJECT TO REVIEW BY THE BOARD.**

**Motion passed with no objection.**

Mr. Uchytel said he will draft the intent for the regulation change and have CBJ Law review it. He wanted to know the intent on the increase if it will be rounded to the nearest dime or dollar for monthly and daily rates?

Mr. Simpson said his intent is for staff to bring the electricity rate to the Board every year to review the same time as the CPI review and the Board will decide if our rates need to be raised based on AEL&P rates.

Mr. Uchytel clarified that staff will just be asking the Board to review the electrical rates and adjust if applicable and not have to go to the Assembly.

Mr. Simpson said yes.



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Mr. Lowell asked with adding the Board approval clause will we still need to go to the Assembly for approval?

Mr. Simpson said no, the Assembly will approve this regulation change giving the Board the discretion to raise the rates appropriately. We already have that authority for the moorage rates because they are tied to the Anchorage CPI increase.

**VII. New Business**

**1. Daily Commercial Launch Ramp Permit**

Mr. Borg said last year there was a work zone created at the ABLF for commercial vessels to be pulled out of the water to do minor work in under four hours. The area was used by whale watching boats, but we also had several non-commercial users or small fishing vessels as well that wanted to do their own repairs. In order to use the ABLF launch ramp a person needs the commercial launch ramp permit for \$250.00 annually because there are no daily commercial permits. Staff is proposing to have a \$30.00 daily commercial launch ramp permit so if someone needs to pull their boat for a small repair they can do so with a commercial daily permit and not have to pay the annual rate.

**Committee Questions**

Mr. Simpson asked if this is the correct section to put the daily commercial launch ramp in because the vessels are used recreational and are not commercial vessels? This section is called fees for commercial use.

Mr. Borg said because the ABLF launch ramp is a commercial facility, we do not allow recreational launching. In order to use this ramp, you have to have a commercial launch permit.

Mr. Janes asked if recreational users have the ability to pull the boat at the new Statter Harbor launch ramp and service their vessel in a parking space.

Mr. Borg said no.

Mr. Janes asked if the only space for a recreational user to service their boat is at their house or the ABLF?

Mr. Borg said that is correct.

Mr. Janes asked how many requests did staff receive last year from recreational users to use the ABLF service area?

Mr. Unruh said about 12. Because they had to pay \$250.00 for the annual commercial permit to use this area, none of the 12 used the ABLF launch ramp. They would have probably used the area if it was only \$30.00. With this type of use, he doesn't see a conflict with the other commercial users.

Mr. Janes said this is a commercial area and he is concerned that this \$30.00 onetime fee will increase the use and there could be a potential for recreational/commercial user conflicts.

Mr. Unruh said we currently allow recreational users to use the drive down float to load their boats with camping gear and haven't had any conflicts. The conflicts we do have is when a commercial user doesn't let us know

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when they are going to be using the facility and another commercial user contacted the office and made a reservation. The person with the reservation shows up and someone else is there.

Mr. Simpson said when the boat yard was moved to the ABLF that intermingles recreational and commercial boats.

Mr. Janes said a commercial user is launching or removing the boat and not a recreational boater. He also asked about the wash down pad?

Mr. Unruh said that will only be available through Harri's Commercial Marine (Lease holder).

Mr. Janes has a concern that the \$30.00 launch fee will invite more use. He asked if an area in the Statter Harbor launch ramp parking lot could be designated for small boat repairs?

Mr. Borg said no, that is strictly a launch ramp facility and not a maintenance facility.

Mr. Simpson said if someone needed to change their prop they could do it in the parking lot.

Mr. Borg said we won't allow someone to change their lower unit out.

Mr. Janes said he is a commercial operator and pulls his boats regularly for servicing their vessels. If two recreational users have scheduled a use time, that is eight hours out of a day, which is a big part of the day for a commercial operator to use this area.

Mr. Simpson recommends to follow the staff recommendations and if this doesn't work, come back and change it.

Mr. Unruh said the work area is very specific on what maintenance can be performed. This area is only used for a quick oil change, change a prop or a zinc.

Mr. Borg said he doesn't see a lot of use, but this is just giving another option for recreational users to do small boat maintenance.

Mr. Janes wants to see this facility to stay a commercial use facility.

Mr. Simpson said he recommends to move forward with this, but if there is conflicts to address it at that time.

**Public Discussion-** None

**Committee Discussion/Action**

**MOTION By MR. LOWELL: TO ADOPT STAFF RECOMMENDATION FOR AN ABLF DAILY COMMERCIAL LAUNCH RAMP FEE OF \$30.00 AND ASK FOR UNANIMOUS CONSENT.**

**Motion passed with no objection.**

VIII. Future Business – None

Mr. Uchytel said the only item that will need to be worked on in the future is live-aboard fees but can be discussed at one of the regular meetings.

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Mr. Simpson said he would like to bring the topic of live-aboard at Statter Harbor to an OPS/Planning meeting in April.

Mr. Uchytel said staff was given direction, and will continue to work on the lease administration review process wording.

Staff Report –

Mr. Uchytel reported;

- Aurora Phase II has not been awarded yet because we are still trying to get information from Department of Labor & Workforce Development (DOLWD) on the NCS investigation. The investigation is because NCS didn't pay correct wages on the Sitka project.

Mr. Simpson asked if there will need to be a judgement call that they are non-responsive?

Mr. Uchytel said that could happen, but he is just unsure where DOLWD is in the process. The project needs to start by August 23<sup>rd</sup> and delaying this decision could delay the project not getting done before Christmas. The other timing issues would be getting Board and Assembly approvals.

Mr. Janes said he received a call from Mr. Trucano, a local contractor, who is \$150,000 under NCS's bid. Mr. Trucano said NCS still owes him a substantial amount of money from Aurora Harbor Phase I and has to take NCS to court for what he is owed. He would like to have a local hire clause in our project proposals. He would like consideration go to Mr. Trucano's bid because he is a local bidder.

Mr. Simpson asked if the dispute between the bidder and Trucano, something owed to a sub-contractor, a reason to disqualify them? Because of the timing on this, the Board may need to make a decision before it goes through the courts which could take a couple of years. If NCS is low balling a bid and not paying a sub-contractor, then that is a contractor that we don't want to use. However, this Committee does not know the answer to that and the dispute could be legitimate. There is always two sides to a story.

Mr. Uchytel said as far as Docks & Harbors is concerned, everyone is paid and that project has been closed out. The issue is what Trucano thinks he is owed but has nothing to do with the award to NCS. This is a labor dispute between a prime contractor and a sub, and would be hard to disqualify someone for that. He said he will ask CBJ Law if a labor dispute makes NCS not a responsive bidder.

Mr. Simpson the problem is the Committee knows there is a dispute but we don't know the right and wrong of it. Does the Docks & Harbors Board have the ability to have our own inquiry into the dispute?

Mr. Uchytel said the contract with the dispute is closed. The dispute is outside the scope of work in the Aurora Harbor phase I contract.

Mr. Janes said Trucano is a local contractor and they have done a lot of work over the years for Docks & Harbors.

**CBJ Docks and Harbors Board**  
**Harbor Fee Review Committee Meeting Minutes**  
**For Wednesday March 8th, 2017**

- Mr. Uchytel said he submitted a Conditional Use Permit on Mr. Heuman's behalf. CDD will do a City/State Plan (CSP) review. This will eventually need to be approved by the Board.
- There is a Committee of the Whole meeting on Monday. One of the topics is the Auke Bay Marine Station, the Fish House and the Float. Mr. Gillette and Mr. Donek will be at that meeting. UAS is lobbying the Assembly for a no cost lease for those facilities, but those facilities are not in the property being conveyed by GSA.
- Mr. Uchytel said he will be out of the office two weeks starting Friday.
- There is a boat show expo planned at the Yacht Club for the Boat Shelter owners on Friday May 12<sup>th</sup>.
- There is a ribbon cutting ceremony planned for the new cruise ship dock on May 5<sup>th</sup>, with the Maritime Festival on May 6<sup>th</sup>. With good weather we will hold this event on the float, but if inclement weather it will be in the brick yard.
- There will be a ribbon cutting ceremony planned for Douglas Harbor on May 26<sup>th</sup>. The Pusich family will be here for that weekend and would like to attend. He will also invite the Corps of Engineers with their great dredging efforts, and Trucano Construction.
- Docks & Harbors employee Doug Unruh will be retiring the end of April and at that time we will have two Operations Maintenance Supervisor positions available and will go out to hire at that time.
- Docks & Harbors Administrative Assistant II at Statter Harbor will be on maternity leave through the summer.

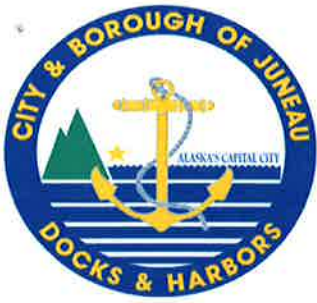
Mr. Borg reported because of a small substance spill at the ABLF from one of Mr. Weltzin's waste oil tank in his storage area, which was all contained, it brought his attention to Mr. Weltzin's operations. Mr. Borg went back and looked at the Conditional Use Permit and it says there shall be no hazardous material stored onsite, but the area is used for a staging area. Mr. Weltzin has been storing propane for long term. He issued a letter to Mr. Weltzin telling him that this practice is not allowed. On Monday a propane tank showed up to the ABLF and started filling his 1,000 gallon propane tank. Docks & Harbors was not notified and this is not allowed which is in direct violation of our Facility Security Plan. These activities were shut down and he had a long talk with Mr. Weltzin and explained that this is not only a Coast Guard issue but a conditional use permit issue. It is not allowed to load fuel into another container at this location, but you can bring loaded containers to this facility to load on a boat and go.

Mr. Janes reported because of several phone calls voicing concern, there is going to be a new section added to TBMP for mariners that they don't come inside of Indian Island from Auke Bay to the Lena Beach area. All the charter operators will be advised to not use the route inside Indian Island.

IX. Next Harbor Fee Review Meetings –

The Harbor fee review is finished.

X. Adjournment – The meeting adjourned at 1:34 pm



**NOTICE OF PROPOSED CHANGES TO REGULATIONS**  
**Amendment of Title 05, Chapter 15 Fees and Charges and Title 05,**  
**Chapter 20 Small Boat harbor Fees and Charges**

DOCKS & HARBORS BOARD IS PROPOSING TO ADOPT AN AMENDMENT TO THE FOLLOWING REGULATIONS.

05 CBJAC15.050 Potable water fee - Raise the water rate from \$4.67 per 1,000 gallons to 150 percent of the CBJ Water Utility Rate for the Metered Commercial customer class.

05 CBJAC 20.100 Grid usage fees - Delete the Douglas Grid from the definition and raise the Grid usage fees from \$.95 to \$1.00 per foot per day.

05 CBJAC 20.120 Pump Use Fees - Delete the pump use fees from regulation.

These regulations are proposed for adoption pursuant to CBJ's 01.60 and CBJ 85.02.060, and CBJ 85.02.100. Interested persons may obtain a full copy of the proposed regulations at any of the harbor offices, at the CBJ libraries, at the CBJ Clerk's Office, and online at [www.juneau.org/harbors/proposed\\_regulations.php](http://www.juneau.org/harbors/proposed_regulations.php)

The Board is holding a public hearing and intends to take final action on the proposed changes on March 30th at 5 pm in the Assembly Chambers. This will be Introduced to the Assembly on April 3rd at 7:00 p.m. in the CBJ Assembly Chambers. Written comments may also be submitted to the Port Director's Office by fax at (907) 586-0295, by hard copy at 76 Egan Drive, and online by web form at the above web address until 4:30 p.m. on March 30<sup>th</sup>.

Interested persons may obtain more information by calling Port Director Carl Uchytel at 586-0292.

## A REGULATION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

### Amendment of Title 05, Chapter 15 Fees and Charges and Title 05, Chapter 20 Small Boat Harbor Fees and Charges

PURSUANT TO AUTHORITY GRANTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, THE DOCKS AND HARBORS BOARD IS PROPOSING TO ADOPT THE FOLLOWING AMENDMENT TO REGULATIONS:

**Section 1. Authority.** These regulations are proposed for adoption pursuant to CBJ 01.60 and CBJ 85.02.060, and CBJ 85.02.100.

**Section 2. Adoption of Regulations.** The City and Borough of Juneau Administrative Code is amended by the repeal and adoption of regulations in Title 05, Chapters 15 and 20 as follows:

#### 05 CBJAC 15.050 Potable water fee.

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

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

(c) *Potable water fees assessment:* The fee shall be 150 percent of the CBJ Water Utility Rate for the Metered Commercial customer class.

Unit	Charge
Each 1,000 U.S. gallons or portion thereof	\$4.67

#### 05 CBJAC 20.100 Grid usage fees.

(a) *Definition.* The fees assessed to an owner for using ~~the Douglas Grid or the Harris Harbor Grid.~~

(b) *Grid usage period and requirements.* The period for grid usage is a 24-hour period, or portion thereof. The grid fee is based on the silhouette length of the vessel. All grid usage fees must be paid in advance. Owners of vessels may reserve use of the grid. Payment of grid usage fees is required to obtain a reservation. The Harbormaster will require the owner of a vessel to post a bond or other guaranty before using the grid when the Harbormaster believes such security is necessary.

(c) *Refunds.* CBJ will refund grid fees for unused grid usage periods if the owner notifies the Harbormaster at least 24 hours before the start of the reservation period.

(d) *Grid usage fees.* Grid usage fees shall be assessed as follows:

\$ per foot per day	<del>\$.95</del> \$1.00
---------------------	-------------------------

...

**~~05 CBJAC 20.120 – Pump use fees.~~**

~~Dewatering pumps are available for rent from the Docks and Harbors Department. The fee for rent of a dewatering pump is \$20.00 per hour with a \$40.00 minimum charge.~~

**Section 3. Notice of Proposed Adoption of a Regulation.** The notice requirements of CBJ 01.60.200 were followed by the agency. The notice period began on \_\_\_\_\_, which is not less than 21 days before the date of adoption of these regulations as set forth below.

**Adoption by Agency**

After considering all relevant matter presented to it, the agency hereby amends these regulations as set forth above. The agency will next seek Assembly review and approval.

Date: \_\_\_\_\_

\_\_\_\_\_  
Carl Uchytel  
Port Director

**Legal Review**

These regulations have been reviewed and approved in accordance with the following standards set forth in CBJ 01.60.250:

Regulations of Docks and Harbors  
05 CBJAC 15 Fees and Charges  
05 CBJAC 20 Small Boat Harbor Fees and Charges

Page 2

(1) Consistency with federal and state law and with the charter, code, and other municipal regulations;

(2) The existence of code authority and the correctness of the required citation of code authority; and

(3) Its clarity, simplicity of expression, and absence of possibility of misapplication.

Date: \_\_\_\_\_

\_\_\_\_\_  
Robert H. Palmer, III  
Assistant Municipal Attorney

### **Assembly Review**

These regulations were presented to the Assembly at its meeting of \_\_\_\_\_. They were adopted by the Assembly.

Date: \_\_\_\_\_

\_\_\_\_\_  
Laurie J. Sica, Municipal Clerk

### **Filing with Clerk**

I certify, as the clerk of the City and Borough of Juneau, that the following statements are true:

1. These regulations were accepted for filing by the office of the clerk at \_\_\_\_:\_\_\_\_ a.m./p.m. on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.
2. After signing I will immediately deliver or cause to be delivered copies of this regulation to the attorney and the director of libraries.
3. A permanent file of the signed originals of these regulations will be maintained in this office for public inspection.
4. Effective date: \_\_\_\_\_.

Date: \_\_\_\_\_

\_\_\_\_\_  
Laurie J. Sica, Municipal Clerk



**MAILING ADDRESS:  
PO BOX 670  
JUNCTION CITY, OR 97448**



**OFFICE: (541) 998-3637**

**FAX: (541) 998-1930**

March 28, 2017

Sent by E-Mail and Fax (907) 586-0897

City/Borough of Juneau  
Docks & Harbors Board  
155 South Seward Street  
Juneau, Alaska 99801

Attn: Docks & Harbors Board Members

Subject: Aurora Harbor Re-Build – Phase II Project  
Contract NO. DH17-021

Dear Member of the Board:

I listened to the recorded minutes of the meeting of the Board held on March 16, 2017 as that meeting related to awarding the contract to the low bidder, Northern Construction Service (NCS), for the Aurora Harbor Rebuild Phase II project. The purpose of this letter is to respond to the concerns of the Board and to the allegations in public testimony from Doug Trucano of Trucano Construction and Chris Dimond of the local Carpenter's union.

It is my understanding, after review of NCS's submittal information requested by the Docks & Harbors team, that NCS satisfied the Docks & Harbors team and the City Attorney(s) concerns related to NCS' compliance with the project Specifications and capabilities to perform the Work. As a result, the Docks & Harbors team, with the blessing of the City Attorney(s), recommended to the Docks & Harbor Board to proceed with the Notice of Intent to Award the Aurora Harbor Rebuild Phase II project to NCS. It is also my understanding that it is very unusual for the Board to not approve the Docks & Harbors team's recommendations to the Board. However, after public testimony from Doug Trucano and Chris Dimond, the usual Board approval of the Docks & Harbors team and City Attorney(s) recommendation to proceed with awarding this Work to NCS was tabled until the next meeting of the Board on March 30, 2017 (which we are going to attend).

I. Regarding the public testimony, I submit the following for your consideration:

- Trucano Construction's testimony accusing NCS of not paying timely and not paying Trucano for all their work related to Aurora Harbor Phase I was inaccurate and a complete mischaracterization of our disagreement. **ACCUSATION OF NONPAYMENT OF FINAL PAYMENT RE AURORA HARBOR PHASE I:** NCS was prevented from processing for project close out and receipt of its final payment from the Owner, *which included Trucano Construction's final payment of approximately \$80,000*, due to Trucano Construction not complying with project specification requiring their submittal of the Owner's required Conditional Release aka Lien Release, which, in addition to previous phone requests, NCS requested in an email to Trucano Construction on

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August 13, 2015 (SEE EXHIBIT ONE). The last page of a subsequent letter dated April 23, 2016 in part stated our position to Trucano Construction, i.e. *"the remaining final Aurora Harbor payment in the amount of approx. \$80K, which will not be paid until CBJ completes final payment to NCS. NCS recommends Trucano Construction email NCS an executed Lien Release to allow NCS to receive final payment from CBJ which will result in subsequent final payment to Trucano Construction. Otherwise, Trucano Construction's course of action would be to file a Lien with CBJ re the Aurora Harbor project, OR Trucano Construction's failure to take any action will result in NCS waiting for CBJ to take some action at some point to close out this project"* (SEE EXHIBIT TWO). (Please note I had two different telephone conversations, one with Gary Gillette and one with Eric Schaal, confirming NCS was required to have this release from all Subcontractors, including Trucano Construction, before CBJ would close out and make final payment to NCS, which also included Trucano Construction's final payment of approx. \$80,000.) Subsequently, in October, 2016 Gary Gillette of CBJ requested we proceed with Close Out without the requirement of Trucano Construction's submittal of a Conditional Release aka Lien Release. However, as a requirement of Close Out, NCS was required to submit a Compliance Certificate and Release Form, which required NCS' certification that all Subcontractors had been paid. In the case of a Subcontractor not being fully paid, NCS was required to note the specifics on a separate page, which NCS did include in its submittal dated 11/17/2016 (SEE EXHIBIT THREE). Contrary to Mr. Trucano's testimony, please note that NCS paid Trucano Construction their final payment in the amount of \$80,552 as required in the Specifications, which is within 8 days (not 30) after NCS receiving final payment from the Owner (SEE EXHIBIT FOUR). **ACCUSATION OF NONPAYMENT OF ADDITIONAL WORK:** NCS received Trucano Construction's emailed last pay request on April 27, 2015, which Trucano Construction also noted on this pay request was the *"last pay estimate for contract work at Aurora Harbor,"* with attached Pay Estimate #7 (SEE EXHIBIT FIVE). Note Trucano's own Pay Estimate email request identified this as *the last pay estimate*. However, nearly 5 months later, without prior discussion and unbeknownst to NCS, on September 21, 2015, we were blindsided with invoices from Trucano Construction for work claimed to have been performed 5 to 8 months prior to receiving these invoices. The bottom line is, Trucano Construction claims this work should be paid as Extra Work and NCS believes this work was a part of Trucano Construction's required work in the Subcontract. Additionally, Article 5 of our Subcontract and Owner's Specifications require Extra Work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES TO THE WORK and Article 11 CHANGE OF CONTRACT PRICE. Mr. Trucano testified in the Board Meeting that he was taking NCS to court and that he expected the court date to be next month. This testimony is inaccurate. There is no court date because Mediation or Arbitration (not litigation) are required by our Subcontract. However, after many attempts to settle our disagreement, Mediation or Arbitration is unfortunately where this all appears to be headed. This will be a "first" for our Company. Since the inception of NCS 18 years ago, we have never been through Mediation, Arbitration, or a Court action of any kind. Disagreements happen, but we have always been able to find a successful path to work them out and avoid hard feelings and the legal system.

- Chris Dimond's testimony is inaccurate and is evidence that he is almost completely uninformed as it relates to our Company's activities and our organizational format. **MR. DIMOND'S STATEMENTS WERE WITHOUT MERIT AND LIKELY COLLUDING, AND POSSIBLY CROSSED THE LINE AS BEING DEFAMATORY:** Our Company is a family owned company that has been in

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business since 1998. Our Company is made up of three company entities, i.e. Superior Forest Products, Inc., which was formed in Alaska in 1998 and is the parent with the following DBAs (Doing Business As), Alpine Lumber & Building Products (Alpine), and Northern Construction Service (NCS). Alpine is a wholesale distributor of building products, a manufacturer of highway guardrail components, and a manufacturer of preassembled docks (as noted on their website under the "Custom Fab" tab at [www.alpinelbr.com](http://www.alpinelbr.com)). Alpine has been selling building materials since 2006 to lumber yards in Alaska, Hawaii, Washington, Oregon, California, Idaho, Montana, Nevada, Utah, Arizona, and the South Pacific Island Countries. Alpine has been manufacturing highway guardrail components since 2010 and supplies approx. 90% of Oregon's requirements. Alpine has been manufacturing preassembled docks since 2010 for their primary markets in Canada and Alaska. Alpine's contribution is approximately 60% of Superior Forest Products' total annual revenue, while NCS contributes approximately 40% of that total annual revenue. NCS is a contractor that has always worked exclusively and only in the State of Alaska since 1999.

**REGARDING MR. DIMOND'S TESTIMONY QUESTIONING NCS'S INTEGRITY AS IT RELATES TO OUR LABOR PRACTICES AND OUR DISAGREEMENT WITH THE DEPARTMENT OF LABOR:** As I understood Mr. Dimond's testimony, he represents the local Carpenter's Union, and is not a Department of Labor investigator. It was obvious from Mr. Dimond's testimony that he has no factual knowledge or awareness of our Company's labor practices or our present disagreement with the Department of Labor. No one in our Company has ever heard of this man before. It is very unlikely Mr. Dimond would take the time "tracking" the activities of our little Company, especially since we are not a Union Shop. We are asking ourselves what caused Mr. Dimond to offer uninformed, inaccurate, false, perhaps defamatory testimony at your recent Board meeting? With the exception of our present disagreement with the Department of Labor and contrary to Mr. Dimond's implications, NCS has never been accused or knowingly investigated by the Department of Labor for wrongdoing of any sort in its entire 18 year existence. As it relates to our issue with the Department of Labor, which is limited to our Sitka project (i.e., we signed a Project Labor Agreement for the Aurora Harbor Rebuild Phase I project and satisfied all of the PLA's requirements without incident), NCS is challenging the DOL's assertion of our fabricating float docks "on site" rather than "off site" as we are asserting. The DOL has offered an amount to NCS to settle this issue, which is basically the difference between "on site" Davis Bacon wages and the "off site" wages paid to Alpine employees. We were offered the opportunity to pay this amount and be on our merry way without any additional punitive action. Debarment was not and has not been a consideration. The DOL has acknowledged they believe that NCS did not knowingly or intentionally do anything wrong; i.e., Alpine did not engage in a "fraud" with respect to its employees. However, based on our legal counsel's advice, we did not accept their offer to settle this issue because we believe we were justified and within the labor laws. We have offered a counterproposal without waiving any of our rights, claims or defenses, to which the DOL has not responded. Accordingly, and in order to protect our position and defenses, we have requested a hearing within the time allowed and are waiting on the DOL to respond. The DOL is understaffed and has been moving at a snail's pace. We expect this issue to drag on for a long time as a result. **FURTHERMORE, FOR THE BOARD'S EDIFICATION:** Contrary to Mr. Dimond's allegations, Alpine's standard operating procedures in manufacturing floats (docks) includes prefabricating and preassembling the floats at its facility in Junction City, Or and trucking the completed floats to Seattle, WA to load out on a barge, which delivers the floats to the customer's project site. The Sitka floats were an exception to Alpine's standard operating procedures, due to the design and engineering of the floats requiring 16' wide floats to be

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installed rather than the usual floats, which are 12' wide or less. The engineering design did not allow for the option of manufacturing the floats in 8' wide sections and connecting them on site to 16' wide. There was not a practical nor safe way to transport floats 16' wide. Consequently, our Alpine manufacturing team prefabricated the floats at our Junction City facility and we negotiated use of a site in Sitka 5.2 miles (by road) from the actual project site for our Alpine crew to complete assembly of the floats, which, after assembly completion, required a 2 hour tow (approx. 4.6 miles by water) to the project site.

II. NCS has Demonstrated the Ability and Competency to perform the Aurora Harbor Rebuild – Phase II Project Work. See EXHIBITS SIX AND SEVEN, which are reference letters of recommendation and support for NCS' recent work on Aurora Harbor Rebuild-Phase I from Carl Uchytel, CBJ Port Director and from Dick Somerville, Vice President of PND Engineers, Inc. SEE EXHIBIT EIGHT, which is a reference letter of recommendation and support from Ray Paiement, Vice President of Anchor Insurance & Surety.

NCS has successfully managed and completed construction on every project it has been awarded and has never been assessed a penalty on any project. NCS reserves the highest priority in completing on time every project the Company undertakes. The completion requirement on potential projects of interest is a major consideration in NCS' evaluation as to whether or not to bid on a project.

NCS has developed a culture of job safety over the years and practices regular safety training with all of its employees. This culture has resulted in an enviable safety record and an insurance "Experience Mod" Rating of .79, of which we are very proud (SEE EXHIBIT NINE). Our Company for many years has been members and supporters of both the Alaska Association of Harbormasters & Port Administrators and the Associated General Contractors of Alaska. Additionally, we are members and supporters of the American Wood Protection Association and the National Federation of Independent Business.

NCS has successfully completed on prior projects all phases of the work required for the Aurora Harbor Rebuild – Phase II project.

NCS brings an additional component of strength to this scope of work in that NCS' sister company, Alpine Lumber & Building Products, for several years has been constructing and marketing floats as a part of their regular business, which will allow NCS to control float construction scheduling, quality control, and shipment logistics as it relates to the Aurora Harbor Rebuild – Phase II project.

NCS has the proven expertise, financial capability, and experience in managing and constructing projects of similar value and complexity as the Aurora Harbor Rebuild - Phase II project. Additionally, NCS' previous work has been procured within a low bid environment. NCS has successfully managed and completed projects of similar scope, timeline, size, and cost as the Aurora Harbor Rebuild - Phase II project.

NCS has demonstrated (with respect to experience history of NCS and/or through experience history of its key employees) that it has successfully managed projects procured within a low bid environment and that those projects are of similar scope, timeline, size and cost.

NCS is also providing the enclosures to this letter as additional support and documentation regarding NCS' qualifications, competency and work history experience.



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NCS has provided all of the documentation contained in this letter and enclosures to this letter for purposes of demonstrating and establishing NCS' ability and competency to perform the work according to general standards of responsibility.

**III. APPROVAL OF NORTHERN CONSTRUCTION SERVICE'S BID, AND CONTRACT AWARD OF AURORA HARBOR REBUILD - PHASE II PROJECT TO LOWEST RESPONSIVE AND RESPONSIBLE BIDDER NORTHERN CONSTRUCTION SERVICE**

As the assistant municipal attorney stated at the Board meeting, no timely bid protest was submitted on this project. Accordingly, as lowest responsive and responsible bidder and in light of the appropriate documentation which NCS has previously furnished to you as requested, as well as staff's recommendation to award to NCS because there is no reason to reject NCS' bid, NCS respectfully looks forward to approval of NCS' bid by the Docks and Harbors Board, and to being awarded the construction contract for the Aurora Harbor Rebuild - Phase II project. Assuming the Board and CBJ Assembly approve the award to NCS as anticipated, and after issuance of Notice of Intent to Award to NCS by CBJ, NCS is prepared to furnish the required payment and performance bonds, insurance certificates and other certificates/documents, and to execute the contract agreement, as required by the Contract Documents and within the required number of calendar days.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ronald O. McCormick', is written over a horizontal line.

Ronald O. McCormick  
President

Enclosures: Included for review are Exhibit ONE) NCS Request to Trucano for Conditional Release aka Lien Release Request; Exhibit TWO) Additional NCS Request to Trucano for Conditional Release aka Lien Release Request; Exhibit THREE) Compliance Certificate and Release Form Certifying NCS Payment Status to Subcontractors; Exhibit FOUR) Evidence of Timely Final Payment to Trucano; Exhibit FIVE) Trucano Construction's Submittal to NCS For "last pay estimate for contract work at Aurora Harbor;" Exhibit SIX) Letter of Recommendation from Carl Uchytel, CBJ Port Director; Exhibit SEVEN) Letter of Recommendation from Dick Somerville, Vice President of PND Engineers, Inc; Exhibit EIGHT) Letter of Recommendation from Ray Paiement, Vice President of Anchor Insurance and Surety; Exhibit NINE) Letter of Congratulations Re Earning Insurance "Experience Mod" Rating of .79

**EXHIBIT ONE**

**3 PAGES**

**(Includes cover page)**



ronald mccormick &lt;ron.alpinelumber@gmail.com&gt;

---

**Fwd: Aurora Harbor Re-Build Phase I Conditional Release Trucano**

---

**GARRETT MCCORMICK** <gmccor@gmail.com>

To: ronald mccormick &lt;ron.alpinelumber@gmail.com&gt;

----- Forwarded message -----

From: **GARRETT MCCORMICK** <gmccor@gmail.com>

Date: Thu, Aug 13, 2015 at 10:15 AM

Subject: Aurora Harbor Re-Build Phase I Conditional Release Trucano

To: Trucano Construction &lt;trucano@alaskan.com&gt;

Cc: Mike Bryant &lt;mikewilsonbryant@gmail.com&gt;

Jodi,

Please see attached conditional release for the final payment on the above project. Please sign, date, and return at your earliest convenience. Once received, I will process your final payment. It was a pleasure working with you and I look forward to working together in the future.

Thanks and let me know if you have any questions.

Garrett McCormick  
Vice President  
Northern Construction Service  
Office: 541 998 3637  
Cell: 503 754 3058  
Fax: 541 998 3620

Perpetual Optimism is a force multiplier  
- Colin Powell -

Garrett McCormick  
Vice President  
Alpine Lumber & Building Products  
Northern Construction Service  
Office: 541 998 3637  
Cell: 503 754 3058  
Fax: 541 998 3620

Perpetual Optimism is a force multiplier  
- Colin Powell -

**20150813101138676.pdf**

57K

## CONDITIONAL RELEASE

TO: Northern Construction Service  
PO Box 670  
Junction City, OR 97448

FROM: Trucano Construction  
3560 North Douglas HWY  
Juneau, AK 99801

PROJECT  
OWNER: City & Borough of Juneau

PROJECT: Aurora Harbor Re-Build Phase I

On behalf of Trucano Construction, Subcontractor (hereinafter "Releasor"), the undersigned hereby releases all claims, mechanic's liens, stop payment notices, equitable liens, and labor and material bond rights against Northern Construction Service, Prime Contractor, and The City & Borough of Juneau, Project Owner, regarding the above-described Project for labor, materials, equipment and services furnished by Subcontractor and utilized on / incorporated into the Project as referenced in the attached pay estimate(s), invoice(s), and/or Schedule A. This conditional release is issued for the benefit of, and may be relied upon by, the Prime Contractor, Project Owner, construction lender, and principal / surety on any payment and / or performance bond issued for the Project, or otherwise.

As part of this conditional release, Subcontractor also states and certifies that all of its employees, subcontractors and suppliers have been paid in full, effective the date below written, for their labor, materials, equipment and services supplied to the Project relating to the attached pay estimate(s), invoice(s), and/or Schedule A.

This release is **CONDITIONAL** and shall be effective only upon payment to Subcontractor in the sum of \$ 84,277.51. This conditional release is effective only when the check is honored and paid by the bank upon which it is drawn.

The undersigned is fully authorized to execute this Release.

SUBCONTRACTOR/RELEASOR  
Trucano Construction  
[Name of Subcontractor]

By: \_\_\_\_\_  
[Signature]

Date: \_\_\_\_\_

Its: \_\_\_\_\_  
[Title/Position]



## **EXHIBIT TWO**

**12 PAGES**

**(Includes cover page)**

## Northern Construction Service

PO Box 670  
Junction City, OR 97448

Corporate Office: 541-998-3637  
Corporate Fax: 541-998-3620



Sent by E-Mail and US Postal Service

April 23, 2016

Trucano Construction Company  
3560 N. Douglas Hwy  
Juneau, Alaska 99801  
Attn: Mr. Doug Trucano  
President

Subject: Aurora Harbor Rebuild – Phase I Project  
Contract No. DH12-160  
Re: Ron McCormick / Doug Trucano Telephone Conversation On 3/31/16 Related to Trucano Billings In Question

Dear Doug:

During our tele/con of 3/31/16 you and I agreed to discuss your settlement offer related to your claims for “additional billings” after I reviewed your offer with Garrett when I returned from traveling the week of April 11<sup>th</sup>. After discussions with Garrett and reviewing the facts, NCS’s position is clear to me.

Your offer to settle your “additional billings” claim, as I understood it from our tele/con, is as follows:

1. You are offering 10% deduction to your claims for “additional billings,” which total \$94,311.65 @ 10% = \$9,431.17
2. As an additional potential offset to your claim, you are offering NCS to quote Trucano Construction the lumber and fasteners related to the seawall on the Douglas Harbor project and would deduct from your “additional billings” any reduction to the original bid cost Trucano used when compared to NCS’s quote, if any.
3. Trucano Construction is owed approx. \$80K from work completed on the Aurora Harbor Rebuild Project and would forgive any interest charges that are believed to have accrued.
4. NCS (Alpine) supplied Trucano Construction preassembled floats for the Statter Harbor project, which arrived without the Bullrails attached to the floats. Trucano Construction claims the Bullrails should have been attached by Alpine and would forgive their costs associated with attaching the Bullrails to the floats as a part of settling the Aurora claim as offered.

**In addressing 1. above**, included in your additional billings of \$94,311.65 is \$46,913.65 of disposal costs, which is clearly addressed in our Subcontract as noted in my letter to you dated 12/20/15. I disagree

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with the statement in your letter dated 9/21/15, whereas you stated "Item #2060.1 (Demolition and Disposal) was very clear in the Gmail of May 15, 2014 that the price was \$164,400.00 plus disposal fee." The intent of your email was confirmed with your secretary Jody and I believe with you as well prior to our bid submittal, which changed only the dollar amount of your Demolition and Disposal previous bid amount of \$152,425.00 to \$164,400.00. The additional terms of your Demolition and Disposal bid, as discussed and noted in your email dated 5/14/14, of 455 tons of disposal being included in your bid of \$152,425.00 (which was changed the next day to \$164,400.00) were not changed. The fact this was clearly stated in our Subcontract, which you approved with your signature, removes any question that the first 455 tons of disposal were included in your bid of \$164,400.00. This is not a negotiable item. Your offer to reduce your additional billings claims by 10% is not acceptable.

**In addressing 2. above,** We did not receive a list of materials to allow us the opportunity to offer you a bid. Consequently, the possibility of reducing your claim in the amount of your savings as a result of utilizing Alpine Lumber & Building Products to supply your materials for the Douglas Seawall cannot be considered.

**In addressing 3. above,** during our tele/con I acknowledged we owe you approx. \$80K as the total remainder to pay you for your work on the Aurora Harbor project and that we were unable to pay you this final payment without an executed Lien Release from you as required by CBJ. You explained to me, based on your conversation with someone at CBJ, that was untrue and that we could be paid our final payment without your Lien Release. Since our tele/con, I have discussed this issue with CBJ and they confirmed they will not approve our final payment without Lien Releases from all of our Subcontractors, including Trucano Construction. During our tele/con, you went on to say NCS owes you interest charges on the remaining approx. \$80K owed you for your work on Aurora Harbor project. The CBJ remaining final payment amount owed NCS is approx. \$127K of which approx. \$80K final payment owed Trucano Construction is a part of this \$127K final payment. Refer to Section 00800 – SUPPLEMENTARY GENERAL CONDITIONS, ARTICLE 6.5, PARAGRAPH C. "CONTRACTOR must pay Subcontractors and/or Suppliers within 30 days of receiving payment from the OWNER...." Therefore, since NCS has not received payment from CBJ for your approx. \$80K work, no interest charges have accrued and 3. above is not applicable.

**In addressing 4. above,** you claim you expected the bull rails to be attached to the floats and you incurred extra cost associated with attaching the bull rails and some deck boards to the floats. Please note Garrett's email to Jeff below, which advised shipping without bull rails attached. We did not receive a response from your company telling us to ship otherwise, which it would be reasonable to expect an email response or phone call if you or Jeff did not agree with our cost logic and method of shipment. You should discuss with Samson if you did not receive a lesser freight charge, although I would expect you guys would have discussed all this with Samson prior to them billing you. Your ocean freight costing was based on the floats being stacked two high and we know for a fact Samson stacked

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the floats three high, which would result in a very large ocean freight savings more than offsetting the expenses you incurred installing the bull rails.

From: GARRETT MCCORMICK <[gmccor@gmail.com](mailto:gmccor@gmail.com)>  
Date: Mon, Feb 22, 2016 at 9:26 AM  
Subject: Re: Statter Harbor hinge  
To: Trucano Construction <[trucano@alaskan.com](mailto:trucano@alaskan.com)>

Jeff,

I will be heading back down to the office on Wednesday. I plan to have the abutment hinge to Samson by Friday, but will see if I can get it there on Wednesday. We have lost one of our crew members down in Oregon and are a little behind on the assembly. Floats 1 - 3 shipped to Samson last week, but I would like to check the quality on the others before they go out the door. It is looking like we will need to make the final float shipment to Samson next week. We are able to stack the floats three high rather than two on the truck (which should save you some money with Samson) by leaving the bullrail off the floats. I was concerned that the bullrail would get damaged if it was installed prior to shipment. We had a hex drive installed on the bullrail bolts and the nuts welded to the angles they attach to for easy field installation.

Thanks and let me know if you have any questions.

Garrett McCormick  
Vice President  
Alpine Lumber & Building Products  
Office: [541 998 3637](tel:5419983637)  
Cell: [503 754 3058](tel:5037543058)  
Fax: [541 998 3620](tel:5419983620)

I have copied and pasted all of your "additional billings" below from our previous correspondence and have included additional comments in red for you to review. Please do not overlook the final paragraph of this letter, which follows your "additional billings" section below.

**1) TRUCANO BILLING: 3/27/15 Assist in changing pile pocket on float in Aurora Harbor that were on the wrong side, in order for us to keep on working:**

Labor:	6 hrs @ \$94.00 =	\$564.00
Boom Boat:	2 hrs. @ \$50.00 =	\$100.00
Crane and Barge:	1 hr. =	<u>\$300.00</u>
		\$964.00

**NCS RESPONSE: Please submit a separate invoice with support documentation and additional information including date of work and related Pay Item associated with the work. Please include on**

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the invoice the NCS representative that authorized the work. Additional Comments, Trucano Construction billed for this work nearly 6 months after the work was completed. Our Subcontract ARTICLE 5 and Contract Specifications require this work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. It is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work nearly 6 months after the Work was completed.

### 2) TRUCANO BILLING: Finish Float Assembly Trucano's Yard:

Yard Rental 2/6/15 to 4/6/15 – 2 months @ \$80.00 per month =	\$ 1,600.00
Crane rental in yard =	2,500.00
Forklift rental in yard =	600.00
Tractor rental in yard =	750.00
Labor (unload floats/operate crane/assembly floats/ Cleanup, etc 200 hrs @ \$60.00 =	12,000.00
Total	\$17,450.00

NCS RESPONSE: No additional payment is due as this Work is a part of the Contract Agreement Dated 7/22/14 Between Northern Construction Service and Trucano Construction Co. Please refer to ARTICLES 8.5, 8.6, 8.7, 8.8, 8.9, 8.11 and ARTICLE 10.1 of the Contract Agreement. Additional Comments, There is no question this Work is a part of our Contract Agreement if all of the ARTICLES of our agreement noted here are reviewed. Additionally, Trucano Construction billed for this work 5-1/2 to 7-1/2 months after the Work was completed. Our Subcontract ARTICLE 5 AND Contract Specifications require this work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. Again, it is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work 5-1/2 to 7-1/2 months after the Work was completed.

### 3) TRUCANO BILLING: Miscellaneous Material and Tools:

Grease for holes in glue lams =	25.00
2 ea. 1 1/8" comb wrench (AIH) @ 10.65 =	21.30
1 gal. Woodlife (Creo Coat) =	25.00
4 ea. 3/4" x 10" gals HexHed Bolts @ 3.25 =	13.00
(P.U by Brian for pile pocket	
2 ea. 3"x20' nylon slings @ 72.35 =	144.70
(for lifting floats)	229.00

NCS RESPONSE: Please submit a separate invoice with support documentation and additional information including date of work and related Pay Item associated with the work. Please include on the invoice the NCS representative that authorized the work. Additional Comments, Trucano Construction did not bill for this Work within the time requirement of our Subcontract and Contract



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**Specifications.** This Work is required to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. It is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work months after the Work was completed.

#### **4) TRUCANO BILLING: Refabricate Double Batter Pile connection on South Approach:**

Piles would not go in from the front or down from the top, as saddle was too tight either from the galvanization or it wasn't fabricated correctly. We had to cut the sides down in order to get the piling into the chute.

Labor was an addition 8 hrs for both chutes and 8 Lin. Ft. ½" square stock.

8 hrs. labor @ \$130.00 with welder/rod/and tools =	\$1,040.00
8 lin. Ft. ½" key stock =	10.00
Total:	\$1,050.00

**NCS RESPONSE: Please submit a separate invoice with support documentation and additional information including hours worked and rates of pay, date of work, and related Pay Item associated with the work. Please include on the invoice the NCS representative that authorized the work.**

**Additional Comments,** Trucano Construction did not bill for this Work within the time requirement of our Subcontract and Contract Specifications. This Work is required to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. It is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work months after the Work was completed.

#### **5) TRUCANO BILLING: Gangway Float at "C" Approach:**

1/13/15 Load concrete blocks onto material barge and move to Aurora Harbor/  
Unload ramp onto barge Jena/load gangway float onto material barge  
and return to Trucano's

Labor 21 hrs. @ \$94.00 per hr =	\$1,974.00
3 hrs. tugboat Gambier (Bare) @ 200.00 =	600.00
3 hrs. CP 39 barge and 4000 Manitow Crane @ 300.00/hr=	900.00
VR 90 Forklift 1 hr =	60.00

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2/02/15 Mob barge back into Aurora Harbor to set ramp float  
Into water/foam billets started to fall when we started to  
lift it/had to stop to secure billets and then set in water:

16 hrs. labor @ \$94.00 per hr =	1,504.00
Tug gambier to move material barge and CP39	
3 hrs Bare @ 200.00 =	600.00
CP39 barge and 4000 Manitowe 4 hrs @ \$300.00 =	1,200.00
250 lin. Ft. 2" nylon webbing strap @ \$75.00 =	187.50

### Miscellaneous:

Rent on barge 21 days @ \$100.00	2,100.00
Normal rent \$9,500 per month	

### Clean Barge Deck:

Labor 4 hrs @ \$60.00 =	240.00
Loader 1 hr =	70.00
VR 90 1 hr. =	60.00
Water pump/hose/and nozzle =	85.00
Gas =	10.00

Total	\$9,590.50
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**NCS RESPONSE: No additional payment is due as this Work is a part of the Contract Agreement Dated 7/22/14 Between Northern Construction Service and Trucano Construction Co. Please refer to ARTICLES 8.5, 8.6, 8.7, 8.8, 8.9, 8.11 and ARTICLE 10.1 of the Contract Agreement. Additional**  
**Comments, There is no question this Work is a part of our Contract Agreement if all of the ARTICLES of our agreement noted here are reviewed. Additionally, Trucano Construction billed for this work 7-1/2 to over 8 months after the Work was completed. Our Subcontract ARTICLE 5 AND Contract Specifications require this work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. Again, it is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work 7-1/2 to over 8 months after the Work was completed.**

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### 6) TRUCANO BILLING: Haul 13 loads of piling from AML by truck to Trucano's Landing:

Tractor/driver 2 hrs per load @ \$110.00 per hr. =	220.00
3 pilot cars and driver 2 hrs. ea @ \$80.00 = \$160.00 x 3 =	480.00
Moving permit per load = \$40.00 (740.00 per trip)	
(13 trips @ 740.00) =	<u>9,620.00</u>

Total

\$10,320.00

**NCS RESPONSE: No additional payment is due as this Work is a part of the Contract Agreement Dated 7/22/14 Between Northern Construction Service and Trucano Construction Co. Please refer to ARTICLES 8.5, 8.7, 8.11 and ARTICLE 10.1 of the Contract Agreement.** Additional Comments, Trucano Construction chose to transport NCS's cargo from AML's dock via truck rather than Trucano's barge because of Trucano's perception of transporting by truck would be less cost than transporting by their barge. Again, there is no question this Work is a part of our Contract Agreement if all of the ARTICLES of our agreement noted here are reviewed, especially Article(s) 8.5 and 8.7. Additionally, Trucano Construction billed for this work months after the Work was completed. Our Subcontract ARTICLE 5 AND Contract Specifications require this work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. Again, it is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work months after the Work was completed.

### 7) TRUCANO BILLING: 1/14/15 Haul Gangway from AML to Aurora Harbor and unload on jetty:

Labor 7 hrs. (regular time) @ \$658.00 =	658.00
1 hr. O.T. @ 125.00 =	125.00

Equipment	225 hyster (bare) 2 hrs @ 80.00 =	160.00
	165 Hyster (bare) 2 hrs @ 60.00 =	120.00
	Tractor (bare) 2 hrs @ 60.00 =	120.00
	Pilot cars (bare) 6 hrs @ 25.00 =	150.00
	Permit =	<u>100.00</u>

\$1,433.00

**NCS RESPONSE: No additional payment is due as this Work is a part of the Contract Agreement Dated 7/22/14 Between Northern Construction Service and Trucano Construction Co. Please refer to ARTICLES 8.5, 8.7, 8.8, 8.11 and ARTICLE 10.1 of the Contract Agreement.** Additional Comments, Again, there is no question this Work is a part of our Contract Agreement if all of the ARTICLES of our agreement noted here are reviewed. Additionally, Trucano Construction billed for this work over 8 months after the Work was completed. Our Subcontract ARTICLE 5 AND Contract Specifications require this work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT



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**PRICE.** Again, it is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work over 8 months after the Work was completed.

**8) TRUCANO BILLING: 1/15/15** Hold ramp in air so electrician could work  
Under it. Chain forklift carriages up so they don't bleed off:

4 hrs. labor @ 94.00 =	376.00
Hyster 225 forklift 1 day (2 hrs @ 80.00) =	160.00
Hyster 165 forklift 1 day (2 hrs @ 60.00)=	120.00
Pilot car 1 hr =	25.00
	<u>681.00</u>

**NCS RESPONSE:** No additional payment is due as this Work is a part of the Contract Agreement Dated 7/22/14 Between Northern Construction Service and Trucano Construction Co. Please refer to ARTICLES 8.5, 8.7, 8.8, 8.11 and ARTICLE 10.1 of the Contract Agreement. Additional Comments, Again, there is no question this Work is a part of our Contract Agreement if all of the ARTICLES of our agreement noted here are reviewed. Additionally, Trucano Construction billed for this work over 8 months after the Work was completed. Our Subcontract ARTICLE 5 AND Contract Specifications require this work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. Again, it is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work over 8 months after the Work was completed.

**9) TRUCANO BILLING: 1/16/15** Demob Hyster 225 Forklift:

Labor 2 hr. @ 94.00=	188.00 minimum
Forklift 1 hr. =	80.00 minimum
Pilot car 1 hr. =	25.00 minimum
	<u>293.00</u>

**NCS RESPONSE:** No additional payment is due as this Work is a part of the Contract Agreement Dated 7/22/14 Between Northern Construction Service and Trucano Construction Co. Please refer to ARTICLES 8.5, 8.7, 8.8, 8.11 and ARTICLE 10.1 of the Contract Agreement. Additional Comments, Again, there is no question this Work is a part of our Contract Agreement if all of the ARTICLES of our agreement noted here are reviewed. Additionally, Trucano Construction billed for this work over 8 months after the Work was completed. Our Subcontract ARTICLE 5 AND Contract Specifications require this work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. Again, it is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work over 8 months after the Work was completed.

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### 10) TRUCANO BILLING: Mob & Set Glue Lams on South Approach:

2/2/15 Mob & rig for setting glue lams/load 750 Grove and position barge

For 2/3/15:

8 hrs. labor reg @ 94.00 = 752.00

2 hrs labor O.T. @ 125.00= 250.00

(Jake and Dan)

Tug boat Gambier 2 hrs @ 200.00 (bare) = 400.00

2/3/15 Set glue lams and move barge back to Trucano's:

Crane/barge/and operator 6 hrs @ 310.00 = 1,860.00

Tug gambier 2 hrs @ 200.00 (bare) = 400.00

Labor 4 hrs @ 94.00 = 376.00

Total

\$4,038.00

**NCS RESPONSE: No additional payment is due as this Work is a part of the Contract Agreement Dated 7/22/14 Between Northern Construction Service and Trucano Construction Co. Please refer to**

**ARTICLES 8.5, 8.6, 8.7, 8.8, 8.9, 8.11 and ARTICLE 10.1 of the Contract Agreement. Additional Comments, Again, there is no question this Work is a part of our Contract Agreement if all of the ARTICLES of our agreement noted here are reviewed. Additionally, Trucano Construction billed for this work over 7-1/2 months after the Work was completed. Our Subcontract ARTICLE 5 AND Contract Specifications require this work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. Again, it is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work over 7-1/2 months after the Work was completed.**

### 11) Set Glue Lams on "C" approach @ Ramp:

2/19/15 2 hrs. crane/barge/operator to set glue

Lams @ 405.00 = 810.00

2/20/15 Move barge jena with ramp to CP39 and back

To moorage/set ramp at "C" Approach:

Tug Gambier 2 hrs @ 200.00 = 400.00

Boom boat 2 hrs @ 50.00 = 100.00

Labor 3 hrs O.T. @ 94.00 = 282.00

\$782.00

Set Ram @ "C": Approach:

CP 39 barge 2 hrs @ 150.00 = 300.00

4000 Manitow Crane 2 hrs @ 150.00 = 300.00

6 hrs. labor @ 125.00 O.T.= 750.00

\$1,350.00

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**NCS RESPONSE: No additional payment is due as this Work is a part of the Contract Agreement Dated 7/22/14 Between Northern Construction Service and Trucano Construction Co. Please refer to ARTICLES 8.5, 8.6, 8.7, 8.8, 8.9, 8.11 and ARTICLE 10.1 of the Contract Agreement. Additional Comments, Again, there is no question this Work is a part of our Contract Agreement if all of the ARTICLES of our agreement noted here are reviewed. Additionally, Trucano Construction billed for this work over 7 months after the Work was completed. Our Subcontract ARTICLE 5 AND Contract Specifications require this work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. Again, it is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work over 7 months after the Work was completed.**

**12) TRUCANO BILLING: As per Quoted Price (Bid Item 2060.1)**

Dump Fees are \$46,913.15

**NCS RESPONSE: No additional payment is due as this Work is a part of the Contract Agreement Dated 7/22/14 Between Northern Construction Service and Trucano Construction Co. Please refer to ARTICLES 8.4, 8.11 and ARTICLE 10.1 of the Contract Agreement. Please note we did not exceed 455 tons of disposal, which our Agreement excluded Dump Fees for the first 455 tons. Additional Comments, First review "In addressing 1. above" on page one of this letter. Additionally, there is no question this Work is a part of our Contract Agreement if all of the ARTICLES of our agreement noted here are reviewed. Additionally, Trucano Construction billed for this work several months after the Work was completed. Our Subcontract ARTICLE 5 AND Contract Specifications require this work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES IN THE WORK and Article 11 CHANGE OF CONTRACT PRICE. Again, it is not reasonable to expect the Owner / Contractor to approve a Change Order Request for billing of Work several months after the Work was completed.**

Please review the attached invoice in the amount of \$23,375.91 for AML Trucking and Demurrage charges incurred due to Trucano Construction not transporting NCS cargo from AML's dock per our Subcontract agreement within the time frame allowed. Also attached are support documents outlining these charges and our proof of payment to AML. Your prompt payment would be appreciated. NCS is also in the process of computing additional charges incurred as a result of NCS's additional costs required to install the Aurora floats, which were to be completed by Trucano Construction as outlined in our Subcontract Agreement.

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In conclusion, it is NCS's position that NCS owes Trucano Construction only the remaining final Aurora Harbor payment in the amount of approx. \$80K, which will not be paid until CBJ completes final payment to NCS. NCS recommends Trucano Construction emails NCS an executed Lien Release to allow NCS to receive final payment from CBJ which will result in subsequent final payment to Trucano Construction. Otherwise, Trucano Construction's course of action would be to file a Lien with CBJ re the Aurora Harbor project, OR Trucano Construction's failure to take any action will result in NCS waiting for CBJ to take action at some point to close out this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald McCormick".

Ronald McCormick  
President

Attachments/Enclosures: Included for review are 1) Executed Contract Agreement, 2) Trucano Bid Documents, 3) Invoice Support Doc's for AML Trucking and Demurrage charges

## **EXHIBIT THREE**

**8 PAGES**

**(Includes cover page)**





ronald mccormick &lt;ron.alpinelumber@gmail.com&gt;

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**Fwd: Aurora Harbor Close Out**

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**GARRETT MCCORMICK** <gmccor@gmail.com>

Mon, Nov 7, 2016 at 5:10 PM

To: Gary Gillette &lt;Gary.Gillette@juneau.org&gt;

Cc: "ron.alpinelumber@gmail.com" &lt;ron.alpinelumber@gmail.com&gt;

Gary,

Please see attached Compliance Certificate and Release form.

Thanks and let me know if you have any questions.

--

Garrett McCormick

Vice President

Northern Construction Service

Office: 541 998 3637

Cell: 503 754 3058

Fax: 541 998 3620

Perpetual Optimism is a force multiplier

- Colin Powell -

On Mon, Nov 7, 2016 at 3:19 PM, Gary Gillette &lt;Gary.Gillette@juneau.org&gt; wrote:

Hi Garrett

I received the final pay request that appears to be in order.

There is one other document we need prior to approving final payment.

Refer to Section 01700 Project Close Out. On page 3 is the Compliance Certificate and Release Form.

This form must be filled out, signed and submitted to us before we can authorize final payment.

Thanks for your attention to this item.

Gary

**From:** GARRETT MCCORMICK [mailto:gmccor@gmail.com]**Sent:** Tuesday, November 01, 2016 5:22 PM**To:** Gary Gillette**Cc:** ron.alpinelumber@gmail.com**Subject:** Re: Aurora Harbor Close Out

Gary,

Attached is our final pay request, pay estimate 11, for your review.

Thanks and let me know if you have any questions.

Garrett McCormick  
Vice President

Northern Construction Service

Office: 541 998 3637

Cell: 503 754 3058

Fax: 541 998 3620

Perpetual Optimism is a force multiplier  
- Colin Powell -

On Tue, Nov 1, 2016 at 5:28 PM, Gary Gillette <[Gary.Gillette@juneau.org](mailto:Gary.Gillette@juneau.org)> wrote:

Garrett and Ron

I received the Notice of Completion of Public Work from you. I have now received the Tax Security Clearances from the State of Alaska (attached).

We also have the signed final change order (#3). So, it is time to submit your final pay request.

Since we are in the final close out and this is so long after completion I prefer you to send your final pay request directly to me as opposed to PND.

Thanks for your attention to this matter, Gary.



***Gary H Gillette, Architect***

***Port Engineer***

155 S. Seward Street

Juneau, Alaska 99801

[907-586-0398](tel:907-586-0398)

[907-586-0295](tel:907-586-0295) (fax)

[gary.gillette@juneau.org](mailto:gary.gillette@juneau.org) **Please Note New E-Mail Address**



**20161107171107245.pdf**  
249K



## SECTION 01700 - PROJECT CLOSE-OUT

### COMPLIANCE CERTIFICATE AND RELEASE FORM

PROJECT: AURORA HARBOR REBUILD - PHASE I  
CONTRACT NO: DH12-160

The **CONTRACTOR** must complete and submit this to the Port Director with respect to the entire contract.

Completed forms may be submitted upon completion of the Project. All requirements and submittals must be met before final payment will be made to the **CONTRACTOR**.

*I certify that the following and any referenced attachments are true:*

- All WORK has been performed, materials supplied, and requirements met in accordance with the applicable Drawings, Specifications, and Contract Documents.
- All Suppliers and Subcontractors have been paid in full with no claims for labor, materials or other services outstanding. If all Subcontractors and suppliers are not paid in full, please explain on a separate sheet.
- All employees have been paid not less than the current prevailing wage rates set by the State of Alaska (or U.S. Department of Labor, as applicable).
- All equal employment opportunity, certified payroll and other reports have been filed in accordance with the prime contract.
- The attached list of Subcontractors is complete (required from **CONTRACTOR**). The City Engineer was advised and approved of all Subcontractors before WORK was performed and has approved any substitutions of Subcontractors.
- All DBE firms listed as a precondition of the prime contract award must have performed a commercially useful function in order for the WORK to count to a DBE goal. All DBE firms performed the WORK stated and have received at least the amount claimed for credit in the Contract Documents.
- All DBE Subcontractors must attach a signed statement of the payment amount received, the nature of WORK performed, whether any balance is outstanding, and indicate that no rebates are involved.
- If the amount paid is less than the amount originally claimed for DBE credit, the **CONTRACTOR** has attached approval from the City Engineer for underutilization.

*I understand it is unlawful to misrepresent information in order to receive a payment which would otherwise be withheld if these conditions were not met. I am an authorized agent of this firm and sign this freely and voluntarily. The foregoing statements are true and apply to the following project contractor.*

NORTHERN CONSTRUCTION SERVICE

Capacity: **CONTRACTOR**

Firm Name

[Signature]

Signed

Gannett McConnick VP

Printed Name and Title

11/7/16

Date

Return completed form to: Carl Uchytel, Port Director, City and Borough of Juneau, 155 South Seward Street, Juneau, AK 99801. Call (907) 586-0294 if we can be of further assistance or if you have any questions.

**END OF SECTION**

**AURORA HARBOR REBUILD - PHASE I**  
Contract No. DH12-160

**PROJECT CLOSE-OUT**  
Page 01700-3

# SECTION 00360 - SUBCONTRACTOR REPORT

## LIST OF SUBCONTRACTORS (AS 36.30.115)

The apparent low Bidder must submit a list of Subcontractors that the Bidder proposes to use in the performance of this contract on the fifth business day following the Posting Notice of Bids. If the fifth day falls on a weekend or holiday, the report is due by close of business on the next business Day following the weekend or holiday. The Subcontractor Report list must include each Subcontractor's name, address, location, evidence of valid Alaska Business License, and valid Alaska Contractor's Registration under AS 08.18. If no Subcontractors are to be utilized in the performance of the WORK, write in ink or type "NONE" on line (1) below.

SUBCONTRACTOR	<sup>1</sup> AK Contractor License No.	<sup>1</sup> Contact Name	Type of Work	Contract Amount	✓ if DBE
ADDRESS	<sup>2</sup> AK Business License No.	<sup>2</sup> Phone No.			
1. <u>TRUCANO Construction</u>	<u>1 114</u>	<u>Doug TRUCANO</u>	<u>Demolition</u>	<u>\$ 771,272</u>	<input type="checkbox"/>
<u>3560 N. Douglas Hwy</u>	<u>2 40854</u>	<u>(907) 586-2444</u>	<u>PILE DRIVING</u>		
<u>JUNEAU, AK 99801</u>			<u>Floot Install.</u>		
2. <u>JW Bemo Professional Surveying</u>	<u>1 3650</u>	<u>Allen Smathers</u>	<u>Surveying</u>	<u>\$ 34,500</u>	<input type="checkbox"/>
<u>1070 Arctic Circle</u>	<u>2 272554</u>	<u>(907) 315-9741</u>			
<u>JUNEAU, AK 99801</u>					
3. <u>Harri Plumbing &amp; Heating</u>	<u>1 0474</u>	<u>Jeff Duverson</u>	<u>Mechanical</u>	<u>\$ 420,332</u>	<input type="checkbox"/>
<u>5245 GLACIER Highway</u>	<u>2 5820</u>	<u>(907) 321-0249</u>			
<u>JUNEAU, AK 99801</u>					
4. <u>Alaska Electric</u>	<u>1 36153</u>	<u>Chris Harmon</u>	<u>Electrical</u>	<u>\$ 1,182,860</u>	<input type="checkbox"/>
<u>PO Box 33835</u>	<u>2 956362</u>	<u>(907) 209-2105</u>			
<u>JUNEAU, AK 99803</u>					

I certify that the above listed Alaska Business License(s) and CONTRACTOR Registration(s), if applicable, were valid at the time Bids were opened for this Project.

Garrett McCormick  
CONTRACTOR, Authorized Signature

GARRETT MCCORMICK  
CONTRACTOR, Printed Name

NORTHERN CONSTRUCTION SERVICE  
COMPANY

AURORA HARBOR RE-BUILD - PHASE I  
Contract No. DH12-160

SUBCONTRACTOR REPORT  
Page 00360-1

Page 1 of 2

# SECTION 00360 - SUBCONTRACTOR REPORT

## LIST OF SUBCONTRACTORS (AS 36.30.115)

The apparent low Bidder must submit a list of Subcontractors that the Bidder proposes to use in the performance of this contract on the fifth business day following the Posting Notice of Bids. If the fifth day falls on a weekend or holiday, the report is due by close of business on the next business Day following the weekend or holiday. The Subcontractor Report list must include each Subcontractor's name, address, location, evidence of valid Alaska Business License, and valid Alaska Contractor's Registration under AS 08.18. *If no Subcontractors are to be utilized in the performance of the WORK, write in ink or type "NONE" on line (1) below.*

SUBCONTRACTOR ADDRESS	<sup>1</sup> AK Contractor License No.	<sup>1</sup> Contact Name	Type of Work	Contract Amount	✓ if DBE
1. Admiralty Construction Inc. PO Box 240169 Douglas, AK 99824-0169	<sup>1</sup> 31827 <sup>2</sup> 313017	Andrew Campbell (907) 780-3555	Civil	\$ 455,000	<input type="checkbox"/>
2. _____	<sup>1</sup> _____ <sup>2</sup> _____	_____	_____	\$ _____	<input type="checkbox"/>
3. _____	<sup>1</sup> _____ <sup>2</sup> _____	_____	_____	\$ _____	<input type="checkbox"/>
4. _____	<sup>1</sup> _____ <sup>2</sup> _____	_____	_____	\$ _____	<input type="checkbox"/>

I certify that the above listed Alaska Business License(s) and CONTRACTOR Registration(s), if applicable, were valid at the time Bids were opened for this Project.

Garrett McCormick  
CONTRACTOR, Authorized Signature

GARRETT MCCORMICK  
CONTRACTOR, Printed Name

Northern Construction Service  
COMPANY

AURORA HARBOR RE-BUILD - PHASE I  
Contract No. DH12-160

Page 2 of 2  
SUBCONTRACTOR REPORT  
Page 00360-1

## Northern Construction Service

PO Box 670  
Junction City, OR 97448

Corporate Office: 541-998-3637  
Corporate Fax: 541-998-3620

Juneau Office: 907-419-7297



11/7/16

Attn: Gary Gillette

All Subcontractors for the Aurora Harbor project have been paid in full with the exception of Trucano Construction. Trucano Construction is still owed \$80,552.00 of their subcontract amount and is asserting additional billings for extra work that NCS does not agree with, amounting to \$66,671.51.

NCS has not previously submitted for Trucano's remaining contract amount owed because we were waiting for a signed Lien Release, which Trucano is not willing to provide. Once the final payment is received, NCS will promptly pay Trucano Construction their remaining contract amount of \$80,552.00.

NCS will continue to pursue an equitable agreement with Trucano Construction for the additional billings.

Thanks and let me know if you have any questions.

Garrett McCormick  
Vice President  
Northern Construction Service  
503-754-3058

## **EXHIBIT FOUR**

**3 PAGES**

**(Includes cover page)**

**NORTHERN CONSTRUCTION SERVICE**

**P.O. BOX 670  
JUNCTION CITY, OR 97448**

**PHONE: (541)998-3637 FAX: (541)998-3620**



**December 20, 2016**

**Mr. Doug Trucano  
Trucano Construction Company  
PO Box 020870  
Juneau, AK 99082**

**ATTN: Mr. Doug Trucano**

**RE: Aurora Harbor Rebuild-Phase 1 Contract No. DH12-160**

**Dear Mr. Trucano:**

As you are aware, the City & Borough of Juneau has withheld final payment for your subcontract work performed on the Aurora Harbor project, due to your noncompliance with the project specification requiring Trucano Construction to execute a lien release prior to receiving final payment.

In order for The City & Borough of Juneau to close out this project, they chose on December 12, 2016 to make final payment for your subcontract work. Therefore, NCS is executing final payment to Trucano Construction per the terms of our Subcontract and Owner's specifications. Please find herewith your full and final payment of \$80,552.00 for the subcontract work Trucano Construction performed on the Aurora Harbor project.

**Sincerely,**

A handwritten signature in black ink, appearing to read "Ronald McCormick", is written over a horizontal line.


**Ronald McCormick  
President**

**P.S. The check has been sent in a separate Fed Ex envelope  
Tracking number: 778003981622**



INVOICE NO.	P.O.#	INV. DATE	GROSS	DISC	NET
AURORA HARBOR		12/19/2016	80,552.00	0.00	80,552.00
FULL AND FINAL SUBCONTRACT PAYMENT - AURORA HARBOR REBUILD-PHASE 1 CONTRACT NO. DH12-160					
PAGE	CHECK DATE	CHECK NO.	VENDOR		TOTAL:
1	12/20/16	019007	Trucano Construction Company		80,552.00

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

  
**ALPINE LUMBER  
& BUILDING PRODUCTS**  
 A Division of Superior Forest Products, Inc.  
 PO Box 670 | Junction City, OR 97448

WELLS FARGO BANK, NA  
0008 BAY, OR 97420

19007

24-680/1230

DATE

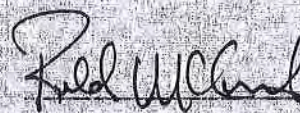
AMOUNT

12/20/2016

\*\*\*80,552.00

PAY \*\*\*EIGHTY THOUSAND FIVE HUNDRED FIFTY-TWO DOLLARS\*\*\*

PAY  
TO THE ORDER OF **Trucano Construction Company**  
**PO BOX 020870**  
**Juneau, AK 99802**  
 Full and final subcontract payment - Aurora Harbor  
 Rebuild Phase 1 Contract No. DH12-160

THE BACK OF THIS DOCUMENT CONTAINS CHECK SECURITY WATERMARK AND COIN REACTIVE INK



**EXHIBIT FIVE**

**4 PAGES**

**(Includes cover page)**





ronald mccormick <ron.alpinelumber@gmail.com>

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## Fwd: Emailing: Aurora Pay Est #7

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**GARRETT MCCORMICK** <gmccor@gmail.com>

To: "ron.alpinelumber@gmail.com" <ron.alpinelumber@gmail.com>

Tue Mar 3, 2017 at 11:13 AM

----- Forwarded message -----

From: **Trucano Construction** <trucano@alaskan.com>

Date: Mon, Apr 27, 2015 at 3:51 PM

Subject: Emailing: Aurora Pay Est #7

To: GARRETT MCCORMICK <gmccor@gmail.com>, ron.ncs@gmail.com, Mike Bryant <mikewilsonbryant@gmail.com>

Good afternoon All

→ Attached is our last pay estimate for contract work at Aurora Harbor.

Please let me know if you have any questions.

Jodi

Trucano Construction

Garrett McCormick  
Vice President  
Alpine Lumber & Building Products  
Northern Construction Service  
Office: 541 998 3637  
Cell: 503 754 3058  
Fax: 541 998 3620



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**Aurora Pay Est #7.pdf**

941K

Northern Construction Services - Aurora Harbor Pay Request  
5/2/2015

Pay Estimate #7  
Period End 04/30/15

ITEM NO.	DESCRIPTION	UNIT	QTY	UNIT PRICE	AMOUNT BID	THIS ESTIMATE QUANTITY	THIS ESTIMATE AMOUNT	TOTAL TO DATE QUANTITY	TOTAL TO DATE AMOUNT
2060.1	Demolition & Disposal	Lump Sump	All Req'd		164,400.00			100%	164,400.00
2726.1	South Approach Dock	Lump Sump	All Req'd		82,750.00			100%	82,750.00
2726.2	C Float Approach Dock	Lump Sump	All Req'd		67,270.00			100%	67,270.00
2895.1	Headwalk Float 10' x 912'	Lump Sump	All Req'd		34,372.00			100%	34,372.00
2895.2	Mainwalk A Float 10' x 228'	Lump Sump	All Req'd		9,268.00			100%	9,268.00
2895.3	Mainwalk B Float 10' x 290'	Lump Sump	All Req'd		11,360.00			100%	11,360.00
2895.4	Mainwalk C Float 10' x 290'	Lump Sump	All Req'd		11,360.00	50%	5,680.00	100%	11,360.00
2895.5	Mainwalk D Float 10' x 284'	Lump Sump	All Req'd		11,360.00			100%	11,360.00
2895.6	Finger float 4' x 32'	EA	16	2,092.00	33,472.00	12	25,104.00	100%	33,472.00
2895.7	Finger float 6' x 42'	EA	12	2,092.00	25,104.00			100%	25,104.00
2895.8	Finger float 6' x 48'	EA	6	2,092.00	12,552.00			100%	12,552.00
2895.9	Finger float 8' x 62'	EA	4	2,092.00	8,368.00			100%	8,368.00
2895.10	Finger float angled 8' x 60'	EA	5	2,092.00	10,460.00			100%	10,460.00
2895.11	Finger float angled 8' x 85'	EA	2	2,092.00	4,184.00			100%	4,184.00
2895.12	Finger float angled 10' x 110'	EA	1	2,092.00	2,092.00	1	2,092.00	100%	2,092.00
2895.13	Electrical substation float 8' x 12'	Lump Sump	All Req'd		2,092.00			100%	2,092.00
2895.14	South gangway landing floats 10' x 42' & 10' x 60'	Lump Sump	All Req'd		4,184.00			100%	4,184.00
2896.1	Float mooring pile 12.75" x .500"	EA	49	2,420.00	118,580.00			100%	118,580.00
2896.2	Float mooring pile 16" x .500"	EA	48	2,420.00	116,160.00			100%	116,160.00
2896.5	Finger float pile frame	EA	3	12,567.00	37,701.00	3	37,701.00	100%	37,701.00
	RFP #3 - Remove & dispose of piling	Lump Sump	All Req'd	17,034.82	17,034.82			100%	17,034.82
	RFP #4 - Install eye bolts on manhole cover	Lump Sump	All Req'd	850.00	850.00	100%	850.00	100%	850.00
					<b>784,973.82</b>		<b>71,427.00</b>		<b>784,973.82</b>

TOTAL EARNED TO DATE 784,973.82  
LESS PREVIOUS PAYMENTS 713,546.82  
TOTAL DUE THIS ESTIMATE 71,427.00

**Trucano Construction Company**

PO Box 020870  
3560 N. Douglas Hwy  
Juneau, AK 99802

Phone # 907-586-2444

Fax # 907-463-3810      [trucano@alaska.com](mailto:trucano@alaska.com)

**Invoice**

Date	Invoice #
4/30/2015	12770

**Bill To**

Northern Construction Services  
93495 Hwy 99S  
PO Box 670  
Junction City, OR 97448

P.O. No.	Terms	Project
		Aurora Harbor Rebuil...

Item	Description	Quantity	Rate	Amount
	Pay Estimate #7 - Period Ending 4/30/15			
Contract Price	Bid Item 2895.4	0.5	11,360.00	5,680.00
Contract Price	Bid Item 2895.6	12	2,092.00	25,104.00
Contract Price	Bid Item 2895.12	1	2,092.00	2,092.00
Contract Price	Bid Item 2896.5	3	12,567.00	37,701.00
Extra Work/Cha...	RFP #4	1	850.00	850.00
	Government - exempt		0.00%	0.00
			<b>Total</b>	<b>\$71,427.00</b>

**MAILING ADDRESS:  
PO BOX 670  
JUNCTION CITY, OR 97448**



**OFFICE: (541) 998-3637**

**FAX: (541) 998-1930**

August 13, 2015 (SEE EXHIBIT ONE). The last page of a subsequent letter dated April 23, 2016 in part stated our position to Trucano Construction, i.e. *"the remaining final Aurora Harbor payment in the amount of approx. \$80K, which will not be paid until CBJ completes final payment to NCS. NCS recommends Trucano Construction email NCS an executed Lien Release to allow NCS to receive final payment from CBJ which will result in subsequent final payment to Trucano Construction. Otherwise, Trucano Construction's course of action would be to file a Lien with CBJ re the Aurora Harbor project, OR Trucano Construction's failure to take any action will result in NCS waiting for CBJ to take some action at some point to close out this project"* (SEE EXHIBIT TWO). (Please note I had two different telephone conversations, one with Gary Gillette and one with Eric Schaal, confirming NCS was required to have this release from all Subcontractors, including Trucano Construction, before CBJ would close out and make final payment to NCS, which also included Trucano Construction's final payment of approx. \$80,000.) Subsequently, in October, 2016 Gary Gillette of CBJ requested we proceed with Close Out without the requirement of Trucano Construction's submittal of a Conditional Release aka Lien Release. However, as a requirement of Close Out, NCS was required to submit a Compliance Certificate and Release Form, which required NCS' certification that all Subcontractors had been paid. In the case of a Subcontractor not being fully paid, NCS was required to note the specifics on a separate page, which NCS did include in its submittal dated 11/17/2016 (SEE EXHIBIT THREE). Contrary to Mr. Trucano's testimony, please note that NCS paid Trucano Construction their final payment in the amount of \$80,552 as required in the Specifications, which is within 8 days (not 30) after NCS receiving final payment from the Owner (SEE EXHIBIT FOUR). **ACCUSATION OF NONPAYMENT OF ADDITIONAL WORK:** NCS received Trucano Construction's emailed last pay request on April 27, 2015, which Trucano Construction also noted on this pay request was the **"last pay estimate for contract work at Aurora Harbor,"** with attached Pay Estimate #7 (SEE EXHIBIT FIVE). Note Trucano's own Pay Estimate email request identified this as *the last pay estimate*. However, nearly 5 months later, without prior discussion and unbeknownst to NCS, on September 21, 2015, we were blindsided with invoices from Trucano Construction for work claimed to have been performed 5 to 8 months prior to receiving these invoices. The bottom line is, Trucano Construction claims this work should be paid as Extra Work and NCS believes this work was a part of Trucano Construction's required work in the Subcontract. Additionally, Article 5 of our Subcontract and Owner's Specifications require Extra Work to be billed for review as a Change Order Request within 14 days per Section 00700 – GENERAL CONDITIONS, Article 10 CHANGES TO THE WORK and Article 11 CHANGE OF CONTRACT PRICE. Mr. Trucano testified in the Board Meeting that he was taking NCS to court and that he expected the court date to be next month. This testimony is inaccurate. There is no court date because Mediation or Arbitration (not litigation) are required by our Subcontract. However, after many attempts to settle our disagreement, Mediation or Arbitration is unfortunately where this all appears to be headed. This will be a "first" for our Company. Since the inception of NCS 18 years ago, we have never been through Mediation, Arbitration, or a Court action of any kind. Disagreements happen, but we have always been able to find a successful path to work them out and avoid hard feelings and the legal system.

- Chris Dimond's testimony is inaccurate and is evidence that he is almost completely uninformed as it relates to our Company's activities and our organizational format. **MR. DIMOND'S STATEMENTS WERE WITHOUT MERIT AND LIKELY COLLUDING, AND POSSIBLY CROSSED THE LINE AS BEING DEFAMATORY:** Our Company is a family owned company that has been in

## **EXHIBIT SIX**

**2 PAGES**

**(Includes cover page)**





## Port of Juneau

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155 S. Seward Street • Juneau, AK 99801  
(907) 586-0292 Phone • (907) 586-0295 Fax

June 10th, 2015

To Whom it May Concern:

The City and Borough of Juneau – Docks & Harbors has enjoyed a professional relationship with Northern Construction Service since July 2014.

The completed \$9.6M Aurora Harbor Re-Build Phase 1 project, during which NCS has shown to be a quality contractor with excellent sub-contractor management talent, went into service on June 1, 2015.

NCS displayed excellence in project management and construction practices by creating a float production facility, from the ground up for Aurora Harbor, which meets or exceeds some of the best known float fabricators in the Pacific Northwest. Through the facility improvements and fabrication processes they implemented, they have created a strong position to provide Alaska with similar facilities.

NCS used their strong project management experience to oversee half a dozen local sub-contractors who were responsible for the demolition, installation of floats and piles, survey, electrical, water and sewer systems. As with any project, a delay with one sub-contractor has a ripple effect and NCS was vigilant and proactive to prevent delays in meeting the project deadline. They were also able to absorb owner initiated changes and still meet the tight deadline.

Material shipping logistics for Alaskan projects are often an overlooked risk for large harbor projects. Floats and piles are heavy and cumbersome requiring special shipping methods between the manufacturer and the project. NCS worked closely with their shipping contractors to transport their floats from Junction City, Oregon to the barge landing in Seattle, Washington. The number of floats in the project meant that there wasn't one yard that could contain them all. NCS set up a staggered fabrication and shipping organization to ensure that the right floats arrived at the project at the right time. There were many moving parts and parties involved and the process worked smoothly.

CBJ Docks & Harbors has been pleased to have developed a strong working relationship with NCS, relying on their expertise in project management and construction techniques. NCS's willingness to meet CBJ's high standards and expectations has served the Juneau maritime community with commitment and dedication.

Sincerely,



Carl Uchytel, PE  
Port Director

# **EXHIBIT SEVEN**

**2 PAGES**

**(Includes cover page)**



ENGINEERS, INC.

June 11, 2015

## LETTER OF RECOMMENDATION

Northern Construction Services/Alpine Lumber & Building Products  
PO Box 670  
Junction City, OR 97448

To Whom it May Concern:

This letter is written on behalf of PND Engineers, Inc. to recommend Alpine Lumber and Building Products (ALBP) and Northern Construction Services (NCS) as a quality timber float manufacturer and general contractor. I have had the opportunity to work with both Ronald and Garrett McCormick, principals of NCS and ALBP, over the past two years on two significant harbor projects in Southeast Alaska. Both projects were delivered on time and on budget with high quality workmanship and minimal to no cost related change orders.

**City of Hoonah - Inner Harbor Boat Launch Facility:** ALBP performed as the float manufacturer on this \$2.3 million harbor project which provided a two lane boat launch facility with an 8'x240' segmented timber boarding float. The project was designed and construction was administered by PND for the City of Hoonah. PND reviewed ALBP shop drawings, performed fabrication inspections at the manufacturing plant and inspected installation on site. All work was performed with a high level of professionalism and PND was impressed with ALBP's follow up on fabrication issues. The project was successfully delivered in June 2014.

**City and Borough of Juneau (CBJ) - Aurora Harbor Rebuild:** ALBP performed as float manufacturer and NCS as the general contractor for this \$9.7 million project. Improvements included replacing aged moorage facilities with over 32,000 SF of new ballasted timber floats with polytub floatation assemblies, power, lighting, potable water, dry fire suppression system and sewer pumpout utilities. Included in the project were two new pile supported timber approach docks, covered aluminum gangways, upland grading, utility services and parking lot improvements. The project was designed and construction was administered by PND for the CBJ. PND reviewed shop drawings, performed fabrication inspections at the manufacturing plant and inspected all installations on site. Again the work was performed to a high quality level and was successfully delivered on time and budget by June 1, 2015.

I recommend Northern Construction Services and Alpine Lumber and Building Products for timber float manufacturing and installation. Please feel free to contact me should you have any questions or need further clarification.

Sincerely,

PND Engineers, Inc. | Juneau Office  
Dick Somerville, P.E.  
Vice President & Principal Engineer



## **EXHIBIT EIGHT**

**2 PAGES**

**(Includes cover page)**



**ANCHOR INSURANCE & SURETY, INC.**

450 Country Club Road, Suite 100 • Eugene, OR 97401 • (541) 342-4400 • FAX (541) 344-5731

March 28, 2017

City/Borough of Juneau  
Docks & Harbors Board  
155 South Seward Street  
Juneau, AK 99801

RE: Northern Construction Service  
"Letter of Recommendation"

To Whom It May Concern,

I and our firm have had the honor and pleasure of handling the construction bonding and insurances for Ron McCormick and Northern Construction Service for well over fifteen years. All projects have been completed without incidents and to the complete satisfaction of the owner.

Northern Construction Service is an excellent company, with an excellent and honest owner, excellent personnel and all owners have been extremely impressed with the quality of their work and as important, there cooperation and ability to deal with issues that come up in an honest and constructive manner with owner and outside firms.

I and Anchor give our full vote of confidence and our full recommendation of Northern Construction Service for your project. You will thoroughly be proud of the work product and all your business dealings with them.

If you should need anything additional from me, do not hesitate to contact me.

Respectfully Yours,

Ray M. Palement  
Vice President/Partner  
Anchor Insurance & Surety, Inc.

## **EXHIBIT NINE**

**2 PAGES**

**(Includes cover page)**



ANCHOR INSURANCE & SURETY, INC.

500 Century Tower • 1201 S.W. 12th Avenue • Portland, OR 97205-2030 • (503) 224-2500 • FAX (503) 224-9830

February 24, 2017

Ron McCormick  
Superior Forest Products Inc.  
PO Box 670  
Junction City, Oregon 97448

Dear Ron:

Enclosed is a copy of your workers' compensation Experience Rating worksheet that will apply to your June 1, 2017 policy.

Your Experience Modification will be 0.79, which is 2 points lower than the 0.81 on your current policy. That means you will receive -21 point credit to your premiums based on your individual experience.

We pass on this information as soon as it is available so that you can use it in your future business plans.

Please let me know if you have questions after reviewing the enclosed worksheet. Congratulations on your very favorable factor.

Sincerely,

ANCHOR INSURANCE & SURETY, INC.

Marc Brandeberry, CPCU  
Workers' Compensation Dept.  
[mbrandeberry@anchorias.com](mailto:mbrandeberry@anchorias.com)  
[www.anchorias.com](http://www.anchorias.com)

cc: Ray Paiement

**Dock  
OVERVIEW**

		FY17		FY18	
	FY16 Actuals	Amended Budget	Projected Actuals	Approved Budget	Revised Budget
<b>EXPENSES:</b>					
Personnel Services	\$ 845,300	778,500	884,800	787,800	897,700
Commodities and Services	608,800	703,500	723,100	708,000	721,600
Capital Outlay	-	10,000	12,000	10,000	10,000
Support to Capital Projects	1,500,000	-	-	-	-
<b>Total Expenses</b>	<b>2,954,100</b>	<b>1,492,000</b>	<b>1,619,900</b>	<b>1,505,800</b>	<b>1,629,300</b>
<b>FUNDING SOURCES:</b>					
Interdepartmental Charges	11,000	11,000	11,000	11,000	11,000
Charges for Services	1,082,200	1,075,000	1,075,000	1,075,000	1,115,000
Licenses, Permits and Fees	321,800	400,000	350,000	400,000	400,000
Rentals	-	-	-	-	-
Interest	60,200	75,900	75,900	75,900	75,900
Support from Marine Passenger Fee	317,600	287,600	287,600	287,600	287,600
<b>Total Funding Sources</b>	<b>1,792,800</b>	<b>1,849,500</b>	<b>1,799,500</b>	<b>1,849,500</b>	<b>1,889,500</b>
<b>FUND BALANCE:</b>					
Beginning Available Fund Balance	4,253,600	3,092,300	3,092,300	3,271,900	3,271,900
Increase (decrease) in Fund Balance	(1,161,300)	357,500	179,600	343,700	260,200
<b>End of Period Fund Balance</b>	<b>\$ 3,092,300</b>	<b>3,449,800</b>	<b>3,271,900</b>	<b>3,615,600</b>	<b>3,532,100</b>
<b>STAFFING</b>	<b>10.76</b>	<b>10.76</b>	<b>12.01</b>	<b>10.76</b>	<b>12.01</b>

**Dock  
Staffing Detail**

	<b>FY17 Adopted</b>		<b>FY18 Approved</b>		<b>FY18 Revised</b>	
	<b>No.</b>	<b>Salary &amp; Benefits Budget</b>	<b>No.</b>	<b>Salary &amp; Benefits Budget</b>	<b>No.</b>	<b>Salary &amp; Benefits Budget</b>
<b>CLASS TITLE:</b>	<b><u>Pos.</u></b>		<b><u>Pos.</u></b>		<b><u>Pos.</u></b>	
Port Director	0.50	\$ 61,900	0.50	\$ 64,400	0.50	\$ 64,400
Harbormaster	0.50	46,600	0.50	48,000	0.50	48,000
Administrative Officer	0.50	32,800	0.50	33,600	0.50	33,600
Engineer/Architect I, II	3.05	281,600	3.05	282,300	3.05	282,200
Administrative Assistant II & III	0.71	28,400	0.71	28,900	0.71	28,900
Ops Maintenance Supervisor	-	-	-	-	-	-
Senior Harbor Officer	0.50	32,800	0.50	33,700	0.50	33,700
Harbor Officer	2.00	105,500	2.00	106,800	2.75	158,200
Harbor Technician	3.00	117,600	3.00	117,200	3.50	135,000
Overtime	-	10,000	-	10,000	-	10,000
Benefits	-	393,600	-	396,000	-	436,800
Salaries Charge to Capital Projects	-	(332,300)	-	(333,100)	-	(333,100)
<b>Totals</b>	<b><u>10.76</u></b>	<b><u>\$ 778,500</u></b>	<b><u>10.76</u></b>	<b><u>\$ 787,800</u></b>	<b><u>12.01</u></b>	<b><u>\$ 897,700</u></b>

Docks and Harbors share several employees. The nature of these two departments' services and Federal security mandates/regulations cause changes in staffing requirements. These circumstances demand that Docks and Harbors be very flexible with their staffing year to year, which results in multiple adjustments to the number of FTE's each year.

**Harbors**  
**OVERVIEW**

		FY17		FY18	
	FY16 Actuals	Amended Budget	Projected Actuals	Approved Budget	Revised Budget
<b>EXPENSES:</b>					
Personnel Services	\$ 1,590,500	1,736,200	1,688,700	1,760,200	1,696,800
Commodities and Services	1,123,800	1,221,100	1,253,600	1,221,200	1,248,700
Capital Outlay	-	10,000	10,000	10,000	10,000
Debt Service	681,200	718,400	718,400	715,700	715,700
Support to Capital Projects	1,300,000	2,333,000	3,033,000	-	533,000
<b>Total Expenses</b>	<b>4,695,500</b>	<b>6,018,700</b>	<b>6,703,700</b>	<b>3,707,100</b>	<b>4,204,200</b>
<b>FUNDING SOURCES:</b>					
Charges for Services	3,023,000	2,780,000	2,889,000	2,860,000	2,860,000
Rentals	862,300	850,000	870,000	850,000	850,000
State Shared Revenue	364,600	357,000	312,500	364,000	364,000
Fines and Forfeitures	22,900	20,000	25,000	20,000	20,000
Interest Income	145,600	40,900	40,900	40,900	40,900
<b>Total Funding Sources</b>	<b>4,418,400</b>	<b>4,047,900</b>	<b>4,137,400</b>	<b>4,134,900</b>	<b>4,134,900</b>
<b>FUND BALANCE:</b>					
Fund Balance Reserve	743,200	743,200	743,200	743,200	743,200
Beginning Available Fund Balance	3,408,800	3,131,700	3,131,700	565,400	565,400
Increase (decrease) in Fund Balance	(277,100)	(1,970,800)	(2,566,300)	427,800	(69,300)
End of Period Fund Balance	<b>\$ 3,874,900</b>	<b>1,904,100</b>	<b>1,308,600</b>	<b>1,736,400</b>	<b>1,239,300</b>
<b>STAFFING</b>	<b>17.67</b>	<b>17.67</b>	<b>17.08</b>	<b>17.67</b>	<b>17.08</b>
<b>DEBT REVENUE RATIO</b>	<b>=&gt;120%</b>	<b>=&gt;120%</b>	<b>=&gt;120%</b>	<b>=&gt;120%</b>	<b>=&gt;120%</b>
<b>(NOT) Meeting Debt/Rev Ratio</b>	<b>1,440,860</b>	<b>4,170,120</b>	<b>5,465,620</b>	<b>1,000,360</b>	<b>1,036,260</b>

**Harbors  
Staffing Detail**

	<b>FY17 Adopted</b>		<b>FY18 Approved</b>		<b>FY18 Revised</b>	
	<b>No. Pos.</b>	<b>Salary &amp; Benefits Budget</b>	<b>No. Pos.</b>	<b>Salary &amp; Benefits Budget</b>	<b>No. Pos.</b>	<b>Salary &amp; Benefits Budget</b>
<b>CLASS TITLE:</b>						
Port Director	0.50	\$ 61,900	0.50	\$ 64,400	0.50	\$ 64,400
Harbormaster	0.50	46,600	0.50	48,000	0.50	48,000
Admin Officer	0.50	32,800	0.50	33,600	0.50	33,600
Administrative Assistant I & III	4.71	213,600	4.71	216,100	5.13	234,600
Sr. Harbor Officer	0.50	32,800	0.50	33,700	0.50	33,700
Operations Maintenance Supervisor	2.00	171,600	2.00	171,200	2.00	148,500
Harbor Officer I	7.00	445,700	7.00	456,600	6.75	434,800
Harbor Technicians	1.00	41,000	1.00	40,800	1.00	39,500
Engineer/Architect I, II	0.20	21,400	0.20	21,500	0.20	21,500
Laborers	0.76	28,200	0.76	28,100	-	-
Overtime	-	25,000	-	25,000	-	25,000
Benefits	-	615,600	-	621,200	-	613,200
<b>Total</b>	<b>17.67</b>	<b>\$ 1,736,200</b>	<b>17.67</b>	<b>\$ 1,760,200</b>	<b>17.08</b>	<b>\$ 1,696,800</b>

Docks and Harbors share several employees. The nature of these two departments' services and Federal security mandates/regulations cause changes in staffing requirements. These circumstances demand that Docks and Harbors be very flexible with their staffing year to year, which results in multiple adjustments to the number of FTE's each year.



# JUNEAU YACHT CLUB

PO Box 20146, Juneau, Alaska 99802



March 14, 2017

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

Dear Mr. Uchytel:

Thank you for the interesting and informative presentation you and your consultant, Chris Mertl, gave at the February Juneau Yacht Club (JYC) membership meeting. The JYC appreciates the efforts of the Docks & Harbors Board to bring some order to the future development of the uplands around Aurora and Harris Harbors. In general, JYC is in agreement with the conceptual plans. JYC supports and offers its assistance and cooperation with any proposal that will benefit boaters and the maritime community in general.

A key element of the plan, from the perspective of JYC, is that under any of several possible scenarios our club facility must be moved to another location. Our preference, after discussion with our board and membership, is to seek alternatives that do not require moving the clubhouse. However, we also understand that if the proposed enlarged boatyard and marine repair facility is moved to the area now occupied by JYC, those operations could adversely impact JYC, and reduce parking while leaving the club within an industrial zone. We also understand that in this scenario, moving our clubhouse could result in very substantial cost savings over some of the development alternatives by reducing the amount of new filled lands to be constructed. Thus, if it becomes necessary to move, and if the overall benefit to the community warrants it, JYC will support the concept.

Any move of the club facility should exclude the possibility of the location under or adjacent to the Juneau-Douglas Bridge. The JYC members feel very strongly about this, particularly as it is clearly neither the only nor the best site available for relocation. Therefore we would like to propose a couple of alternatives.

As noted, our preferred alternative is to leave the JYC in its present location. The main issue here is adequate separation from the proposed boat yard. This could be accomplished in a couple of ways. One would be to relocate the present green space to the northeast of the JYC and turn this area into JYC parking. (This parking could double as parking for the proposed grid in Aurora Harbor.) The proposed boat haul-out could be indented into the existing parking area to the northwest of the relocated green space approximately where the existing ramp and float are located. This might provide a more protected location for the haul-out. We are not convinced that having the proposed boat haul-out jutting out into the channel as shown is a good idea. As proposed, it would be subjected to weather and tidal currents from both the south and the north. The proposed boat haul-out should be protected as it is at the existing UAJ location. Placing the

boat haul-out in a small turning basin could also provide space for the JYC Youth Sailing Club float.

Another possibility is relocation of the boat yard to the rock dump or little rock dump area, which is already more industrial in character. We recognize that this area is not within the zone subject to this planning process, but believe other options should not be ruled out. The cove between the rock dump and little rock dump provides some weather protection, and this facility would not be incompatible with existing plans that may affect that area.

A second alternative, if the preferred one is not feasible, would be to relocate the JYC to the second floor of the proposed Harbormaster's office and commercial structure between Aurora and Harris Harbors. The main concern here is adequate parking considering all of the other activities in this area. Properly sited, the JYC could have a view of Aurora Harbor and the proposed net shed could serve as an auxiliary facility for public events. In addition to the parking issue, there is concern that other activities concentrated in this area may give it a commercial appearance that is not conducive to the JYC. We believe these concerns can be mitigated with proper design considerations. Sharing a structure with the Port and Harbormaster's office could result in some cost efficiencies, as well.

In summary, the JYC believes there are options to the proposed relocation that better serve both the JYC and the community. The JYC requests that the notation to relocate the JYC to Bridge Park be removed from the conceptual drawings and other documentation in the plan so that other, better alternatives are not overlooked or precluded.

Thank you for your consideration. We look forward to working in collaboration with the Docks & Harbors Department in the best interest of our shared community and interests.

Sincerely,

Jerry Burnett  
Commodore  
Juneau Yacht Club

Cc:  
Mayor Ken Koelsch  
Borough Manager Rory Watt  
CBJ Docks & Harbors Board

05 CBJAC 30.010 - Shorepower access fees.

- (a) *Definition.* The charge assessed to the owner of a vessel for plugging into a shorepower connection that is under the administration of the Docks and Harbors Department. Sections (b), (e), (f), and (g) do not apply to shorepower connections that are under the administration of a private electrical utility.
- (b) *Basis for computing charges.* The Docks and Harbors Department assesses shorepower access fees based upon the type of connection accessed, the length of time a person accesses the connection, the season of the year, and whether a person uses a boat as a residence. Fees are assessed for five types of connections: 20 amp, 30 amp, 50 amp, 100 amp/208 volt, and 100 amp/480 volt. ~~With approval of the Docks and Harbors Department, a person may use a 50 amp service and be assessed a 30 amp fee provided the service is current limited to 30 amps.~~ The Docks and Harbors Department assesses fees on either a daily or monthly period. The Docks and Harbors Department assesses a daily fee for each calendar day, or portion thereof, that a person plugs into a shorepower connection. Daily fees are calculated by rounding 80% of maximum usage up to the nearest full dollar for each connection type. As an alternate to being assessed the daily fee, a person may elect to pay a monthly fee, good for a calendar month, or portion thereof. To qualify for the monthly fee, a person must pay the applicable fee in advance of the calendar month or arrange for automated monthly billings with the Docks and Harbors Department, if available. Monthly shorepower fees are subject to review on an annual basis and can be adjusted by the Docks & Harbors Board at any time based on rates imposed by AEL&P.
- (c) *Duty to notify.* Prior to accessing any shorepower connection under the administration of the Docks and Harbors Department, a person must notify and obtain approval of the Docks and Harbors Department. The purpose of this requirement is to prevent the theft of electricity and to assure a safe connection.
- (d) *Connection requirement.* A person accessing a shorepower connection must use a cord comprised of UL listed components that is wired in accordance with the standards established by the American Boat and Yacht Council. Pre-manufactured cords, such as those made by Marincor and Hubbell, are compliant with this section. Homemade cords must be approved for use by the Docks and Harbors Department. The Docks and Harbors Department maintains a list of local cord suppliers who can provide cords and components that comply with this section. The Docks and Harbors Department reserves the right to disconnect a cord that does not comply with this section.
- (e) *Daily shorepower access fees.* Fees to access shorepower on a daily basis are as follows:

Connection Type	Fee
20-amp	\$4.80
30-amp	7.20
50-amp	24.00
100-amp/208-volt	48.00
100-amp/480-volt	120.00

**Proposed:**

	Volts	amps	KW per hour	KW per day	Cost per KW from AELP	% of realistic max usage, per day	Price per day	Rounded rate	current
3 phase 100 AMP	208	100	36.0256	864.6144	0.124	0.8	\$85.77	\$86.00	\$48.00
3 phase 60 AMP	208	60	21.61536	518.7686	0.124	0.8	\$51.46	\$52.00	
3 phase 100 AMP	480	100	83.136	1995.264	0.124	0.8	\$197.93	\$198.00	\$120.00
1 phase 30 AMP	120	30	3.6	86.4	0.124	0.8	\$8.57	\$9.00	\$7.20
1 phase 50 AMP	208	50	10.4	249.6	0.124	0.8	\$24.76	\$25.00	\$24.00
1 phase 20 AMP	120	20	2.4	57.6	0.124	0.8	\$5.71	\$6.00	\$4.80

- (f) *Summer monthly shorepower access fees.* Fees to access shorepower on a monthly basis during the months of May, June, July, August, and September are as follows:

Connection Type	Liveaboard Fee	Non-Liveaboard Fee
20 and 30 amp	\$90.00	\$54.00
50 amp	180.00	108.00
100 amp/208 volt	420.00	252.00
100 amp/480 volt	990.00	588.00

- (g) *Winter monthly shorepower access fees.* Fees to access shorepower on a monthly basis during the months of October, November, December, January, February, March, and April are as follows:

Connection Type	Liveaboard Fee	Non-Liveaboard Fee
20 amp	\$120.00	\$72.00
30 amp	162.00	96.00
50 amp	300.00	180.00
100 amp/208 volt	720.00	420.00
100 amp/480 volt	1,680.00	972.00

- (h) *Emergency daily and monthly shorepower access fees.* During such times when the Alaska Electric Light and Power Company applies an emergency cost of power adjustment (ECOPA) due to a primary hydroelectric facility being offline, an access fee surcharge will be assessed in addition to the daily and monthly shorepower access fees set out in 05 CBJAC 30.030(e), (f) and (g). The surcharge will be based on the actual cost of the ECOPA as assessed by Alaska Electric Light and Power Company to the Docks and Harbors Department for shorepower service provided under the daily and monthly access fee. The Port Director shall strive to equitably distribute the actual costs of the ECOPA across all of the persons accessing shorepower during the time the ECOPA is applied and shall report the methodology used to assess the surcharge to the Docks and Harbors Board and the public as soon as practicable. The Port Director is authorized to retroactively assess the surcharge in order to apply the actual costs of the ECOPA.

(Amended 4-25-2005, eff. 5-3-2005; Amended 5-1-2008, eff. 5-2-2008; Amended 1-21-2009, eff. 1-22-2009; Amended 9-21-2009, eff. 9-30-2009; Amended 9-20-2010, eff. 9-28-2010)



## Port of Juneau

**From:** David Borg  
**To:** Harbor Fee Review Committee Meeting  
**Via:** Carl Uchytel  
**Date:** February 10, 2017  
**Re:** Daily Commercial Launch Ramp Permit

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For vessel owners to access the ABLF launch ramp and work zone area you must obtain an annual Commercial Launch Ramp permit. The cost of an annual commercial launch ramp permit is prohibitive for most users on a one-time basis. Staff is proposing to add a daily commercial launch ramp fee for customers who want to pull their boat at the ABLF for work and put it back in the same day. This type of permit would benefit customers that only need to use that facility a few times in the summer.

### ***05 CBJAC 20.070 - Fees for commercial use of boat launches.***

*(a) Definition. The fees assessed to an owner for using one or more of the Douglas Harbor Boat Launches, the Harris Harbor Boat Launch, the North Douglas Boat Launch, the Statter Harbor Boat Launch, the Amalga Harbor Boat Launch, Auke Bay Loading Facility, and the Echo Cove Boat Launch for any type of commercial use.*

*(b) Annual fee. A commercial user of the launch ramps must pay an annual fee prior to using a launch ramp as follows:*

*Annual fee (January 1—December 31): \$250.00 per trailer*

### **Recommendation:**

Staff recommends an ABLF Daily Commercial Launch Ramp fee of \$30.00.

85.02.045 - Coordination.

- (a) The City and Borough Docks and Harbors Board shall, no later than November 30 each year, provide the assembly with a written review of docks and harbors department operations during the preceding fiscal year. The review shall include fee schedules, revenues by source, operating expenditures, customers served, and any recommended amendments to the Downtown Waterfront Development Plan. The manager shall review and comment on the recommendations.
- (b) The board shall submit to the assembly committee of the whole at least semi-annually a report on port and harbor operations and pending issues.
- (c) The assembly shall appoint a member to serve as liaison to the board.
- (d) The board shall adopt safety policies acceptable to the City and Borough risk manager or such other officer as the manager may designate.
- (e) In emergencies, the harbor shall, to the extent necessary to resolve the emergency, be under the control of the fire chief or such other officer as the manager may designate.
- ~~(f) The board shall submit all security plans to the manager for review and approval prior to submittal to the United States Coast Guard.~~

(Serial No. 2004-03b, § 2, 3-9-2004)



**DOCKS & HARBORS**  
**155 S. Seward St.**  
**Juneau, AK 99801**  
**(907) 586-5255 tel**  
**(907) 586-2507 fax**  
[www.juneau.org/harbors/](http://www.juneau.org/harbors/)

## **FY18 Moorage Rates**

<b>DOUGLAS, HARRIS AND AURORA HARBORS</b>		
	<b>Effective thru June 30, 2017</b>	<b>Effective July 1, 2017</b>
Skiff	\$300 per calendar year	\$300 per calendar year
Daily	55¢ per foot	55¢ per foot
Calendar Month	\$4.25 per foot	\$4.25 per foot
Bi-Annual (July 1 – Dec 31) & (Jan 1 – June 30) Annual (July 1 – June 30)	5% discount on 6-month advance payment 10% discount on 12-month advanced payment	5% discount on 6-month advance payment 10% discount on 12-month advance payment

<b>STATTER HARBOR</b>		
	<b>Effective thru June 30, 2017</b>	<b>Effective July 1, 2017</b>
Skiff	\$300 per calendar year	\$300 per calendar year
Daily	55¢ per foot	55¢ per foot
Calendar Month	\$7.15 per foot	\$7.15 per foot
Bi-Annual (July 1 – Dec 31) & (Jan 1 – June 30) Annual (July 1 – June 30)	5% discount on 6-month advance payment 10% discount on 12-month advanced payment	5% discount on 6-month advance payment 10% discount on 12-month advance payment
Reservations (May 1 – Sept 30)	Fishing Vessels Other Vessels <65' Other Vessels ≥ 65' Other Vessels ≥200'	0.75¢ per foot \$1.50 per foot per day \$2.50 per foot per day \$3.00 per foot per day

<b>INTERMEDIATE VESSEL FLOAT (IVF)</b>		
	<b>Effective thru June 30, 2017</b>	<b>Effective July 1, 2017</b>
Daily (Oct. 1 – Apr. 30)	55¢ per foot	55¢ per foot
Monthly (Oct. 1 – Apr. 30)	\$4.25 per foot	\$4.25 per foot
Reservations (May 1 – Sept 30)	Fishing Vessels Other Vessels <65' Other Vessels ≥ 65' Other Vessels ≥200'	0.75¢ per foot \$1.50 per foot per day \$2.50 per foot per day \$3.00 per foot per day

## **Residence Surcharge**

Per Month	\$69 +\$23/person above four persons
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- A 5% City & Borough of Juneau sales tax may apply to all fees



## Launch Ramp Rates

Recreational – Calendar Year (includes Kayaks) Matching registrations are required to obtain two additional permits. Please see 05 CBJAC 20.060 – Recreational Boat Launch Fees.	\$90  \$5 per additional permit
Recreational – Day	\$15
Commercial – Calendar Year	\$250 per trailer
Freight Use – Commercial	Up to 1 hour \$60 Over 1 hour \$30 for each additional hour

## Parking Rates

Douglas, Harris, Aurora Harbors	Free w/ permit (permits available at Aurora Harbormaster's office)
Statter Harbor – Summer (May, June, July, August, September)	\$1 per hour/\$5 per calendar day
Statter Harbor – Winter (October through April)	Free w/permit (permits available at Statter Harbor office)
Downtown Taku Lot - Summer	\$2 per hour/3 hour limit

## Shorepower

Connection Type	Daily Fee
20 amp	\$4.80
30 amp	\$7.20
50 amp	\$24.00
100 amp/208 volt	\$48.00

Connection Type	Summer Liveaboard Monthly	Summer Non-Liveaboard Monthly
20 and 30 amp	\$90.00	\$54.00
50 amp	\$180.00	\$108.00
100 amp/208 volt	\$420.00	\$252.00

Connection Type	Winter Liveaboard Monthly	Winter Non-Liveaboard Monthly
20 amp	\$120.00	\$72.00
30 amp	\$162.00	\$96.00
50 amp	\$300.00	\$180.00
100 amp/208 volt	\$720.00	\$420.00

## Services Provided

### Power

Potable water (Year round downtown and Statter A&B Floats)  
Restrooms (Statter Harbor & Aurora Harbor)  
Showers (Statter Harbor, Harbor Washboard, Augustus Brown Pool)  
Free Sewage pump-out (Aurora, Douglas, Harris, and Statter)  
Sewage pump out cart available at Aurora Harbor.



[Department of Labor / Research and Analysis Section]

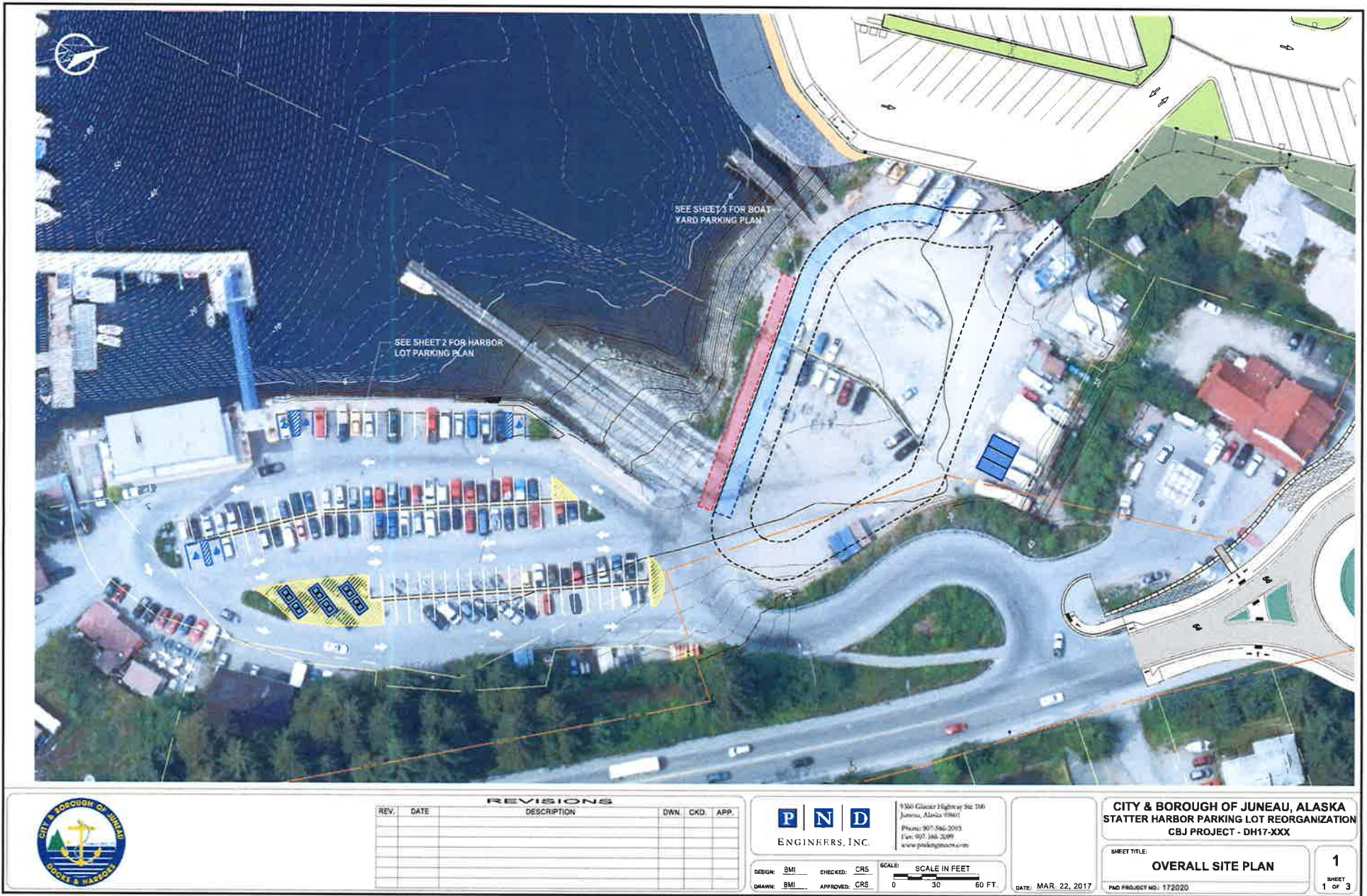
**Consumer Price Index (CPI)**

**Consumer Price Index for the Municipality of Anchorage and the U.S.  
Not Seasonally Adjusted – All Items – Urban Consumers  
1960-Present**

Note: the percent change is from the same period of the previous year.

	Anchorage						U.S.					
Year	1st Half	Percent Change	2nd Half	Percent Change	Annual	Percent Change	1st Half	Percent Change	2nd Half	Percent Change	Annual	Percent Change
2016	216.999	-0.1	218.660	0.9	217.830	0.4	238.778	1.1	241.237	1.5	240.007	1.3
2015	217.111	1.1	216.706	-0.1	216.909	0.5	236.265	-0.1	237.769	0.3	237.017	0.1
2014	214.777	1.9	216.833	1.4	215.805	1.6	236.384	1.7	237.088	1.5	236.736	1.6
2013	210.853	2.7	213.910	3.5	212.381	3.1	232.366	1.5	233.548	1.4	232.957	1.5
2012	205.215	2.5	206.617	2.0	205.916	2.2	228.850	2.3	230.338	1.8	229.594	2.1
2011	200.278	2.8	202.576	3.6	201.427	3.2	223.598	2.8	226.280	3.5	224.939	3.2
2010	194.834	2.5	195.455	1.0	195.144	1.8	217.535	2.1	218.576	1.2	218.056	1.6
2009	190.032	1.3	193.456	1.1	191.744	1.2	213.139	-0.6	215.935	-0.1	214.537	-0.4
2008	187.659	4.6	191.335	4.5	189.497	4.6	214.429	4.2	216.177	3.4	215.303	3.8
2007	179.394	1.5	183.080	2.9	181.237	2.2	205.709	2.5	208.976	3.1	207.342	2.8
2006	176.700	4.2	177.900	2.2	177.300	3.2	200.600	3.8	202.600	2.6	201.600	3.2
2005	169.600	2.4	174.100	3.8	171.800	3.1	193.200	3.0	197.400	3.8	195.300	3.4
2004	165.600	2.8	167.800	2.4	166.700	2.6	187.600	2.3	190.200	3.0	188.900	2.7
2003	161.100	2.3	163.900	3.1	162.500	2.7	183.300	2.5	184.600	2.0	184.000	2.3
2002	157.500	2.0	159.000	1.9	158.200	1.9	178.900	1.3	180.900	1.9	179.900	1.6
2001	154.400	2.9	156.000	2.7	155.200	2.8	176.600	3.4	177.500	2.2	177.100	2.8
2000	150.000	0.9	151.900	2.4	150.900	1.7	170.800	3.3	173.600	3.5	172.200	3.4
1999	148.600	1.3	148.300	0.9	148.400	1.0	165.400	1.9	167.800	2.5	166.600	2.2
1998	146.700	1.8	147.000	1.1	146.900	1.5	162.300	1.5	163.700	1.6	163.000	1.6
1997	144.100	1.6	145.400	1.2	144.800	1.5	159.900	2.6	161.200	2.1	160.500	2.3
1996	141.800	2.6	143.700	3.0	142.700	2.7	155.800	2.8	157.900	3.1	156.900	3.0
1995	138.200	2.9	139.500	2.7	138.900	2.9	151.500	2.9	153.200	2.6	152.400	2.8
1994	134.300	2.1	135.800	2.3	135.000	2.1	147.200	2.4	149.300	2.8	148.200	2.6
1993	131.500	3.3	132.800	2.9	132.200	3.1	143.700	3.2	145.300	2.8	144.500	3.0
1992	127.300	3.2	129.100	3.5	128.200	3.4	139.200	3.0	141.400	3.1	140.300	3.0
1991	123.300	5.5	124.700	3.6	124.000	4.6	135.200	5.1	137.200	3.5	136.200	4.2
1990	116.900	5.4	120.400	7.0	118.600	6.2	128.700	4.9	132.600	5.8	130.700	5.4
1989	110.900	2.3	112.500	3.3	111.700	2.9	122.700	5.1	125.300	4.7	124.000	4.8
1988	108.400	0.1	108.900	0.7	108.600	0.4	116.800	3.9	119.700	4.2	118.300	4.1
1987	108.300	0.0	108.100	0.7	108.200	0.4	112.400	3.0	114.900	4.4	113.600	3.6
1986	108.300	3.4	107.400	0.5	107.800	1.9	109.100	2.3	110.100	1.5	109.600	1.9
1985	104.700	1.9	106.900	2.9	105.800	2.4	106.600	3.6	108.500	3.4	107.600	3.6
1984	102.700		103.900		103.300	4.1	102.900		104.900		103.900	4.3
1983					99.200	1.8					99.600	3.2
1982					97.400	5.4					96.500	6.2
1981					92.400	8.1					90.900	10.3
1980					85.500	10.2					82.400	13.5
1979					77.600	10.5					72.600	11.3
1978					70.200	7.0					65.200	7.6
1977					65.600	6.7					60.600	6.5
1976					61.500	7.7					56.900	5.8





REVISIONS					
REV.	DATE	DESCRIPTION	DWN.	CKD.	APP.

**P N D**  
ENGINEERS, INC.

9301 Glacier Highway Ste. 100  
Juneau, Alaska 99801  
Phone: 907-586-2093  
Fax: 907-586-2099  
www.pndengineering.com

DESIGN: BMI CHECKED: CRS  
DRAWN: BMI APPROVED: CRS

SCALE: SCALE IN FEET  
0 30 60 FT

DATE: MAR. 22, 2017

**CITY & BOROUGH OF JUNEAU, ALASKA**  
**STATTER HARBOR PARKING LOT REORGANIZATION**  
**CBJ PROJECT - DH17-XXX**

SHEET TITLE:

**OVERALL SITE PLAN**

**1**

SHEET  
1 OF 3

PND PROJECT NO.: 172020





REVISIONS					
REV.	DATE	DESCRIPTION	DWN.	CKD.	APP.

**PND**  
ENGINEERS, INC.

9360 Glacier Highway Ste 100  
Juneau, Alaska 99801  
Phone: 907.586.2093  
Fax: 907.586.3099  
www.pndengineering.com

DESIGN: BMI    CHECKED: CRS  
DRAWN: BMI    APPROVED: CRS

SCALE: SCALE IN FEET  
0    20    40 FT.

DATE: MAR. 22, 2017

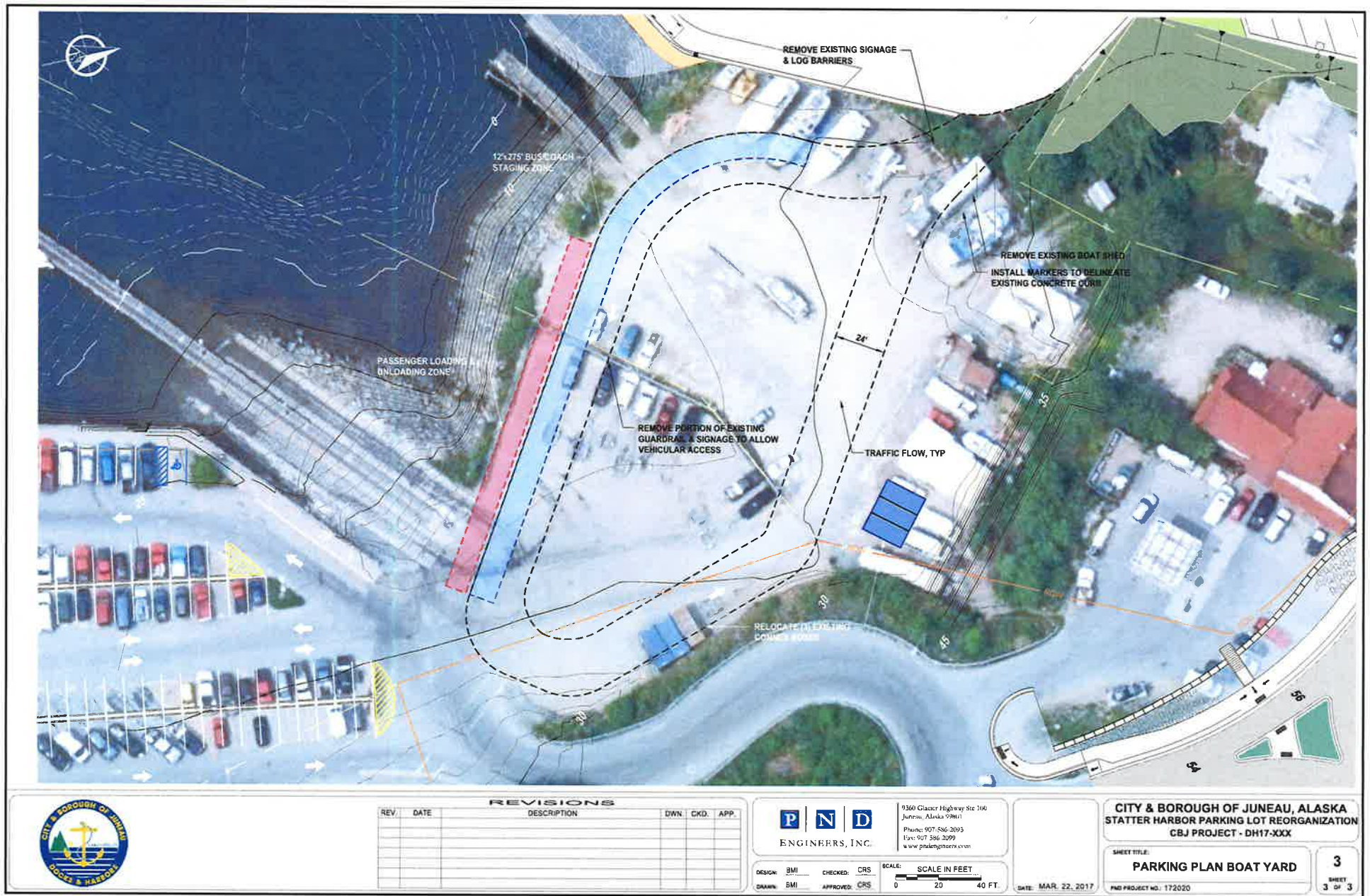
**CITY & BOROUGH OF JUNEAU, ALASKA**  
**STATER HARBOR PARKING LOT REORGANIZATION**  
CBJ PROJECT - DH17-XXX

SHEET TITLE:  
**PARKING PLAN HARBOR LOT**

PND PROJECT NO.: 172020

**2**  
SHEET  
2 OF 3





REVISIONS					
REV.	DATE	DESCRIPTION	DWN.	CKD.	APP.

**P N D**  
ENGINEERS, INC.

9360 Glacier Highway Ste 200  
Juneau, Alaska 99801  
Phone: 907.586.2093  
Fax: 907.586.2099  
www.pndengineers.com

DESIGN: BMI  
DRAWN: BMI

CHECKED: CRS  
APPROVED: CRS

SCALE: SCALE IN FEET  
0 20 40 FT

DATE: MAR. 22, 2017

**CITY & BOROUGH OF JUNEAU, ALASKA**  
**STATTER HARBOR PARKING LOT REORGANIZATION**  
**CBJ PROJECT - DH17-XXX**

SHEET TITLE:  
**PARKING PLAN BOAT YARD**

PND PROJECT NO.: 172020

**3**  
SHEET  
3 OF 3

# HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN, MAI, WILLIAM G. FERGUSON,  
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403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835

PHONE NUMBER: (907)747-6666

FAX NUMBER (907)747-7417

commercial@horanappraisals.com

Date: December 12, 2016

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

Subject: Appropriate Appraisal Methodology for Developing Market Land Rent for CBJ Docks and Harbors Leases, Our File #16-163

Dear Mr. Uchytel,

Thank you so much for giving me this opportunity to explain this somewhat complex and sometimes bewildering appraisal process. I appreciate any chance I get to bring clarity to it.

You indicated that board members were inquiring about why we don't use other appraisal methodology such as the income based approach for estimating values. There are several techniques used to estimate land values and land rental values. Several of these were outlined and demonstrated in our January 29<sup>th</sup> 2013 Mt Roberts Tramway Land Lease Valuation PowerPoint presentation, a copy of which is attached. It is important to use the proper techniques that reflect the market's generalized economic expectations. It is also important to note that different users and uses have differing economic expectations and thresholds for feasible prices or rents that they would/could pay. Sometimes this is referred to as the value in use which is different than market value (or rent) required by code.

All leases under your administration are not standard. For rental adjustment purposes some of the leases require current market value of the land to which a contractual lease rent percentage rate is applied. Some lease adjustments specify that current market rent be estimated by appraisal. The first issue an appraisal should address is what is the appraisal problem. Most often it is to estimate the rent as anticipated by CBJ Code 05\_CBJAC\_50.050, which specifies the appraisal standards and purpose of appraisal as follows:

- (d) **Appraisal standards.** All appraisals must be prepared in accordance with the standards and requirements set out in this Section 05 CBJAC 50.050 and all applicable standards in the current edition of Uniform Standards of Professional Appraisal Practice

(USPAP) published by the Appraisal Foundation. For specific projects, the port director may issue supplemental instructions.

- (e) **Purpose of the appraisal.** The purpose of the appraisal is to estimate the annual market rent based on the market rental rate for the land.

The code anticipates a professional, objective unbiased rental estimate would be rendered. The principle of substitution, which holds that a buyer will not pay more for a property than for an equivalent property, applies to raw land or developed sites<sup>1</sup> whether being sold or rented. This principle of substitution is best expressed in the market by comparing the unit values or rents paid for substitutable properties in the market.

**Market value** then is driven by expectations of buyers and sellers in the market. It is commonly understood and defined as follows:

The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Page 123*

The CBJ Code 05\_CBJAC\_50.050 appraisal standards further define market rent and rental rate as follows:

(g) **Definitions.**

- (1) *Appraisals must use the following definition for **market rent**:* The most probable rent that a property should bring in a competitive and open market.
- (2) *Appraisals must use the following definition for **rental rate**:* The percentage of market value that a comparable class of private property would bring in the open

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<sup>1</sup> The Appraisal of Real Estate 14<sup>th</sup> Edition published by The Appraisal Institute, page 36

market with the same conditions of lease as offered by the City and Borough of Juneau

CBJ code, by reference to USPAP, requires the appraiser “be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.”<sup>2</sup> It further states in “developing a real property appraisal, an appraiser must: (a) reconcile the quality and quantity of data available and analyzed within the approaches used; and (b) reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion(s).”<sup>3</sup>

The standard methods used for valuing land is discussed in The Appraisal of Real Estate published by The Appraisal Institute 14<sup>th</sup> addition. It is partially outlined in the following list. There’s an additional method the “Yield Capitalization: Subdivision Development Method” which is not listed.

**A) Sales Comparison**

- 1) Sales of similar, vacant parcels or rents.

**B) Market Extraction**

- 1) The depreciated cost of the improvements is deducted from the total sale price to indicate land value.

**C) Allocation**

- 1) A ratio of site value to property value is extracted from comparable sales;
- 2) Limitations: not conclusive unless ample sales data is available.

**D) Direct Capitalization**

- 1) Net operating income attributable to the land is capitalized;
- 2) Applicable in testing the feasibility of alternative uses or when land sales are not available;
- 3) Limitations: The following conditions must be met:
  - (a) Building value is known or can be accurately estimated;
  - (b) Net operating income to the property is known or can be estimated;
  - (c) Both building and land capitalization rates are available from the market.

**E) Direct Capitalization: Ground Rent Capitalization**

- 1) A market derived capitalization rate is applied to the ground rent;
- 2) Limitations: An adjustment to the value indication for the property rights.

We have used or considered each of these methods at one time or another in our appraisal work for the CBJ Docks and Harbors tidelands lease rental adjustments. The most common methods are the direct Sales Comparison and Direct Capitalization: Ground Rent Capitalization. These are correctly employed to reflect the general prevailing market

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<sup>2</sup> Standard Rule 1-1(a).

<sup>3</sup> Standard Rule 1-6

indicators because there is a greater amount of reliable data for these two indicators. Market extractions and allocations have been use from time to time especially when differentiating the up lands in tidelands ratios. Sometimes building improvement values have been adjusted to indicate the residual land value. We have also used the Direct Capitalization approach as a check against the reasonableness of the nominal square foot value indicated for land. You may recall this was done in the tram appraisal. This income analysis, however, is subject to error due to the series of adjustments and judgments which are required to develop its final value indicator.

The most reliable market-responsive and transparent method to value market land rent is to compare the subject with what other market land rents are on a direct square foot basis. If there is a limited number of land rents we will consider land values and capitalize them at the market rental rate (land capitalization rate). Since tidelands and other types of commercial properties are unique and subject to a wide array of square foot values it is a common practice within the market to estimate the value of the unique property being leased and apply a market rental rate (land capitalization rate) to indicate the annual rent. Conversely if there are land rental comparisons and the market land value is being estimated, not rent, the rental indicators can be capitalized to show what the market value would be. This is what you see most often in our appraisals.

To summarize I have ranked the land valuation methods used in this market for the type of appraisals required by the CBJ Docks and Harbors and their relative reliability.

<b>Method</b>	<b>Reliability</b>	<b>Limitation</b>
Sales (Rent) Comparison	Very reliable- most direct comparison.	Sometimes direct comparisons are not available
Ground Rent Capitalization	Reliable- requires only one adjustment (divide rent by rental/cap rate) to develop direct value comparison	Relevance of the land rent for comparability.
Allocation	Reliable-used in our work to allocate tidelands and up lands	Reliability based on sales of one known property component to allocate remainder.



<b>Method</b>	<b>Reliability</b>	<b>Limitation</b>
Market extraction	Somewhat reliable- Often used in our work to adjust for building contribution of price to see what's left for land	The extraction or allocation between the land and building components often required judgment especially with older properties.
Direct Capitalization	Least reliable- This is a good test of feasibility if all the assumptions used are correct. If it satisfies the criteria it indicates what a land budget might be for that use.	There are so many assumptions and judgments that have to be made it is difficult and expensive to be done accurately as an independent indicator.

I hope this is helpful. I would be delighted to be available to the Harbor Board for questions by phone or in person. Perhaps we could arrange a Go To Meeting type teleconference if you think it would be helpful.

Please let me know if you have any questions or comments on this material, especially as to whether not it answers the questions the board may have.

Respectfully Submitted,



Charles E. Horan, MAI  
HORAN & COMPANY

### **Attached**

-January 29<sup>th</sup> 2013 Mt Roberts Tramway Land Lease Valuation PowerPoint Presentation  
-CBJ Administrative Code, 05\_CBJAC\_50.050 Appraisal Standards

05 CBJAC 50.050 - Appraisal standards.

- (a) Client. The City and Borough of Juneau is the sole client for all appraisal assignments, regardless of who contracts for, or pays for, the appraisal.
- (b) Appraiser qualifications. The appraiser must be on the State of Alaska Department of Natural Resources list of qualified appraisers. DNR maintains and periodically updates a list of qualified appraisers. The list is available upon request from DNR and at <http://www.dnr.state.ak.us/land/appraisal/htm>.
- (c) Appraiser contact with City and Borough of Juneau. Any appraiser preparing a report for use by the City and Borough of Juneau is required to contact the port director before beginning work so that the port director may issue supplemental appraisal requirements or additional information specific to the assignment.
- (d) Appraisal standards. All appraisals must be prepared in accordance with the standards and requirements set out in this Section 05 CBJAC 50.050 and all applicable standards in the current edition of Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Foundation. For specific projects, the port director may issue supplemental instructions.
- (e) Purpose of the appraisal. The purpose of the appraisal is to estimate the annual market rent based on the market rental rate for the land.
- (f) Intended use and intended users of the appraisal. The City and Borough of Juneau will use the appraisal to establish the annual lease rent for the lands to be leased, including initial lease rent, renewal rent, and rent adjustments.
- (g) Definitions.
  - (1) Appraisals must use the following definition for market rent: The most probable rent that a property should bring in a competitive and open market.
  - (2) Appraisals must use the following definition for rental rate: The percentage of market value that a comparable class of private property would bring in the open market with the same conditions of lease as offered by the City and Borough of Juneau.
- (h) Inspection. The appraiser must make an onsite inspection of each appraised property and comparable. If a valuation error results due to lack of adequate inspection, the appraiser will be required to do an onsite inspection at the appraiser's own expense. The port director may allow exceptions to these inspection requirements, if special conditions warrant. Any exceptions must be authorized in writing by the port director before work begins.
- (i) Photographs. Reports must contain onsite photographs of all appraised properties and comparables that were inspected. Photographs must clearly illustrate the character and quality of the properties and must clearly approximate property corners and boundaries with marks on the photographs or explanatory captions. Low altitude photographs are acceptable if they meet the

above criteria. All subject photographs are preferred in a digital format, with the appraiser waiving the right to their use in future city and borough publications.

- (j) Plat or survey maps. The report must contain legible and clearly readable copies, showing the size and dimensions of each parcel appraised. Legible plat notes must also be included.
- (k) Comparable land data.
  - (1) Comparable land data sheets are required for all reports, and must include a complete legal description, recording information, and a photograph of the comparable that meets the required standard for photographs as set out in subsection (i) of this section.
  - (2) A comparable land location map is required, showing the location of the comparable in relation to the appraised properties and other comparables.
  - (3) Whenever possible, all transactions should be verified with a knowledgeable party (grantor, grantee, broker, lessor or lessee), either by the appraiser conducting the subject appraisal or by an appraiser who verified the information in another report. Failed efforts to reach knowledgeable parties shall be stated on the comparable land form.
- (l) Rent comparisons. The appraisal report shall include an annual land rent comparisons chart, stating location, date, rent, size in square feet and rent per square foot. When relating comparable transactions to the subject property, adjustments must be fully discussed and presented in an adjustment table. Such adjustments need to be defined in qualitative or quantitative terms, clearly stating which method is most reliable. Estimates based solely on the appraiser's opinion without explanation will not be accepted.
- (m) Applicant or lessee contact. The appraiser shall contact the applicant or lessee and offer an opportunity to discuss the appraisal and inspect the property with the appraiser. Contact with the lessee or applicant must be briefly described in the report.
- (n) Required number of copies. The appraiser should provide one hard copy of the report for review by the port director. The appraiser should then provide to the port director one hard copy and a PDF copy of the final, reviewed report.

(Added 9-29-2008, eff. 10-13-2008)

## MEMORANDUM OF ACQUISITION AGREEMENT FOR AUKE BAY MARINE STATION

This memorandum of acquisition agreement is made by and between the **University of Alaska Southeast**, an agency of the State of Alaska whose address is [...] (“UAS”), and the **City and Borough of Juneau, Alaska**, a municipal corporation whose address is 155 S. Seward St., Juneau, Alaska, 99801 (“CBJ”). The UAS and CBJ are collectively referred to herein as the “Parties.”

### A. RECITALS

1. UAS currently owns and manages a comprehensive university facility in Auke Bay. Part of that facility includes the following abutting real property (“UAS1”):

Legal Description: Fraction of USS 1500 consisting of approximately **41,992 sq. ft. (0.964 acres)** in the Juneau Recording District, First Judicial District, State of Alaska.

Tax ID: 4B2301050030

Address: 11275 Glacier Highway, Juneau, AK, 99801

2. The CBJ currently owns and manages a vibrant and modern port facility in Auke Bay. Part of that facility includes the following abutting real property:

#### **ATS415**

Legal Description: ATS 415 consisting of approximately **6.4170 acres** in the Juneau Recording District, First Judicial District, State of Alaska.

Tax ID: 4B2301050041

#### **ATS1126**

Legal Description: ATS 1126 consisting of approximately **1.5700 acres** in the Juneau Recording District, First Judicial District, State of Alaska.

Tax ID: 4B2301050042

3. The United States of America owns the following real property, collectively known as the Auke Bay Marine Station (“ABMS”):

#### **ABMS1**

Legal Description: Fraction of USS 1500 consisting of approximately **154,122 sq. ft. (3.54 acres)** in the Juneau Recording District, First Judicial District, State of Alaska.

Tax ID: 4B2301050040

Parcel Address: 11305 Glacier Highway, Juneau, AK, 99801

#### **ABMS2**

Legal Description: Fraction of USS 1504 consisting of approximately **18,295 sq. ft. (0.42 acres)** in the Juneau Recording District, First Judicial District, State of Alaska.

Tax ID: 4B2301050050

Address: 11309 Glacier Highway, Juneau, AK, 99801

4. A dock and Fish House are located on ATS 415, and part of the dock extends onto ATS 1126. Exhibit 1. The federal government has leases for the dock and Fish House that it intends divest itself with the surplus of ABMS. Concerning ATS 415, a lease was entered into on March 15, 1965, between the Alaska Department of Natural Resources and the U.S. Department of the Interior Bureau of Commercial Fisheries, which expires in March 2020 (ADL 22569). Concerning ATS 1126, a lease was entered into on July 20, 1981, between the Alaska Department of Natural Resources and the U.S. Department of Commerce, N.O.A.A., National Marine Fisheries, which expires in July 2036 (ADL 100412). The State transferred lease administration authority of ATS 415 and ATS 1126 to the CBJ on February 8, 2001.
5. The United States General Services Administration (“GSA”) identified the ABMS was surplus and gave public agencies an opportunity to submit applications for acquisition (GSA Control No. 9-C-AK-0855).
6. The UAS submitted an application to acquire the ABMS. Exhibit 2. The UAS desires the property so it can develop robust research and educational programs in the natural sciences such as marine biology, biology, environmental science and geography, through control of the Main Building and access to waterfront facilities, including the dock and Fish House.
7. The CBJ, through its Docks and Harbors Department (“DH”), also submitted an application to acquire the ABMS. Exhibit 3. The DH desires the property so it can further develop its master plan for Statter Harbor, which envisions a new public dock facility for scientific, government, commercial, and recreational users, which includes uplands support facilities.
8. The CBJ Manager has authority to acquire property on behalf of the CBJ pursuant to CBJ 53.04. The DH has authority to lease property pursuant to CBJ Title 85 upon approval by the Assembly by ordinance. CBJ Title 53.
9. The UAS has authority to enter into this agreement pursuant to xx.
10. The Parties have met and decided that instead of competing for the ABMS, the public interest is best served if ABMS was conveyed to both Parties as described herein.

THEREFORE, to settle the otherwise competing applications for ABMS, the following is mutually agreed to by the Parties:

## **B. AGREEMENT**

11. **Condition Precedent.** The Parties explicitly make this agreement on the condition precedent that the United States of America is ready, willing, and able to convey ABMS to the Parties as described herein.
12. **Amendment of Applications.** The Parties amend their respective acquisition applications to jointly acquire ABMS with the terms and conditions described in this

agreement. Except for the amendments explicitly or implicitly made by this agreement, the provisions in the Parties' original applications remain unaffected. The Parties agree to act in good faith and support each other's applications. See Exhibits 2 & 3.

13. **Acquisition Price.** The Parties would not pay the United States of America to acquire ABMS, but the Parties would be required to comply with the terms of the conveyance.
14. **Title.** The Parties agree to take their respective title by quit claim deed.
15. **Subdivision of ABMS.** The Parties agree to subdivide ABMS such that the UAS would obtain the southern/east portion of ABMS and the CBJ would obtain the northern/western portion of ABMS as described below:
  - a. **CBJ Platting Authority Approval.** The Parties recognize that the envisioned subdivision must be approved by the local platting authority, which is the CBJ Community Development Department Director. Exhibit 4 may be required to change as a result of the subdivision ordinances, notably CBJ 49.15.401. The Parties agree to act in good faith to resolve any changes required by the platting authority. The parties acknowledge that the CBJ enters into this agreement in its proprietary capacity and not in its regulatory capacity.
  - b. **Additional Documents:** The Parties agree to act in good faith and present any necessary supplemental documents to effectuate the subdivision. The Parties recognize that they will need the United States of America to submit sufficient assurances for the subdivision application to be submitted to the CBJ Community Development Director pursuant to CBJ 49.15.120.
  - c. **Common property line:** The Parties intend to divide ABMS along an East/West line as depicted on Exhibit 4 (Q), acknowledging the final property line will be determined by survey and in conformity of subdivision requirements. The Parties intend to divide ABMS along an East/West line approximately 40 feet North of the existing "Main Building."
    - i. **CBJ Parking Easement.** The UAS grants the CBJ an easement for parking in the area between 20 and 40 feet North of the existing "Main Building." The Parties agree to identify the "CBJ Parking Easement" area on the plat. The CBJ is prohibited from erecting any permanent structures. The Parties may amend, including terminate, the CBJ Parking Easement by mutual written agreement. The Parties agree the CBJ Parking Easement terminates if the UAS awards a contract for construction of an addition to the "Main Building."
  - d. **UAS Access to West Face of Main Building.** The CBJ agrees to provide the UAS with reasonable and temporary vehicle access from Glacier Highway to the West Face of the Main Building until the earlier of (i) December 31, 2018, or (ii) the UAS constructs a permanent access road ("Lower Lot Access") from the Anderson Building. Reasonable vehicle access is defined as the width and condition of the driveway that existed as of the date of this agreement. The Parties agree that the CBJ may relocate the existing vehicle access and temporarily

prohibit vehicle access during emergencies, construction activities, and similar circumstances. The CBJ shall, to the extent practicable, provide UAS 30 days' notice of any anticipated vehicle access restrictions.

e. **Utilities:**

- i. **Grant of utility easement.** The Parties agree to identify the current location, if known, of the existing utilities on the plat and grant the other party necessary utility easements for the existing utilities as of the date of this agreement. Those utility easements, if any, are intended to allow the Parties to subdivide and continue limited use of the newly subdivided parcels.
- ii. **Utility meters.** The Parties agree to install and share the installation costs of any and all necessary meters to separate utilities as the result of the subdivision.
- iii. **Relocation, replacement, and installation utilities.** If a utility needs to be replaced or if the dominant estate needs to upgrade or install a new utility, the dominant estate property owner shall locate any such utility on their own property at the dominant estate owner's sole cost and abandon the utility easement(s), or portion thereof, created by this subdivision. The Parties envision that the existing utilities will need to be replaced or new utilities installed to effectuate the development of each party's intended use of the subdivided property. See Exhibits 2 & 3. The Parties agree that the servient estate property owner can relocate any utility on the servient estate at the servient estate owner's sole cost without consent of the dominant estate owner; the dominant estate owner can also agree to have the utility relocated onto the "dominant" estate and if that occurs then the utility easement, or portion thereof, created by this subdivision is deemed abandoned.

- f. **Seawater infrastructure:** The Parties agree (1) not to demolish the seawater lines or storage facility before December 31, 2022, and (2) to act in good faith in the use of the seawater infrastructure. After December 31, 2022, the Parties may agree in writing to continue the cooperative use of the seawater infrastructure or the servient property owner may demolish the seawater infrastructure only on that servient property owner's property.

g. **Subdivision Costs:**

- i. **Shared costs.** The Parties agree to equally divide the following costs: (a) surveying and platting ABMS such that it can be subdivided; (b) platting authority and recording fees; (c) costs to modify access to each newly created parcel as described in the March 10, 2017, estimate of \$428,000 and as depicted in Exhibit 5; and (d) demolition of "Genetics Lab" building, which crosses the common property line. The Parties envision

each party will be obligated to pay approximately \$220,000 in shared subdivision costs.

- ii. **Individual costs.** Except for the shared costs identified above, the Parties are individually responsible for all other costs, including but not limited to staff (and attorneys) and relocation of any utilities, like those identified in the March 10, 2017 estimate of \$322,000. The Parties agree that the CBJ is not responsible for demolition of the “ATCO” building, and the UAS is not responsible for demolition of the “Supercold Freezer” building or the “Hip Roof”.
- iii. **Procurement.** To the extent a third party is required to complete a cost shared by the Parties, the Parties agree to designate either UAS or the CBJ as the contracting party.
- h. **Subdivision Contacts:** The Parties designate the following people to be the point of contact for any subdivision purposes:

CBJ	City and Borough of Juneau Attn: Gary Gillette, Docks and Harbors 155 S. Seward St. Juneau, AK 99801 Email: gary.gillette@juneau.org Phone: (907) 586-0398
UAS	<b>Insert contact info</b>

## 16. Moorage and Access to dock.

- a. **Purpose.** Subject to pre-existing rights (leases) of other parties, if any, the CBJ agrees to provide UAS access to and 60 linear feet of moorage on the dock on ATS 415, ATS 1126, or a combination thereof pursuant to the customary fees and terms of CBJ Title 85 and 05 CBJAC as if the dock was part of Statter Harbor.
- b. **Exclusivity.** The customary fees and terms of CBJ Title 85 and 05 CBJAC shall exclusively govern UAS’s use of the moorage on the existing dock (ATS 415/ATS 1126).
- c. **Rate.** The lease rate for the dock shall be the rate established for moorage at Statter Harbor, which is currently defined at \$7.15 per foot per month or \$5,148 per year. 05 CBJAC 20.035. If UAS prepays the moorage, then it can avail itself of the discounts offered by 05 CBJAC 20.042, which could make this year’s annual payment \$4,634.
- d. **Term.** The CBJ agrees to provide UAS moorage and access to the existing dock so long as (a) UAS timely pays moorage; (b) UAS complies with the standard moorage terms and conditions; and (c) the dock is safe or repairs are feasible, as determined by the CBJ. The Parties also acknowledge that UAS’s moorage on the



existing dock terminates if the CBJ Assembly appropriates funds to substantially improve the harbor or port facilities on ATS 415, ATS 1126, or the newly subdivided CBJ parcel; at which time the CBJ will act in good faith to accommodate UAS vessels in its other facilities for the usual and customary fee. The CBJ shall, to the extent practicable, provide UAS 30 days' notice of any decision to terminate the lease for safety reasons or for facility improvements.

- e. **Future Harbor Development.** The CBJ envisions UAS as a prospective tenant in the CBJ's anticipated harbor development and recognizes the UAS as a major economic driver in Auke Bay. The CBJ will solicit UAS input on the design of the harbor expansion and make good faith efforts to accommodate UAS in a new development when the access and moorage identified in this agreement terminates.

**EXECUTION.** The parties agree and sign below. The parties represent that the person signing below has the authority to do so and that it is a valid and binding contract enforceable in accordance with its terms.

**CITY & BOROUGH OF JUNEAU**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Duncan Rorie Watt  
CBJ Manager

Content Approved by: \_\_\_\_\_, Docks and Harbors Department  
Form Approved by: \_\_\_\_\_, CBJ Law Department

**CITY AND BOROUGH OF JUNEAU ACKNOWLEDGEMENT**

STATE OF ALASKA)

First Judicial District ) ss

This is to certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 2017, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared DUNCAN RORIE WATT, to me known to be the Manager of the City and Borough of Juneau, Alaska a municipal corporation, who on oath stated that he was duly authorized to execute said instrument on behalf of said corporation, who acknowledged to me that he signed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal on the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public in and for the State of Alaska  
My Commission Expires: \_\_\_\_\_



**UNIVERSITY OF ALASKA SOUTHEAST**

Date: \_\_\_\_\_

By: \_\_\_\_\_

**xx**

**title**

Form Approved by: \_\_\_\_\_, **xx**

**UNIVERSITY OF ALASKA SOUTHEAST ACKNOWLEDGEMENT**

STATE OF ALASKA)

First Judicial District ) ss

This is to certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 2017, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **xx**, to me known to be the **xx** of the **xx** a **xx**, who on oath stated that s/he was duly authorized to execute said instrument on behalf of said corporation, who acknowledged to me that s/he signed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

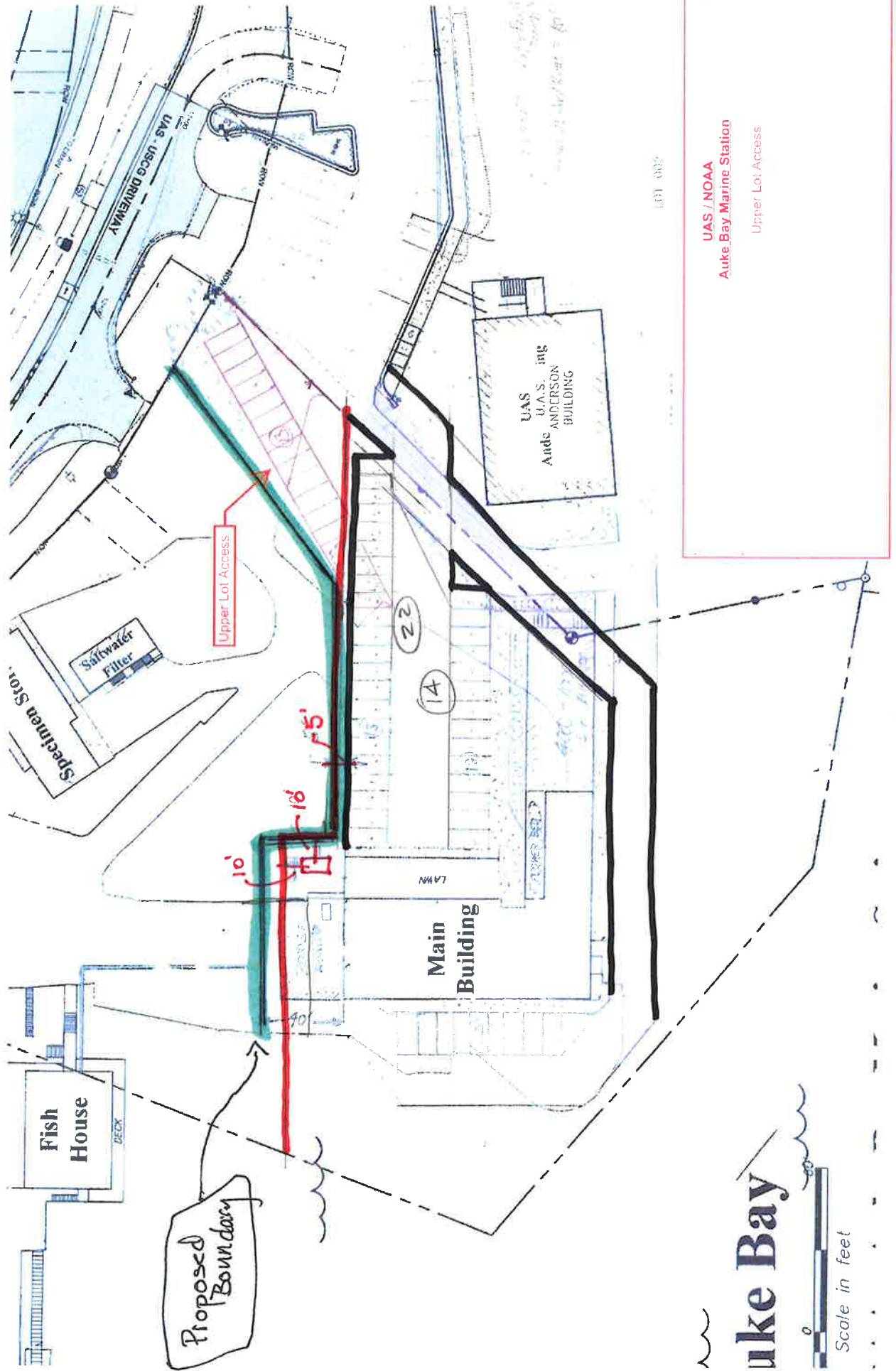
WITNESS my hand and official seal on the day and year in this certificate first above written.

\_\_\_\_\_

Notary Public in and for the State of Alaska

My Commission Expires: \_\_\_\_\_

Attachment "A"



UAS / NOAA  
Auke Bay Marine Station  
Upper Lot Access

# PORT ENGINEER'S PROJECT STATUS REPORT

Gary Gillette, Port Engineer

Project	Status	Schedule	Contractor	Notes
<b>Boat Yard at ABLF</b>				
Fabric Structure	In Progress		Clear-Span	Currently at AML
Construction	In Progress		ACC	
Construction Admin & Inspection	In Progress		MRV	
<b>Auke Bay Loading Facility - Phase II</b>				
TIGER Grant Close-Out	On-Going			Annual equipment reporting
<b>Douglas Harbor Reconstruction</b>				
Phase III - Construction	In Progress	Apr 11, 2017	Trucano	
<b>Statter Harbor Launch Ramp</b>				
Construction	Complete		Miller	Close out in progress
Statter Tidelands Survey	In Progress		R&M	Awaiting comments from ADNR
CDD CSP and Subdivision Process	In Progress		Staff	Awaiting Planning Commission Date
<b>Port of Juneau Cruise Berths</b>				
1% for Art	In Progress		Garten	Install in September
North Berth - On-Site Construction	In Progress	5/7/17	Manson	
North Berth - On-Site Inspection	In Progress	5/7/17	PND	
Vibration Monitoring Services	In Progress		AS&E	No issues to date
DNR Tidelands Survey	In Progress		DOWL	Awaiting preliminary plat
<b>Aurora Harbor Re-Build - Phase II</b>				
Received Bids	Hold			
Harbor Board Review of Bid	Hold	March 30, 2017	Board	
Assembly Approval of Bid	Hold	April 3, 2017	Staff	
Contract Approval	Hold		Staff	
Shelter Expo	Hold	May 13, 2017	TBD	
On Site Construction	Hold	8/22/17 - 4/6/18		
Substantial Completion	Hold	4/6/18		
Final Completion	Hold	5/6/18		
<b>Statter Master Plan Phase III</b>				
Design	In Progress		PND	
Conditional Use Permit	In Progress		Staff	Permit Application Submitted
Flood Elevation Exception	In Progress		Staff	Variance Application Submitted
Army Corps of Engineers Permit	In Progress		PND	
Surveying, GeoTech, Sampling	Complete		PND	No contaminants found

# PORT ENGINEER'S PROJECT STATUS REPORT

Gary Gillette, Port Engineer

<b>Weather Monitoring System</b>	In Progress		MXAK	Awaiting current sensor installation
<b>Archipelago Property Improvements</b>	Hold		Staff	Awaiting Board Direction
<b>Archipelago Property Procurement</b>	Hold		Staff	Awaiting funding
<b>Amalga Harbor Fish Cleaning Station</b>	Hold		Staff	Re-visit in Jan 2017
<b>Aurora Harbor - Dredging on A Float</b>	Hold			Awaiting funding
<b>Aurora Harbor - Annodes on Piling</b>	Hold			Awaiting funding
<b>Taku Harbor Pile Jacking</b>	Hold		Staff	Awaiting Direction from Board
<b>Auke Bay Marine Station Acquisition</b>	In Progress		Staff	Awaiting UAS review of CBJ proposal
<b>Statter Breakwater Safety Improvements</b>	In Progress		NPE	Awaiting cost estimate from term contractor
<b>Port Security Camera Grant - Phase II</b>	In Progress		Monroe	
<b>Norway Point to Bridge Master Plan</b>	In Progress		Corvus	Ready for Board review and approval
<b>Marine Park-Taku Dock Urban Design Plan</b>	In Progress		Corvus	Working on Schedule
<b>Statter Harbor Parking Lot Reconfiguration</b>	In Progress		PND	
<b>Harris Harbor Restrooms and Showers</b>	Hold		JYL	
<b>Cruise Dock Decking Repair</b>	Hold			Preparing bid package