

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING AGENDA
For Wednesday, July 18th, 2018

- I. Call to Order** (5:00 p.m. at City Hall Conference Room 224)
- II. Roll Call** (Don Etheridge, Mark Ridgway, Bob Janes, David Seng, Weston Eiler, Budd Simpson, David McCasland, Dan Blanchard and Jim Becker)
- III. Election of Operations-Planning Committee Chair/Vice Chair**
- IV. Approval of Agenda**

MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED
- V. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total)
- VI. Special Order of Business**
- VII. Approval of Wednesday, June 20th, 2018 Operations/Planning Meetings Minutes**
- VIII. Consent Agenda – None**
- IX. Unfinished Business**
 - 1. Auke Bay Boatyard Lease
Presentation by the Port Director

Committee Discussion

Public Comment

Committee Discussion/Action

MOTION: TO APPROVE THE LEASE LANGUAGE FOR THE NEW AUKE BAY BOATYARD LEASE.
- X. New Business - None**
- XI. Items for Information/Discussion**
 - 1. Potential Donation of Docks & Harbors ADA Ramp to Rotary International
Presentation by Rotarian Kim Kiefer

Board Discussion/Public Comment

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Committee Discussion/Public Comment

2. Vessel Salvage and Disposal - 05 CBJ 40.010(g)
Presentation by the Harbormaster

Committee Discussion/Public Comment

3. Washington State Marina & Vessel Insurance
Presentation by the Port Director

Committee Discussion/Public Comment

4. Transportation Staging & Deckover Update
Presentation by the Port Engineer

Committee Discussion/Public Comment

5. Update on Grant Applications
Presentation by the Port Director

Committee Discussion/Public Comment

X. Staff & Member Reports

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting- **Wednesday, August 22nd, 2018.**

XII. Adjournment

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I. Call to Order

Mr. Simpson called the meeting to order at 5:00pm in City Hall Conference Room 224.

II. Roll Call

The following members were present: Don Etheridge, Tom Donek, David Lowell, Mark Ridgway, David Seng, Weston Eiler, and Budd Simpson.

Absent: Bob Janes and Robert Mosher.

Also present: Carl Uchtyl- Port Director, David Borg- Harbormaster, and Matthew Creswell- Deputy Harbormaster.

III. Approval of Agenda

MOTION By MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items- None

V. Approval of Wednesday, May 23rd, 2018 Operations/Planning Meetings Minutes

MOTION By MR. ETHERIDGE: TO APPROVE THE MAY 23rd, 2018 MEETING MINUTES AS PRESENTED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

VI. Consent Agenda - None

VII. Unfinished Business

1. Visitor's Center Kiosk

Mr. Gillette said Jensen Yorba Lott Architects drafted three different concepts for the new Visitor's Center kiosk. We selected one option after meeting with Travel Juneau and made some modifications. He presented the preferred option. Travel Juneau is very pleased with it. The design offers them 25-30% more space on the interior than they have now. The new kiosk will be more of a rectangle. We're going to take advantage of the concrete foundation walls that are on the ramp that leads down from the upper deck to the street level so that will save us some money

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in construction. We'll be excavating the outline of the building then pour in a structural slab so the building will be at grade and we won't need ADA ramps. There will be three service windows, and one will be a little lower to meet ADA standards. There will be a bench so if people coming up to the window have kids or spouses they can sit off to the side. The roof will extent 6-8 feet from the building's edge so people will be well out of the weather, and the weather will not blow in through the windows. The upper piece will probably include the international "i" symbol that's recognized for information. We need to be careful about runoff, so we came up with this butterfly roof system with an internal drain that will go down through the building and underneath. We'd like to move forward with this concept. He's asked the architect to prepare a fee proposal to complete the design and prepare contract documents for bidding the project. We'd like to start this fall so the kiosk can be ready for next spring.

Committee Discussion

Mr. Donek asked what the funding source and estimated cost is?

Mr. Gillette said \$150,000 in Marine Passenger Fees was approved for this project.

Mr. Ridgway asked if the square footage was minimized to save costs?

Mr. Gillette said we wanted to make it big enough so it's comfortable for them to operate in but not larger than necessary. We have cut back the roof area from 20 feet in some of the earlier concepts to 6 and 8 feet. We wanted to have enough cover that people standing at the window don't get dripped on but not enough to cover hoards of people.

Mr. Ridgway said he went to look at the existing kiosk and the people there requested to not have forced air heating.

Mr. Gillette said the plan is to have baseboard heating and a ceiling fan to help distribute some of the heat and bring it down from the high ceiling. On a hot day they can open the windows and turn the fan on to get some air in there. Right now that building has some sort of HVAC system that never really worked. We'll have some receptacles in there for electricity if they need to charge a computer or something like that.

Public Comment- None

Committee Discussion/Action

MOTION By MR. SENG: TO DIRECT STAFF TO ADVANCE THE FINAL DESIGN OF A NEW VISITOR'S CENTER KIOSK.

Motion passed with no objection.

2. Auke Bay Boatyard – Appraisal

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Mr. Uchtyl presented the Horan appraisal for the new lease for Harri's Commerical Marine at the Auke Bay Loading Facility (ABLF). The new recommended lease rent is \$36,000. That's up from \$27,000 at Statter Harbor. He sent the appraisal to Mr. Duvernay a couple weeks back and has not heard from him. The increase in lease rent has to do with the fabric structure and the buildings we installed out at the ABLF. In the appraisal, Mr. Horan talks about how haul-out facilities throughout Southeast Alaska are money losers and the only reason we have them is because they are subsidized by municipalities. If it was a commercial operation that was really making a profit we'd be charging upwards of \$180,000 a year for that space. He comes up with this \$36,000 based on what we charged previously with an increase because of the new buildings. Once the Board approves the appraisal, we'll take it forward to the Assembly.

Committee Discussion

Mr. Ridgway asked if Harri's asked for the new buildings?

Mr. Uchtyl said part of what drove the relocation was our desire to have the Statter Harbor property available for a for-hire float and bus staging area. We were operating the boatyard at the ABLF after we received the hydraulic boat lift and transitioned to having Harri's move out there and assume the boatyard responsibilities. The buildings were constructed with money left over from an earlier phase of Statter Harbor which we had set aside for a boat haul-out. We didn't want to see a boatyard with containers and temporary facilities made of visqueen. We worked with Mr. Duvernay and asked what he needed to operate a first class haul-out facility.

Mr. Ridgway asked if the equipment there is all ours?

Mr. Uchtyl said the wash down pad is ours, the self-propelled hydraulic boat lift is ours, and all the buildings are ours. Most of the stands are ours as well.

Mr. Gillette said there is no guarantee that Mr. Duvernay will continue the lease forever. If he built all this stuff then decided to leave, he could take it all away. This way if he decides to leave, we've still got an attractive facility for a new lesee.

Mr. Uchtyl said the ABLF was originally built for storage and we had to get a conditional use permit to establish the boatyard there. There was a process we had to follow, but there are some neighbors across the road who claim they never got notice of what we were doing there, so we're very keen on wanting it to look nice.

Mr. Simpson said when we were dealing with this previously it was a policy of this Board that we needed to have a boatyard even if we're losing money because it's something the community needs. He thought the appraisal did a good job of justifying the numbers and not making the lease rent too high.

Mr. Eiler said he'd quibble with Mr. Horan's economic analysis in terms of running the numbers and the community benefit but he does think the appraisal and detail he goes into comparing other harbors and their boatyards is something helpful that we might consider revisiting when we

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get back to the Little Rock Dump or Bridge to Norway Park. We're often compared to Wrangell and the very nice lifts and yard they have there. This appraisal makes the case that these things aren't exactly money makers but also we have to remember that Wrangell's boatyard was completely State funded. As we make future business plans we might take this comparative analysis into the back of our mind.

Public Comment- None

Committee Discussion/Action

MOTION By MR. ETHERDIGE: TO ACCEPT THE AUKE BAY BOATYARD APPRAISAL AS PRESENTED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

VIII. New Business

1. Purchase & Sales Agreement – Transportation Staging & Deckover

Mr. Simpson recused himself from all discussions relating to Archipelago Properties.

Mr. Uchytel said the next three items deal with the Archipelago Lot. He is working with the City Manager and the Finance Director to move things forward. The City Manager is asking the Assembly to meet on July 11th for a Special Meeting. There are a number of elements for the Archipelago development that we'll try to negotiate through the Assembly. The Purchase and Sales Agreement (PSA) will be the last thing, but he wanted to discuss what the PSA will look like with the Board. This defines how much property we'll purchase from Archipelago and how much we're going to sell. This first iteration was drafted by Archipelago. The exhibits are not fully vetted yet so this is labeled DRAFT. We had Horan and Company provide an appraisal back in January. Any time property is purchased through the City, there has to be a current appraisal of the property for fair market value within 30 days. We'll go back to Horan and Company to refresh the appraisal, so they'll look at the PSA and see if there is anything in there that will affect it. If you go down to closing costs, they're equally shared. The next item is intent, which is to develop retail, transportation staging, and deckover. The retaining wall is the only thing that's probably going to be viewed as contentious by the Assembly. PND is putting together the 35% design and cost analysis that we will take to the Assembly on July 11th, and hopefully at the next Board Meeting we'll be able to share what that looks like. The retaining wall could be upwards of about \$900,000. That sounds like a lot but it's only 7% of what we anticipate will be the total cost of the construction project which is \$15 million. The part that's going to be controversial is whether the City should just build the retaining wall or if there should be cost sharing involved. Archipelago Properties are saying that because the City's project has to go first, it's delaying their ability to execute the retail portion of their project. They're claiming that allowing us to mobilize on their property is a huge cost savings to the City because we don't have to mobilize a barge and a crane. The retaining wall will primarily be on Docks & Harbors managed property. Lastly, Archipelago Properties are not happy with the

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Horan appraisal. They think it undervalues the property involved, but to keep the project moving forward they will accept it so they would argue that consideration.

Committee Questions

Mr. Seng asked about the last section on future improvements on reconfigured public property. We're going to buy the public portion from them, deck it over, and then this looks like it's written so then they could build on the land that we bought from them?

Mr. Uchytel said that would be the future waterfront attraction and nobody knows what that is yet.

Mr. Seng said he is really questioning why we would buy the property, develop it, and they retain the rights to build an attraction on land that we paid for? Where is our cut?

Mr. Uchytel said there would be some consideration at that point.

Mr. Gillette said Docks & Harbors would probably not develop that but we might lease it, and what they want is the right of first refusal. They're spending a lot of money on their side so they don't want somebody to come up and put a shack in front of them.

Mr. Ridgway asked if there is a plan B? If we were to just purchase Lot 2 and build it out ourselves there is plenty of room for parking without engaging in such depth with a developer. If it gets sticky with the Assembly, is there anything that might still move us forward to meet the transportation needs?

Mr. Uchytel said we do not have a plan B. They approached us for a partnership for this plan, but that is a good point.

Mr. Etheridge said this is part of the master plan that was developed for that whole area. We need to push as hard as we can to get all of that master plan and if that fails then back up, but if we give options up front they're going to look at options that are less costly and that's the direction they're going to try to move in. We should keep moving in the current direction and then fall back if necessary.

Mr. Ridgway said he is trying to gauge the criticality of additional parking versus the criticality of following the master plan and having a very large expensive decked over space for future needs.

Mr. Uchytel said as Mr. Gillette will show us later in the meeting, the open space deck over is getting smaller and smaller. According to Archipelago, because we're demanding space for 12-15 coaches, we're squeezing them from three buildings down to two and encroaching on what they want to do. We're trying to weigh what is in the best interest of the community for public funds.

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Mr. Donek said the revision clause states 120 days to get this thing started. Where is our money coming from and can we get this thing off the ground in 120 days?

Mr. Uchytal said one of the other items on the agenda is the transfer of 16B monies into the CIP project so that's \$3.5 million. Then there will be state marine passenger fees which will be \$4.6 million. We've also got dock funds and waterfront acquisition funds. Bob Bartholomew has been coming up with the money to keep moving things forward. Right now we just have the CIP that we created, the \$200,000 for the 35% Design effort and we need to have the Assembly approve adding to that CIP account.

Mr. Lowell said design development, contracting with a reputable contractor and ordering construction materials all within 120 days seems like a compressed timeline.

Mr. Uchytal said we'll need to look at that because another huge thing is the Incidental Harrassment Authorization to drive piles.

Mr. Lowell asked if this is executed and we comply and Archipelago backs out and doesn't want to do their portion, do we still end up with the parking and the deck over?

Mr. Gillette said yes, both pieces could be free-standing. Obviously we want to do them together because they compliment each other but if we build ours and something happens, we still get our parking and structure and we can operate without their piece.

Public Comment- None

Committee Discussion/Action

Mr. Eiler said he shares Mr. Seng's concerns about veto over future improvements. He can understand not wanting competing commercial enterprises to crop up immediately but having that sort of veto in perpetuity is unwise. There ought to be a five year window or something that limits the hold they have on what is going to be public land. He would also hope that when the Board moves on this document we could add some numbers to these agreements, what the exact shares, amounts, and acreages are. Right now we are referring to exhibits that aren't totally finalized. Archipelago's intent is very well laid out. We had a great presentation from Mr. Morris and his company. Depending on what the cost shares are, if we're putting the first foot forward in terms of cash and construction and the City has taken a very generous lead in terms of bringing this process together and doing the retaining wall, he would question whether there is some reversion language needed on the part of Archipelago if things are caused for them to walk away or reconsider their planning. His hope is next time we come back and look at this we can have counsel from the Department of Law to help walk us through what we're getting into. He wants to keep this timeline and keep moving but he also wants to give the Assembly something that doesn't put them back or isn't fully developed.

Mr. Uchytal said he will take the Board's comments back to the Law Department to address and bring this back to the full Board meeting next Thursday.

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MOTION: NONE

2. Direct Negotiation Sales Agreement – Authorization

Mr. Uchytel said when somebody comes forward with an offer to buy CBJ lands, the Assembly has the right to say whether the City Manager can enter into direct negotiations or whether there has to be a competition or further proposals. In this case, since the adjoining property owner is the one that's making the ask, it's pro-forma to ask the Assembly to allow the Manager to enter into direct negotiations for the Purchase and Sales Agreement.

Committee Questions- None

Public Comment- None

Committee Discussion/Action

MOTION By MR. DONEK: TO RECOMMEND THAT THE ASSEMBLY PROVIDE DIRECTION TO COMMENCE DIRECT NEGOTIATIONS TO ADVANCE A PURCHASE AND SALES AGREEMENT WITH ARCHIEPELAGO PROPERTIES, LLC IN ACCORDANCE WITH 53.09.260(A) AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

3. Marine Park-Taku Uplands Improvement - Transfer Authorization

Mr. Uchytel said this closes out the Cruise Ship Berths project and transfers the funds to the Marine Park-Taku Uplands Improvements. That was the name the accountants came up with. It shouldn't be construed as just the Archipelago because we have other initiatives along the waterfront. It's really the Urban Design Plan: Marine Park to Taku Dock visioning project for the next few years. This is just the process to transfer money from one account to another. He will bring this to the Board next week. He has been working with the City Manager and the Finance Director and they may change some of the language.

Committee Questions- None

Public Comment- None

Committee Discussion/Action

MOTION By. MR. DONEK: TO RECOMMEND TO PUBLIC WORKS TRANSFER OF \$3,310,000 FROM CRUISE BERTHS CAPITAL IMPROVEMENT PROJECT (H51 101) TO THE MARINE PARK – TAKU UPLANDS IMPROVEMENT CIP (H51 116) AND ASKED UNANIMOUS CONSENT.

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Motion passed with no objection.

4. RESOLUTION IN SUPPORT OF JUNEAU FISHERIES TERMINAL EXPANSION

Mr. Uchtyl said we had a conference call with our federal lobbyist Katie Kachel earlier this week about BUILD Grants, which used to be called TIGER Grants. We had her firm look at the three TIGER Grants we applied for last year and their frank feedback was the Juneau Fisheries Terminal has the best opportunity to be selected. We are focusing on putting what meager resources we have to beef that project up. The BUILD Grants are due July 19th. There is only one Assembly meeting before then, so he had to call in favors to get this resolution on the Assembly docket for Monday. Even though we are going to submit other BUILD Grants for the Marine Services Yard and the Elevated Seawalk between Statter Harbor and the Auke Bay Marine Station, he just wanted to get this one in the form of a resolution. This is a very simple resolution saying we have a need at the Juneau Fisheries Terminal. US DOT has money they are willing to dole out and we want to position ourselves to be competitive.

Committee Questions

Mr. Ridgway asked what this potentially commits us to in terms of moving forward?

Mr. Uchtyl said rural communities can submit applications for up to \$25 million without any match. Both the Fisheries Terminal and Marine Services Yard are both \$25 million asks. The Elevated Seawalk is a \$12 million ask. They are looking for economic development so it's harder to justify the Elevated Seawalk. Greg Fisk started this TIGER Grant several years ago and we've been trying to improve every year. When we did the land use master plan for Bridge Park to Norway Point we added a lot of things for the Fisheries Terminal. Katie Kachel has someone that writes grants and really understands this stuff. He said our grant is better than average and gave us some good suggestions to move forward. He's got keen insight and he said we don't want to build things that are going to draw from Hoonah and Wrangell. The idea is expanding the pie, not stealing from other regional hubs. We've got to go back and review that and see how we can bolster it a bit. When we asked for review from US DOT a couple years ago, they said it was a very good package and it's only gotten better. It's gotten as far as on the Secretary's desk, it just hasn't had the political muscle to be chosen.

Public Comment- None

Committee Discussion/Action

MOTION By MR. ETHERIDGE: TO ADOPT A RESOLUTION IN SUPPORT OF THE JUNEAU FISHERIES TERMINAL AND APPLICATION FOR BUILD (BETTER UTILIZING INVESTMENT TO LEVERAGE DEVELOPMENT) TRANSPORTATION DISCRETIONARY GRANT AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

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IX. Items for Information/Discussion

1. Updated Renderings – Archipelago Properties, LLC

Mr. Simpson recused himself from this discussion.

Mr. Gillette presented renderings of the Archipelago property. He had PND revise the bus staging area to make sure it's going to work for the transportation vehicles coming to this property. It expanded a bit and impacted the third building on Archipelago's side. Their architect went back to the drawing board and came up with a scheme where they have two buildings rather than three. Our building would be a covered shelter area with restrooms that can be used for events in the winter. The property line generally falls between the concrete and the wood decking but we've modified that some. They basically have the same amount of square footage. The presentation they made to the Board said they were going to add second stories to their buildings to fit better in with the scale of things. Their drawings show two buildings, our parking area, and smaller buildings that would accommodate small businesses. Their design also shows what our building and canopy might look like. He met with our consultant, Northwind Architects, and will present to the Board next Thursday some different ideas on the architectural style of buildings. He is not supportive of the pagoda type roof styles. His intent is to make it look maritime related, something you might have seen on that site before like a cold storage. Archipelago is open to coming up with something we all can support. It's a good project. It meets both of our needs. We get our transportation staging and they get some retail, possibly some second story uses like a restaurant, but that's their decision.

Committee Discussion/Public Comment

Mr. Seng said the entrance to the parking lot looks like the traffic flow in and out is set up such that vehicles can't turn in if somebody is trying to come out.

Mr. Gillette said this is reversed from normal and we haven't gotten approval from ADOT yet. The doors of these vehicles are always on the right side so to bring vehicles in, park, and let the people out so they can get to the island and move safely without walking through the middle of the parking lot, this is the way we had to bring them in.

If we bring them in the other way, they're letting people out in the middle of the parking lot. Our case that we'd like to make to ADOT is since this is a restricted lot that is not open to the general public, we can train those drivers to come in this way and go out that way. Another reason is to keep vehicles further away from the adjacent building, which there is some concern about. As is the case all along Franklin, we've got pedestrians walking right in front of the lanes so we have to deal with that. One idea is to have some lights in the sidewalk and as a vehicle pulls up it triggers the lights to flash so it gives the pedestrians notice that a vehicle is entering there. Those are details we'll have to work out with ADOT, they have to approve this. Originally we had four different schemes as to where this parking lot would go and this was by far their favorite. PND is looking at the site distance triangles you analyze for traffic and once we get that information we're going to have another sit down with ADOT and make sure we are moving forward on the same page.

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Mr. Eiler asked how much the footprint of the parking lot has grown?

Mr. Gillette said it is definitely wider. We can't be right up against the property line because there is a building there. We're going to have some sort of mechanism, maybe planters to help soften the edge so if a vehicle backs out they're going to hit that as opposed to the building. That added about three feet. The lanes grew a little because we started out using a 24' vehicle. That was the largest vehicle we had in the B zone and that vehicle was only carrying 18 people. We met with the industry and the transportation providers and they said if we can go to a 25' vehicle that can carry 25 people we can increase the capacity of this lot by 30% or more. We changed the design vehicle and that widened our aisles. These drawings show 12 spaces. The industry said they'd like to see 12-15 spaces. To try and get the extra spaces we brought in a drive lane where a small vehicle that's only carrying 6 passengers could drop off. He'd like to rethink that because it adds ten feet to the width and that's part of what's encroaching. It's also impacting our building's location and may be more of a management issue than we want to deal with. We met with Archipelago when they were here. They said it really pinches them and they'll have to look back at their plans but they understand the reasons for it so they didn't challenge us, and this is what they came up with to accommodate a larger lot.

Mr. Eiler said we ought to define how much parking we really need on this spot. He urged the Board not to fall into the trap of thinking this is in a vacuum, and pointed out that both on the other side of the parking garage and over by the tram are very large open areas for parking. He suggested that we might think about having this more carefully tailored. Even if it's not the most efficient for parking the real crux of what we are trying to do with this plan and with these properties was mixed use. Parking was something that's a welcome add and even though he gets it, the demographics are growing and we'll need more of it, he would hate to think that we are only looking at this spot for a solution on that. He would just throw that out as we talk with the Archipelago people, if we're really starting to impinge and force this property to be two very large structures as opposed to what was adopted in our preferred option of the plan which was multi-smaller structures. Lets just get what we need as opposed to the most efficient parking space.

Mr. Lowell said he gets the driving force behind reversing the traffic flow, it makes sense to a certain degree having them be able to step out of the van onto this island but he sees it potentially causing some congestion at the entrance. There are pedestrians trying to cross and then there could be delays resulting in the fact that you've got a van trying to pull in while another one's trying to leave and transit that sidewalk. He feels like maybe the tail is wagging the dog a little bit on having to step out of a van and walk two feet to a refuge island in lieu of causing some traffic flow issues at the entrance.

Mr. Gillette said he doesn't know if we reversed the flow if it would change that at the street.

Mr. Lowell said you're going to have a van coming down and wanting to pull in, say we flop those arrows around, and a van that's coming out. One could enter and one could exit at the same

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time as opposed to one having to cross over the other one that's trying to exit. He thinks the space would work either way.

Mr. Gillette said while we feel we had some good reasoning for this, one of which is you get vans further away from the building, if ADOT says we can't do that we can still make it work.

Mr. Ridgway said he recalls some of the initial drawings that Corvus presented at a planning event and it seems as if the designs that have been presented to the Board have changed significantly. He asked if staff could collate those in one file so we can see the development of the design over time?

Mr. Gillette said the intent is still supported by this and actually our Marine Park to Taku Dock proposal had two buildings. Corvus felt that having three little buildings wasn't as efficient as having two larger buildings. Archipelago came up with that third building concept. Both the Docks & Harbors plan and their ideas from day one has been to encourage this cross property traffic between South Franklin Street and the dock.

Mr. Ridgway asked why the DOT said we could not move the entrance to the north?

Mr. Gillette said he met with four DOT planners and they thought that was the absolute worst place to put another driveway because you've got the roundabout, people all over, it's on a curve, and the sight distance is very bad. There was a suggestion to drive through the parking garage but that is not do-able because of the height.

Mr. Uchytel asked Mr. Gillette to describe how big our covered staging area building is. There is a not a lot of room there for the future attraction.

Mr. Gillette said this building is what Archipelago's architect proposed. It has two restrooms each with one fixture. The whole building is 2200 sq ft. There is a three story pagoda with an observation deck up three stories. We are trying to figure out what we want for a covered staging area for people to stand out of the weather while they're waiting for their bus, to maybe have some picnic tables in there, and that would be useful during the winter. In trying to figure out what that space needed to be, he visualized the Yacht Club. The main room in the Yacht Club is 1740 sq ft. That's usually pretty good for a gathering, and if you think about it as just being an open space it's probably enough for a couple of picnic tables and people to stand there out of the weather while they're waiting for their bus. If you visualize it as an event hall for winter use and you want to have a small concert or a flea market with tables and that kind of thing, it seems kind of small. We wanted to add 50% and make it 2500 sq ft for the hall. We didn't feel one bathroom fixture for each side was enough. The tram has six toilets on each side so in order to be useful we're looking at three to four toilets. When we started adding that in our building grew to 3300 sq ft. Now we've got a bigger parking lot and a bigger building, which means we've got less area for that future attraction and open space. While the site looked pretty big at first, things are encroaching. It's still evolving. We envision the building having some sort of doors that move up or slide out of the way so most of the time in the summer it will be wide open, you can look and

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walk right through it. Then you could close it down, put a little heat in there and still use it in the winter.

Mr. Eiler said going back to the concept of building for the locals and the tourists, the Board might think if there is some value in leaving that in some form of an open space or adding to it in a park-like fashion compared to the Jersey seashore. If it's going to be tight to build something in there anyways, maybe we think more creatively about how to use it as open space.

Jim Becker- Juneau, AK

Mr. Becker asked if anyone has looked at what percentage of tourists get on a bus, take a long tour, then get back on the ship? He's taken a lot of relatives on tours and they go all the way out to the Shrine and they want to get back so they have time to do a little bit of shopping. He doesn't want this development to hurt the shops up the street or other businesses. Greg Fisk always talked about a circulator. These folks are not going to walk very far.

Mr. Uchtyl said Archipelago Properties have been meeting with a lot of local businesses. Their numbers indicate that there are approximately 200,000 sq ft of retail in the downtown corridor and this is only going to add about 7%.

Mr. Gillette said part of this has already happened to us. There are stores in the downtown historic district that are empty and have been for a couple of seasons. People are not being drawn into there because there is no place to drop them off. It's a tough one and it's been happening for a number of years, it's not just this development.

Mr. Ridgway said if there is any opportunity as a part of this to work closer with the City to develop a grander idea of how to move people around, that would be a great opportunity. It's time to begin looking at the circulator idea as something that is moving people around without taking up a bunch of bus parking.

Mr. Seng said it looks more and more like we are building this for the tourist industry and not for the locals. He doesn't know if we've lost sight of that concept or if we've just said it doesn't pay as much as what we can get from the tourist industry.

Mr. Uchtyl said one of the things we have to be aware of is where the money is coming from. The majority of the money is coming from head tax. We're trying to make it work for locals as a year-round destination with the covered shelter. We're only developing half of this facility and the renderings we're looking at are from Archipelago with that lense of what they're building.

Mr. Donek said private industry is doing this and we are kind of along for the ride.

2. Electric Vehicle Charging Station – Statter Harbor Launch Ramp

Mr. Uchtyl said CBJ Engineering installed a electric vehicle charging station at the Statter Harbor launch ramp facility. The installation was done at no cost to Docks & Harbors. He received a phone call from Duff Mitchell asking what we plan to do about having a fee for

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charging in our lots. His recommendation is if vehicles are going to be using the charging station at Statter Harbor they should pay the normal \$1 per hour or \$5 per day for parking. Unless the Board does not think we should impose a parking fee for vehicles parked at the charging station, that's how we will move forward.

Committee Discussion/Public Comment

Mr. Donek said he heard the City is looking at the possibility of charging for power.

Mr. Uchtyl said they have asked us how we manage our launch permits, so it may be something like that.

Mr. Simpson asked if we only have one plug in?

Mr. Borg said it's one charger with two parking spots.

3. New Board Year Planning

Mr. Uchtyl said we have one more meeting with this Board membership and he wants to take the opportunity to ask if there are improvements staff can do or what we can be doing in planning for the Board for next year.

Committee Discussion/Public Comment

Mr. Donek said if the Board wants to continue the Operations Committee as a Committee of the Whole, they should revise the bylaws because right now we have a Finance Committee and an Ops Committee and membership is different than this.

Mr. Eiler said we might also think of planning long term. Once or twice a year we have Board retreats, maybe we should have three mini-retreats three times a year for strategy as an ongoing thing and maybe we plan those out now so we don't get side-swiped by holidays or other scheduling issues.

Mr. Simpson said at the July meetings after we seat our new Board Members we'll get into committees and assignments in more detail but it's good to have that in mind.

4. LUMBERMAN Update

Mr. Uchtyl said we've asked Aaron Timian, the point of contact with DNR, to come talk to the Board next Thursday. DNR has received a quote for \$200,000 to have the Lumberman towed to Hoonah and cut up. DNR's position is they are not funded to do this. DNR would be willing to have Docks & Harbors take care of it. Even if \$200,000 is a high quote, if it's \$100,000 - that's dredging that could be done at Wayside Park or something else we give up by doing that. Mr. Borg and Mr. Timian have been talking. DNR knows it's not Docks & Harbors responsibility but they would like us to ask the Assembly to take care of it. For Statter Harbor Phase IIIA, the

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dredging project, part of the permit to move those dredge materials onto DNR land is we agree to pay \$1000 per year for 35 years so that's one thing we could negotiate. There are no good answers here.

Committee Discussion/Public Comment

Mr. Donek asked if we should add another anchor so it doesn't move any further.

Mr. Borg said as soon as we put a line on it, it becomes our responsibility and it's a huge liability. DNR has already started the impound paperwork so we don't want to blur any legal lines.

X. Staff & Member Reports

Mr. Uchtyl said the Harris Restrooms are open. The Corps of Engineers is not going to consider a cost share agreement for the Statter Harbor wave attenuator for FY18. Taku Harbor is complete and it looks great. The Special Assembly meeting is on July 11th. He has asked for a waiver from Jim Potdevin who manages the harbor grants to consider an application for Aurora Harbor Phase III. Phase II has not been closed out yet because we had enough money left over for zinc annodes for the entire Phase I and Phase II of Aurora Harbor. When the Corps comes to dredge in the fall of 2019, he thinks our best move is to demo everything. We need to get this waiver that will allow us to compete for funding for Phase III. We got word back from Central Council Tlingit and Haida that ADEC agreed to close out the soil remediation issue. Mr. Uchtyl thanked Mr. Lowell for his service on the Board.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting- Wednesday, July 18th, 2018.

XII. Adjournment- The meeting was adjourned at 7:05pm.

**LEASE FOR USE OF CBJ
PROPERTY AT AUKE BAY BOATYARD**

PART I. PARTIES. This lease agreement is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska with its principle place of business at 155 S. Seward Street, Juneau, Alaska, 99801 (“CBJ”), and Harri Commercial Marine a division of Harri Plumbing & Heating, Inc., an Alaska corporation with its principle place of business at 809 W. 12th St, Juneau, Alaska, 99801 (“Lessee”).

PART II. AGREEMENT ADMINISTRATION. All communications about this agreement shall be directed as follows, and any reliance on a communication with a person other than that listed below is at the party’s own risk.

CBJ:

City and Borough of Juneau
Attn: Port Director
155 S. Seward Street
Juneau, AK 99801
Phone: (907) 586-0294
Fax: (907) 586-0295
Email: Carl.Uchytel@juneau.org

Lessee:

Harri Plumbing & Heating Inc.
Attn: Jeffrey J. Duvernay
809 W. 12th St
Juneau, AK 99801
Phone: xx
Fax : xx
email xx

PART III. AGREEMENT DESCRIPTION. The following appendices are attached hereto and are considered to be part of this agreement as well as anything incorporated by reference or attached to those appendices.

Appendix A: Property Description & Additional Agreement Provisions
Appendix B: Lease Provisions Required by CBJ Chapter 53.20
Appendix C: Standard Provisions

If in conflict, the order of precedence shall be: this document, Appendix A, B, and then C.

CBJ:

Date: _____

By: _____
Carl Uchytel
CBJ Port Director

CBJ ACKNOWLEDGMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2016, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **Carl Uchtyl**, to me known to be the **Port Director of the City and Borough of Juneau**, Alaska, a municipal corporation which executed the above foregoing instrument, who on oath stated that he was duly authorized to execute said instrument on behalf of said corporation; who acknowledged to that that he signed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

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

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

Risk Management Review: _____, Risk Manager

Approved as to Form: _____, Law Department

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

1. DESCRIPTION OF PROPERTY

The property subject to this agreement is generally referred to as “the Premise” or “the Property.” The Premise is known as the Auke Bay Boatyard located near 13600 Glacier Highway (PIN 4B3101000035) and is more specifically described as follows:

- (A) A 0.83 acre portion of A.T.S. No. 1685 whose lease boundaries are demarcated by a row of Jersey barriers, a chain link fence and gate, the edge of asphalt pavement, and the inside edge of landscaping feature, as shown in **Exhibit A** attached hereto and incorporated in this lease.
- (B) The equipment and physical improvements listed on **Exhibit B** attached hereto and incorporated in this lease.

2. AUTHORITY. This lease is authorized pursuant CBJ Code Section 85.02.060(a)(5), CBJ Chapter 53.20; and CBJ Ordinance No. **2018-xx**. The Planning Commission recommended approval CSPxx, consistent with CBJ 53.09.260 at its meeting on **month, date**, 2018. At its meeting on **xx**, the Docks and Harbors Board recommended approval of this lease.

3. TERM. The parties agree that it was their intent to enter into this lease arrangement for the **x year** period starting April 10, 2018. Accordingly, the parties agree and intend that this lease shall be interpreted as having the effective date be retroactive to April 10, 2018. The parties agree and consent to being bound by the terms of this agreement as if it had been entered into as of April 10, 2018.

The term of the lease is five years and shall remain in effect until April 9, 2023, unless sooner terminated.

The CBJ grants the Lessee an option to renew this lease for one additional five-year term, with a maximum total term of 10 years. Lessee shall exercise this option by written notice given to the CBJ at least 90 days prior to expiration of the underlying lease term.

4. LEASE PAYMENTS

- a) Lessee shall pay the CBJ an annual lease payment for the Leased Premises. The annual payment for the initial five-year period shall be \$ **27,000 (twenty-seven thousand dollars)** plus any required tax.
- b) Lessee shall pay CBJ without demand, deduction or offset the monthly rental in advance or on the first (1st) day of each month during the Agreement. Payments for any partial month at the beginning or end of the Agreement term shall be prorated.
- c) If applicable and beginning with the first year after the initial five-year period of the term,

Docks and Harbors staff will re-evaluate and adjust the annual lease payment for the Leased Premises for the next year of this lease, pursuant to Appendix B, Section 3(b) of this lease, CBJ 53.20.190(2), CBJ 85.02.060(a)(5), and the Docks and Harbors lease administration regulations, 05 CBJAC Chapter 50. The new annual lease payment amount shall be paid retroactively to the beginning of that lease payment adjustment period. Lessee shall pay all appraisal costs associated with re-evaluating and making adjustments to the annual lease payment.

- d) CBJ's acceptance of less than the full amount of any payment due from Lessee shall not be deemed an accord and satisfaction or compromise of such payment unless CBJ specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which CBJ claims.

5. AUTHORIZED USE OF PREMISES. Lessee agrees to use the Leased Premises for operation of a boatyard service, repair, and storage facility, and marine haul-out, consistent with the Operations Plan submitted by Lessee to the CBJ as part of its proposal for this lease dated October 31, 2007. Lessee shall be responsible for obtaining all necessary permits and approvals for Lessee's development of the Leased Premises. Lessee is required to obtain approval of its construction plans from the City Docks and Harbors Board prior to the start of any construction.

Lessee agrees to return the Premises to its original pre-permitted condition. No other improvements or changes to improvements may be made on the permitted area unless first approved by the Port Director.

6. TAXES. Lessee is hereby on notice that this agreement may make all or a portion of the Premises taxable. Lessee shall pay all taxes, assessments, liens and license fees levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, by reason of Lessee's use of the Premises.

7. UTILITIES AND SERVICES. If the Lessee wants utilities or services provided to the Premises, the Lessee shall furnish and pay, at Lessee's sole expense, the desired utilities and services (including but not limited to power, water, waste water, trash, janitorial, telephone, internet, and cable).

8. INSURANCE. The Lessee has provided certification of proper insurance coverage, including certificate(s) of insurance and amendatory endorsements or copies of the applicable policy language affecting coverage required in this agreement, to the City and Borough of Juneau, attached as Attachment _____. Failure of CBJ to demand such certificate or other evidence of full compliance with these insurance requirements or failure of CBJ to identify a deficiency from evidence that is provided shall not be construed as a waiver of the obligation of the Lessee to maintain the insurance required by this contract.

Lessee agrees, at its own expense, to maintain insurance as follows at all times while this

contract is in effect, including during any periods of renewal. The Lessee's insurance shall be primary and any insurance maintained by the CBJ shall be non-contributory. Any deductibles and self-insured retentions must be declared to and approved by the CBJ. The CBJ may require the Lessee to provide proof of ability to pay losses and related investigations, claim administration, and defend expenses within the retention.

Commercial General Liability Insurance. The Lessee must maintain Commercial General Liability Insurance in an amount it deems reasonably sufficient to cover any suit that may be brought against the Lessee. This amount must be at least \$1,000,000 per **occurrence**, and \$2,000,000 aggregate. **This insurance policy is to contain, or be endorsed to contain, additional insured status for the CBJ, its officers, officials, employees, and volunteers.** If Additional insured status is provided in the form of an endorsement to the Lessee's insurance, the endorsement shall be at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

Workers Compensation Insurance. If required by Alaska Statute (*see* Alaska Statute 23.30), the Lessee must maintain Workers Compensation Insurance to protect the Lessee from any claims or damages for any bodily or personal injury or death which may arise from services performed under this contract. This requirement applies to the Lessee's firm, the Lessee's subLessees and assignees, and anyone directly or indirectly employed to perform work under this contract. The Lessee must notify the City as well as the State Division of Workers Compensation immediately when changes in the Lessee's business operation affect the Lessee's insurance status. Statutory limits apply to Workers Compensation Insurance. The policy must include employer's liability coverage of \$100,000 per injury and illness, and \$500,000 policy limits. Lessee also agrees to provide evidence of Longshore and Harbor Worker's Insurance and Jones Act coverage if applicable to the work required. **If the Lessee is exempt from Alaska Statutory Requirements, the Lessee must provide written confirmation of this status in order for the CBJ to waive this requirement. The Lessee grants a waiver of any right to subrogation against the CBJ by virtue of the payment of any loss under such insurance.** This provision applies regardless of whether or not the CBJ has received a waiver of subrogation endorsement from the insurer.

Comprehensive Automobile Liability Insurance. The coverage shall include all owned, hired, and non-owned vehicles \$1,000,000 combined single limit coverage.

Property Insurance. Lessee acknowledges that CBJ carries no fire or other casualty insurance on the Premises or improvements located thereon belonging to Lessee, and that it is the Lessee's obligation to obtain adequate insurance for protection of Lessee's buildings, fixtures, or other improvements, or personal property located on the Premises, and adequate insurance to cover debris removal.

APPENDIX B: LEASE PROVISIONS REQUIRED BY CBJ CHAPTER 53.20 and CBJ CHAPTER 50

1. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES. As required by CBJ 53.20.160, it shall be the responsibility of Lessee to properly locate Lessee's improvements on the Lease Premises and failure to so locate shall render Lessee's liable as provided by law.

2. APPROVAL OF OTHER AUTHORITIES. As required by CBJ 53.20.180, the issuance by CBJ of leases, including this lease, under the provisions of CBJ Title 53 does not relieve Lessees of responsibility for obtaining licenses, permits, or approvals as may be required by CBJ or by duly authorized state or federal agencies.

3. TERMS AND CONDITIONS OF LEASES REQUIRED BY CBJ 53.20.190. As required by CBJ 53.20.190, the following terms and conditions govern all leases and are incorporated into this lease unless modified by the Assembly by ordinance or resolution for this specific lease. Modifications of the provisions of this Appendix B applicable to this specific lease, if any, must specifically modify such provisions and be supported by the relevant ordinance or resolution to be effective.

(a) **Lease Utilization.** The Leased Premises shall be utilized only for purposes within the scope of the application and the terms of the lease, and in conformity with the provisions of CBJ code, and applicable state and federal laws and regulations. Utilization or development of the Leased Premises for other than the allowed uses shall constitute a violation of the lease and subject the lease to cancellation at any time.

(b) **Adjustment of Rental.** Lessee agrees to a review and adjustment of the annual rental payment by the Port Director not less often than every fifth year of the lease term beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the land, to which the CBJ has right or title, excluding landfill placed upon the land by Lessee, except that the value of any improvements credited against rentals shall be included in the value.

(i) **Delays in setting rents.** Delays in setting or adjusting lease rents due to the appraisal process shall not change the effective date of the lease rent change. In the case of renewals, the new rent shall apply retroactively to the date the lease expired. In the case of rent adjustments during a lease, the new rent shall apply retroactively to the date of rent adjustment as set out in the lease.

(ii) **Adjustment Dispute Resolution.** Should the Lessee disagree with the lease rent adjustment proposed by the Port Director, the Lessee shall pay for an appraisal and have the appraisal undertaken in accordance with the requirements set out in 05 CBJAC 50.050. In the event the Docks and Harbors Board disagrees with an appraisal, and the Board cannot reach an agreement with the lessee on the lease rent adjustment, the Board shall pay for an additional appraisal and have the appraisal undertaken in accordance with the requirements set out in 05 CBJAC 50.050. The Board shall establish the lease rent adjustment based on this

additional appraisal. In the event the Lessee disagrees with the lease rent adjustment, the lessee may appeal to the Assembly. The decision of the Assembly shall be final.

(c) **Subleasing.** Lessee may sublease Leased Premises or any part thereof leased to Lessee hereunder; provided, that the proposed sub-lessee shall first apply to CBJ for a permit therefore; and further provided, that the improvements on the Leased Premises are the substantial reason for the sublease. Leases not having improvements thereon shall not be sublet. Subleases shall be in writing and be subject to the terms and conditions of the original lease; all terms, conditions, and covenants of the underlying lease that may be made to apply to the sublease are hereby incorporated into the sublease.

(d) **Assignment.** Lessee may assign its rights and obligations under this lease; provided that the proposed assignment shall be approved by CBJ prior to any assignment. The assignee shall be subject to all of the provisions of the lease. All terms, conditions, and covenants of the underlying lease that may be made applicable to the assignment are hereby incorporated into the assignment.

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

(f) **Cancellation and Forfeiture.**

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

(ii) CBJ may cancel the lease if it is used for any unlawful purpose.

(iii) If Lessee shall default in the performance or observance of any of the lease terms, covenants or stipulations thereto, or of the regulations now or hereafter in force, or service of written notice by CBJ without remedy by Lessee of the conditions warranting default, CBJ may subject Lessee to appropriate legal action including, but not limited to, forfeiture of the lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.

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

(g) **Notice or Demand.** Any notice or demand, which under terms of a lease or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address of record. However, either party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed

delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.

(h) **Rights of Mortgage or Lienholder.** In the event of cancellation or forfeiture of a lease for cause, the holder of a properly recorded mortgage, conditional assignment or collateral assignment will have the option to acquire the lease for the unexpired term thereof, subject to the same terms and conditions as in the original lease.

(i) **Entry and Reentry.** In the event that the lease should be terminated as hereinbefore provided, or by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by Lessee during the term, CBJ or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of lands or such thereof, and remove all personals and property there from either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefor. No reentry by CBJ shall be deemed an acceptance of a surrender of the lease.

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

(k) **Forfeiture of Rental.** In the event that the lease should be terminated because of any breach by Lessee, as herein provided, the annual rental payment last made by Lessee shall be forfeited and retained by CBJ as partial or total damages for the breach.

(l) **Written Waiver.** The receipt of rent by CBJ with knowledge of any breach of the lease by Lessee or of any default on the part of Lessee in observance or performance of any of the conditions or covenants of the lease, shall not be deemed a waiver of any provision of the Lease. No failure on the part of the CBJ to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by CBJ unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of CBJ to enforce the same in the event of any subsequent breach or default. The receipt, by CBJ, of any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by CBJ of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term therein demised, or destroy, or in any manner impair the efficacy of any such notice or termination as may have been given thereunder by CBJ to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by CBJ.

(m) **Expiration of Lease.** Unless the lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender and yield up to the City all of the leased land on the last day of the term of the lease.

(n) **Renewal Preference.** Any renewal preference granted to Lessee is a privilege, and is neither a right nor bargained for consideration. The lease renewal procedure and renewal

preference shall be that provided by ordinance in effect on the date the application for renewal is received by the designated official.

(o) **Removal or Reversion of Improvement upon Termination of Lease.**

Improvements owned by Lessee shall within sixty calendar days after the termination of the lease be removed by Lessee; provided, such removal will not cause injury or damage to the lands or improvements demised; and further provided, that CBJ may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by Lessee may, with the consent of CBJ, be sold to the succeeding Lessee. All periods of time granted Lessee to remove improvements is subject to Lessee's paying the CBJ pro rata lease rentals for the period.

(i) If any improvements and/or chattels not owned by CBJ and having an appraised value in excess of five thousand dollars as determined by the assessor are not removed within the time allowed, such improvements and/or chattels on the lands, after deducting for CBJ rents due and owning and expenses incurred in making such sale. Such rights to proceeds of the sale shall expire one year from the date of such sale. If no bids acceptable to the Port Director are received, title to such improvements and/or chattels shall vest in CBJ.

(ii) If any improvements and/or chattels having an appraised value of five thousand dollars or less, as determined by the assessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, CBJ.

(p) **Rental for Improvements or Chattels not Removed.** Any improvements and/or chattels belonging to Lessee or placed on the lease during Lessee's tenure with or without his permission and remaining upon the premises after the termination date of the lease shall entitle CBJ to charge Lessee a reasonable rent therefor.

(q) **Compliance with Regulations Code.** Lessee shall comply with all regulations, rules, and the code of the City and Borough of Juneau, and with all state and federal regulations, rules and laws as the code or any such rules, regulations or laws may affect the activity upon or associated with the leased land.

(r) **Condition of Premises.** Lessee shall keep the premises of the lease in neat, clean, sanitary and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or uncontrolled grass, brush or other fire on the leased lands. Lessee shall not undertake any activity that causes or increases a sloughing off or loss of surface materials of the leased land.

(s) **Inspection.** Lessee shall allow an authorized representative of CBJ to enter the lease land for inspection at any reasonable time.

(t) **Use of Material.** Lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other materials valuable for

building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved by the CBJ.

(u) **Rights-of-Way.** CBJ expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the CBJ to do so. If CBJ grants an easement or right-of-way across the leased land, Lessee shall be entitled to damages for all Lessee-owned improvements or crops destroyed or damaged. Damages shall be limited to improvements and crops only, and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate Lessee for loss of use.

(v) **Warranty.** CBJ does not warrant by its classification or leasing of land that the land is ideally suited for the use authorized under the classification or lease and no guaranty is given or implied that it shall be profitable to employ land to said use.

(w) **Lease Rental Credit.** When authorized in writing by CBJ prior to the commencement of any work, Lessee may be granted credit against current or future rent; provided the work accomplished on or off the leased area results in increased valuation of the leased or other CBJ owned lands. The authorization may stipulate type of work, standards of construction and the maximum allowable credit for the specific project. Title to improvements or chattels credited against rent under this section shall vest immediately and be in CBJ and shall not be removed by Lessee upon termination of the lease.

(x) **Maintenance of Equipment.** Lessee shall maintain all CBJ provided equipment in sound working order. Lessee shall maintain the>>>>

(y) **Stormwater Pollution Prevention Plan (SWPPP).** Lessee shall maintain and deliver to CBJ any updates to the SWPPP >>>

APPENDIX C: STANDARD PROVISIONS

(1) **Holding Over.** If Lessee holds over beyond the expiration of the term of this lease and the term has not been extended or renewed in writing, such holding over will be a tenancy from month-to-month only.

(2) **Interest on Late Payments.** Should any installment of rent or other charges provided for under the terms of this lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.

(3) **Taxes, Assessments, and Liens.** During the term of this lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills for the Leased Premises and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, against the Leased Premises or the improvements placed thereon.

(4) **Easements.** Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements.

(5) **Encumbrance of Parcel.** Lessee shall not encumber or cloud CBJ's title to the Leased Premises or enter into any lease, easement, or other obligation of CBJ's title without the prior written consent of the CBJ; and any such act or omission, without the prior written consent of CBJ, shall be void against CBJ and may be considered a breach of this lease.

(6) **Valid Existing Rights.** This lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this lease.

(7) **Non-Discrimination Laws.** Consistent with CBJ 41.05 and Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited), Lessee agrees not to discriminate, in any way, against any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, familial status, gender expression, or national origin, in connection with or related to the performance of this Agreement. In the event of Lessee's failure to comply any of the above non-discrimination covenants, CBJ shall have the right to terminate the lease.

(8) **Unsafe Use.** Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

(9) **Hold Harmless.** Lessee agrees to defend, indemnify, and save CBJ, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of or related to the use and occupancy of the Leased Premises by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, costs, expense, or damages resulting from settlement, judgment or verdict, and includes the award of any costs and attorney's fees even if in excess of Alaska Civil Rules 79 or 82. This indemnification agreement applies to the fullest extent permitted by law and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against CBJ relating to this lease. The obligations of Lessee arise immediately upon actual or constructive notice of any action, claim, or lawsuit. CBJ shall notify Lessee in a timely manner of the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and may be waived where the Lessee has actual notice.

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

(11) **Choice of Law; Venue.** This lease shall be governed by the law of the State of Alaska. Venue shall be in the State of Alaska, First Judicial District at Juneau.

05 CBJAC 40.010 - General moorage management policy.

- (a) *Policy.* It is the policy of the City and Borough to favor the use of the small boat harbors by commercial fishermen, government vessels in trade and commerce, and pleasure craft, and by the general public at large. It is further the policy of the City and Borough to prevent and discourage the use of the small boat harbors by boats that have been abandoned by the owners to the point of becoming derelicts as defined in CBJ 85.05 or becoming a charge and nuisance to the City and Borough, the Port Director, and the general public, or boats that are unsafe, or not used, or not fit to be used, regularly for transportation on the water.
- (b) *Applicability and other regulations.* CBJ Administrative Code Title 05, Chapter 40 applies to the small boat harbors under the jurisdiction of the City and Borough of Juneau Docks and Harbors Board. These include the Douglas Small Boat Harbor, the National Guard Dock, Harris Boat Harbor, the Fisheries Terminal Float, Aurora Boat Basin, Statter Boat Harbor, and moorage facilities appurtenant thereto. Where the requirements of 05 CBJAC 40 differ from other small boat harbor regulations in CBJ Administrative Code Title 05, the regulation that is more specific or restrictive shall take precedence.
- (c) *Duty to comply with harbor ordinances and regulations.* As a condition of use, each harbor user shall comply with all applicable requirements of Title 85 of the City and Borough Code and CBJ Administrative Code Title 05.
- (d) *General moorage management.* CBJ Administrative Code Title 05, Chapter 40 does not restrict the Port Director's authority to require the owner or operator of any boat, vessel, or floating structure to change from one mooring space to another, in the interests of safety, order, convenience and health, or to move any boat, vessel, or floating structure that is unoccupied and in violation of City and Borough harbor ordinances and regulations. It is the policy of the Docks and Harbors Board to manage the small boat harbors by using all harbor space as effectively as possible.
- (e) *Duty to register.* Every owner, master, operating or managing agent of any vessel using the small boat harbors shall register on a form provided by the Harbormaster. The owner, master operating, or managing agent of a vessel that is not registered shall register as soon as practical after the vessel enters and moors in any of the small boat harbors.
- (f) *Vessel size restrictions.* The Harbormaster will determine the maximum and minimum length and breadth of a vessel that is allowed to moor in the small boat harbors based on the size of the slip or moorage space available to ensure the maximum use of space available taking into account safety, maneuvering, and other factors. Except when approved by the Harbormaster on a case-by-case basis, no vessel, or part thereof, may extend more than ten feet beyond a finger or have a silhouette length less than three feet shorter than a finger in any slip or mooring space with a finger from 20 to 80 feet in length. For a slip or mooring space with a finger less than 20 feet in length and for side-tie moorage, the Harbormaster will establish the maximum and minimum vessel length on a case-by-case basis.
- (g) *Vessel salvage and disposal.*
 - (1) Prior to obtaining a moorage assignment pursuant to 05 CBJAC 40.035, 050, 055, or 065, the owner of a vessel must
 - (i) provide the Harbormaster with proof of current marine insurance showing, at a minimum, the owner's name, information identifying the vessel, and the dates of insurance coverage; or
 - (ii) pay a non-refundable moorage surcharge \$0.25 per foot per month.
 - (2) The funds collected from the moorage surcharge under this regulation will be used to pay for the unrecoverable costs attributable to vessel salvage and disposal activities in the small boat harbors.

- (3) This regulation does not relieve an owner from the responsibility to pay fees as set out in CBJ Ordinance Title 85 or regulations adopted thereunder, and does not constitute marine insurance.
- (h) *Moorage payments.* Except as noted in 05 CBJAC 20.020, the owner of a vessel may pay the daily or monthly moorage fee for moorage that is assigned by the Harbormaster as set out in 05 CBJAC 25, 35, and 40. If the owner fails to pay by the due date shown on an invoice for the moorage assignment, the Harbormaster shall forfeit the moorage assignment, notify the owner, and require the owner to move the vessel from the assigned moorage space within 72 hours of notice. If the owner does not move the vessel from the assigned space, the Harbormaster is authorized to move the vessel from the assigned space in accordance with CBJ Ordinance Title 85.

(Amended 9-12-2005, eff. 9-20-2005; Amended 9-11-2006, eff. 9-19-2006; Amended 12-11-2006, eff. 7-1-2007; [Amended 7-15-2013, eff. 7-23-2013.](#))



Marina and Vessel Insurance

What every vessel owner and moorage provider should know



Q: How are vessel owners and moorage providers affected by changes in the new 2014 law from HB 2457?

A: Here is a brief summary of new legal requirements:

- Vessel owners who permanently moor at private or public moorage facilities must secure and maintain minimum marine insurance coverage for their vessels.
- Moorage providers must:
 - Secure and maintain marine insurance coverage for their facility.
 - Obtain certain information from all vessels entering into long-term moorage and to retain that information for two years.
 - Ensure that vessel owners who enter into and renew long-term moorage agreements provide proof of minimum insurance coverage for the vessel (for moorage agreements entered into after June 12, 2014). Moorage providers *are not required* to certify that vessel owner coverage meets the minimum requirements.
 - Provide information about moored vessels upon request of the Departments of Licensing (DOL), Revenue (DOR), or Natural Resources (DNR). These agencies must coordinate requests so that a moorage provider does not receive more than two requests a year.
 - Permit a requesting state agency to physically inspect the docks and provide records for those vessels that are not listed or registered; OR
 - Provide enough information to compare against DOL's records and provide further information for a specific vessel that the requesting state agency determines as not registered.

Q: What are the minimum insurance coverage requirements for a moorage facility? For a vessel owner?

A: Moorage facilities and owners of vessels permanently moored at a moorage facility must secure at least \$300,000 in marine insurance coverage encompassing general, legal, and pollution liability protection. Facilities and vessel owners may obtain multiple insurance policies to ensure they have the minimum coverage.

Q: Are there consequences for a vessel owner not maintaining the minimum insurance coverage?

A: If a vessel owner fails to maintain insurance coverage, they will incur liability for the moored vessel if it becomes derelict or abandoned. In addition, the moorage facility may cancel their moorage agreement.

More ►

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Washington State Department of Natural Resources
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Q: Are there consequences for a moorage facility not maintaining the minimum insurance coverage or ensuring vessels have proof of insurance?

A: If a **private moorage facility** fails to maintain insurance coverage, or allows a vessel to moor at its facility without demonstrating proof of minimum insurance coverage, the facility may incur potential secondary liability for a moored vessel that becomes derelict or abandoned.

A **public moorage facility** that allows a vessel to moor at its facility without demonstrating proof of minimum insurance coverage would not be eligible for financial reimbursement of vessel removal / disposal costs from the Derelict Vessel Removal Account (administered by DNR) if the vessel becomes derelict or abandoned.

Q: Can private moorage facilities get public assistance with removing derelict and abandoned vessels?

A: Private moorage facilities may contract with local governments for the removal of derelict and abandoned vessels from their premises. The law was changed to also allow DNR to contract with private moorage facilities. Neither local governments nor DNR are required to enter into these contracts.

Q: Do moorage providers have to collect the newly-mandated fees from commercial vessels mooring at their facilities?

A: No, based on stakeholder feedback during legislative deliberations, the final law established a \$1/foot fee on commercial vessels required to pay property taxes to Washington State Department of Revenue. This new fee will be collected directly by DOR at the time of the scheduled annual tax payment.

DNR: Steward of state-owned aquatic lands

The 2.6 million acres of state-owned aquatic lands (mostly submerged) are a public trust, managed and protected by DNR for the people of Washington. DNR manages these lands to protect fish and wildlife habitat and to facilitate commerce, navigation, and public access. Revenue is generated from the sale of renewable resources, such as wild geoduck, as well as from leasing submerged lands for mooring buoys, marinas, docks, and other uses. This revenue is used to manage and protect the health and productivity of these aquatic lands and resources and to fund local projects that restore aquatic ecosystems and create public access to the waters of the state.

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Bellingham WA

5.6 Vessel Insurance As a condition of moorage, the Moorage Customer is required to provide a continuous marine policy with a term no less than 12 months with coverage of \$300,000 general, legal, and pollution liability and continuously maintain this policy while the vessel is moored on Port property. 25 | Page The Port endeavors to be listed as Additionally Insured and a current copy of the policy needs to be submitted at the time moorage is granted and then annually upon renewal. Canadian Moorage Customers need to provide proof of notification if policy cancels. Vessels that are greater than 65 feet and more than 40 years old must in addition to the requirements above, must also provide coverage for the removal of the Vessel should it become derelict and coverage should the Vessel cause a pollution event. Moorage in the name of an LLC must list the LLC as the primary policy holder.

Port of Edmonds, WA

NOTICE NEW REQUIREMENTS

To be in compliance with Washington state law and Port regulations, it is important that you update your boat insurance to reflect the following:

- **General liability** *minimum amount of \$500,000
- **Legal liability** *minimum amount of \$500,000
- **Pollution liability** *minimum amount of \$500,000
- **Port listed as an additional insured by endorsement.**

For additional information please see the Port Rules & Regulations Section 4.3 Liability Insurance.

3 LIABILITY INSURANCE 4.3.1 Tenants shall maintain liability insurance in force and good standing on their boat and/or item stored in leased space. 15 A. The insurance policy shall provide comprehensive liability insurance with limits of no less than \$500,000 per occurrence. B. The insurance shall cover pollution, damage done to the slip, the marina, and any other boats or equipment. C. Tenants shall list the Port as an additional insured by endorsement. D. Umbrella insurance policies are not acceptable. 4.3.2 Tenants must provide the Port a copy of their current Certificate of Insurance showing tenants name, policy dates, and vessel liability amounts. Failure to provide a copy of the current Certificate of Insurance upon request by Port staff may be grounds for termination of tenancy and any and all related privileges at the Port of Edmonds. 4.3.3 The Executive Director may waive or adjust insurance requirements for certain small storage items.

Port of Bremerton, WA

1.6 Hold Harmless and Liability Insurance a. Users of the Port of Bremerton marinas do so at their own risk. The Port of Bremerton shall not be responsible for and shall be held harmless from any property damage, theft, or personal injury, including death. b. As a condition of permanent moorage, owners must maintain a minimum of \$300,000 of liability insurance on their vessel and shall include in the liability policy a condition that ensures the Port is notified of any changes or cancellation of the policy. This may be accomplished by naming the Port of Bremerton as an additional insured or other equivalent language. Owners must provide documentation that this insurance is in effect, a copy of which will be maintained by the Port. Failure to maintain this insurance in force will be grounds for cancellation of the moorage agreement.

Washington Park Marina, Michigan City, MI

Each slip holder shall obtain and maintain in effect comprehensive general public liability insurance to include watercraft, with limits of not less than \$250,000 in the event of bodily injury or death to any number of persons or property damage in any one occurrence and \$500,000 from the aggregate of all occurrences within a policy year. A certificate of insurance shall be delivered to the marina office no later than upon mooring the boat in the marina. Each insurance policy shall provide (and any certificate evidencing the existence of such insurance policy shall certify) that such policy shall not be cancelled or amended (other than to increase the amount of coverage) unless the Port Authority has received twenty (20) days prior written notice of such cancellation or amendment from the insurer or agent. Neither the issuance of any insurance policy required hereunder nor the minimum limits specified herein with respect to each slip holder's insurance coverage shall be deemed to limit or restrict in any way a slip holder's liability.

Wellfleet, MA

Liability insurance or P&I insurance in an amount of at least \$250,000 shall be required on all motorized or self-propelled vessels over fourteen feet in length whose owners lease slips, berths, moorings, or seasonal launch privileges in the Marina or the Harbor. A certificate of insurance from the insuring agent naming the Town of Wellfleet as "additional insured" must be submitted to the Harbormaster before the lease is granted.

This regulation will be strictly enforced

City of Marathon, FL

Assignments will be based on dockage availability and vessel length. Insurance coverage of at least \$300,000 is required for overnight dockage in the City marina canal.

Buffalo Harbor, NY

******Slip renters are required to maintain liability insurance for the term of the contract. For vessels 25' and under the insurance is \$100,000 for liability, for vessels 26' and larger we require \$300,000 in liability. We also require salvage coverage of a reasonable amount to raise the vessel if it should sink in the harbor. The recommended amount for salvage coverage is at least \$250.00 per foot, length of the vessel (i.e. 20 ft. = \$5000.00 salvage insurance). We also require Safe Harbor Marina listed as additionally insured, in order that we are notified in case of a lapse in insurance coverage.

Washington State Information, ..Mary printed a copy from this link

<https://boat.wa.gov/docs&downloads/MarinaVesselInsuranceQA.pdf>

City of Sarasota, FL

INSURANCE: Boat Owner shall maintain in force, throughout the term of this Agreement, a comprehensive general liability insurance policy upon the Boat with minimum coverage amounts of One Million Dollars (\$1,000,000); and a fire and casualty insurance policy with coverage at full replacement value of the Boat. Boat Owner shall furnish evidence of such insurance to Company prior to the execution of this Agreement. It is expressly agreed by Boat Owner that the Company is not and shall not be construed to be an insurer of Boat Owner's property loss or property damage to the boat, its motor, accessories or contents due to fire, vandalism, theft, collision or any other casualty loss, and the Boat Owner waives his insurer's right of subrogation against the Company and its employees.