

**CBJ DOCKS & HARBORS BOARD**  
**OPERATIONS/PLANNING COMMITTEE MEETING AGENDA**  
**For Wednesday, December 12th, 2018**

- I. Call to Order** (5:00 p.m. at City Hall Conference Room 224)
- II. Roll Call** Don Etheridge, Bob Janes, Budd Simpson, David McCasland, Dan Blanchard, James Becker, Bob Westmann, Mark Ridgway and Weston Eiler.

**III. Approval of Agenda**

**MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED**

- IV. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total)
- V. Approval of Wednesday, November 14<sup>th</sup>, 2018 Operations/Planning Meetings Minutes**

**VI. Consent Agenda - None**

**VII. Unfinished Business**

- 1. Downtown Waterfront Improvement Project  
Presentation by the Port Director

Committee Discussion

Public Comment

Committee Discussion/Action

**MOTION: TBD**

**VIII. New Business**

- 1. Yankee Cove Lease – Rental Adjustment Objection  
Presentation by Marion Hobbs

Committee Questions

Public Comment

Committee Discussion/Action

**MOTION: TBD**

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2. FY20 Marine Passenger Fee (MPF) Request  
Presentation by Port Director

Committee Questions

Public Comment

Committee Discussion/Action

**MOTION: TO RECOMMEND THE BOARD APPROVED THE FY20 MARINE PASSENGER FEE REQUEST AS PRESENTED.**

**IX. Items for Information/Discussion**

1. Aurora Harbor Phase III  
Presentation by the Port Director

Committee Discussion/Public Comment

2. Project Funding Strategies  
Presentation by the Port Director

Committee Discussion/Public Comment

**X. Staff & Member Reports**

**XI. Committee Administrative Matters**

1. Next Operations/Planning Committee Meeting- **Wednesday, January 23, 2019.**

**XII. Adjournment**

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**I. Call to Order**

Mr. Ridgway called the meeting to order at 5:00pm in the CBJ Assembly Chambers.

**II. Roll Call**

The following members were present: Don Etheridge, Bob Janes (5:05pm-6:05pm), David McCasland, James Becker, Bob Wostmann, Mark Ridgway and Weston Eiler (via phone until 6:45pm).

Absent: Budd Simpson and Dan Blanchard

Also present: Carl Uchytel – Port Director, Gary Gillette – Port Engineer, 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, October 17<sup>th</sup>, 2018 Operations/Planning Meetings Minutes**

**MOTION By MR. ETHERIDGE: TO APPROVE THE OCTOBER 17<sup>th</sup>, 2018 MEETING MINUTES AS PRESENTED AND ASKED UNANIMOUS CONSENT.**

Motion passed with no objection.

**VI. Consent Agenda - None**

**VII. Unfinished Business - None**

**VIII. New Business**

1. LUMBERMAN Update

Mr. Uchytel said there was a meeting coordinated by the Southeast Alaska Watershed Coalition and the Southeast Alaska Fish Habitat Partnership. They invited State DNR, Coast Guard, Docks & Harbors, and Mr. Becker who is the chair of DIPAC. The concern from this group is the upcoming winter and the tides around Thanksgiving that the vessel may not be securely anchored. It is believed the vessel is only on one secure anchor currently. At the meeting DIPAC volunteered to contribute a 750# anchor and Debbie Hart with the Southeast Alaska Fish Habitat Partnership agreed to, as a collaborator, coordinate to have a tug come out and set the other anchor. In the meantime, DNR has still taken a position where they do not have funds to address the Lumberman. Mr.

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Uchytel said he did review SB92 which is the law for abandoned and derelict vessels. At the meeting, Mr. Carpenetti, who is a lawyer, indicated that Docks & Harbors has the authority to impound the vessel with the new law. Mr. Uchytel questioned the City Attorney and the response he received was “with the passage of SB92, CBJ now has the authority to impound the Lumberman assuming it represents the definition of derelict per the State statute.” The State has not fully updated the code with the passage of SB92 but it appears the State has the primary duties. DNR has the responsibility to remove the vessel if State funds are available. We may report the Lumberman to the State Attorney General's Office for Criminal prosecution. If the State refuses to take care of the Lumberman, SB92 empowers us to do so. So, we do have the power to impound the Lumberman, but the State has the duty to do this first.

Committee Questions

Mr. Becker asked if the State would have to get ownership of the vessel before they could do it? With maritime law, you can't take someone else's vessel.

Mr. Uchytel said there still has to be due process involved with whoever takes action. However, with the passing of this bill, we do have statutory authority now.

Mr. Wostmann said it was mentioned that someone should file a criminal complaint. Would that be a trigger event to get the State to move or is this something we would not want to get involved with?

Mr. Uchytel said the feedback from the City Attorney is that we can always go after the owner. There is still a responsible party but he is indigent and not sure what we would get out of going after him. That process would probably be a waste of time to pursue.

Mr. Wostmann said he was involved in filing a criminal complaint in a different forum with somewhat similar circumstances. One of the precursors they were obligated to do was to file a criminal complaint to create the authority for another agency to act.

Mr. Uchytel said he will ask the City Attorney if we should be filing a criminal complaint.

Mr. Ridgway asked if he knows of the State impounding vessels elsewhere?

Mr. Borg said there have been fishing vessels impounded by the State in Hoonah.

Mr. Ridgway asked under what circumstances were they impounded?

Mr. Borg said generally fishing vessel permits not paid for.

Mr. Wostmann said there are technical challenges in setting two anchors on a vessel riding a current. Do we know who will be installing the anchor so they know where and how this second anchor should be placed?

Mr. Uchytel said in this issue everyone is cautious to step forward because once you touch it you own it. That is why the non-profit taking the lead has fit in well to organize efforts to secure the vessel. He said he has committed harbor staff to setting the second anchor. There will be another meeting Friday afternoon with DIPAC and Cruise Line

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Agencies of Alaska, who has the Skookum Yarder, which is the little tug used for handling garbage and logistics for the cruise ships. Drew Green, Dave Borg, myself, and Eric Prestigard will meet at DIPAC to look at the anchor and gear and come up with a plan how it should be set with the least amount of risk possible. DNR did send out a letter of non-objection for a placement of a second anchor on the Lumberman for the purpose of preventing worsening of the situation.

Mr. Eiler asked to clarify if we engage in the installation of the second anchor are we assuming any liability if one or both anchors break? Are we covered with having City staff engage? With installing the anchor are we exposed at all?

Mr. Uchytel said if he asked a cautious lawyer they would probably say to not do anything at all and wait until it breaks free. However, he does not feel good about that. Someone could always come up with a reason not to do it.

Mr. Becker said we have already lost one anchor off this vessel. Does anyone installing the second anchor have experience with this?

Mr. Borg believes the safest thing to do is to run an anchor off the stern.

Mr. Becker asked with enough slack to be able to swing?

Mr. Borg said it is an anchor and is not 100% science.

Mr. Uchytel said the non-profit organization found the responsible party downtown and had him sign a document that said he did not object to coordinated efforts to place another anchor on his vessel.

Mr. Janes asked what business does Docks & Harbors have to put another anchor on a boat that is not ours if there is potential liability? Is the boat better off with doing nothing?

Mr. McCasland asked what is the problem with letting it swing like it is currently?

Mr. Uchytel said with the high tides and winds over the winter, one anchor may not be sufficient to hold it in place. The idea is to place a second anchor. There is a potential hazard and we have to do something.

Public Comment - None

Committee Discussion/Action

Mr. Etheridge said it is important to do something to protect ourselves from damage that could harm our facilities or boats moored at our facilities. He does not see any harm in assisting with putting another anchor onto it, especially with the owner signing off with agreeing to put another anchor onto it. This will help with the liabilities on it. It is important to keep it as secure as possible.

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Mr. Wostmann said he agrees that Docks & Harbors should try to do something rather than ignore the problem. With his experience with anchors, he believes the stern anchor is the better choice.

Mr. Becker said he is not opposed to setting another anchor.

Mr. Ridgway suggested to check with the Coast Guard for methods of securing a second anchor on this vessel.

Mr. Uchytel said the Coast Guard has publically stated that the area north of the bridge is not a navigable waterway and that is how they are saying this vessel is not their responsibility. With it not a federal channel, they don't need to deal with this derelect vessel.

Mr. Ridgway said he encourages staff to move forward with the cognition that there is potential liability involved and it may have some technical issues.

**MOTION: None**

**2. Archipelago Property Update**

Mr. Uchytel said last night at the Planning Commission meeting they approved four items necessary for the Archipelago property to move forward on the public portion. Next Monday is the Committee of the Whole (COW) meeting with the Assembly at 6:00 pm. On page 11 in the packet is a paper with cost justification. The Purchase and Sales Agreement (PSA) still remains with CBJ Law and Morris Communication. He is told it is getting closer to being resolved. He said Mr. Gillette and himself met with the City Manager, City Attorney and City Finance Director last Thursday and they are encouraged to put together a cost justification for the Archipelago project from the public side. An issue that has come up is the cost of the retaining wall and if it is a good deal for the City. It will be reflected in the appraisal Horan & Company will do once the PSA is approved by CBJ Law. He believes he can prove the retaining wall benefits the City more than the private developer.

Mr. Gillette went over his presentation. The new cruise berths that were built allows for Juneau to accept larger ships. More people are arriving and the projection for 2019 is 1.3M which is 12% more from last year. From April 2017 to February 2018 we went through a planning exercise from Marine Park to Taku Dock. The purpose of that plan was to accommodate the new passengers that are arriving in our community. The concept plan will go from Marine Park to Taku Dock but it became clear that the goals we were trying to meet required open space, more bus staging and covered shelter area for people to wait for their busses. These were some of the top items supported by the community and the only area left to do this was on the Archipelago empty lot, so the plan quickly focused toward that lot. The lot has been for sale for about eight years and after a few months into the process, the owners of the lot decided to develop the property. They will develop an area on the map upwards of a red line and that is the property line that has been agreed upon with Docks & Harbors. The area below the red line, water side, will be our portion to develop. The staging area Docks & Harbors will develop will hold 12 each

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25 passenger small vans, and there will be a covered shelter area with restrooms. We also have an open space with landscape features with benches and trees. Those features will be located so it can be a flexible space for large groups or smaller group settings. The current ownership is Lots 1 and 2 are owned by Archipelago and Lots 3 and 4 are owned by CBJ. To get to the property line discussed earlier, CBJ will purchase some uplands and tidelands and Morris Communications will purchase some of CBJ uplands in the middle of the lot. The total project budget is \$23.5M. We have discussed doing this project in phases. Because of budget and timing, but mostly timing, it would be in our best interest to phase the project. The plan now is to build the staging area with the pilings, the retaining wall, the deck space for the staging area and when we are finished with this portion of the project we have agreed to allow the Morris group to use some of that space for laydown for when they work on their project. As they begin building their two buildings, they will need less area for staging of their construction supplies and we would be able to come back in and start construction of our building and the canopy in the parking lot area. The schedule works nicely with both projects and we should both be finished about the same time which would be the spring of 2021. Mr. Gillette went over the design drawings. The building will have restrooms, a big staging room area, and rolling doors or folding doors to provide a big open feeling. There will be a lot of glass and open space. As we went through the public process for this project, this building design is what we heard the public wanted.

Mr. Uchytel said this was on the consent agenda at the Planning Committee last night and it was pulled for questions and public hearing. One of the Commissioners questioned if we are building the downtown waterfront for the cruise ships only or for the community. Mr. Uchytel said the best answer he can give is that we will open and use all the facilities to the maximum extent possible consistent with the judge's ruling on the CLIA lawsuit. There are concerns with using all passenger fees to procure facilities that are used by locals and whether we need to have a local non-cruise passenger fee as part of the funding package. On page 13 in the packet is the availabilities of monies for this project to move forward. City staff has a plan to fund this project.

Committee Questions

Mr. Ridgway asked to go back over the funding package. He wanted to know if the issue is on local usage of the facilities if they were paid in part by Marine Passenger Fees.

Mr. Uchytel said no one knows what the ruling on the CLIA lawsuit will be. The Plaintiff in the lawsuit believes anything paid with Marine Passenger Fees is for the exclusive use of the Cruise Industry. We feel the Urban Design Plan was a blue print for the community wants and that is how we are proceeding until there is a ruling that says otherwise.

Mr. Ridgway asked if the open space being presented now is what was presented in the designing efforts that the public voted on. He remembers hearing a lot about green space and no so much of a deck over.

Mr. Gillette said there was also an element to have a waterfront attraction, something to attract people in the off season to create more vitality for downtown. This wasn't totally

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designed so we wanted to remain flexible. We also heard about concerts in the park and plays and again this was also flexible. The one problem with green space by Marine Park when it is wet it is not very useable. We feel this open space building is more useable but then it is also flexible. We wanted to leave options open for future.

Mr. Ridgway asked if, depending on the outcome of the CLIA lawsuit, the local Juneau community may not be able to use this in the off season?

Mr. Uchytel said he does not see that being possible and our intentions are to look at this as a community use space to be used in the winter months also.

Mr. McCasland asked if there is concern of the homeless people hanging out in this open space area?

Mr. Gillette said the building will be able to be secured.

Mr. McCasland asked about the fire pit areas?

Mr. Gillette said yes that can happen with those type of facilities but it is dealt with everywhere and not a reason not to do this.

Mr. Uchytel said a question that has been asked is why Docks & Harbors should participate at all and why is it a good deal for public funding? Is this too good of a deal for Archipelago? Horan & Company is going to determine the cost of submerged, sloped and uplands value which is a fixed commodity. The question from the City Manager's staff is why the property line is located where it is and is this too good of a deal for the private developer. The property line follows the 15' contour which we believe is a good location because we don't end up buying more expensive uplands, deck over uplands and follow the retaining wall. It provides good value to Docks & Harbors, and also provides sufficient uplands for the private developer to build. Mr. Uchytel talked about other options and outcomes with the other options but staff believes the presented property line will be the most beneficial for Docks & Harbors.

Mr. Ridgway asked if contractors were hired to determine the cost differences for the other options?

Mr. Uchytel said the question from the City Manager was why should Docks & Harbors build the retaining wall and what is the cost justification to do so? That is why I reached out to a contractor and staff to come up with reasons that we believe it is in the public good to proceed with Docks & Harbors funding the retaining wall and the property line location.

Mr. Janes asked if the egress and ingress investigation onto South Franklin control has been looked into. Who was going to control it and who was going to pay for the control? Is there a plan on how this will operate on a busy day?

Mr. Gillette said we have met with DOT and they have agreed this is the preferred option. We changed the egress away from the building and changed the normal path flow into the lot which gives them the site distance they need. We have applied for the permit and they



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will review it and come back with any other conditions they feel need to be addressed. In terms of protecting the public, they have indicated in some of their meetings they may want to require a guarded crosswalk at that location if the site distance is minimal. Initially, DOT does not see any big obstacles and our permit application is being reviewed by the rest of their staff.

Mr. Etheridge asked if there has been concern from industry to pay for this project with Marine Passenger Fees?

Mr. Uchytel said CLIA has not reached out to him on this project. CBJ Law believes this is a legally defensible project. Earlier this fall Mr. Uchytel said he gave a tour of our facilities to the CEO of Royal Caribbean and showed him the plans for this project and he thought this was a great idea.

Mr. Etheridge asked if Mr. Day & industry are supportive of this project?

Mr. Uchytel said that is a difficult question but he believes TBMP members/operators and passengers will benefit from this project.

**6:01 – 5 Minute Break**

**6:07 – Meeting called back to order**

Mr. Ridgway asked Mr. Uchytel what he needed from the Committee tonight.

Mr. Uchytel said he wants to make sure the Committee is informed of what staff is doing moving forward with this project. He said he goes to the Committee of the Whole next Monday. Assuming things go well with the Assembly, the plan is to introduce an Ordinance for the PSA, which CBJ Law is reviewing, on November 26<sup>th</sup>. The Finance Director is working on a funding package which will look something like page 13 of your packet. If this is passed up to this point, action for the Assembly will be on December 17<sup>th</sup>. We are trying to move appropriately and keep things on schedule. We intend to go out with a procurement later this month which will be approximately \$800,000 for the Government provided steel pilings and rebar for the retaining wall that will run concurrent with the Assembly action. This would mean the contractor can begin work as soon as the bid is awarded and staff believes there is relatively low risk. We will not open the bids and cancel the procurement if the Assembly comes back and says they do not want to proceed with this project.

**MOTION By MR. ETHERIDGE: TO REAFFIRM SUPPORT FOR THE DOWNTOWN WATERFRONT IMPROVEMENT PROJECT WITH FUNDING AND JUSTIFICATION AS PRESENTED AND ASK UNANIMOUS CONSENT.**

**Mr. Eiler objected because he believed the Chair skipped public comment.**

**Mr. Ridgway asked for public comment and there was none. He then asked for Committee Discussion/Action.**

Public Comment-None

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Committee Discussion/Action

Mr. Eiler said he supports keeping the momentum moving on this project but the details are log jamming hoping things will move forward when presented. We haven't really seen the new PSA with what Archipelago is willing to bring to the table and cost shares. When the earlier design efforts were taken to the Assembly previously, some of the members felt rushed by staff trying to move this forward without having some of their questions fully answered. He said he questions if it is wise having a leading procurement for rebar and pilings before bringing this project to the Assembly and a PSA that is coming in Ordinance. He has a concern with how we are trying to move this forward. There are starts and stops and it is tricky for construction scheduling in this area. He said he does have concerns as a Board member putting this forward and saying we support this when we haven't reviewed the PSA and the terms. He feels this is an incomplete process on the Board side for us to move forward or even start ordering pilings for this project. However, he is supportive of this partnership.

Mr. Ridgway said the motion is fairly generic and does not imply the Board has written, seen, or approved the PSA which in his understanding is currently at CBJ Law and they are doing significant changes. He asked the Board members if they think their role is? Is it to be supportive of the staff and their choices which are in the best interest of Docks & Harbors Mission and to have them look to limit liability and make sure to have fiduciary responsibility with the Board's faith in the staff with the bland statement to have staff continue the work? On the other hand, if the Board members believe this motion is specific that we understand the fiduciary responsibility and understand and approve the details of the PSA and fully support the project as is, those are two different things. He said he is not sure the Board will even see the PSA before it is finalized.

Mr. Uchytel said he has a copy of the latest version of the PSA. However, the Assembly has tasked the City Manager with the negotiations on the PSA. He said Mr. Watt will defer as much as possible to Docks & Harbors staff and Board but the Assembly has charged Mr. Watt with the PSA details.

Mr. Ridgway said he has worked with staff and this motion is basically stating that this is a valid project. The Committee is not saying this is a good deal or bad deal and the Assembly has left that up to the City Manager. The support is for the process and not details of the deal.

Mr. Etheridge said the Committee is just providing the support for Staff to go to the Assembly and let them know the Board still supports this project. The cost of this project is so high, the Board does not have authorization to approve funding so that approval will be at the Assembly level anyway. He said everything has to be lined up so when staff does go to the Assembly and it is approved we can move forward right then. We need to be one step ahead of the Assembly to move quickly and have the Board backing.

Mr. Wostmann said he agrees. This motion is an opportunity for the Board to say to staff we like what we see at this point and support moving this forward as expeditiously as possible. He suggested a small change to the motion; The Committee acknowledges

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there are still remaining issues to be resolved but at this point in time we believe the project is one that we can support and support staff with moving forward.

Mr. Ridgway said all of these motions are to support staff and the decisions they are making.

Mr. Uchytel said Mr. Horan can't do the appraisal on the property until the PSA is completed. They are working on it now, but the remaining details can't be put in place in the appraisal until the final PSA. The recognition that several details to this project are incomplete is true.

Mr. Eiler said he believes there can be a motion to move this forward and affirm the support for it. He suggested for staff to ask the City Manager and the Mayor if it is wise proposing to advance procurement materials.

Mr. Etheridge asked if he still has objection to the motion.

Mr. Eiler said if the amendment by Mr. Wostmann stands he will remove his objection.

Mr. Ridgway said the motion has already passed.

Mr. Eiler said he is good with the motion as is as long his comments are on record.

**MOTION By MR. ETHERIDGE: TO REAFFIRM SUPPORT FOR THE DOWNTOWN WATERFRONT IMPROVEMENT PROJECT WITH FUNDING AND JUSTIFICATION AS PRESENTED AND ASK UNANIMOUS CONSENT.**

**Motion Passed**

3. Approval of the 2020-2025 Capital Improvement Project (CIP)

Mr. Gillette said on page 14 and 15 in your packet is Docks & Harbors six-year plan for Capital Improvements. FY20 would go into the budget if approved. This shows the projects that we are seeking money for or have funding for and plan to do in the years shown.

Committee Questions

Mr. Eiler asked about the project listed to deck over the area in front of the People's Wharf. He wanted to know what that project was and the scope and scale.

Mr. Gillette said this was part of the Urban Design Plan. It is down by Tracy's Crab Shack and in front of the People's Wharf building. This is an open space area in the Seawalk that was identified as a potential restroom location. It was also identified as the location for the USS Juneau Memorial. This was supported in the plan but currently we do not have funding for it. Staff will apply for State Marine Passenger fees again in 2021. The other part of this would be to add a guard rail along the front of the Seawalk now that it is not considered an active dock.

Mr. Uchytel said every year at this time City Engineering asks every department to put together their five year CIP list. It doesn't mean the monies are available and priorities

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are as listed. This is a way for City Engineering to track and the Assembly will then approve the CIP list.

Mr. Gillette said FY20 would receive the first funding for projects and we have five out of the eight listed dependent upon grant funding. This is a project wish list and if we did receive the grants we would need to come up with matching funds and we have identified places that we could do that. For the last three projects listed on page 15 staff has applied for the Federal BUILD grant which was the former TIGER grant program. It is highly unlikely we would get all three but we are hopeful we will get one. If we do get the grant money we will then need to go through the process of appropriating the money, getting the Assembly to approve it and move forward with the project. If we don't get any grant funding they will move to another year to apply again. There has been one on the list for three years and we have not received any funding. We just keep applying until we do get funding and then we move forward.

Mr. Ridgway asked if everything lined up and Docks & Harbors received all the grants, how would Harbor staff deal with a major influx of project funds? Would you need to plus up staff or are these primarily design builds.

Mr. Gillette said if we did receive all five of the grants that we applied for we would be very busy and would probably have to staff up to accommodate. If we got the money we would figure out how to move forward with the projects.

Mr. Uchytel said we are still hopeful to secure the permits for the dredging, blasting, and wall for the float installation project at Statter Harbor IIIB this year so we can start the project next year. Law has determined we will need a 15% local match with the Marine Passenger fees. For the local match we are going to try to use the value of the property as property in lieu of local match. We are trying to be creative when trying to finance these projects as required.

Public Comment- None

Committee Discussion/Action

Mr. Eiler commented the future planning for the decking over of the area by People's Wharf should be revisited. He supports the deck over and development but he is not sure that area is the best use to put restrooms. He said if Docks & Harbors does get lucky and receives all the grant funding applied for he would like the deck over area revisited.

Mr. Ridgway agreed with Mr. Eiler. He said in the future he would like more time to review the list so he can familiarize himself with the projects better before making a decision.

**MOTION BY Mr. ETHERIDGE: TO APPROVE THE DOCKS & HARBORS 2020-2025 CAPITAL IMPROVEMENT PROJECT (CIP) LIST AND ASK UNANIMOUS CONSENT.**

**Motion Passed with no objection**

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4. Docks: Enhanced Security Facilities

Mr. Uchytel said last December for the FY19 Marine Passenger Fee request we made a request for \$170,000 for biometric Transportation Workers Identification Credential (TWIC) readers. They make a lot of sense for busier ports, but it does not make sense to have it here where it would be used on known locals. We sent letters stating that this is not needed here and we didn't know the outcome of our letters until September when the Coast Guard said they are not going to implement the readers and they put it on the indefinite list. The money that was going to be used for the TWIC card readers, staff is asking to be reprogrammed and used on security booths for the two publically owned floats. With the new security facility plan approved by the Coast Guard, we now check every passenger that comes back to their ship. What we have currently is inefficient and we want a better walk through security check point. He said he asked the City Manager and he is good with the change if the Board approves. It will go to the Assembly for final approval.

Committee Questions

Mr. Ridgway asked if there was going to be some point in time when we would absolutely need to have the TWIC reader?

Mr. Uchytel said it is unlikely.

Public Comment-None

Committee Discussion/Action

Mr. Wostmann said he is in favor of this motion.

**MOTION By MR. ETHERIDGE: TO RECOMMEND THE TRANSFER OF \$170K OF FY19 MARINE PASSENGER FEES IN THE DOCKS ENTERPRISE OPERATING BUDGET TO A NEW CIP PROJECT FOR ENHANCED SECURITY FACILITIES AND ASK UNANIMOUS CONSENT.**

**Motion passed with no objection**

**Mr. Eiler left the meeting at 6:45pm.**

**IX. Items for Information/Discussion**

1. Annual Report to the Assembly

Mr. Uchytel said Docks & Harbors is required per Title 85 to present the state of the Harbors to the Assembly annually. He said he drafted the report and it is on page 17 in the packet. This basically talks about the number of people Docks & Harbors served, projects that we have been working on, and projects we intend to do. The fee schedule will also be included.

Committee Discussion/Public Comment

Mr. Ridgway asked if there would be any benefit in letting the Assembly know the value of the assets as well that are managed by Docks & Harbors.

Mr. Uchytel was unsure.

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2. Small Cruise Ship Infrastructure Master Plan – Request for Proposal

Mr. Uchytel said this is an RFP for the \$150,000 in Marine Passenger Fees from the City Manager that is basically a study to see where we can invest in facilities to support small cruise ships. The study extends from Auke Bay to Downtown to pin point locations to accommodate the small cruise ship niche.

Committee Discussion/Public Comment

Mr. Ridgway asked about the schedule?

Mr. Uchytel said the procurement schedule is in the packet. We also encourage Board member to participate in the RFP selection process. If any members would like to participate to let staff know.

Mr. Ridgway asked if the Board members would have the opportunity to see the draft master plan.

Mr. Uchytel said yes.

Mr. Wostmann asked if there is a process to select the RFP review committee?

Mr. Uchytel said there is no process for that. He usually has himself, the Port Engineer, the Deputy Port Engineer, the Harbormaster, and any Board member who would like to participate.

Mr. Ridgway said he would like to be on the RFP review committee.

3. Safety & Security of Harbor Facilities

Mr. Uchytel said on page 37 in the packet is a letter from Mr. Wendel raising security concerns at Amalga Harbor which he said he also forwarded to all the Board members. He was using Amalga Harbor and overnighted while deer hunting and came back to find his window broken and the glove box rifled through. He is basically saying Harbor patrons pay money for a launch ramp and they deserve to have a safe, secure facility. He is proposing that Docks & Harbors needs to put cameras and lights at Amalga Harbor. Mr. Uchytel said he did reply to his email and stated that security is important to us and staff does take it seriously but there are challenges in bringing power and cameras to Amalga Harbor and Echo Cove. Patrons do pay \$90 for a launch permit but Juneau is unique in that we have launch ramps that are 50 miles apart and there are high expectations that all facilities are useable and snow removed. Docks & Harbors collected approximately \$155,000 in launch ramp fees in 2017. Now that we have our asset management system, it shows we spent \$110,000 just in moving snow in 2017. Like everything, we need to prioritize our resources and we want safe, secure facilities without a doubt but we have to provide reasonable responses to questions like this.

Committee Discussion/Public Comment

Mr. Ridgway asked if he heard back from Mr. Wendel after Mr. Uchytel responded.

Mr. Uchytel said no. He heard Mr. Wendel posted his letter on facebook but not Mr. Uchytel's response.

**CBJ DOCKS & HARBORS BOARD**  
**OPERATIONS/PLANNING COMMITTEE MEETING MINUTES**  
**For Wednesday, November 14<sup>th</sup>, 2018**

Mr. Wostmann said he was the Board member who asked Mr. Uchtyil to bring this to the Committee for discussion. He said there is power at Amalga so he is curious what it would take to have cameras installed?

Mr. Borg said there is one light bulb.

Mr. Wostmann asked if it was not practical to put a security camera on a pole?

Mr. Borg said we could do that but we can't get a signal to us because there is no cell coverage.

Mr. Ridgway said he encourages staff to projectize looking into any inventive way of leveraging someone else to monitor remote cameras or have remote site monitoring.

Mr. Etheridge said before getting too deeply into this we need to bring this before the Assembly again. Staff did a lot of review on this years ago and provided different price ranges and camera options for the different Harbors and the Assembly said no way.

Mr. Ridgway said that is why he wanted it projectized and put \$75,000 on it for review. This would be at least a proactive response to an individual that just had to pay \$600 to replace his window and it would be passed by the Assembly.

**4. North Douglas Launch Ramp Improvement Concept**

Mr. Uchtyil said in the CIP list staff put \$5M in for improvements at North Douglas. In the past the Board has been requested to do some work at North Douglas but has not been on the top of the list. The change now is the amount of waste rock Kensington is producing. He met with the General Manager of Kensington on numerous accounts. They have a need to get rid of rock and we have a potential to build something at North Douglas. One of the issues is it is a big fill. We need 165,000 cubic yards and the ramp needs 55,000 cubic yards of fill. To put this in context it is larger than the fill needed at Statter Harbor which is 110,000 cubic yards. If we can work out a deal with Kensington, we do know the Municipal Harbor Grant Program does cover launch ramps but only launch ramps. We could possibly get a 50/50 match for the launch ramp area but not for the parking lot. He could contact State of Alaska Fish & Game to see if there is any grant money available for this project. He said staff looked at this and have said lighting will be necessary for the launch ramp area. If we did want to move forward with this we would need to get more property from DNR.

**Committee Discussion/Public Comment**

Mr. Ridgway asked if anyone looked at relocating the ramp?

Mr. Uchtyil said they did not.

Mr. Ridgway asked if staff could add to PND's scope of work to do 10 hours of work looking at options for relocation.

Mr. Uchtyil said looking at a different location could probably be added to the Small Cruise Ship Study.

**CBJ DOCKS & HARBORS BOARD**  
**OPERATIONS/PLANNING COMMITTEE MEETING MINUTES**  
**For Wednesday, November 14<sup>th</sup>, 2018**

Mr. McCasland asked if lights have to be put at the launch ramp?

Mr. Borg said he hears that is needed often.

Mr. McCasland asked with the new design if the float would be left in year-round?

Mr. Borg said that is what we want to do.

Mr. McCasland recommends to not have lights at North Douglas.

Mr. Ridgway asked if the potential funding for this was a BUILD Grant?

Mr. Uchtyl said no, we can get a 50/50 match up to \$5M and if Fish & Game supports it, that could be used as the match. At some point we may need to ask the Assembly to approve a Revenue Bond or Geo Bond for a lot of these projects we want to get completed.

Mr. Ridgway asked what is our level of responsibility to look at broader potential impacts? Do we have to analyze additional traffic on the highway, potential light pollution, or broader planning efforts?

Mr. Uchtyl said we don't have to do a National Environmental Policy Act (NEPA). Because there is already a facility existing, they will be more willing to accept the changes.

Mr. Becker said there is a process currently going on trying to get a second channel crossing that this may be able to be lumped in with.

**X. Staff & Member Reports-**

Mr. Uchtyl said Docks & Harbors Christmas Party is at DIPAC this year.

Mr. Wostmann asked if the project with the individual that wanted to put Kayaks at Statter Harbor for winter use moved forward?

Mr. Borg said we have been engaged with Ms. Hart.

Mr. Wostmann asked if this was able to happen?

Mr. Borg said yes, we are waiting on information from her at this time.

**XI. Committee Administrative Matters**

1. Next Operations/Planning Committee Meeting- **Wednesday, December 12<sup>th</sup>, 2018.**

**XII. Adjournment- The meeting was adjourned at 7:10pm.**





City and Borough of Juneau  
City & Borough Manager's Office  
155 South Seward Street  
Juneau, Alaska 99801  
Telephone: 586-5240 | Facsimile: 586-5385

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DATE: December 7, 2018

TO: Deputy Mayor Maria Gladziszewski  
CBJ Assembly

FROM: Rorie Watt  
City Manager

RE: Waterfront Infill Development (Archipelago Area)

Attached is the appraisal for the draft purchase and sale agreement with Archipelago Properties, LLC. In accordance with my last update to the Assembly, we have instructed the appraiser to value the component portions of the proposed agreement. The appraiser found that if the parties agreed that in his assessment CBJ should pay \$764,975.

Subsequently there has been a slight adjustment of the property lines to allow for property turning radius for the design vehicles that would enter the passenger vehicle staging area.

Adjusting the values based on the appraised values and only adjusting the square footage acquired, this would change the value of the money from CBJ to Morris to increase from \$764,975 to \$922,175.

Provided that the Assembly chooses to proceed with the PSA and the project, I believe that paying \$922,175 is an appropriate use of public funds.

**Recommendation:**

Agree to the introduction of an Ordinance authorizing a purchase and sale agreement.

November 6, 2018

Carl Uchytel  
CBJ - Docks and Harbors  
155 S. Seward Street  
Juneau, AK 99801

**Subject: Yankee Cove Development, LLC Tideland Lease**

Dear Mr. Carl:

We look forward to working with CBJ – Docks and Harbors (CBJ) to sort out the details of our lease. We'd like to recap what has occurred over the last year and what triggered this path of discovery.

Please refer to the following timeline:

- May 17, 2017 – Coeur notification of legal discrepancies (incorrect ATS number and owner name) in our lease with CBJ.
- June 25, 2017 – CBJ hires Horan and Company to do new appraisal with incorrect parcel areas and correct ATS number.
- June 26, 2017 – Notification letter of Lease Correction and Rent review.
- October 12, 2017 – New appraisal complete with incorrect parcel areas and correct ATS number.
- Date unknown - Amendment #1 – with correct parcel areas and ATS number provided for signature.

The original lease contract is in order except for the incorrect ATS number, and the owner name. These items can be corrected via a simple amendment. It is unclear why a full appraisal for new areas within the corrected ATS was warranted.

Our contract states that every 5 years the "Lessee shall pay all appraisal costs associated with re-evaluating and adjusting the annual lease payments." The Scope of Work provided to Horan by CBJ has a significant error and cannot be used to assess the value or our documented lease. The "Project Issues" section of the Scope of Work states:

*"In the lease, the ATS number is 1347 with parcel A consisting of 0.59 acres (25,912 sq ft) and parcel B consisting of 0.25 acres (10,874 sq ft). The new ATS number is 1677 with parcel A consisting of 2.77 acres and parcel B consisting of 0.84 acres."*

The areas of parcel A and B within ATS 1677 should be the same as they were within ATS 1347. These areas, 0.59 acres and 0.25 acres, were negotiated to establish our original contract with CBJ in 2008 and are documented within the recorded CBJ Ordinance Lease.

Yankee Cove Development (YCD) paid for this recent appraisal because our contract says we are responsible to "... pay all appraisal costs associated with re-evaluating and making adjustments to the annual lease payments." Yet the appraisal was requested by CBJ with a Scope of Work written by CBJ that requested new areas be evaluated that are not part of the documented lease area. The level of effort required to fulfill the Scope of Work as written by

Mr Uchytel  
CBJ – Docks and Harbors  
November 6, 2018  
Page 2 of 2

CBJ compared to what should have been done, that is, “re-evaluate and make adjustments” per the contract is not the same and the latter would have cost much less. YCD requests a full refund for the amount paid to Horan & Company so YCD can have a proper “re-evaluation” completed.

Thank you for your consideration in this matter.

Sincerely,  
Yankee Cove Development, LLC



Marion Hobbs  
Member  
YCD LEASE.doc

**APPRAISAL REPORT OF  
ANNUAL MARKET RENT FOR TIDELANDS  
YANKEE COVE DEVELOPMENT COMPANY  
0.844 ACRES WITHIN ATS 1677  
JUNEAU, ALASKA**



**Photo 071317\_0875 taken July 13, 2017 by C. Horan**

**PREPARED FOR:** Carl Uchytel, PE, Port Director  
Teena Larson, Project Manager  
City and Borough of Juneau, Docks and Harbors  
155 S. Seward Street  
Juneau, Alaska 99801

**PREPARED BY:** Charles E. Horan, MAI  
Horan & Company, LLC  
403 Lincoln Street, Suite 210  
Sitka, AK 99835

**EFFECTIVE DATE:** July 13, 2017

**REPORT DATE:** September 28, 2017

**OUR FILE #:** 17-092

# HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN, MAI / WILLIAM G. FERGUSON,  
JOSHUA C. HORAN, AND SLATER FERGUSON

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835

PHONE NUMBER: (907)747-6666 FAX NUMBER (907)747-7417 commercial@horanappraisals.com

September 28, 2017

Carl Uchytel, PE, Port Director  
Attention: Teena Larson, Project Manager  
City and Borough of Juneau, Docks and Harbors  
155 S. Seward Street  
Juneau, Alaska 99801

Sent via Email: [carl.uchytel@juneau.org](mailto:carl.uchytel@juneau.org)  
[teena.larson@juneau.org](mailto:teena.larson@juneau.org)

Re: Appraisal Report of Annual Market Rent for Tidelands, Yankee Cove Development Company, .844 Acres Within ATS 1677, Juneau, Alaska; Our File # 17-092

Dear Mr. Uchytel,

At your request, I have developed an appraisal of the estimated market rent for the tidelands referenced above. I contacted and interviewed the lessee, inspected the property and made a market analysis of the tidelands and waterfront real estate market to determine the market rent for the subject.

Based on my investigation and analysis as of the effective date, July 13, 2017, it is my opinion the annual market rent for the tidelands lease is as follows:

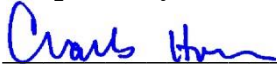
**36,786 SF at 12¢/SF= \$4,414.32/ year rent**

This appraisal is completed under the hypothetical condition that the subject is undeveloped tidelands and includes no value attributable to the improvements made by the lessee.

Your attention is invited to the remainder of this report which sets forth the Assumptions and Limiting Conditions, Certification of Appraisal, and the most pertinent data considered in estimating the market rent value of the subject property. This appraisal report is intended to comply with the rules and regulations as set forth by the Uniform Standards of Professional Appraisal Practice (USPAP), the City & Borough of Juneau appraisal instructions and the Standards and Bylaws of the Appraisal Institute.

Thank you for this opportunity to be of service to you. If you have any questions or comments, please feel free to contact me at your convenience.

Respectfully Submitted,



---

Charles E. Horan, MAI AA41

HORAN & COMPANY, LLC

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### **Addenda**

- Subject Photographs
- Comparable Sales Write-ups
- Tidelands Lease Rents – Ratios and Percentages
- Map of ATS 1677
- Copy of current tidelands lease
- Appraiser Qualifications

---

## CERTIFICATION OF APPRAISAL

---

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I have not performed any services regarding the subject property, as an appraiser or in any other capacity, within the three year period immediately preceding acceptance of this assignment.
- As of the date of this report, Charles Horan has completed the continuing education program for Designated Members of the Appraisal Institute.



Charles E. Horan, MAI, APRG 41  
HORAN AND COMPANY, LLC

Effective date July 13, 2017

Report date September 28, 2017



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# 1 INTRODUCTION

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**FIGURE 1.1 - SUBJECT LEASE PARCELS ARE WITHIN THE TIDELAND TRACTS A & B. NOTE: SUPPORTING 9 ACRE UPLAND TRACT TO THE NORTH.**

## **1.1 PROPERTY IDENTIFICATION**

Two companion tideland tracts within ATS 1677 are the subject of this report. They are identified as the Yankee Cove dock (in Tract A) and breakwater (in Tract B) leased from the City and Borough of Juneau. The Yankee Cove dock has been developed on the leased lands which are appraised for the annual market rent as if undeveloped. The property is located adjacent to Favorite Channel, approximately 34.5 miles north of Juneau, Alaska.

The tidelands are adjacent to accreted lands seaward of USS 571 and ASLS 96-37. See figure 1.1 for a visual reference of the subject's location.

**Legal Description:** The subject lease area is within Alaska Tidelands Survey 1677, Juneau Recording District, First Judicial District. See the lease document for the actual lease tract areas.

**Assessor's Parcel #:** 3B4401000052

## 1.2 PROPERTY RIGHTS APPRAISED

The market rent estimate is for the subject in fee simple interest and property rights less mineral rights, in its pre-lease unimproved condition.

## 1.3 CLIENT, OSTENSIBLE OWNER & LESSEE

**Client and Ostensible Owner:** City and Borough of Juneau, Docks and Harbors.

**Lessee:** Marion Hobbs, Yankee Cove Development LLC

## 1.4 THREE-YEAR PROPERTY HISTORY

The subject tidelands have been leased by the current lessee since 2004. The property was leased to Coeur Alaska, a mining company, in 2007 for \$10,000 per month net lease with a property tax split between lessee and lessor. Their rent is adjusted annually by the Anchorage CPI. In addition Coeur paid approximately \$225,000 for the floating dock, ramp and steel piling. Hobbs did the site work including rip rap rock wall and breakwater.

A complete copy of the lease is contained in the addenda.

## 1.5 LESSEE CONTACT, INSPECTION AND EFFECTIVE DATE

Mr. Marion Hobbs, the owner's representative, met Charles Horan, MAI on the site for a walk around inspection July 13, 2017. This is the effective date of the appraisal.

## 1.6 PURPOSE, INTENDED USE AND USER

**Purpose:** The purpose of this appraisal is to estimate the annual market rent for the subject in its prelease unimproved condition.

**Intended Use:** This valuation is to be used to help establish market rent per the rental adjustment provisions of the lease.

**Intended Users:** City and Borough of Juneau, as Lessor, and Marion Hobbs Yankee Cove Development LLC Incorporated, as Lessee.

## 1.7 APPRAISAL METHODOLOGY

The most direct way to value the subject's lease rent is on a rent per square foot comparison basis. We considered a wide variety of market information displayed in Section 2 of this report. In the subject instance we will use the three comps. Due to the limitation of sales, this analysis has been facilitated by developing a market relationship between tideland rents as a percentage of the estimated fee value. We have used a rate of 8% to calculate fee values from

rental indicators in our broader analysis. Also, the nominal unit value of tidelands as developed through the ratio between unit values of related uplands to the tidelands was considered as background. These rates and ratios are discussed specifically in Section 2 of this report and are further analyzed and explained in the “Tidelands Lease Rents-Ratios and Percentages” section of the addenda.

We identified comparable information through interviews with knowledgeable participants in the real estate markets such as local appraisers, other lessors and lessees, discussions with municipal property assessment personnel, and others who are familiar with the real estate market in Southeast Alaska. A search was performed of similarly used properties in the communities throughout Southeast Alaska. Information was collected from reliable sources as available.

Our office maintains market data information on sales and transfers, and on a geographic location basis for those rural properties not connected to a road system. Within each of these areas, the data is further segmented into commercial and residential properties. Within these divisions of separation are divisions for zoning and whether the properties are waterfront or upland parcels. Horan & Company, LLC, maintains and continually updates this library of sale transactions throughout the Sitka and Southeast Alaska region and has done so for over 25 years.

### **1.8 SYNOPSIS OF LEASES**

The major points of the lease are summarized below. A copy of the lease is included in the addenda of this report. The lease began in July 2004 and was amended in September 2006 when the subject was surveyed, resulting in changes in the lease area.

*Legal Description/Leased Premises:* The leased premises parcel depicted on Exhibit “A” consists of 0.59 acres (25,912 SF) of tidelands property for the dock facility and related marine activities. The lease premises parcel depicted on Exhibit “B” consists of 0.25 acres (10,874 SF) of tidelands property for the breakwater and related marine activities. The lease parcels are within Alaska Tideland Survey 1677.

|                                 |  |
|---------------------------------|--|
| <i>Lessor/Ostensible Owner:</i> | City and Borough of Juneau, Alaska.  |
| <i>Lessee:</i>                  | Marion Hobbs, Member. Yankee Cove Development, LLC.  |
| <i>Term of Lease:</i>           | 35 years   |
| <i>Annual Lease Payment:</i>    | The original lease payments in February, 2007 were \$1,295.60 (\$0.05/SF) for Exhibit “A” and \$543.70 (\$0.05/SF) tax for Exhibit “B”. Total annual lease \$1,839.30 (\$0.05/SF). |

|  |   |
|--|---|
| <i>Lease Dates:</i>                          | Began February 27, 2008, expires February 26, 2043. There is an option to extend for an additional 35 years with the city approval.                                     |
| <i>Rental Adjustment Period:</i>             | Every five years. It appears as though the 2013 rental adjustment was not made.   |
| <i>Use:</i>                                  | Construction, operation, and maintenance of a dock, a breakwater, and related marine activities.  |
| <i>Property Rights Included:</i>             | Normal rights conveyed by lease.  |
| <i>Property Rights Excluded:</i>             | No mineral rights are conveyed by lease.  |
| <i>Other Terms of Lease:</i>                 | Typical full net lease indemnifying lessee.   |
| <i>Easements:</i>                            | None known other than the 50 foot access easement seaward of the mean high water line as noted on ATS 1677.   |
| <i>Removal or Reversion of Improvements:</i> | Retained by Lessee or its successor if all obligations of lease have been fulfilled. Specified removal at Lessor's option with no injury or damage to the lands demise. |
| <i>Improvements Included:</i>                | None. All improvements to be provided by lessee.  |
| <i>Size:</i>                                 | 36,786 SF or 0.844 AC.  |

## **1.9 ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal report and valuation contained herein are expressly subject to the following assumptions and/or conditions:

### **Hypothetical Conditions**

**HC 1** – This report is made under the hypothetical condition that the subject is in its unimproved prelease condition.

## **General Assumptions and Limiting Conditions**

1. It is assumed the data, maps and descriptive data furnished by the client or his representative are accurate and correct. Photos, sketches, maps, and drawings in this appraisal report are for visualizing the property only and are not to be relied upon for any other use. They may not be to scale.
2. The valuation is based on information and data from sources believed reliable, correct and accurately reported. No responsibility is assumed for false data provided by others.
3. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property.
4. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraisers' estimate of the highest and best use.
5. It is assumed the title to the property is marketable. No investigation to this fact has been made by the appraisers.
6. No responsibility is assumed for matters of law or legal interpretation.
7. It is assumed no conditions existed that were undiscoverable through normal diligent investigation which would affect the use and value of the property. No engineering report was made by or provided to the appraisers.
8. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
9. The value estimate is made subject to the purpose, date and definition of value.
10. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.
11. Any distribution of the valuation in the report between land, improvements, and personal property applies only under the existing program of utilization. The separate valuations for land, building, and chattel must not be used in conjunction with any other appraisal and is invalid if so used.
12. The signatory of this appraisal report is an associate member of the Appraisal Institute. The bylaws and regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety to such third parties as selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media

for public communication without the prior written consent of signatories of this appraisal report.

13. The appraisers shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.

## **1.10 TERMINOLOGY**

### **Market Rent**

The most probable rent that a property should bring in a competitive and open market.

### **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 state.

### **Hypothetical Condition**

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

*The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 97*

The use of hypothetical conditions or extraordinary assumptions may affect the assignment results.

### **Tidelands**

All areas which are at or below mean high tide and coastal wetlands, mudflats, and similar areas that are contiguous or adjacent to coastal waters and are an integral part of the estuarine systems involved. Coastal wetlands include marshes, mudflats, and shallows and means those areas periodically inundated by saline waters.

**Market Value** is defined as:

“The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restriction of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.”

*The Appraisal of Real Estate Appraisal Institute, 14th Edition, Page 447*

### **Exposure Time**

The exposure time is estimated at between one and two years. These properties do not often sell and would require some time for due diligence and the finding the right buyer. Market

exposure time is retrospective of the appraisal date and linked to the Opinion of Market Value. It considers the depths of supply, availability of funds for purchased, the depth of demand, and the functional utility of the property. It assumes that the property would be professionally marketed and would allow a reasonable period of time for due diligence.

*The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 123*

## 2 MARKET AREA ANALYSIS

### 2.1 JUNEAU AREA ANALYSIS

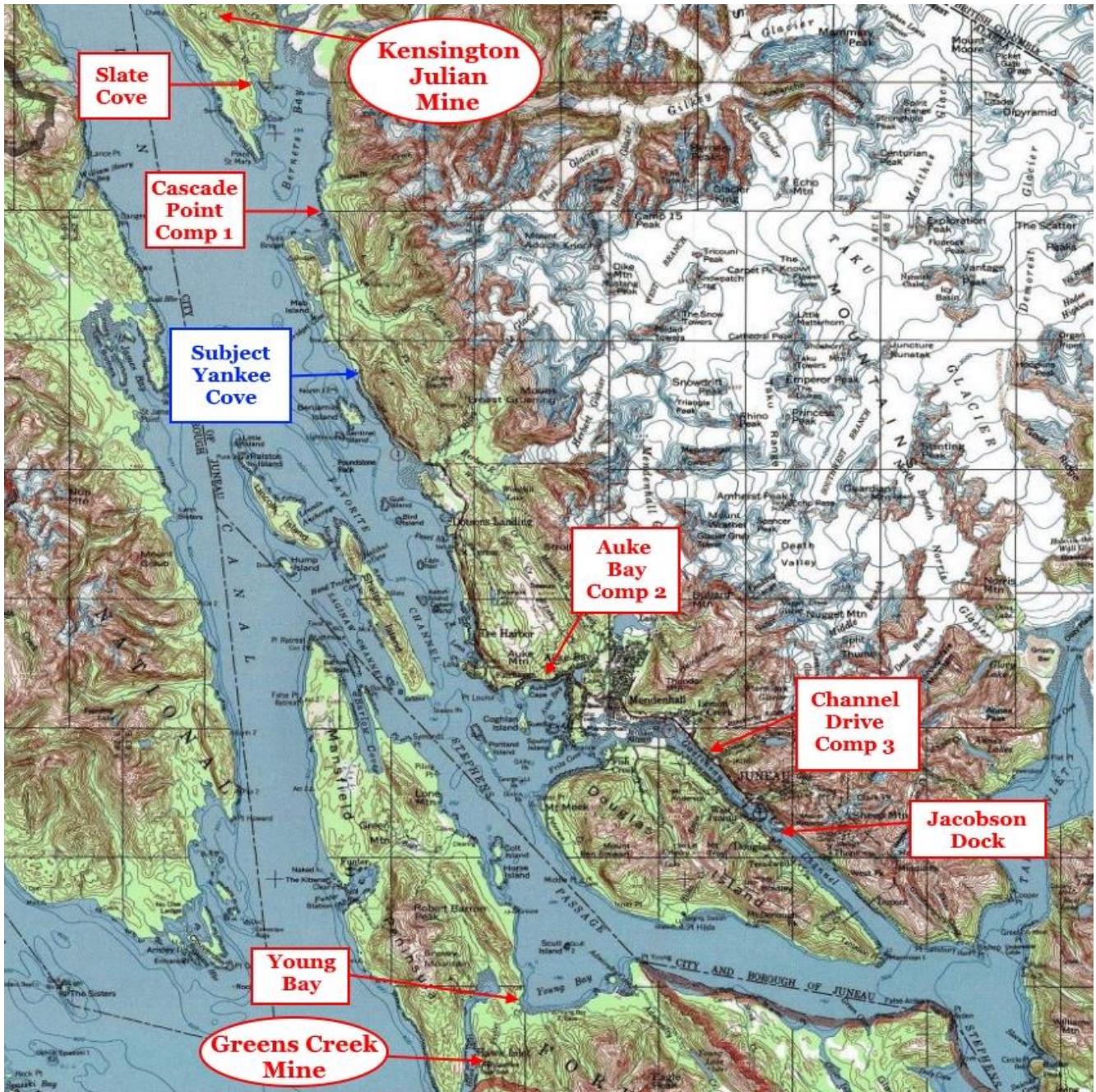


FIGURE 2.1 - MAP SHOWING SUBJECT, COMP LOCATIONS, AND TIDELAND LEASE SITES FOR INDUSTRIAL AND MINE TRANSPORTATION DOCK USES.



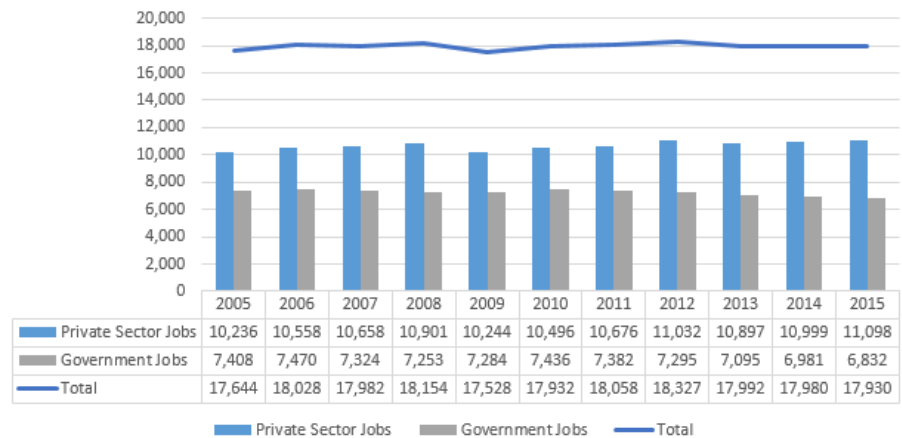
## Overall Market

The demand for property is driven by population, which is in large part driven by employment.

The Juneau economy is primarily driven by the government. 40% of all jobs and 50% of all wages in Juneau are Federal, State or Tribal Government. Being the state capitol, State of Alaska employment makes up about a quarter of this payroll.

Diversifying elements of Juneau’s economy include tourism, two nearby major gold mines (Greens Creek and Kensington), regional and local health care, and the seafood industry. The Juneau and Southeast Alaska Economic Indicators July 2016 released by the Juneau Economic Development Council (JEDC-2016), indicates a very slight contraction of combined government and private sector jobs of less than 1%.

Juneau Private and Government Sector Employment Trends, 2005-1015



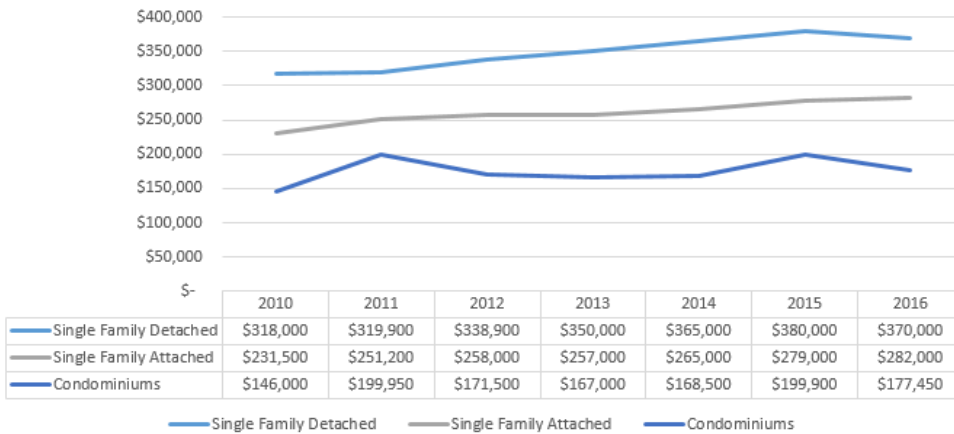
**FIGURE 2.2 – EMPLOYMENT TRENDS**  
**SOURCE: JEDC.ORG**

See Figure 2.2 extracted from JEDC reports. The federal civilian sector was most significantly impacted by the reduction, losing a total of 15 jobs, but saw no reduction in wages paid. Healthcare, construction, mining, and state government all saw reductions in the numbers of jobs, but actual small gains in payroll as part-time and lower paying jobs were reduced or consolidated. Job gains were concentrated in Juneau’s tourism sector and administrative service jobs. State government lost the most jobs, contracting by 4%. Local government made up for some of the loss with an additional 38 jobs in 2015. The employment outlook will have Juneau’s economy strongly impacted by the approach the legislature takes to solve the state’s budget deficit. With continued diminution of state and federal employment, the community may experience an out-migration that effects all aspects of the economy.

According to the JEDC, Juneau’s population leveled off in 2014 after six years of continuous growth from a low in 2007 of 30,350 to 33,030 in 2013 and 33,026 in 2014. This compounded annual growth of 0.5% is less than the state growth of 1.0%, but more than Southeast Alaska’s 0.2% compounded growth rate. JEDC states that the population and economy will be impacted by the legislature’s approach to solving the state’s budget deficit.

The JEDC Economic Indicators Report confirms that Juneau’s housing market has witnessed relatively stable growth. Home sales were up by 10% in 2015 over 2014, with increased sales in all residential types with the exception of single family detached. Prices have continued to

**Median Price of Single Family Homes and Condominiums in Juneau, 2010-2016**

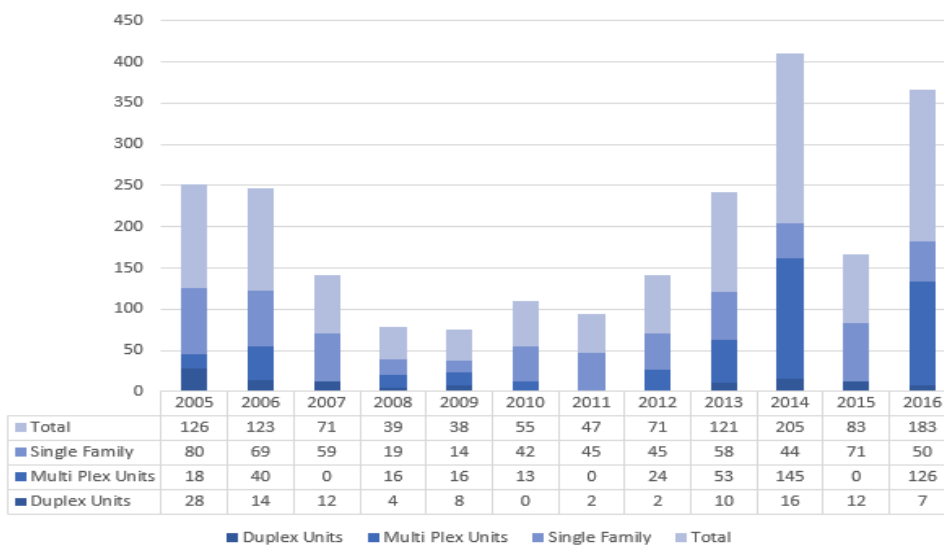


**FIGURE 2.3 – MEDIAN HOUSE PRICE TRENDS**  
**SOURCE: SOUTHEAST ALASKA MULTIPLE LISTING SERVICE**

increase, with single family homes gaining 5.5% in 2015 and rising to the date of the JEDC report in 2016. According to the report, there were 202 sales of single-family detached residences in 2015, compared to 209 in 2014 and 219 in 2013. The median price has remained relatively stable in recent years within 4%, between \$365,000 and \$380,000. These trends seem to indicate that Juneau has recovered from the volume and price lows of the mid 2000’s. Please see Figure 2.3.

Trends in new construction indicate a large number of multiplex units permitted. Permits for single family residential was up to 71 in 2015 from 44 in 2014 and 50 permits were issued for SFR’s in 2016. Please see Figure 2.4 extracted from JEDC’s data (<http://www.jedc.org/Housing-Indicators>).

**New Units Permitted to be Built in Juneau 2005-2016**



**FIGURE .2.4 – NEW CONSTRUCTION TRENDS**  
**SOURCE: CBJ BUILDING PERMIT OFFICE**

Given the above information, market conditions in Juneau may change depending on the state’s approach to budget deficits. The Juneau economy needs to continue to diversify. The outlook based on these trends appears to favor steady growth in Juneau’s residential real estate market for the near future; however commercial demands may diminish with employment. These are trends that impact the overall market closer to the Juneau core. The spinoff demand and impact to property nearly 40 miles out of Juneau in the subject neighborhood is relatively limited given the behavior in that market over the last several years. This is further described in the following section.

## NEIGHBORHOOD/SUBMARKET ANALYSIS

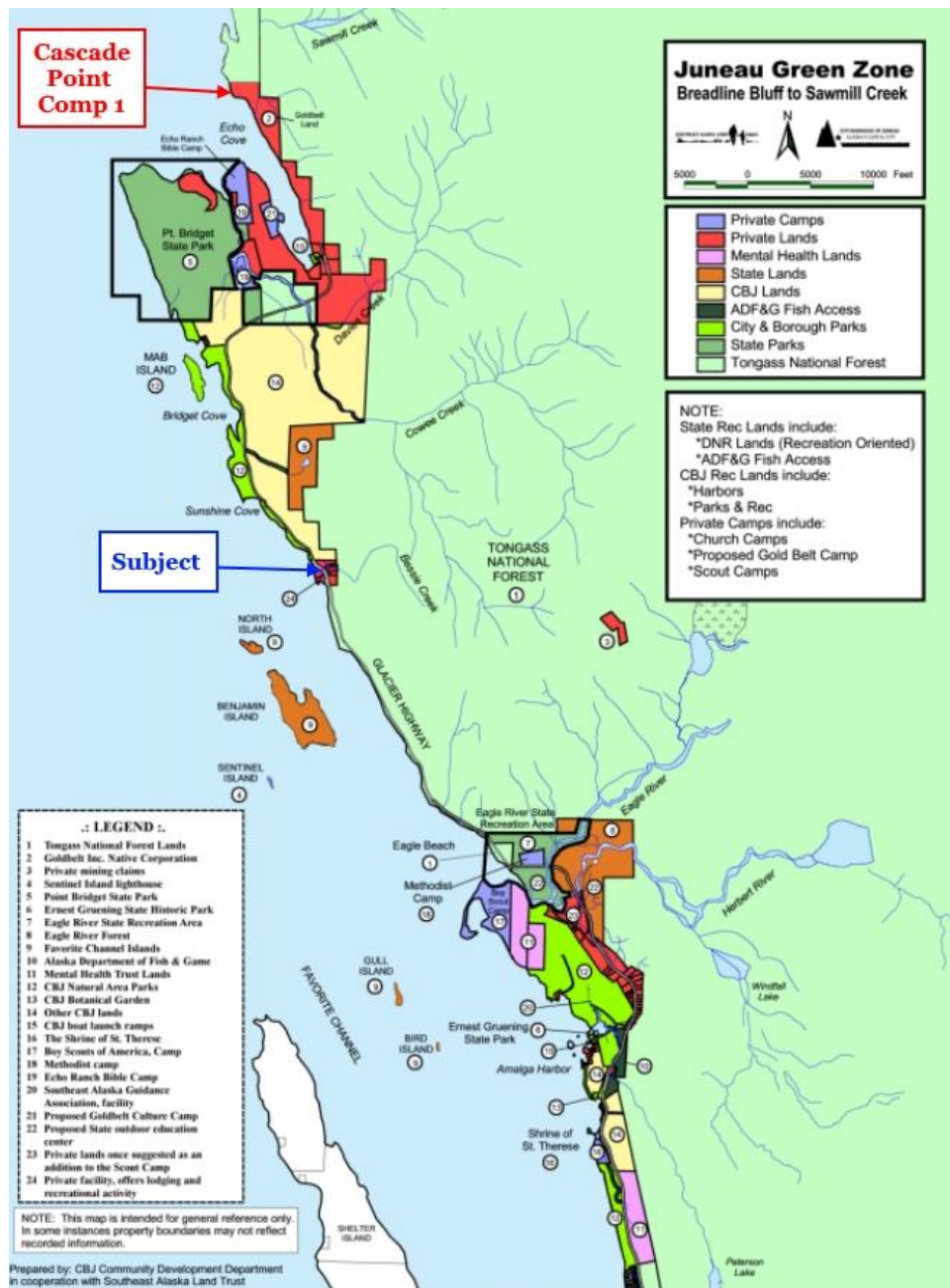


FIGURE 2.5 - NEIGHBORHOOD MAP SHOWING OWNERSHIP

The subject property is at Yankee Cove, adjacent to Favorite Channel. The tidelands lease services a medium draft vessel dock, which currently caters to transporting Kensington mine employees and materials to Slate Cove across Berners Bay, a distance of about 16 miles. The subject is located about 10 miles south of Echo Cove at the end of the paved road public system. The road continues about 3 miles north to Cascade Point. There is a tidelands lease at this location in anticipation of a shorter ferry run distance to Slate Cove.

The subject neighborhood is typical of many rural highway waterfront communities in Southeast Alaska. Glacier Highway generally follows the coastline in a northerly direction from the Mendenhall Valley and downtown Juneau. Its penetration into the interior lands is limited by topography and other developmental restrictions and demand. The immediate area near the subject is known as Yankee Cove. The area is characterized by steep slopes and heavy forest terminating in the shallows of the estuary of Bessie Creek and its associated drainages.

There are very few sales in the area. Comparable market indicators are found in other competing areas throughout the Juneau road system. The market demand is static.



**FIGURE 2.7 - JACOBSON CRUISE SHIP DOCK SHOWING UPLAND LEASE AND THE ADJACENT TIDELAND LEASE**

### **COMPETITIVE COMMERCIAL WATERFRONT PROPERTIES-**

As a dock site, competitive properties along the Juneau road system would generally be south of the subject. There are no recent industrial waterfront site sales. The most recent lease was in 2016 at 3155 Channel Drive, a 6 1/2 acre site to SECON for just over 90¢/SF per year. This fully developed barge landing site had an underlying tideland lease similar to the subject situation in its pre developed state at 15¢/SF. The undeveloped land lease rent is 16.7% of the upland lease unit value (15¢/SF divided by

90¢/SF). This undeveloped tideland lease is typical of the Channel Drive area, 3 miles from downtown Juneau.

Cruise ship docks raw tidelands in the Juneau area are leasing at 40¢/SF to 60¢/SF. These are far superior to the subject in location and economic demand. One leased parcel at 40¢/SF has an adjacent upland lease at \$1.60/SF per year. Both these leases reflect undeveloped land whereby the lessee built out the up land and tidelands docking and staging structures. This indicates a ratio of undeveloped tideland lease at 25% of the unit value of the adjacent upland lease rate.



**FIGURE 2.8 - ALASKA GLACIER SEAFOODS LEASE ADJACENT TO FEE OWNED UPLANDS.**

There are several leases in Auke Bay. The most recent is the Alaska Glacier Seafoods lease, submerged lands adjacent to the fee owned tidelands renting for 18¢/SF. This is in a superior location to the subject but has similar inferior land characteristics in that it is wholly submerged lands only. This Tideland lease is adjacent to the uplands which have been filled behind the seawall, similar to the subject dock site. The cost of filling these lands in creating the seawall is well over \$30.00/SF.



**FIGURE 2.9 - CASCADE POINT TIDELAND LEASE.**

In consideration for the subject's rural location 34 miles out Glacier Highway, we also looked at remote lease sites including Slate Creek Cove; the Kensington Mine drop off site north of Berners Bay. The five acre lease is for just over 3¢/SF, set back in 2014. There's a 4.4 acre lease tract in Greens Bay that serves for the drop off site at Greens Creek Mine on Admiralty Island, which lease was adjusted in January 2015 at 3.2¢/SF. The sites are obviously inferior having no connection to the Juneau road system. By contrast there is a 5.6 acre lease

tract at Cascade Point at the very end of the Juneau road system which rents for just over 6¢/SF. One of the significant issues that would influence the lease rate per SF is that these sites are large and square off sites, not as narrowly described as the subject, which minimizes the subject area. The economic influence here would be that the rent may be somewhat lower on a direct comparison basis but the SF rent would be significantly higher.

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### 3 PROPERTY DESCRIPTION

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#### 3.1 SITE DESCRIPTION

The subject is located in Yankee Cove approximately 34.5 miles north on Glacier Highway from Juneau, Alaska. This is a relatively well protected cove from north, east and northwest weather. The cove has exposure on the west which has been mitigated by a rock breakwater built on a portion of the subject lease lands by the lessee. The subject lease tracts are negotiated remnants of the larger area that had been covered by a corps permit for dredge and fill (see Figure 3.3 for an excerpt of that drawing). These lands have been conveyed to the city for management purposes since the lease began. The conveyance which approximates the original lease negotiation tracks include Alaska Tideland Survey 1677 (an excerpt of which is included below in Figure 3.1) and Bessie Creek, an anadromous stream bisects the cove restricting development in that area.

The subject lands have been developed by the lessee with the aforementioned breakwater, east of Bessie Creek and a filled parking/staging area with a ramp and floating dock west of Bessie Creek as noted in these drawings.

#### Site Size and Shape

Per the lease, the square foot areas of the subject are 10,876 SF of the west side of Bessie Creek supporting the breakwater and 25,912 SF on the east side of the creek supporting the rip rap rock fill parking area, ramp and float areas. Total indicated lease area 36,786 SF.

The subject actual lease areas are contrasted with the surveyed areas to the CBJ in the following table.

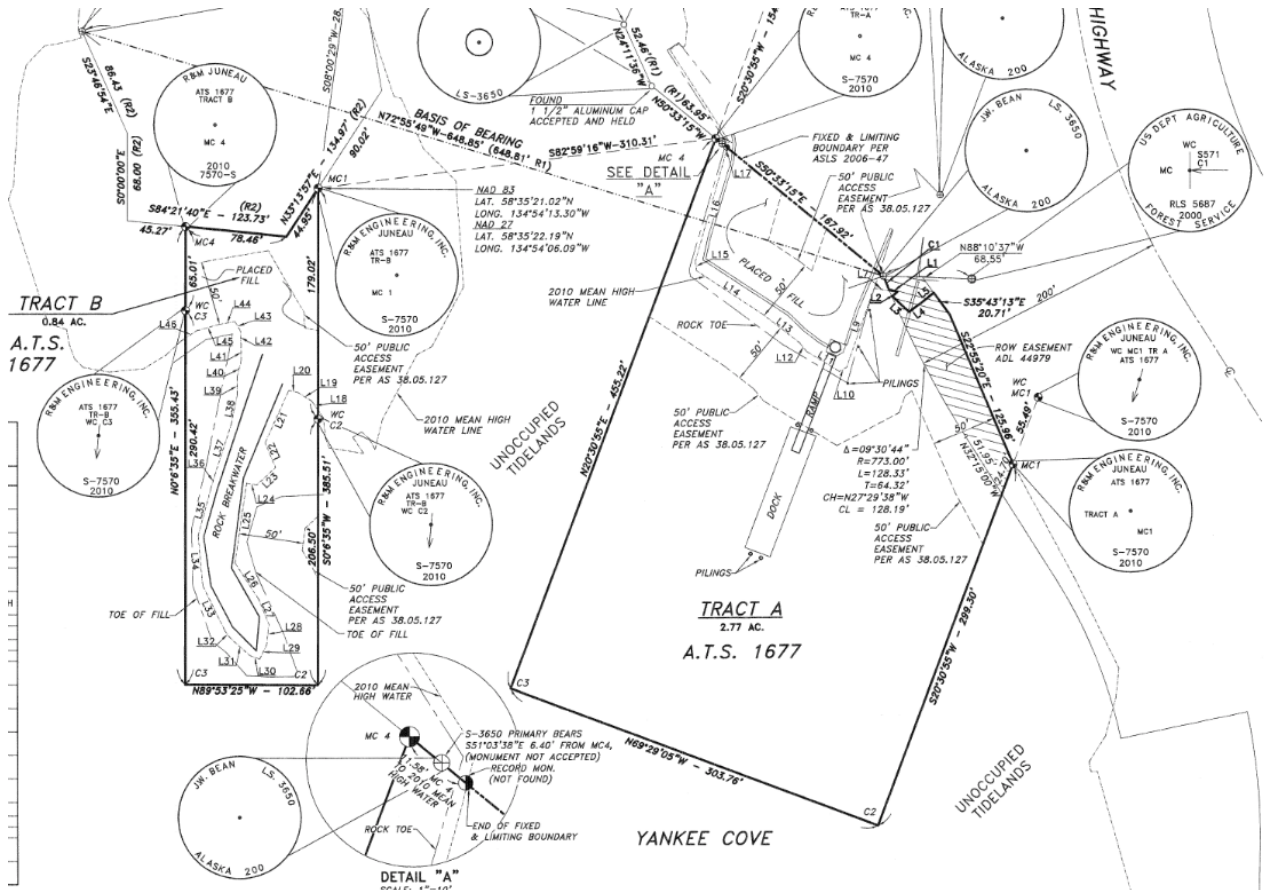
|                       | Tr B-west of creek | Tr A-east of creek | Total areas |
|-----------------------|--------------------|--------------------|-------------|
| Parent Tract ATS 1677 | 0.84 acres         | 2.77 acres         | 3.51 acres  |
| Leased Parcels        | 0.25 acres         | 0.59 acres         | 0.844 acres |
| Use Ratio             | 29.8%              | 21.3%              | 23.9%       |

The lease parcels give the subject an effective usable water front of just over 160 feet (65 feet seaward and of submerged float extension and 97.81 feet frontage along staging area loading zone).

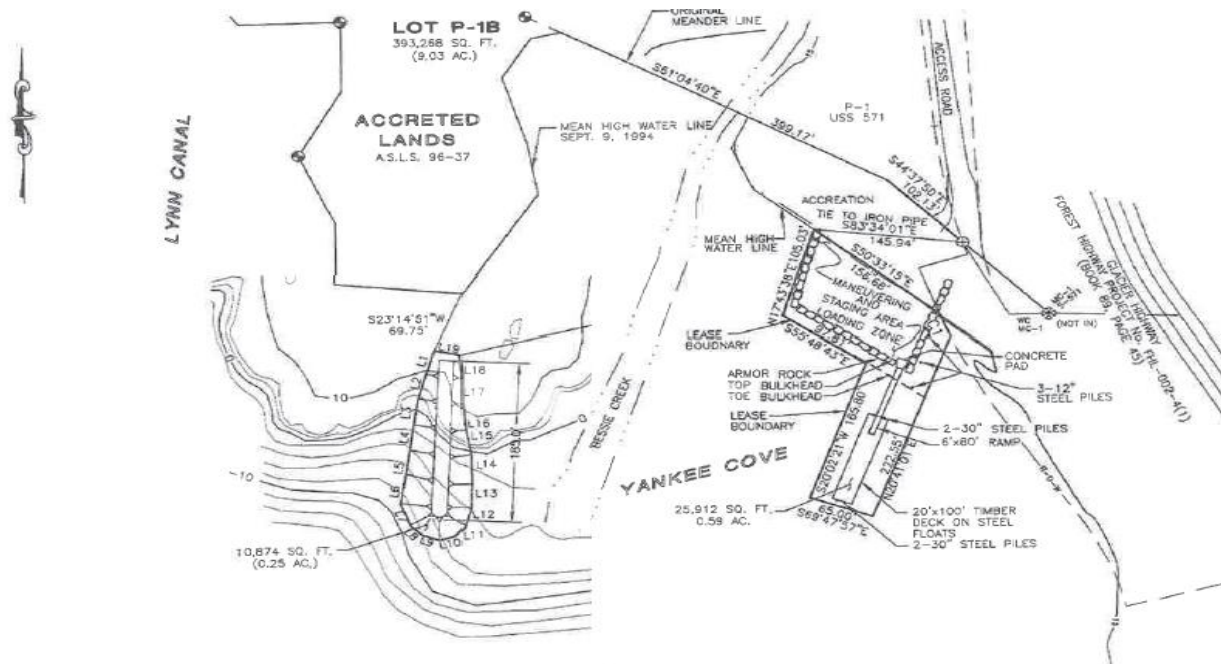
The tidelands shallow up in this area due to the influence of Bessie Creek and it is unlikely there will be any other commercial development in the cove due to access and size.

Although the lands have been dredged, filled and developed by the lessee with a dock, for the purpose of this appraisal for estimating the annual market lease rate they are appraised in their pre development condition.

### Enhanced Utility of Subject Parcels



**FIGURE 3.1 EXCERPT OF ATS 1677. PLEASE SEE A COMPLETE COPY OF ATS 1677 IN THE ADDENDA. THIS FIGURE SHOWS THE AREA AS CONVEYED FROM THE STATE TO THE CITY FROM WHICH THE LEASE PARCELS ARE DESIGNATED. IT SHOWS THE SQUARED OFF AREAS SIMILARLY SHAPED AS OTHER TIDE LAND LEASES IN THE MARKET. THESE AREAS CONTRAST TO THE SUBJECT’S “COOKIE CUTTER” OR NARROWLY SCRIBED AREAS OUTLINED IN THE LEASE.**



**FIGURE 3.2 - COMPOSITE MAP FROM EXISTING LEASE EXHIBIT A. ALTERED TO SHOW BOTH PARCELS. HORAN & Co. NOT TO SCALE.**

The subject parcels and boundaries generally scribe the exact use zones, leaving other areas that would normally be required for maintenance, navigation and generally squaring off the properties to define them as distinct from other adjacent properties. The “leavings” around the edge of the subject’s narrowly scribed parcels have little remaining utility to the underlying property owner (lessor). This enhances the value of the smaller circumscribed parcels as compared to typically leased parcels that are normally squared off. In other words, the subject and another property could have similar utility. However, the subject’s narrowly defined property has less square footage as designated in the lease. Therefore, the lesser area of the subject has a greater value than the nominal area of competitive parcels and are squared off.

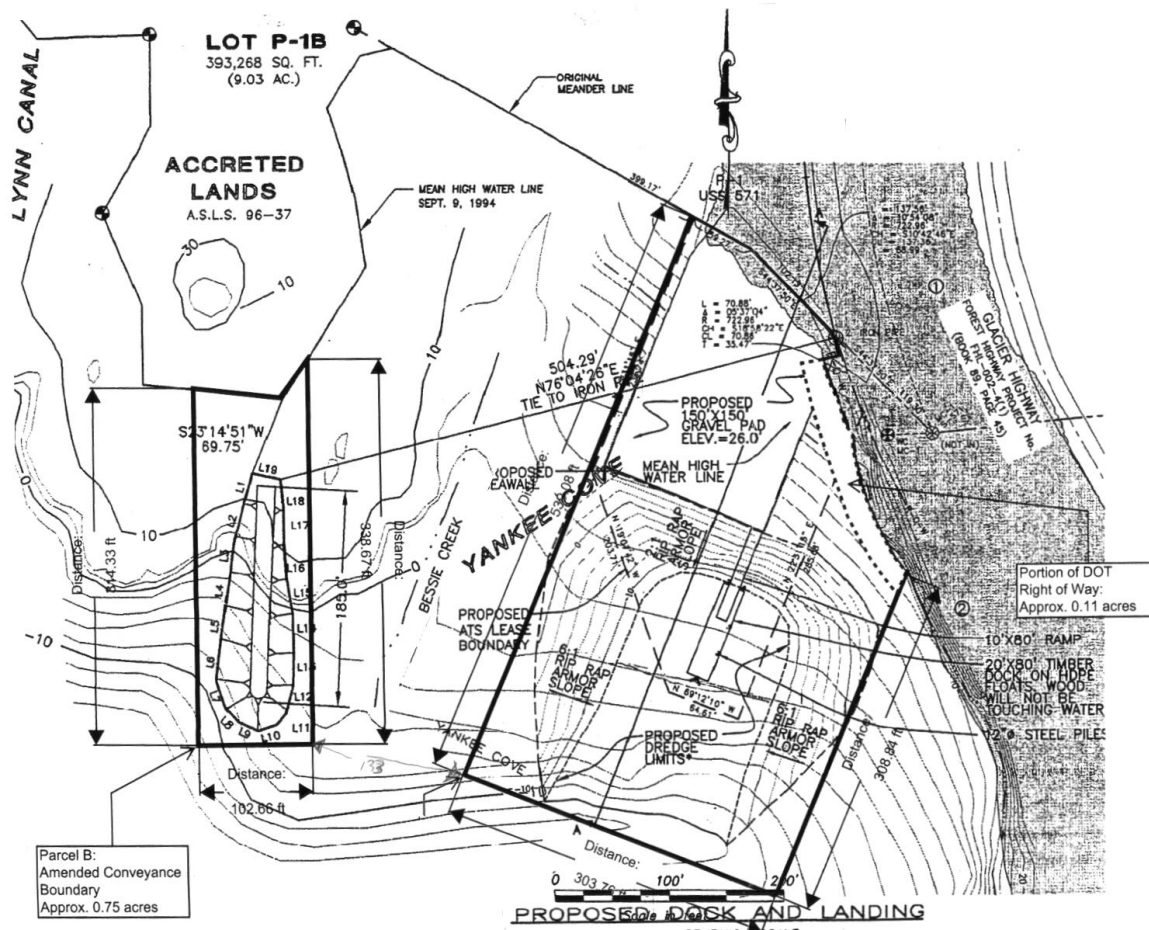
It appears the 200 feet ROW from Glacier Highway center line shown in Tract A is not on the subject lease parcel. This is a sloping beach area at an extremely lower elevation than the roadway. There is a 50 foot wide public access easement, standard for waterfront properties, which does imprint on the subject lease areas but does not inhibit the subjects use or its highest and best use as leased.



# ATS 1677 Plat Notes

## GENERAL NOTES

1. THE BASIS OF BEARING FOR THIS SURVEY WAS BETWEEN TWO RECOVERED PRIMARY MONUMENTS FOR A.S.L.S. NO. 2006-47, HAVING A COMPUTED BEARING OF N72°55'49"W.
2. WHERE RECORD SURVEY COURSES (BEARINGS AND/OR DISTANCES) DIFFER FROM THAT OF ACTUAL FIELD MEASURED AND/OR COMPUTED SURVEY COURSES, THE RECORD BEARING AND/OR DISTANCE IS SHOWN WITHIN PARENTHESIS WHILE THE ACTUAL MEASURED AND/OR COMPUTED SURVEY COURSE IS SHOWN WITHOUT PARENTHESIS.
3. THIS SURVEY IS BASED UPON THE FOLLOWING DOCUMENTS ON FILE IN THE JUNEAU RECORDERS OFFICE: A.S.L.S. 96-37 (PLAT NO. 99-12), A.S.L.S. 2006-47 (PLAT NO. 2009-10)
4. THIS SURVEY WAS ACCOMPLISHED IN ACCORDANCE WITH A.S. 38.05.825 AND ALASKA TIDELANDS SURVEY SI NO. 1677.
5. ALL BEARINGS SHOWN ARE TRUE BEARINGS AS ORIENTED TO THE BASIS OF BEARINGS AND DISTANCES SHOWN ARE REDUCED TO HORIZONTAL FIELD DISTANCES.
6. THE ERROR OF CLOSURE FOR THIS SURVEY IS NOT GREATER THAN 1:5000.
7. WITH THE EXCEPTION OF AREAS WHERE FILL HAS BEEN PLACED IN THE TIDELANDS, THE NATURAL MEANDERS OF THE LINE OF MEAN HIGH WATER FORM THE TRUE BOUNDS OF ATS 1677. THE APPROXIMATE LINE OF M.H.W. AS SHOWN IS FOR AREA COMPUTATIONS ONLY, WITH THE TRUE CORNERS BEING ON THE EXTENSION OF THE SIDE LINES AND THEIR INTERSECTION WITH THE NATURAL MEANDERS.
8. MEAN HIGH TIDE WAS DETERMINED BY TIME COORDINATED TIDAL OBSERVATIONS ON MARCH 22, 2010 AS EXTRAPOLATED FROM THE NOAA PUBLICATION FOR THE PREDICTIONS OF HIGH AND LOW WATERS FOR 2007.
9. PARTS OF THIS SUBDIVISION ARE LOCATED IN A VELOCITY (V) FLOOD ZONE ACCORDING TO THE DIRECTOR OF THE COMMUNITY DEVELOPMENT DEPARTMENT OF THE CITY AND BOROUGH OF JUNEAU, ALASKA AS PROVIDED BY THE FLOOD INSURANCE RATE MAP (FIRM) 02009-0850B. SPECIAL DEVELOPMENT REGULATIONS APPLY.
10. BESSIE CREEK IS DESIGNATED AS AN ANADROMOUS CREEK BY THE 2008 COMPREHENSIVE PLAN OF THE CITY AND BOROUGH OF JUNEAU, ALASKA. SPECIAL DEVELOPMENT REGULATIONS APPLY.
11. PER AS 38.05.127, THE STATE OF ALASKA RESERVES A PUBLIC ACCESS EASEMENT ALONG AND 50' SEAWARD OF THE CURRENT LINE OF MEAN HIGH WATER, IN AREAS WHERE FILL HAS BEEN PLACED ON STATE OWNED TIDE AND SUBMERGED LANDS, THE STATE OF ALASKA ALSO RESERVES A PUBLIC ACCESS EASEMENT 50' UPLAND OF THE CURRENT LINE OF MEAN HIGH WATER, OR TO THE TRACT BOUNDARY.
12. THE BASIS OF COORDINATES USED WERE CONSTRAINED TO THE NATIONAL SPATIAL REFERENCE SYSTEM (NSRS) USING CORS STATIONS JNU-1, WHIT, AND GUS6.
13. UPLAND BOUNDARY OF TRACT B IS "FIXED AND LIMITING" IT HAS BEEN FILLED.



**FIGURE 3.3 - THIS IS AN OLDER CORP PERMIT DRAWING FROM THE ORIGINAL LEASE NEGOTIATIONS SHOWS THE BATHOMETRIC TOPOGRAPHY AND ORIGINAL AREAS TO BE DREDGED OR FILLED.**

## Access

The subject site is accessed through the adjacent privately owned land by gravel roads maintained by the lessee. They connect to Glacier Highway state owned and maintained paved two way roadway. The site has good waterfront access as well but required dredging to accommodate larger mid-draft vessels.

## Utilities

There are no public utilities developed into the subject area. Power is usually generated with onsite generators. Septic sewage systems have to be developed in accordance with state requirements. Onsite water is typically generated by catchment or surface systems.

## Zoning

The properties are adjacent to uplands zoned Rural Reserve (RR). It is assumed that the subject tidelands would take on the zoning of the adjacent property. According to the City and Borough of Juneau, the RR, or rural reserve zoning district, is intended for lands primarily in public ownership managed for the conservation and development of natural resources and for future community growth. In addition, recreation cabins, lodges and small seasonal recreational facilities may be allowed. Minimum lot size is 36,000 SF>

## Assessed Valuation and Taxes

The assessment account which would cover the subject parcels are consolidated and carried on Parcel number 3B4401000052. The excerpt from the 2015 Assesment records show the subject land as a possessory interests (POSS. INTR.). See figure 3.4 below shows the calculation of the current land assessment covering the subject Tideland lease areas and the 9.488 acre fee owned uplands.

2015 LAND VALUATION FOR ECONOMIC UNIT 3B4401000052 (0053, 0054)

YANKEE COVE DEVELOPMENT LLC

ALL VALUE IS ON PCN 3B4401000052

Areas (sf) for the leased parcels are taken from the lease document, pg 3

| PCN          |             |           | AREA ACRES | AREA SF        | RATE    | AMOUNT                     |
|--------------|-------------|-----------|------------|----------------|---------|----------------------------|
| 3B4401000052 | FEE SIMPLE  | UPLAND    | 9.48       | 412,844        | 1.70 AC | 703,000                    |
| 3B4401000053 | POSS. INTR. | FILLED    | 0.264004   | 11,500         | 6.00 SF |                            |
| 3B4401000053 | POSS. INTR. | SUBMERGED |            | 14,412         | 0.75 SF | 74,300 POSS. INTR. ADJ AMT |
| 3B4401000054 | POSS. INTR. | FILLED    |            | 10,874         | 6.00 SF | 60,700 POSS. INTR. ADJ AMT |
|              |             |           |            | <u>449,630</u> |         | <u>838,000</u>             |

These three parcels, 3B4401000052, 0053 and 0054 are treated as an Economic Unit. All values, both land and improvements, are on 0052. 0052 is the upland parcel which consists of 9.48 acres with the lodge building and several smaller cabins and storage buildings. 3B4400053 is a possessory interest leased area which consists of a fraction of ATS 1347 TR A. The leased area totals 25,912 sf of which 11,500 sf is estimated to be filled. The remaining 14,412 sf is submerged. 3B4401000054 is also a possessory interest leased area which consists of a fraction of ATS 1347 TR b. The leased area totals 10,874 sf all filled area (breakwater).

**Figure 3.4 excerpt from CE BJ assessment record showing a land value calculation.**

The following assessment parcel summary shows the entire property's current assessment.

| Parcel #  | Street Address       | Legal Description 1 |               |
|---|----------------------|---------------------|---------------|
| 3B4401000052  | GLACIER HWY 35000    | USS 571 LT P1C      |               |
| <b>Owner's Name and Address</b>   |                      |                     |               |
| YANKEE COVE TRUST & MARION HOBBS TRUSTEE<br>2280 BRANDY LN SP 4<br>JUNEAU AK<br>99801 |                      |                     |               |
| Previous Owner  | Site Value           | Building PV         | Total PV      |
| MARION B HOBBS  | \$ 838000.00         | \$ 613300.00        | \$ 1451300.00 |
| Use Code  | Exempt               | Zoning              | Tax Year      |
| Commercial Misc   | No Data              | Rural Reserve       | 2017          |
| Number of Units   | Year Built           | Gross Living Area   |               |
| 001   | 1981                 | 004073 sq. ft.      |               |
| Garage  | Garage Area          | Lot Size            | Last Trans    |
| No  | N/A                  | 9.48 acres          | 0000          |
| City Water Available  | City Sewer Available |                     |               |
| No  | No                   |                     |               |
| Exempt Land   | Exempt Building      | Exempt Total        | Road/No Road  |
| N/A   | N/A                  | N/A                 | No Data       |

**Figure 3.5 CBJ assessment record**

### Improvements

The site is appraised as hypothetically unimproved. Actual improvements include the rubble mound breakwater west of Bessie Creek and the dock site and staging area east of the creek. The dock is a 20' x 100' wood deck on steel floats with a 6' access ramp 80' long. There are seven existing steel pilings, a gravel boat ramp and an adjacent armor, rocked-raised pad of approximately 14,000 SF for maneuvering, staging and loading area for wharfage uses. The entire dock rests in a large, dredged, underwater basin approximately 300' by 300', with a 6:1 rip rap armor slope developed in it. The existing dock/marine improvements were permitted by the Army Corp of Engineers in July 2004 and developed in 2005 and 2006.

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## 4 VALUATION

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### 4.1 HIGHEST AND BEST USE

Highest and best use is defined as "the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value."

*The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 93*

There are four criteria that highest and best use must meet which include: legal permissibility, physical possibility, financial feasibility, and maximum productivity. The site is physically suited for the dock development which has been completed by the lessee. It is presumed to be legally permissible as developed. There are a limited number of alternative feasible uses such as small marina, residential view site with small boat launch and the commercial/industrial dock as developed. As developed, the subject site is under lease as outlined earlier in this report. In addition to the Kensington Mine/Coeur Alaska departure site, the subject has occasionally been used by tour boats and other operators as a jumping off point from the Juneau road system to Lynn Canal and other parts north. The highest and best use of the site is a commercial boat dock and launching facility as developed.

### 4.2 RENTAL COMPARISON APPROACH

The most direct way to value the subjects' lease rent is on a rent per square foot comparison basis. In the subject instance we will use the three comps selected as the most representative of the market based on the competitive market discussion in Section 2 of this report.

For the purpose of estimating the rents here we will use the annual rent per square foot indicated by the three main comps which are summarized in Table 4.1 - Qualitative Rating Grid. Details of these comps are contained in the addenda.

#### **Qualitative Ranking**

The difference between the subject and the comps would ideally be explained by measurable objective differences found in the market. There is not enough sales information to make discreet quantitative adjustments for differences for things such as location, extreme size differences, quality of the tidelands, etc. In this instance we will use a qualitative rating to help bracket the subject on a nominal square foot rent basis.

A qualitative rating has been developed to weigh the differences between the subject and the comparables whereby, if a comparable attribute is superior to the subject, a minus rating of -1, -2, or -3 is given, depending on its severity. Conversely, if a comparable attribute is inferior to the subject, a plus rating of +1, +2, or +3 is given, depending on its severity, to weight this with other attributes towards the subject. The gradation of weighting 1 to 3 is used since all qualitative attributes are not, in the appraisers' opinion, equally weighted within the market.

These ratings will be discussed below and summarized in Table 4.1. Some of the significant market driven issues are discussed below.

The **titled interest** is rated similar between the subject and comparables. The subject lease specifies leasehold interest in fee simple less mineral rights. This is a typical arrangement for State of Alaska or municipal land leases and has nominal impact on value.

All comparables were found to be similar in the **conditions of sale**, all being supported by reasonable market evidence such as an appraisal.

The **market conditions** are similar. While the market may have fluctuated somewhat since 2010, there is not consistent rational evidence for adjustment in this limited market in this instance.

**Location** in this instance notes the general market preference for one location over another. The availability of utilities inconvenience to population areas influence this rating. Comp 1 is over 10 miles north of the subject, further away from town services by a gravel road. It is inferior in location at Cascade Point by +1. Comps 2 and 3 are much closer to town and service by utilities. They are superior in location by -1 each.

The subject and the comps are all **zoned** similarly and have similar highest and best use for commercial or industrial waterfront application.

The **size** of the site influences the value per square foot only for extreme differences in these types of commercial/industrial properties. Some sites need a critically large area in order to function. Some large sites present excess land and are more difficult to sell or rent because there are a limited number of users for the entire parcel. Where there are extreme size differences, the unit values of the larger parcels tend to be less due to the lack of current demand. In the subject case, Comp 1 is over 6 ½ times the subject size and is rated inferior on a price per square foot basis by +1. There is no rating difference for Comps 2 and 3.

**Shape** is very important in the subject instance. The subject site required significant area in that it needed to have control of an area to build a breakwater and dredge a tidal basin taking up nearly four acres of size. The final lease configuration was a narrowly scribed parcel of less than one acre. Comp 1 is inferior in that it is a large rectangular site which allows space for building a breakwater and dock similar to the subject. Its shape is inferior to the subject by +1. Comps 2 and 3 were compact sites nearly all developed for a planned development and to moor ships and are rated similar in shape.

**Waterfront access quality** is important for the sites as transfer points for marine transportation. The subject is not well protected from the westerly weather and required significant dredging. This is similar to Comp 1 and will also require a breakwater when fully developed. Comp 2 was for deep water where the lessee owned in fee the sloping tidelands. In this respect it is on balance rated similar. Comp 3 had dredging issues and is also rated similar.

This discussion and the various ratings are outlined in summarized in Table 4.1

| TABLE 4.1 - QUALITATIVE RATING GRID |  |                                      |    |   |    |                                    |    |
|-------------------------------------|--|--------------------------------------|----|---|----|------------------------------------|----|
| Comparable Elements                 | Subject 34.5 Mile Glacier Hwy                | Comp 1 – 46 Mile Glacier Hwy, (5868) |    | Comp 2 – 13555 Glacier Hwy Drive (2783) |    | Comp 3 – 3155 Channel Drive (9573) |    |
| Annual Rent                         |  | \$14,800                             |    | \$3058                                  |    | \$11,957                           |    |
| Annual Rent/SF                      |  | \$0.06/SF                            |    | \$0.18/SF                               |    | \$0.15/SF                          |    |
| Titled Interest                     | Leasehold                                    | Similar                              | 0  | Similar                                 | 0  | Similar                            | 0  |
| Conditions of Sale                  | Cash   | Similar                              | 0  | Similar                                 | 0  | Similar                            | 0  |
| Market Conditions                   | 07/17  | 04/13                                | 0  | 7/15                                    | 0  | 4/14                               | 0  |
| Location                            | Yankee Cove                                  | Cascade Point                        | +1 | Auke Bay                                | -1 | Chanel Drive                       | -1 |
| Zone                                | RR   | RR                                   | 0  | WI                                      | 0  | WI                                 | 0  |
| Size                                | 36,786 SF                                    | 246,114 SF                           | +1 | 16,888 SF                               | 0  | 79,715 SF                          | 0  |
| Shape                               | Narrowly Scribed                             | Open spaces                          | +1 | Similar                                 | 0  | Similar                            |    |
| Waterfront Access Quality           | Unprotected from the west needed breakwater. | Similar                              | 0  | Similar                                 | 0  | Similar                            | 0  |
| Overall Rating                      |  | Inferior                             | +3 | Superior                                | -1 | Superior                           | -1 |

If a comparable attribute is **superior** to the subject, a minus rating of -1, -2, or -3 is made, depending on its severity.

If a comparable attribute is **inferior** to the subject, a plus rating of +1, +2, or +3 is made, depending on its severity.

Based on the foregoing, comparable rent bracket the subject as indicated in Table 4.2 below.

| TABLE 4.2 - COMPARABLE SF PRICE RANKING GRID |                                 |                |             |
|--|---------------------------------|----------------|-------------|
| Comp #                                       | Location                        | Annual Rent/AC | Ranking     |
| 1  | 46 Miles Glacier Highway (5868) | 6¢/SF          | Inferior+ 3 |
|  | Subject                         | Solve          | Solve       |
| 3  | 3155 Channel Drive (9573)       | 15¢/SF         | Superior -1 |
| 2  | 13555 Glacier Hwy Drive (2783)  | 18¢/SF         | Superior -1 |

The market is not perfectly consistent due to the limited number of transactions and other inconsistent market forces. These rental rates suggest that the subject would be somewhat less than 15¢/SF but significantly more than 6¢/SF. The higher end of this range is obviously more comparable to the subject. Based on the foregoing, the indicated current market rent for the subject tidelands is 12¢/SF. The market rent is estimated as follows:

**36,786 SF at 12¢/SF= \$4,414.32/ year rent**

# **ADDENDA**

**SUBJECT PHOTOGRAPHS**



**PHOTO 1 – SUBJECT ADJACENT FILLED UPLANDS LOOKING IN A SOUTHEASTERLY DIRECTION. SUBJECT DOCK SITE PHOTO DISTANT CENTER. (071317\_0865)**



**PHOTO 2 – LOOKING DOWN RAMP TO THE SOUTH ONTO SUBJECT SUBMERGED LANDS. (071317\_0853)**



## SUBJECT PHOTOGRAPHS



**PHOTO 3 – LOOKING NORTH ACROSS SUBJECT SUBMERGED LANDS AND FLOAT ONTO SUBJECT FILLED STAGING AREA-LOADING ZONE AT ROCK WALL COMPRISING WESTERLY SIDE OF DOCK SITE. (071317\_0855)**



**PHOTO 4 – LOOKING NORTHERLY ALONG SUBJECT SUBMERGED LANDS AND ADJACENT UPLANDS AT GRAVEL RAMP ALONG EASTERLY SIDE OF DOCK SITE. (071317\_0857)**

## SUBJECT PHOTOGRAPHS



**PHOTO 5 – LOOKING IN THE OPPOSITE, SOUTHERLY DIRECTION DOWN SLOPING RAMP AT EASTERLY SIDE OF DOCK SITE. (071317\_0859)**



**PHOTO 6 – LOOKING SOUTHERLY FROM UPLANDS TOWARDS SUBJECT BREAKWATER SITE SHOWING EAST SIDE OF BREAKWATER. (071317\_0870)**

**SUBJECT PHOTOGRAPHS**



**PHOTO 7 – LOOKING NORTH FROM END OF SUBJECT BREAKWATER. (071317\_0874)**



**PHOTO 8 – LOOKING SOUTH AT WESTERLY SIDE OF BREAKWATER. (071317\_0877)**

**HORAN & COMPANY, LLC**

**LAND COMPARABLE NUMBER 1**

**Community:** 33 CBJ - Mainlands  
**Address:** Cascade Point, Berners Bay **City:** Juneau **State:** **Zip:**  
**Location:** Cascade Point, Berners Bay, north of Echo Cove, 42 miles north of Juneau within 36S, 63E, S32  
**Legal:** ATS 1654, ADL #107152, Plat 2007-25;

**Instrument:** Tidelands **Serial:**  
**Trans.Type:** Land Lease  
**Rights:** Lease **Annual Rent:** \$14,800  
**Terms:** Adjustable every five years. **Trans. Date:** April 30, 2013  
**Grantor:** State of Alaska, DNR  
**Grantee:** Goldbelt, Inc.

**Size (SF):** 246,114 **Utilities:** None  
**Frontage:** **Access:** Rough road  
**Zone:** RR **Improvements:** None  
**Topography:** Sloping, tidelands **Land Class:** Remote, Vacant, Tidelands  
**Vegetation:** Tidelands  
**Soil:** Tidelands

**Present Use:** Vacant  
**Intended Use:** Dock and land - see comments.  
**Highest and Best Use:**

**Comments**

The intended use is to dredge and build a small level mound and develop a pier, gangway and float supported by galvanized piling for a ferry that will run between Cascade Point and Slate Cove, supporting the Kensington Mine 100-140 employees.

**Analysis:**

This lease has been completed for issues unrelated to the property value. The appraisal has been accepted by the Dept. if the lease does proceed. This indicates the following effective 4/12/13; \$14,800/year ÷ 5.65AC = \$2619AC per year.

**Marketing Info:** Negotiated tidelands lease with uplands preference rights. Note: early entry permit beginning 9/01/06. Appraisal date 4/12/07, appraisal approved 6/21/07. The site has been reappraised in April 2013 to \$14,800 per year for lease payment.

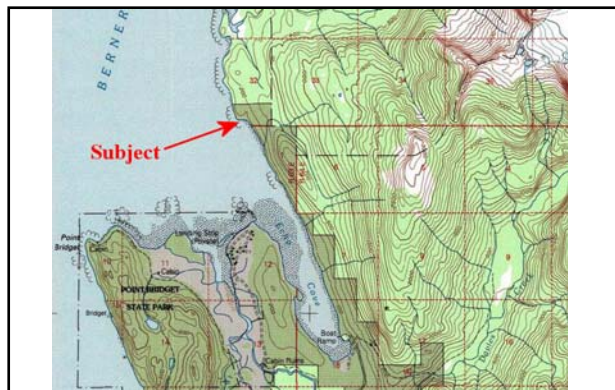
Confirmed with: DNR WEBSITE John Thomas  
 Confirmed date: 11/27/2013 3/7/2008  
 Confirmed by: J.Corak C.Horan

Revision Date: 7/8/2015  
 Record Number: 5868



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**HORAN & COMPANY, LLC**

**LAND COMPARABLE NUMBER 2**

**Community:** 03 CBJ - Auke Bay **Recording District:** Juneau  
**Address:** 13555 Glacier Highway **City:** Juneau **State:** AK **Zip:** 99801  
**Location:** Seaward of Alaska Glacier Seafoods, Auke Bay  
**Legal:** ATS 1644 Tidelands seaward of Lot 2, ATS 357, Plat 2006-50, ADL 106170 ; Parcel Number: 4B3101000230

**Instrument:** Lease **Serial:**  
**Trans.Type:** Land Lease **Annual Rent:** \$3,057.84  
**Rights:** Lease **Trans. Date:** July 1, 2015  
**Terms:** 35 years, reappraisal in 5 years, 35 year lease with city; 35 year potential renewal **Grantor:** City and Borough of Juneau  
**Grantee:** Glacier Holdings, LLC, Mike Erickson (Alaska)

**Size (SF):** 16,888 **Utilities:** Water, Sewer, Electric, Telephone  
**Frontage:** 102.35' **Access:** Road, paved, Boat  
**Zone:** WC **Improvements:** None as lease, dock  
**Land Class:** Tidelands, Commercial, Waterfront  
**Topography:** Submerged  
**Vegetation:** None  
**Soil:** Tidelands

**Present Use:** Vacant  
**Intended Use:** Build Dock to support adjacent sea food processing plant.  
**Highest and Best Use:** Commercial Water Related Expansion

**Comments**

Leased tidelands near ferry terminal; access through adjacent recently developed lot. The subject is occupied by the concrete dock serving the Alaska Glacier Seafoods Plant.

**Analysis:**

Leased at \$3,057.84 /year/ 16888 SF = \$0.18/SF

**Marketing Info:** Non competitive lease, original lease 7/1/2004, rent \$2,530, based on appraisal updated June 30, 2016 appraisal (#16-097) to \$3,057.84 (\$0.18/SF).

Confirmed with: Mike Krieger  
 Confirmed date: 11-17-2004  
 Confirmed by: W.Ferguson

Revision Date: 9/22/2017  
 Record Number: 2783



**HORAN & COMPANY, LLC**

**LAND COMPARABLE NUMBER 3**

12 CBJ - Salmon Creek

**Recording District** Juneau

**Address:** 3155 CHANNEL DR

**City:** Juneau

**State:** AK

**Zip:** 99801

**Location:** 3 miles north of downtown Juneau

**Legal:** ATS 1277 (Plat 83-210) Portion of Section 9, T41S, R67E, ATS 1277; ADL 102934; Parcel Number: 7B0901300101

**Instrument:** Lease **Serial:**

**Annual Rent:** \$11,957

**Trans.Type:** Land Lease

**Trans. Date:** April 27, 2014

**Rights:** Lease

**Grantor:** City and Borough of Juneau

**Terms:** 35 years, rent adjusted every 5 years.

**Grantee:** Salmon Creek Development (Smith)

One 35 year option to extend

**Size (AC):** 1.8300

**Utilities:** Water, Sewer, Electric

**Frontage:** Water Front

**Access:** Road, gravel

**Zone:** WI

**Improvements:** None

**Topography:** Gradual sloping/beach

**Land Class:** Tidelands, Waterfront, Vacant

**Vegetation:** Cleared

**Soil:** Gravel, Tidelands

**Present Use:** Vacant- As leased

**Intended Use:** Marina- Barge landing

**Highest and Best Use:** Marine related Commercial/Industrial

**Comments:**

Thirty year lease, ATS 1277, intended use as a marine, gently sloping uplands. Photos taken after area was filled.

**Analysis:**

Annual Rent:

$\$11,957.25 \div 79,715 \text{ SF} = \$0.15/\text{S}$

**Marketing Info:** Rental amount based on market appraisal. This is a new lease after the old one expired. The land has been filled and improved with a Dock and sublet. See our Record #9574.

Confirmed with: Teena Larson- CBJ &

Confirmed date: 9/2/16

Confirmed by: C.Horan

Revision Date: 9/2/2016

Record Number: 9573



## **EXHIBIT- TIDELANDS LEASE RENTS - RATIOS AND PERCENTAGES**

Estimating market value or market rents for tidelands has always been a challenge in the State of Alaska. In terms of the overall real estate market, transactions for tidelands alone are very infrequent. Once Alaska became a state in 1959 they acquired ownership of most navigable water-tidelands. There are a few patented tidelands sites and municipalities had some patented tidelands which could be leased or sold. The Constitution of the State of Alaska prohibits the sale of its tidelands parcels. The state and most municipal governments view tidelands as a critical component for public access to the waterways and economic development. As a result, they are generally leased to ensure continual productive use and public access.

When tidelands do sell, they are usually associated with waterfront uplands forming a functional property unit between the water and public roadways. This would be the case; for instance, where there is a dock or barge landing facility requiring tidelands for marine improvements and an uplands staging area. Sometimes these facilities sell where the uplands are owned in fee simple interest and the tidelands are leased. In these instances, the contributory value of the tidelands can be estimated as the residual of the allocated value of the uplands portion of the sales price. There are frequently more market transactions to indicate the value of the uplands than tidelands. It has then become a common practice to value tidelands as a percentage of the unit value of their adjoining uplands.

### **Uplands to Tidelands Unit to Value Ratio**

Over time we have isolated the value of tidelands which have sold, leased or otherwise been valued based on transactions whereby an allocation is made between uplands and tidelands components. The following Table 1.1 summarizes 11 observations of the ratio (%) of tidelands square foot values to the square foot value of the uplands. This allocation is based on the sales of similar uplands, allocations by the buyers, sellers or appraisal analysis. In some instances, such as observations 9 and 11, there is a range of value based on differing views by the participating parties or a range of comparable sales in that area compared to the value of the known component.

The tidelands to uplands unit value ratios range from 12% to 40% in these observations. In other instances the range can even be wider from 5% to more than 50%. The driving factors in this ratio are how effectively the tidelands are used as compared to the uplands value. For instance, if the tidelands serve as a good, compact dock site and the adjacent uplands are filled, have a contained shore line and efficiently complement the use of the tidelands, the ratio would be lower than if the uplands were unfilled, low value raw land needing to be developed. This latter situation would impact the ratio due to the relatively lower value of the uplands as compared to the utility of the tidelands. Conversely, if the tidelands are oversized and extend an excessive distance from the

shore, diminishing their utility due to shallow run out or other site limitations, may mean a lower unit value and subsequently a lower tidelands to uplands ratio. This is due to the parcel being larger than would otherwise be necessary as compared to a more efficient, smaller site which would have a higher ratio of unit value.

| <b>TABLE 1.1 - RANGE OF TIDELAND UNIT VALUE RATIO (%) OF UPLAND UNIT VALUE</b> |                                  |      |            |          |             |
|--|----------------------------------|------|------------|----------|-------------|
| No.  | Location                         | Date | Size in SF | SF Value | Ratio       |
|  |                                  |      | Upland     | Upland   | Tideland as |
|  |                                  |      | Tideland   | Tideland | % of Upland |
| 1  | 4100 Tongass Ave., Ketchikan     | 2003 | 26,915     | \$16.03  |             |
|  |                                  |      | 14,275     | \$1.94   | 12%         |
| 2  | 1000/1010 Stedman, Ketchikan     | 2005 | 76,597     | \$16.00  |             |
|  |                                  |      | 102,133    | \$4.99   | 31%         |
| 3  | 1007 Water St., Ketchikan        | 2001 | 61,000     | \$17.25  |             |
|  |                                  |      | 40,594     | \$4.19   | 24%         |
| 4  | Mile 4 Mitkof Hwy, Petersburg    | 2010 | 170,772    | \$2.50   |             |
|  |                                  |      | 346,720    | \$0.57   | 23%         |
| 5  | 4513 HPR, Sitka                  | 2005 | 179,507    | \$10.72  |             |
|  |                                  |      | 42,035     | \$2.74   | 26%         |
| 6  | 111 JT Brown St., Craig          | 2009 | 62,340     | \$8.00   |             |
|  |                                  |      | 50,890     | \$2.00   | 25%         |
| 7  | 76 Egan Drive, Juneau            | 2013 | 8,692      | \$51.50  |             |
|  |                                  |      | 12,918     | \$20.55  | 40%         |
| 8  | 108 Egan Drive, Juneau           | 1995 | NA         | \$55.00  |             |
|  |                                  |      | NA         | \$16.00  | 29%         |
| 9A   | Alaska Glacier Seafood's, Juneau | 2000 | NA         | \$22.00  |             |
|  | Range of Comp Unit Values        |      | NA         | \$3.04   | 14%         |
| 9B   | Alaska Glacier Seafood's, Juneau | 2000 | NA         | \$8.00   |             |
|  | Range of Comp Unit Values        |      | NA         | \$3.04   | 38%         |
| 10   | Jacobson Dock, Juneau            | 2013 | 100,000    | \$20.05  |             |
|  |                                  |      | 379,694    | \$5.00   | 25%         |
| 11A  | 2691 Channel Dr., Juneau         | 2003 | 51,231     | \$9.00   |             |
|  | Range of Comp Unit Values        |      | 51,401     | \$1.08   | 12%         |
| 11B  | 2691 Channel Dr., Juneau         | 2003 | 51,231     | \$5.31   |             |
|  | Range of Comp Unit Values        |      | 51,401     | \$1.58   | 30%         |

If no comparable tidelands sales are available, it makes sense to estimate the value of suitably complementary uplands and apply a ratio to the unit value of these uplands from 10% to 40% to indicate the value of the tidelands under appraisal.



## **Land Lease Percentage Rates**

If the purpose of the appraisal is to estimate annual market rent, the best method is to use directly comparable annual rents on a price per square foot or price per acre basis.

Sometimes there are no directly comparable rents available or it is desirable to check against the limited rent data that may be available for estimating rents. The commercial land rent market oftentimes sets rents by calculating a percentage of the estimated market value of the land being rented.

Land leases are most often granted by public or private institutions. Sometimes leases state the rates, other times the rents are informally calculated based on a rate. Land lease rates range from about 4% to 12% of the market value of the land on an annual basis. Over a long period of time these rates may fluctuate with the institutional land owners' anticipation of return on investment; however, they are more stable than short term changes in interest or bond rates. We have kept track of these land lease percentage rates over a long period of time. The following summarizes our most recent discussions with various institutions who lease land.

The Alaska Railroad, the University of Alaska and the Alaska Mental Health Trust all lease land at various rates depending on location. Urban lands have targeted rates of 10-12% per year, but are leasing at lower rates of 7-8% depending on negotiations. The Alaska Railroad leases urban, commercial, and industrial waterfront land from 7% to 10% with the higher rates in Seward and Anchorage's Ship Creek areas. Their leases are typically 35 years in length and are adjusted every five years based on appraisals. The rents are capped at a 35% increase and a floor of minus 35%. Short term year to year rates are higher. Long term leases over five years have lower rates. Generally these types of leases are adjusted every three to five years based on reappraisal or the Consumer Price Index.

Municipalities throughout the state lease tidelands based on a lease percentage rate. Over the last 20 years we have seen these lease rates range from as low as 4% to as high as 12%. In the last 10 years or so these rates have settled between the 7% to 9% range. Several municipalities, such as Craig and Skagway, have a legislated 8% per year rate. The City and Borough of Sitka has been leasing land at the Gary Paxton Industrial Park for 9%. Several municipalities, such as Ketchikan and Petersburg, have adopted lower rates for certain lands as an economic incentive for business development. In 2014 Ketchikan dropped its rate to 4% and Petersburg's' rates are as low as 6%.

For most private commercial leases these rates have not changed in the past several years and are best described as stable. A market rate of 8% is well supported.



Recorder return to: City and Borough of Juneau  
Attn: John M. Stone  
155 S. Seward Street  
Juneau, AK 99801



CC

**YANKEE COVE DEVELOPMENT LEASE AGREEMENT**

**PART I. PARTIES.** This lease is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, hereafter "City," and Marion Hobbs, Member, Yankee Cove Development LLC, a limited liability company licensed to do business under the laws of the State of Alaska, hereafter "Lessee."

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

**City:**  
Attn: John M. Stone, P.E.  
Port Director  
City and Borough of Juneau

**Lessee:**  
Attn: Marion Hobbs, Member  
Yankee Cove Development LLC  
Lessee

155 S. Seward Street  
Juneau, AK 99801  
Phone: (907) 586-0294  
Fax: (907) 586-0295

P.O. Box 210477  
Auke Bay, AK 99821  
Phone: (907) 789-5856  
Fax: (907) 789-5856

**PART III. LEASE DESCRIPTION.** This lease agreement is identified as: Yankee Cove Development Lease. The following appendices are attached hereto and are considered a part of this lease agreement as well as anything incorporated by reference or attached to those appendices.

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

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

**PART IV. LEASE EXECUTION.** City and Lessee agree and sign below. This contract is not effective until signed by the City.

City: \_\_\_\_\_  
Date: FEBRUARY 27, 2008  
By: [Signature]  
Authorized Representative  
John M. Stone, Port Director

Lessee: Y.C.D. LLC.  
Date: 2.27.08  
By: [Signature]  
Authorized Representative  
Marion Hobbs, Member  
Yankee Cove Development LLC

**CITY ACKNOWLEDGEMENT**

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

This is to certify that on the 27<sup>th</sup> day of February, 2008, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared John M. Stone to me known to be the Port Director of the City and Borough of Juneau, Alaska, a municipal corporation which executed the above and foregoing instrument, 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 the day and year in the certificate first above written.



Elizabeth M. Ewen  
Notary Public in and for the State of Alaska  
My Commission Expires: May 6, 2010

**LESSEE ACKNOWLEDGEMENT**

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

This is to certify that on the 27<sup>th</sup> day of February, 2008, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Marion Hobbs to me known to be the identical individual described in and who executed the foregoing instrument for and on behalf of Yankee Cove Development LLC, as Lessee, which executed the above and foregoing instrument; who on oath stated that he was duly authorized to execute said instrument; who acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein mentioned.

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



Elizabeth M. Ewen  
Notary Public in and for the State of Alaska  
My Commission Expires: May 6, 2010

Risk Management Review: \_\_\_\_\_, Risk Manager

Approved as to Form: Bombua Ritchie, Law Department



## APPENDIX A:

### PROPERTY DESCRIPTION & ADDITIONAL LEASE PROVISIONS

#### 1. DESCRIPTION OF PROPERTY

The property subject to this lease is two parcels of certain tidelands property, collectively referred to as "the Leased Premises" or "the Property," described as follows:

Two parcels of City and Borough tidelands property, located at Yankee Cove, totaling approximately 0.84 acres (40,786 square feet), located within Alaska Tidelands Survey No. 1347, Juneau Recording District, First Judicial District, State of Alaska, as depicted on Exhibits "A" and "B" to CBJ Ordinance No. 2007-62, both of which exhibits are attached hereto and incorporated in this lease.

The Leased Premises parcel depicted on Exhibit "A" consists of 0.59 acres (25,912 square feet) of tidelands property for the dock facility and related marine activities. The Leased Premises parcel depicted on Exhibit "B" consists of 0.25 acres (10,874 square feet) of tidelands property for the breakwater and related marine activities.

#### 2. AUTHORITY

This lease is entered into pursuant to the authority of City Code: CBJ 85.02.060(a)(5) and CBJ Chapter 53.20; and CBJ Ordinance No. 2007-63 enacted by the City and Borough Assembly on January 7, 2008, and effective on February 6, 2008.

#### 3. TERM AND RENEWAL OPTION

- (a) The effective date of this lease shall be the date this lease is signed by City. The term of the lease is 35 years, commencing on the effective date of the lease, unless sooner terminated.
- (b) Lessee shall have an option to renew this lease for one successive period of 35 years, subject to City approval of any renewal. Lessee shall exercise this option, if at all, by written notice given to City during the first six months of the last year of the underlying lease term.

#### 4. LEASE PAYMENTS AND ADJUSTMENTS

- (a) Lessee shall pay City an annual lease payment for the Leased Premises. Except as provided in this section, the annual lease payments shall be made by Lessee to City at the start of each year of the term, with the first payment due on the effective date of this lease.



- (b) The annual lease payment for the first five-year period of the lease term shall be \$.05 per square foot per year, plus sales tax (\$1,295.60 per year for the parcel depicted on Exhibit "A", and \$543.70 per year for the parcel depicted on Exhibit "B"; plus sales tax).
- (c) Beginning with the first year after the initial five-year period of the term, the Port Director will re-evaluate and adjust the annual lease payment for the Leased Premises for the next five-year period of this lease, and then every five years thereafter, pursuant to Appendix B, Section 3(2) of this lease. The new annual lease payment amount shall be paid retroactively to the beginning of that lease payment adjustment period. The adjusted annual lease payment shall include any lease rental credit approved by the Port Director as authorized in Appendix B, Section 3(23) of this lease.
- (d) Lessee shall pay all appraisal costs associated with re-evaluating and making adjustments to the annual lease payment.

## **5. AUTHORIZED USE OF LEASED PREMISES**

Lessee is authorized to use the Leased Premises for the construction, operation, and maintenance of a dock, a breakwater, and related marine activities. Lessee shall be responsible for obtaining all necessary permits and approvals for any further development of the Leased Premises. Lessee is required to obtain approval of its construction plans from the City Docks and Harbors Board prior to any further development of the Leased Premises.

## **6. INSURANCE**

### **Commercial General Liability Insurance**

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

### **Property Insurance**

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



## APPENDIX B: LEASE PROVISIONS REQUIRED BY CBJ CHAPTER 53.20

### 1. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES.

As required by CBJ 53.20.160, it shall be the responsibility of Lessee to properly locate Lessee's improvements on the Leased Premises and failure to so locate shall render Lessee's liable as provided by law.

### 2. APPROVAL OF OTHER AUTHORITIES.

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

### 3. TERMS AND CONDITIONS OF LEASES REQUIRED BY CBJ 53.20.190.

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

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

(2) **Adjustment of Rental.** Lessee agrees to a review and 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 City 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. Lessee may protest the adjustment to the Port Director, and if denied wholly or in part, an appeal may be taken to the City Docks and Harbors Board.

(3) **Subleasing.** In accordance with Ordinance No. 2007-62, Section 3(g), City and Lessee agree that the following provision shall govern subleasing and this provision replaces CBJ 53.20.190(3) for purposes of this lease: Lessee may sublease the Leased Premises or any part of the Leased Premises, provided, that Lessee must first obtain the prior written consent of the Port Director. Subleases shall be in writing and be subject to the terms and conditions of the original Lease; all terms, conditions, and covenants of the underlying Lease that may be made to apply to the sublease are hereby incorporated into the sublease.

(4) **Assignment.** Lessee may assign its rights and obligations under this lease; provided that the proposed assignment shall be approved by City prior to any assignment. The assignee shall be subject to all of the provisions of the lease. All terms, conditions, and



covenants of the underlying lease that may be made applicable to the assignment are hereby incorporated into the assignment.

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

(6) **Cancellation and Forfeiture.**

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

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

(C) 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 any of the provisions of this code, and should the default continue for thirty calendar days after service of written notice by City without remedy by Lessee of the conditions warranting default, City may subject Lessee to appropriate legal action including, but not limited to, forfeiture of the lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.

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

(7) **Notice or Demand.** Any notice or demand, which under the 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.

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

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

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





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

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

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

(14) **Renewal Preference.** Any renewal preference granted Lessee is a privilege, and is neither a right nor bargained for consideration. The lease renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the designated official.

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

(A) If any improvements and/or chattels not owned by City and having an appraised value in excess of five thousand dollars as determined by the assessor are not removed within the time allowed, such improvements and/or chattels shall upon due notice to Lessee, be sold at public sale under the direction of City. The proceeds of the sale shall inure to Lessee preceding if Lessee placed such improvements and/or chattels on the lands, after deducting for City rents due and owing and expenses incurred in making such sale. Such rights to the proceeds of the sale shall expire one year from the date of such sale. If no bids acceptable to the Port Director are received, title to such improvements and/or chattels shall vest in City.

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



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

(17) **Compliance with Regulations and 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 Premises.

(18) **Condition of Premises.** Lessee shall keep the Leased Premises 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 Premises. Lessee shall not undertake any activity that causes or increases a sloughing off or loss of surface materials of the Leased Premises.

(19) **Inspection.** Lessee shall allow an authorized representative of City to enter the Leased Premises for inspection at any reasonable time.

(20) **Use of Material.** Lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, top soils, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the Leased Premises may be used, if its use is first approved by City.

(21) **Rights-of-Way.** City expressly reserves the right to grant easements or rights-of-way across the Leased Premises if it is determined in the best interest of City to do so. If City grants an easement or right-of-way across any of the Leased Premises, 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.

(22) **Warranty.** City does not warrant by its classification or leasing of land that the land, or the Leased Premises described in this lease, 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 the land or Leased Premises to said use.

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



## APPENDIX C: STANDARD PROVISIONS

- (1) **Holding Over.** If Lessee holds over beyond the expiration of the term of this lease and the term has not been extended or renewed in writing, such holding over will be a tenancy from month-to-month only.
- (2) **Interest on Late Payments.** Should any installment of rent or other charges provided for under the terms of this lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.
- (3) **Taxes, Assessments, and Liens.** During the term of this lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills for the Leased Premises and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, against the Leased Premises or the improvements placed thereon.
- (4) **Easements.** Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements.
- (5) **Encumbrance of Parcel.** Lessee shall not encumber or cloud City's title to the Leased Premises or enter into any lease, easement, or other obligation of City's title without the prior written consent of City; and any such act or omission, without the prior written consent of City, shall be void against City and may be considered a breach of this lease.
- (6) **Valid Existing Rights.** This lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this lease.
- (7) **State Discrimination Laws.** Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska law prohibiting discrimination, particularly Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited). In the event of Lessee's failure to comply any of the above non-discrimination covenants, City shall have the right to terminate the lease.
- (8) **Unsafe Use.** Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.
- (9) **Hold Harmless.** Lessee agrees to defend, indemnify, and save City, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of the use and occupancy of the Leased Premises by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, and without limitation as to any damages resulting from settlement, judgment, or verdict, and includes the award of any attorneys fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice to City of any action, claim, or lawsuit. City shall notify Lessee in a timely manner of the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and



may be waived where Lessee has actual notice. This agreement applies, and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against City.

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

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



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2008-001696-0



**J.W. BEAN**  
INC.  
PROFESSIONAL SURVEYOR  
1070 ARCTIC CIRCLE  
JUNEAU, ALASKA 99801  
(907) 789-0880  
SURVEYOR - PLANNER

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT PLAT, THAT ALL WALKS, ROADS, EASEMENTS AND IMPROVEMENTS THEREON ARE AS SHOWN AND THAT ALL OVERLAPS AND ENCROACHMENTS ARE AS SHOWN TO THE BEST OF MY KNOWLEDGE.



SCALE: 1"=100' DATE: 11-16-2007 PROJ: J08 No: 8948-HCB85-LEASE-LAND SHEET 1 OF 1

**LEASE LAND SITE PLAN FAVORITE CHANNEL**  
CITY & BOROUGH OF JUNEAU, ALASKA  
JUNEAU RECORDING DISTRICT

OWNERS:  
MARRON HOBBS  
PO BOX 210447  
JUNEAU, ALASKA 99821

SUBJECTOR:  
J.W. BEAN, INC.  
PROFESSIONAL SURVEYOR  
1070 ARCTIC CIRCLE  
JUNEAU, ALASKA 99801

REF. #POA-1998-782

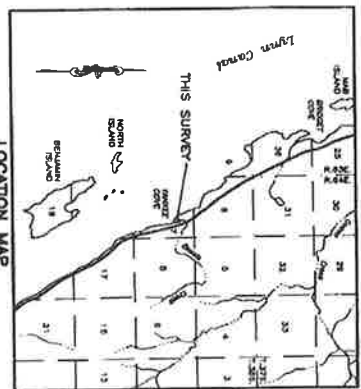
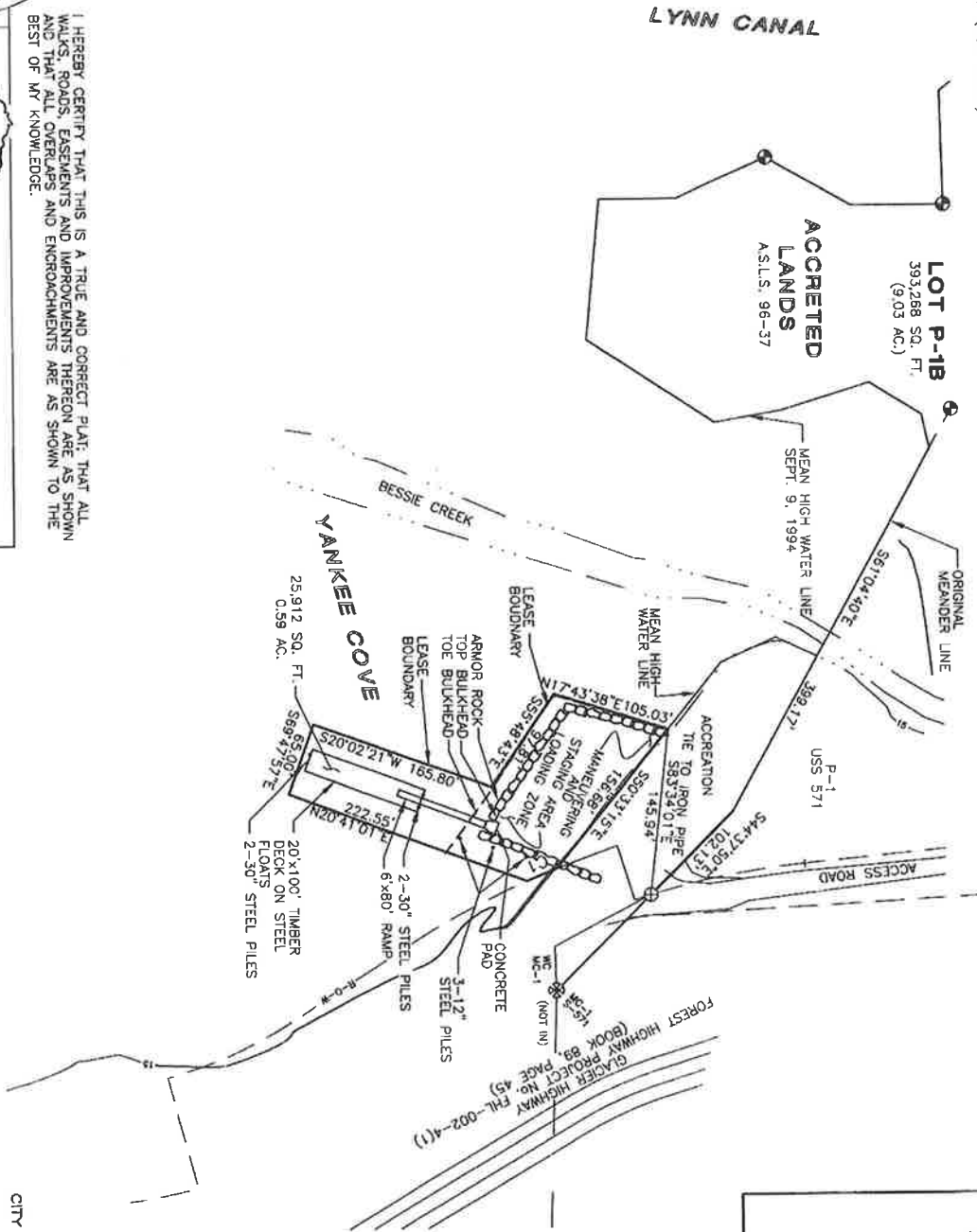
REF. #POA-1998-782



11 of 12  
2008-001696-0

- LEGEND:**
- ⊙ PRIMARY MONUMENT RECOVERED THIS SURVEY BY J.W. BEAN
  - ⊕ PRIMARY MONUMENT SET BY OTHERS, RECOVERED THIS SURVEY
  - ⊗ B.L.M. BRASS CAP MONUMENT (NOT FOUND)

| CURVE | DELTA   | RADIUS | LENGTH | CHORD BEARING       |
|-------|---------|--------|--------|---------------------|
| C1    | 202.537 | 772.95 | 27.63  | S22°50'59" E 27.63' |



- LEGEND:**
- ⊙ PRIMARY MONUMENT RECOVERED THIS SURVEY BY J.W. BEAN
  - ⊕ PRIMARY MONUMENT SET BY OTHERS, RECOVERED THIS SURVEY
  - ⊗ B.L.M. BRASS CAP MONUMENT (NOT FOUND)



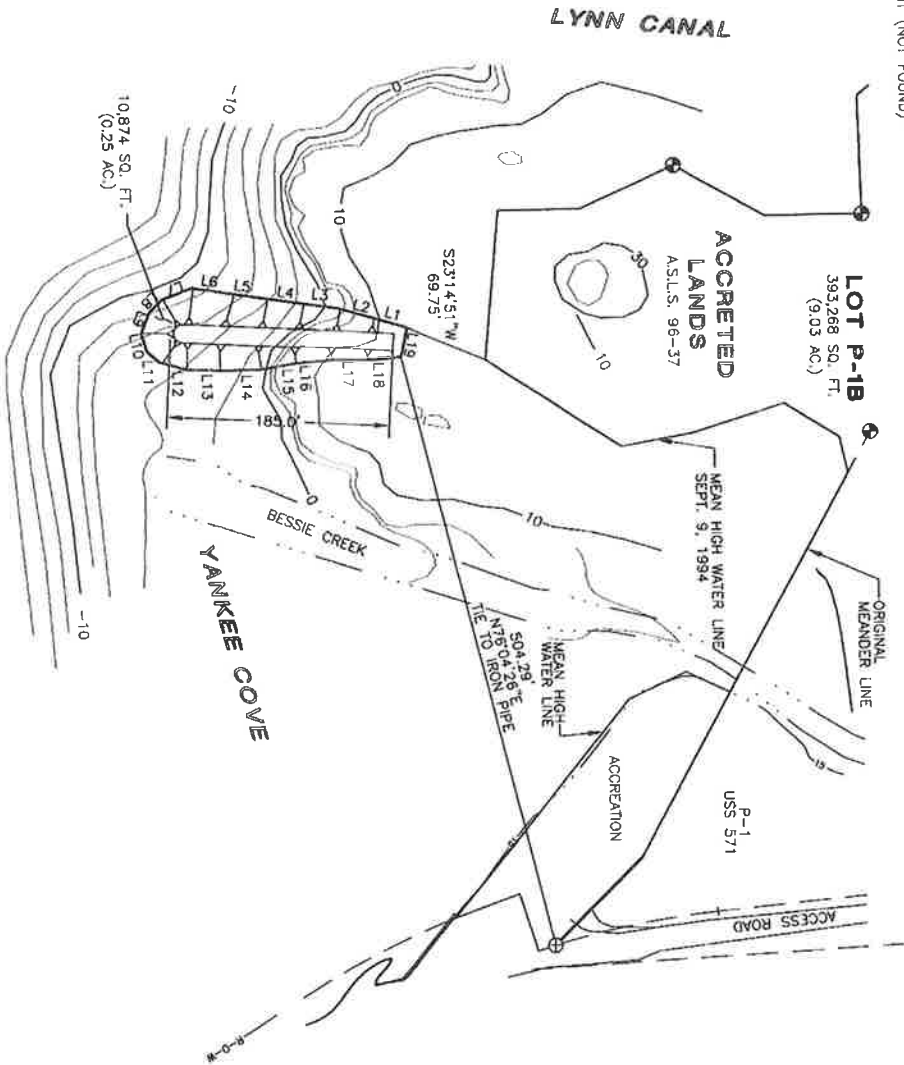
I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT PLAT THAT ALL WALKS, ROADS, EASEMENTS AND IMPROVEMENTS THEREON ARE AS SHOWN AND THAT ALL OVERLAPS AND ENCROACHMENTS ARE AS SHOWN TO THE BEST OF MY KNOWLEDGE.



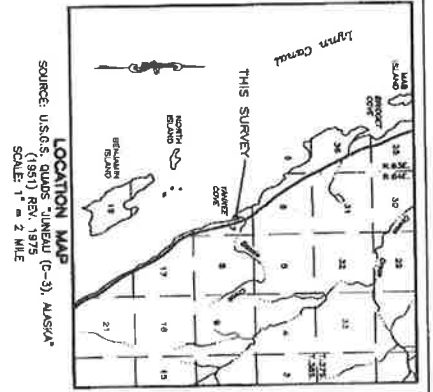
**J.W. BEAN**  
INC.  
PROFESSIONAL SURVEYOR  
1070 ARCTIC CIRCLE  
JUNEAU, ALASKA  
(907) 789-9580  
SURVEYOR - PLANNER



SCALE: 1"=100' DATE: 11-16-2007 PROJ. JOB NO.: 8948-HOBBS-LEASE-LAND SHEET 1 OF 1



| LINE | BEARING     | DISTANCE |
|------|-------------|----------|
| L1   | S17°00'08"W | 29.99'   |
| L2   | S16°18'14"W | 28.88'   |
| L3   | S08°14'27"W | 30.59'   |
| L4   | S09°05'46"W | 30.26'   |
| L5   | S08°38'34"W | 31.83'   |
| L6   | S08°34'30"W | 29.41'   |
| L7   | S19°32'56"E | 28.21'   |
| L8   | S43°43'43"E | 14.99'   |
| L9   | S87°45'51"E | 18.95'   |
| L10  | N77°29'08"E | 15.88'   |
| L11  | N41°22'01"E | 13.27'   |
| L12  | N18°37'03"E | 23.10'   |
| L13  | N02°15'43"E | 36.30'   |
| L14  | N02°43'03"W | 31.87'   |
| L15  | N08°58'43"W | 30.65'   |
| L16  | N03°46'00"W | 30.34'   |
| L17  | N02°45'52"E | 29.88'   |
| L18  | N04°28'13"W | 25.57'   |
| L19  | N77°47'56"W | 24.88'   |



**LEASE LAND  
SITE PLAN  
REF. #POA-1998-782  
FAVORITE CHANNEL**

CITY & BOROUGH OF JUNEAU, ALASKA  
JUNEAU RECORDING DISTRICT

OWNERS:  
MARION HOBBS  
PO BOX 210447  
JUNEAU, ALASKA 99821

SURVEYOR:  
J.W. BEAN, INC.  
PROFESSIONAL SURVEYOR  
1070 ARCTIC CIRCLE  
JUNEAU, ALASKA 99801



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2008-001696-0

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## QUALIFICATIONS OF CHARLES E. HORAN, MAI

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|                                   |  |
|-----------------------------------|--|
| <b>Professional Designation</b>   | MAI, Member Appraisal Institute, No. 6534                        |
| <b>State Certification</b>        | State of Alaska General Appraiser Certification, No. APRG41      |
| <b>Bachelor of Science Degree</b> | University of San Francisco, B.S., Business Administration, 1973 |

### **Employment History:**

|            |   |
|------------|---|
| 8/04 – now | Owner, HORAN & COMPANY, LLC   |
| 3/87 –7/04 | Partner, HORAN, CORAK AND COMPANY   |
| 1980 –2/87 | Partner, The PD Appraisal Group, managing partner since November 1984<br>(formerly POMTIER, DUVERNAY & HORAN) |
| 1976 – 80  | Partner/Appraiser, POMTIER, DUVERNAY & COMPANY, INC., Juneau and Sitka, Alaska                                |
| 1975 – 76  | Real Estate Appraiser, H. Pomtier & Associates, Ketchikan, AK   |
| 1973 – 75  | Jr. Appraiser, Ketchikan Gateway Borough, Ketchikan, AK   |

### **Lectures and Educational Presentations:**

2007, "Conservation Easements" Presentation - Alaska Association of Assessing Officers, Fairbanks, AK  
1998, "Easement Valuation Seminar," Alaska Chapter Appraisal Institute, Anchorage, AK  
1998, "Easement Valuation Seminar," Seal Trust, Juneau, Alaska  
1997, "Sitka Housing Market," Sitka Chamber of Commerce  
1997, developed and taught commercial real estate investment seminar for Shee Atika, Inc.  
1994, developed and taught seminar "Introduction to Real Estate Appraising," UAS, Sitka Campus  
1985, Speaker at Sitka Chamber of Commerce, "What is an Appraisal? How to Read the Appraisal"  
1984, Southeast Alaska Realtor's Mini Convention, Juneau, Alaska  
Day 1: Introduction of Appraising, Cost and Market Data Approaches  
Day 2: Income Approach, Types of Appraisals, AIREA Accredited Course  
1983, "The State of Southeast Alaska's Real Estate Market"  
1982, "What is an Appraisal?"

### **Types of Property Appraised:**

*Commercial* - Retail shops, enclosed mall, shopping centers, medical buildings, restaurants, service stations, office buildings, auto body shops, schools, remote retail stores, liquor stores, supermarkets, funeral home, mobile home parks, camper courts. Appraised various businesses with real estate for value as a going concern with or without fixtures such as hotels, motels, bowling alleys, marinas, restaurants, lounges.

*Industrial* - Warehouse, mini-warehouse, hangars, docks barge loading facilities, industrial acreage, industrial sites, bulk plant sites, and fish processing facility. Appraised tank farms, bulk terminal sites, and a variety of waterfront port sites.

*Special Land* - Partial Interest and Leasehold Valuation - Remote acreage, tidelands with estimates of annual market rent. Large acreage land exchanges for federal, state, municipal governments and Alaska Native Corporations; retail lot valuations and absorption studies of large subdivisions; gravel and rock royalty value estimates; easements, partial interests, conservation easements; title limitations, permit fee evaluations. Appraised various properties under lease to determine leasehold and leased fee interests. Value easements and complex partial interests.

*Special Projects* - Special consultation for Federal land exchanges. Developed Land Evaluation Module (LEM) to describe and evaluate 290,000 acres of remote lands. Renovation feasibilities, residential lot absorption studies, commercial, and office building absorption studies. Contract review appraiser for private individuals, municipalities, and lenders. Restaurant feasibility studies, Housing demand studies and overall market projections. Estimated impact of nuisances on property values. Historic appreciation / market change studies. Historic barren material royalty valuations, subsurface mineral and timber valuation in conjunction with resource experts. Mass appraisal valuations for Municipality of Skagway, City of Craig, Ketchikan Gateway Borough and other Alaska communities. Developed electronic/digital

assessment record system for municipalities. Developed extensive state-wide market data record system which identified sales in all geographic areas.

### **Expert Witness Experience and Testimony:**

2016 Expert Witness – D’s Investment Group, LLC vs Erwin Enterprises, et al 1JU-15-971CI, settled  
2012 Expert Witness – Dukowitz vs Chamberlain and First American Title Insurance Co. 1JU-12-778CI, settled  
2011 Expert Witness – Wise and Wise vs City and Borough of Juneau. 1JU-10-584CI, settled  
2009 Expert at mediation - Talbot's Inc vs State of Alaska, et al. IKE-07-168CI  
2008 Albright vs Albright, IKE-07-265CI, settled  
2006 State of Alaska vs Homestead Alaska, et al, 1JU-06-572, settled  
2006 State of Alaska vs Heaton, et al, 1JU-06-570CI, settled  
2006 State of Alaska vs Jean Gain Estate, 1JU-06-571, settled  
2004 Assessment Appeal, Board of Equalization, Franklin Dock vs City and Borough of Juneau  
2000 Alaska Pulp Corporation vs National Surety - Deposition  
U.S. Senate, Natural Resources Committee  
U.S. House of Representatives, Resource Committee  
Superior Court, State of Alaska, Trial Court and Bankruptcy Courts  
Board of Equalization Hearings testified on behalf of these municipalities: Ketchikan Gateway Borough, City of Skagway, City of Pelican, City and Borough of Haines, Alaska  
Witness at binding arbitration hearings, appointed Master for property partitionment by superior state court, selected expert as final appraiser in multi parties suit with settlements of real estate land value issues

### **Partial List of Clients:**

#### Federal Agencies

Bureau of Indian Affairs  
Bureau of Land Mngmnt  
Coast Guard  
Dept. Of Agriculture  
Dept. Of Interior  
Dept. Of Transportation  
Federal Deposit Ins Corp  
Federal Highway Admin.  
Fish & Wildlife Service  
Forest Service  
General Service Agency  
National Park Service  
USDA Rural Develop.  
Veterans Administration

#### Municipalities

City & Borough of Haines  
City & Borough of Juneau  
City & Borough of Sitka  
City of Akutan  
City of Coffman Cove  
City of Craig  
City of Hoonah  
City of Ketchikan  
City of Klawock  
City of Pelican  
City of Petersburg  
City of Thorne Bay  
City of Wrangell  
Ketchikan Gateway Borg.  
Municipality of Skagway

#### Lending Institutions

Alaska Growth Capital  
Alaska Pacific Bank  
Alaska Ind. Dev. Auth.  
ALPS FCU  
First Bank  
First National Bank AK  
Key Bank  
Met Life Capital Corp.  
National Bank of AK  
Rainier National Bank  
SeaFirst Bank  
True North Credit Union  
Wells Fargo  
Wells Fargo RETECHS

#### Other Organizations

BIHA  
Central Council for Tlingit  
& Haida Indian Tribes  
of Alaska (CCTHITA)  
Diocese of Juneau  
Elks Lodge  
Hoonah Indian Assoc.  
LDS Church  
Moose Lodge  
SE AK Land Trust (SEAL)  
SEARHC  
Sitka Tribe of Alaska  
The Nature Conservancy

#### ANCSA Corporations

Cape Fox, Inc.  
Doyon Corporation  
Eyak Corporation  
Goldbelt  
Haida Corporation  
Huna Totem  
Kake Tribal Corporation  
Klawock-Heenya Corp.  
Klukwan, Inc.  
Kootznoowoo, Inc.  
Sealaska Corporation  
Shaan Seet, Inc.  
Shee Atika Corporation  
TDX Corporation  
The Tattilek Corporation  
Yak-Tat Kwan  
State of Alaska Agencies  
Alaska State Building  
Authority (formerly  
ASHA)  
Attorney General  
Dept. of Fish & Game  
Dept. of Natural Service,  
Div. of Lands  
Dept. of Public Safety  
DOT&PF  
Mental Health Land Trust  
Superior Court  
University of Alaska

#### Companies

AK Electric Light & Power  
AK Lumber & Pulp Co.  
AK Power & Telephone  
Allen Marine  
Arrowhead Transfer  
AT&T Alascom  
Coeur Alaska  
Delta Western  
Gulf Oil of Canada  
Hames Corporation  
HDR Alaska, Inc.  
Holland America  
Home Depot  
Kennecott Greens Creek  
Kennedy & Associates  
Madsen Construction, Inc.  
Service Transfer  
Standard Oil of CA  
The Conservation Fund  
Union Oil  
Ward Cove Packing  
White Pass & Yukon RR  
Yutana Barge Lines



## Education

|  |   |
|--|---|
| <p>Valuation of Conservation Easements, Fairfield, CA, Sept 2016</p> <p>Business Practices and Ethics, Seattle, WA, Jan 2016</p> <p>7-Hour National USPAP Update Course, Seattle, WA, Jan 2016</p> <p>Online Small Hotel/Motel Valuation, Chicago, IL June 2015</p> <p>Advanced Spreadsheet Modeling for Valuation Applications, Rockville, MD April 2015</p> <p>7-Hour National USPAP Update Course, Seattle, WA January 2015</p> <p>7-Hour National USPAP Update Course, Mount Vernon, WA, April 2013</p> <p>Fall Real Estate Conference 2012, Seattle, Wa November, 2012</p> <p>Appraising the Appraisal: Appraisal Review-General, Rockville, MD, May 2012</p> <p>Information Security Awareness for Appraisal Professionals Webinar, December, 2012</p> <p>Fall Real Estate Conference 2011 Seattle, WA October, 2011</p> <p>Appraisal Curriculum Overview (2-day General) Milwaukee, WI, August 2011</p> <p>Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), Rockville, MD, Oct 2010</p> <p>Business Practices and Ethics, Seattle, WA, Apr 2010</p> <p>Fall Real Estate Conference, Seattle, WA, Dec 2009</p> <p>7-hour National USPAP Update Course, Seattle, WA, May 2009</p> <p>Fall Real Estate Conference, Seattle, WA, Nov 2008</p> <p>Attacking and Defending an Appraisal in Litigation, Kent, WA, Sep 2008</p> <p>Sustainable Mixed-Use N.I.M., Seattle, WA, Feb 2008</p> <p>Appraising 2-4 Unit Properties, Bellevue, WA, Sep 2007</p> <p>Business Practices and Ethics, Seattle, WA, Jun 2007</p> <p>7-hour National USPAP Update Course, Seattle, WA, Jun 2007</p> <p>Residential Market Analysis and Highest and Best Use, Seattle, WA, Apr 2007</p> <p>Basic Appraisal Procedures, Seattle, WA, Feb 2007</p> <p>USPAP Update Course, Anchorage, AK, Feb 2005</p> <p>Rates &amp; Ratios: Making Sense of GIMs, OARs, and DCF, Anchorage, AK, Feb 2005</p> <p>Best Practices for Residential Appraisal Report Writing, Juneau, AK, Apr 2005</p> <p>Scope of Work - Expanding Your Range of Services, Anchorage, AK May 2003</p> <p>Litigation Appraising - Specialized Topics and Applications, Dublin, CA, Oct 2002</p> <p>UASFLA: Practical Applications for Fee Appraisers, Jim Eaton, Washington, D.C., May 2002</p> | <p>USPAP, Part A, Burr Ridge, IL, Jun 2001</p> <p>Partial Interest Valuation - Undivided, Anchorage, AK, May 2001</p> <p>Partial Interest Valuation - Divided, Anchorage, AK, May 2001</p> <p>Easement Valuation, San Diego, CA, Dec 1997</p> <p>USPAP, Seattle, WA, Apr 1997</p> <p>The Appraiser as Expert Witness, Anchorage, AK, May 1995</p> <p>Appraisal Practices for Litigation, Anchorage, AK, May 1995</p> <p>Forestry Appraisal Practices, Atterbury Consultants, Beaverton, OR, Apr 1995</p> <p>Advanced Sales Comparison &amp; Cost Approaches, Univ. of Colorado, Boulder, CO, Jun 1993</p> <p>Computer Assisted Investment Analysis, University of Maryland, MD, Jul 1991</p> <p>USPAP, Anchorage, AK, Apr 1991</p> <p>General State Certification Review Seminar, Anchorage, AK, Apr 1991</p> <p>State Certification Review Seminar, Dean Potter, Anchorage, AK, Apr 1991</p> <p>Highest and Best Use and Market Analysis, Baltimore, MA, Mar 1991</p> <p>Financial Institution Reform, Recovery &amp; Enforcement Act of 1989, Doreen Fair Westfall, Appraisal Analyst, OTS, Juneau, AK, Jul 1990</p> <p>Real Estate Appraisal Reform, Gregory Hoefler, MAI, OTS, Juneau, AK, Jul 1990</p> <p>Standards of Professional Practice, Anchorage, AK, Oct 1987</p> <p>Federal Home Loan Bank Board Memorandum R41C Seminar, Catherine Gearhearth, MAI, FHLBB District Appraiser, Juneau, AK, Mar 1987</p> <p>Market Analysis, Boulder, CO, Jun 1986</p> <p>Federal Home Loan Bank Board Regulation 41b, Instructor Bob Foreman, MAI, Seattle, WA, Sep 1985</p> <p>Litigation Valuation, Chapel Hill, North CA, Aug 1984</p> <p>Standards of Professional Practices, Bloomington, IN, Jan 1982</p> <p>Course 2B, Valuation Analysis &amp; Report Writing, Stanford, CA, Aug 1980</p> <p>Course 6, Introduction to Real Estate Investment Analysis, Aug 1980</p> <p>Course 1B, Capitalization Techniques, San Francisco, CA, Aug 1976</p> <p>Course 2A, Case Studies in Real Estate Valuation, Aug 1976</p> <p>Course 1A, Real Estate Principles and Valuation, San Francisco, CA, Aug 1974</p> |
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2008-001696-0

Recording Dist: 101 - Juneau  
3/7/2008 9:21 AM Pages: 1 of 12

Recorder return to: City and Borough of Juneau  
Attn: John M. Stone  
155 S. Seward Street  
Juneau, AK 99801



CC

**YANKEE COVE DEVELOPMENT LEASE AGREEMENT**

**PART I. PARTIES.** This lease is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, hereafter "City," and Marion Hobbs, Member, Yankee Cove Development LLC, a limited liability company licensed to do business under the laws of the State of Alaska, hereafter "Lessee."

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

**City:**  
Attn: John M. Stone, P.E.  
Port Director  
City and Borough of Juneau

**Lessee:**  
Attn: Marion Hobbs, Member  
Yankee Cove Development LLC  
Lessee

155 S. Seward Street  
Juneau, AK 99801  
Phone: (907) 586-0294  
Fax: (907) 586-0295

P.O. Box 210477  
Auke Bay, AK 99821  
Phone: (907) 789-5856  
Fax: (907) 789-5856

**PART III. LEASE DESCRIPTION.** This lease agreement is identified as: Yankee Cove Development Lease. The following appendices are attached hereto and are considered a part of this lease agreement as well as anything incorporated by reference or attached to those appendices.

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

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

**PART IV. LEASE EXECUTION.** City and Lessee agree and sign below. This contract is not effective until signed by the City.

City: \_\_\_\_\_  
Date: FEBRUARY 27, 2008  
By: [Signature]  
Authorized Representative  
John M. Stone, Port Director

Lessee: Y.C.D. LLC.  
Date: 2.27.08  
By: [Signature]  
Authorized Representative  
Marion Hobbs, Member  
Yankee Cove Development LLC

**CITY ACKNOWLEDGEMENT**

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

This is to certify that on the 27<sup>th</sup> day of February, 2008, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared John M. Stone to me known to be the Port Director of the City and Borough of Juneau, Alaska, a municipal corporation which executed the above and foregoing instrument, 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 the day and year in the certificate first above written.



Elizabeth M. Ewen  
Notary Public in and for the State of Alaska  
My Commission Expires: May 6, 2010

**LESSEE ACKNOWLEDGEMENT**

STATE OF ALASKA )  
 ) ss:  
FIRST JUDICIAL DISTRICT )

This is to certify that on the 27<sup>th</sup> day of February, 2008, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Marion Hobbs to me known to be the identical individual described in and who executed the foregoing instrument for and on behalf of Yankee Cove Development LLC, as Lessee, which executed the above and foregoing instrument; who on oath stated that he was duly authorized to execute said instrument; who acknowledged to me that he signed the same freely and voluntarily for the uses and purposes therein mentioned.

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



Elizabeth M. Ewen  
Notary Public in and for the State of Alaska  
My Commission Expires: May 6, 2010

Risk Management Review: \_\_\_\_\_, Risk Manager

Approved as to Form: Bombua Ritchie, Law Department



## APPENDIX A:

### PROPERTY DESCRIPTION & ADDITIONAL LEASE PROVISIONS

#### 1. DESCRIPTION OF PROPERTY

The property subject to this lease is two parcels of certain tidelands property, collectively referred to as "the Leased Premises" or "the Property," described as follows:

Two parcels of City and Borough tidelands property, located at Yankee Cove, totaling approximately 0.84 acres (40,786 square feet), located within Alaska Tidelands Survey No. 1347, Juneau Recording District, First Judicial District, State of Alaska, as depicted on Exhibits "A" and "B" to CBJ Ordinance No. 2007-62, both of which exhibits are attached hereto and incorporated in this lease.

The Leased Premises parcel depicted on Exhibit "A" consists of 0.59 acres (25,912 square feet) of tidelands property for the dock facility and related marine activities. The Leased Premises parcel depicted on Exhibit "B" consists of 0.25 acres (10,874 square feet) of tidelands property for the breakwater and related marine activities.

#### 2. AUTHORITY

This lease is entered into pursuant to the authority of City Code: CBJ 85.02.060(a)(5) and CBJ Chapter 53.20; and CBJ Ordinance No. 2007-63 enacted by the City and Borough Assembly on January 7, 2008, and effective on February 6, 2008.

#### 3. TERM AND RENEWAL OPTION

- (a) The effective date of this lease shall be the date this lease is signed by City. The term of the lease is 35 years, commencing on the effective date of the lease, unless sooner terminated.
- (b) Lessee shall have an option to renew this lease for one successive period of 35 years, subject to City approval of any renewal. Lessee shall exercise this option, if at all, by written notice given to City during the first six months of the last year of the underlying lease term.

#### 4. LEASE PAYMENTS AND ADJUSTMENTS

- (a) Lessee shall pay City an annual lease payment for the Leased Premises. Except as provided in this section, the annual lease payments shall be made by Lessee to City at the start of each year of the term, with the first payment due on the effective date of this lease.



- (b) The annual lease payment for the first five-year period of the lease term shall be \$.05 per square foot per year, plus sales tax (\$1,295.60 per year for the parcel depicted on Exhibit "A", and \$543.70 per year for the parcel depicted on Exhibit "B"; plus sales tax).
- (c) Beginning with the first year after the initial five-year period of the term, the Port Director will re-evaluate and adjust the annual lease payment for the Leased Premises for the next five-year period of this lease, and then every five years thereafter, pursuant to Appendix B, Section 3(2) of this lease. The new annual lease payment amount shall be paid retroactively to the beginning of that lease payment adjustment period. The adjusted annual lease payment shall include any lease rental credit approved by the Port Director as authorized in Appendix B, Section 3(23) of this lease.
- (d) Lessee shall pay all appraisal costs associated with re-evaluating and making adjustments to the annual lease payment.

## **5. AUTHORIZED USE OF LEASED PREMISES**

Lessee is authorized to use the Leased Premises for the construction, operation, and maintenance of a dock, a breakwater, and related marine activities. Lessee shall be responsible for obtaining all necessary permits and approvals for any further development of the Leased Premises. Lessee is required to obtain approval of its construction plans from the City Docks and Harbors Board prior to any further development of the Leased Premises.

## **6. INSURANCE**

### **Commercial General Liability Insurance**

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

### **Property Insurance**

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



## APPENDIX B: LEASE PROVISIONS REQUIRED BY CBJ CHAPTER 53.20

### 1. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES.

As required by CBJ 53.20.160, it shall be the responsibility of Lessee to properly locate Lessee's improvements on the Leased Premises and failure to so locate shall render Lessee's liable as provided by law.

### 2. APPROVAL OF OTHER AUTHORITIES.

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

### 3. TERMS AND CONDITIONS OF LEASES REQUIRED BY CBJ 53.20.190.

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

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

(2) **Adjustment of Rental.** Lessee agrees to a review and 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 City 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. Lessee may protest the adjustment to the Port Director, and if denied wholly or in part, an appeal may be taken to the City Docks and Harbors Board.

(3) **Subleasing.** In accordance with Ordinance No. 2007-62, Section 3(g), City and Lessee agree that the following provision shall govern subleasing and this provision replaces CBJ 53.20.190(3) for purposes of this lease: Lessee may sublease the Leased Premises or any part of the Leased Premises, provided, that Lessee must first obtain the prior written consent of the Port Director. Subleases shall be in writing and be subject to the terms and conditions of the original Lease; all terms, conditions, and covenants of the underlying Lease that may be made to apply to the sublease are hereby incorporated into the sublease.

(4) **Assignment.** Lessee may assign its rights and obligations under this lease; provided that the proposed assignment shall be approved by City prior to any assignment. The assignee shall be subject to all of the provisions of the lease. All terms, conditions, and



covenants of the underlying lease that may be made applicable to the assignment are hereby incorporated into the assignment.

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

(6) **Cancellation and Forfeiture.**

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

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

(C) 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 any of the provisions of this code, and should the default continue for thirty calendar days after service of written notice by City without remedy by Lessee of the conditions warranting default, City may subject Lessee to appropriate legal action including, but not limited to, forfeiture of the lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.

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

(7) **Notice or Demand.** Any notice or demand, which under the 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.

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

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

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



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

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

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

(14) **Renewal Preference.** Any renewal preference granted Lessee is a privilege, and is neither a right nor bargained for consideration. The lease renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the designated official.

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

(A) If any improvements and/or chattels not owned by City and having an appraised value in excess of five thousand dollars as determined by the assessor are not removed within the time allowed, such improvements and/or chattels shall upon due notice to Lessee, be sold at public sale under the direction of City. The proceeds of the sale shall inure to Lessee preceding if Lessee placed such improvements and/or chattels on the lands, after deducting for City rents due and owing and expenses incurred in making such sale. Such rights to the proceeds of the sale shall expire one year from the date of such sale. If no bids acceptable to the Port Director are received, title to such improvements and/or chattels shall vest in City.

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





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

(17) **Compliance with Regulations and 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 Premises.

(18) **Condition of Premises.** Lessee shall keep the Leased Premises 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 Premises. Lessee shall not undertake any activity that causes or increases a sloughing off or loss of surface materials of the Leased Premises.

(19) **Inspection.** Lessee shall allow an authorized representative of City to enter the Leased Premises for inspection at any reasonable time.

(20) **Use of Material.** Lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, top soils, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the Leased Premises may be used, if its use is first approved by City.

(21) **Rights-of-Way.** City expressly reserves the right to grant easements or rights-of-way across the Leased Premises if it is determined in the best interest of City to do so. If City grants an easement or right-of-way across any of the Leased Premises, 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.

(22) **Warranty.** City does not warrant by its classification or leasing of land that the land, or the Leased Premises described in this lease, 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 the land or Leased Premises to said use.

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



## APPENDIX C: STANDARD PROVISIONS

- (1) **Holding Over.** If Lessee holds over beyond the expiration of the term of this lease and the term has not been extended or renewed in writing, such holding over will be a tenancy from month-to-month only.
- (2) **Interest on Late Payments.** Should any installment of rent or other charges provided for under the terms of this lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.
- (3) **Taxes, Assessments, and Liens.** During the term of this lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills for the Leased Premises and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, against the Leased Premises or the improvements placed thereon.
- (4) **Easements.** Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements.
- (5) **Encumbrance of Parcel.** Lessee shall not encumber or cloud City's title to the Leased Premises or enter into any lease, easement, or other obligation of City's title without the prior written consent of City; and any such act or omission, without the prior written consent of City, shall be void against City and may be considered a breach of this lease.
- (6) **Valid Existing Rights.** This lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this lease.
- (7) **State Discrimination Laws.** Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska law prohibiting discrimination, particularly Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited). In the event of Lessee's failure to comply any of the above non-discrimination covenants, City shall have the right to terminate the lease.
- (8) **Unsafe Use.** Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.
- (9) **Hold Harmless.** Lessee agrees to defend, indemnify, and save City, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of the use and occupancy of the Leased Premises by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, and without limitation as to any damages resulting from settlement, judgment, or verdict, and includes the award of any attorneys fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice to City of any action, claim, or lawsuit. City shall notify Lessee in a timely manner of the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and



may be waived where Lessee has actual notice. This agreement applies, and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against City.

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

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



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2008-001696-0



**J.W. BEAN**  
INC.  
PROFESSIONAL SURVEYOR  
1070 ARCTIC CIRCLE  
JUNEAU, ALASKA 99801  
(907) 789-0980  
SURVEYOR - PLANNER

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT PLAT, THAT ALL WALKS, ROADS, EASEMENTS AND IMPROVEMENTS THEREON ARE AS SHOWN AND THAT ALL OVERLAPS AND ENCROACHMENTS ARE AS SHOWN TO THE BEST OF MY KNOWLEDGE.



Scale in feet  
SCALE: 1"=100'

SCALE: 1"=100' DATE: 11-16-2007 PROJ: J08 No: 8948-HCB85-LEASE-LAND

**LEASE LAND  
SITE PLAN  
REF. #POA-1998-782  
FAVORITE CHANNEL**  
CITY & BOROUGH OF JUNEAU, ALASKA  
JUNEAU RECORDING DISTRICT

OWNERS:  
MARRON, HOBBS  
PO BOX 210447  
JUNEAU, ALASKA 99821

SUBJECTOR:  
J.W. BEAN, INC.  
PROFESSIONAL SURVEYOR  
1070 ARCTIC CIRCLE  
JUNEAU, ALASKA 99801

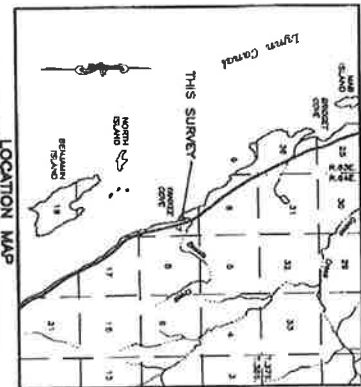
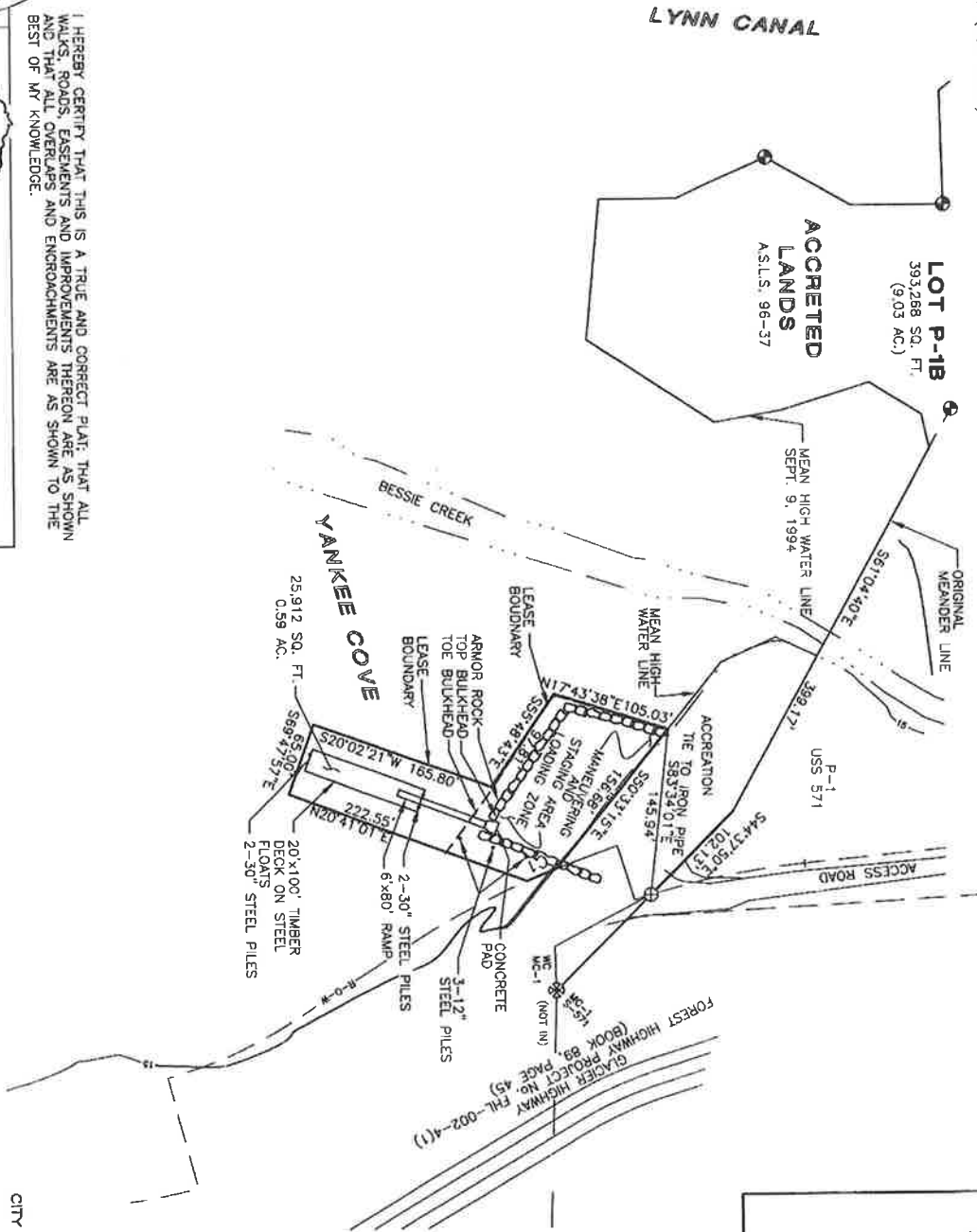
SHEET 1 OF 1



11 of 12  
2008-001696-0

- LEGEND:**
- ⊙ PRIMARY MONUMENT RECOVERED THIS SURVEY BY J.W. BEAN
  - ⊕ PRIMARY MONUMENT SET BY OTHERS, RECOVERED THIS SURVEY
  - ⊗ B.L.M. BRASS CAP MONUMENT (NOT FOUND)

| CURVE | DELTA   | RADIUS  | LENGTH | CHORD BEARING       |
|-------|---------|---------|--------|---------------------|
| C1    | 202.53° | 772.95' | 27.63' | S22°50'59" E 27.63' |



- LEGEND:**
- ⊙ PRIMARY MONUMENT RECOVERED THIS SURVEY BY J.W. BEAN
  - ⊕ PRIMARY MONUMENT SET BY OTHERS, RECOVERED THIS SURVEY
  - ⊗ B.L.M. BRASS CAP MONUMENT (NOT FOUND)



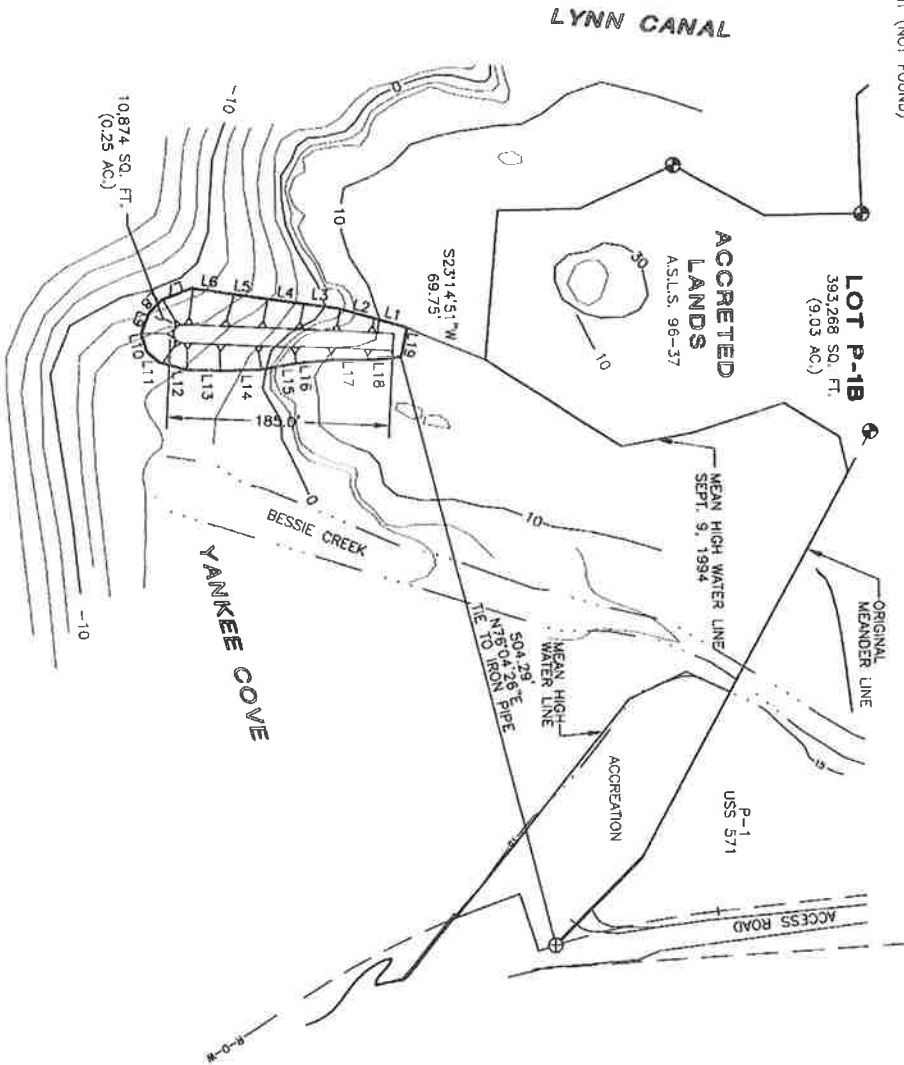
I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT PLAT THAT ALL WALKS, ROADS, EASEMENTS AND IMPROVEMENTS THEREON ARE AS SHOWN AND THAT ALL OVERLAPS AND ENCROACHMENTS ARE AS SHOWN TO THE BEST OF MY KNOWLEDGE.



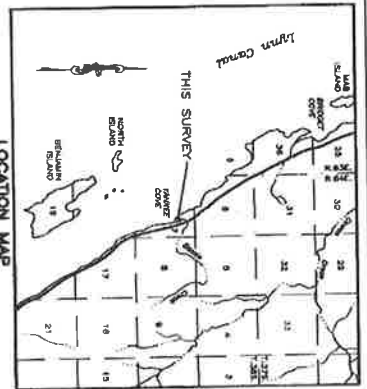
**J.W. BEAN**  
INC.  
PROFESSIONAL SURVEYOR  
1070 ARCTIC CIRCLE  
JUNEAU, ALASKA  
(907) 789-9580  
SURVEYOR - PLANNER



SCALE: 1"=100' DATE: 11-16-2007 PROJ. JOB NO.: 8948-HOBBS-LEASE-LAND SHEET 1 OF 1



| LINE | BEARING     | DISTANCE |
|------|-------------|----------|
| L1   | S17°00'08"W | 29.99'   |
| L2   | S16°18'14"W | 28.88'   |
| L3   | S08°14'27"W | 30.59'   |
| L4   | S09°05'46"W | 30.26'   |
| L5   | S08°38'34"W | 31.83'   |
| L6   | S08°34'30"W | 29.41'   |
| L7   | S19°32'56"E | 28.21'   |
| L8   | S43°43'43"E | 14.99'   |
| L9   | S87°45'51"E | 18.95'   |
| L10  | N77°29'08"E | 15.88'   |
| L11  | N41°22'01"E | 13.27'   |
| L12  | N18°37'03"E | 23.10'   |
| L13  | N02°15'43"E | 36.30'   |
| L14  | N02°43'03"W | 31.87'   |
| L15  | N08°58'43"W | 30.65'   |
| L16  | N03°46'00"W | 30.34'   |
| L17  | N02°45'52"E | 29.88'   |
| L18  | N04°28'13"W | 25.57'   |
| L19  | N77°47'56"W | 24.88'   |



**LEASE LAND SITE PLAN**

REF. #POA-1998-782  
FAVORITE CHANNEL

CITY & BOROUGH OF JUNEAU, ALASKA  
JUNEAU RECORDING DISTRICT

OWNERS:  
HARRON HOBBS  
PO BOX 210447  
JUNEAU, ALASKA 99821

SURVEYOR:  
J.W. BEAN, INC.  
PROFESSIONAL SURVEYOR  
1070 ARCTIC CIRCLE  
JUNEAU, ALASKA 99801



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2008-001696-0

# CBJ Docks and Harbors Board

## FY2020 Marine Passenger Fee Request

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### Area Wide Port Operations

**Descriptions:** CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the docks enterprise.

The Board has established a number of fees to generate revenues from users of the assets. The Board has calibrated these fees to assure the overall revenue generated by the enterprise equals the overall cost of running the enterprise.

Many of the uplands assets are used by entities which it is not possible, feasible, or acceptable to charge fees. As a result, users paying fees are subsidizing users that do not pay fees. The services provided to these users are area wide in nature benefiting the general public and cruise ship passengers of private docks. As part of this fee request, the Board identified services that are area wide in nature.

**Board identified the following services:**

1. Year round maintenance and monitoring of Marine Park.
2. Maintenance and operation of public parking at the Columbia Lot and seasonal public parking at the Steamship Wharf Plaza and the Visitor's Center Lot.
3. Maintenance and operation of unrestricted pedestrian access along the waterfront at the public docks.
4. Maintenance of tour operators Vendor Booths.
5. Maintenance and operation of shuttle drop-offs and pick-ups in the CBJ loading zone that are used by all cruise ship terminals in Juneau.
6. Providing area wide port security.
7. Billing and collecting CBJ area wide fees for all docks.

The Board reviewed its FY19 budget and apportioned expenses associated with these services. Based on its review, it estimates that about 9% of the annual docks budget is attributable to area wide services.

**Marine Passenger Fee Funds Requested (FY20):** \$225,000

**Benefits:** This approach is supported by the cruise ship industry since it is more equitable than raising dockage fees. This approach meets the intent of the marine passenger fee since the services benefit all cruise ship passengers, not just the passengers at the public docks. This approach allows the Docks and Harbors Board to direct part of the dock lease revenues to the much needed rebuild effort of the small boat harbors reducing the need for fee increases at the harbors.

**Maintenance and Operation Responsibility:** CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board**  
**FY2020 Marine Passenger Fee Request**

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**Port-Customs and Visitor Center Buildings Maintenance Support**

**Project Descriptions:** The Port-Customs and Visitor Center buildings are located on the downtown Juneau waterfront, an area that serves over one million cruise ship passengers each year. Docks and Harbors, an enterprise fund, is responsible for costs associated with operating the Port-Customs and Visitor Center Buildings. Expenses include all utilities (water, sewage, electrical, alarm monitoring) and facility support (parking lot, plaza, snow removal, janitorial and general maintenance). The two buildings comprise approximately 4450 square feet in area. Maintenance costs are estimated at \$2.50 per square foot per month equaling \$133,500.

**Marine Passenger Fee Funds Requested (FY20):** \$133,500

**Project Review:** The Port-Customs Building was completed in May 2011 with the Visitor Center completion in June 2012. The project which included the buildings, infill dock construction, covered shelters, landscaping and plaza cost approximately \$9M and was funded with Marine Passenger Fees. The Port-Customs Building is occupied by the US Customs and Border Protection (CBP) and Docks and Harbors staff. CBP claims to be exempt from any costs associated with their operations within a port. The Visitor Center Building is occupied by the Travel Juneau, a non-profit organization for the purpose of supporting cruise passenger inquiries. The Travel Juneau budget does not support maintenance of the building. This leaves the Docks enterprise funds fully exposed to the costs of maintaining and servicing these buildings.

**Benefits:** By establishing a Port-Customs and Visitor Center Buildings maintenance fund Docks & Harbors can effectively manage and maintain the properties entrusted under their responsibilities. Passenger fees were granted for this purpose in FY2013 through FY2019.

**Maintenance and Operation Responsibility:** CBJ Docks and Harbors is responsible for all ongoing maintenance and operating expenses of these two buildings and associated upland support facilities.

**Project Contact:** Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board**  
**FY2020 Marine Passenger Fee Request**

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**CBJ Parks & Recreation Landscape Maintenance Services**

**Project Descriptions:** Docks & Harbors managed property includes the downtown waterfront from the Taku Dock to Merchant's Wharf. The landscaping has been maintained by CBJ Parks & Recreation seasonal staff for several years out of the CBJ general fund. Flowers, flower pots, trees, shrubs and grass along Marine Park, Cruise Ship Terminal and Alaska Steamship waterfront are meticulously planted and groomed in an admirable fashion. Beginning in FY15, Docks & Harbors was directed to fund this maintenance out of the Docks Enterprise budget.

**Marine Passenger Fee Funds Requested (FY20):** \$45,000

**Project Review:** The requested amount has been developed by a CBJ Parks & Recreation algorithm based on requirements to propagate plant and maintain the vegetative cover, new seedlings, plants and flowers.

**Project Time-Line:** This project would be an interdepartmental transfer from Docks & Harbors to CBJ Parks & Recreation.

**Maintenance and Operation Responsibility:** Commencing in FY15, Docks & Harbors has been assigned sole responsibility for maintaining the greenery along the CBJ owned waterfront, including outside parking lot facilities.

**Project Contact:** Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.



**CBJ Docks and Harbors Board  
FY2020 Marine Passenger Fee Request**

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**Weather/Current Monitoring System Operations & Maintenance**

**Project Descriptions:** This funding would provide annual operations and maintenance for valuable real time weather and water current information to mariners that access the downtown Juneau waterfront including the four cruise berths (private and public) and the Taku Dock (serving Taku Fisheries). The system provides wind and current monitoring sensors at various locations to offer real time information for navigation purposes. The system disseminates via a phone app, internet, or other public media commonly available to mariners in the immediate area.

Construction of the system was phased beginning in 2014 with final completion in 2016 for full use by the 2017 cruise season. The requested funding would provide annual operations and maintenance of the system for continued assistance to mariners in the Juneau harbor.

**Marine Passenger Fee Funds Requested (FY20):** \$30,000

**Project Review:** The requested amount has been developed by Marine Exchange of Alaska based on projected annual and periodic operational expenses and anticipated maintenance of the system.

**Project Time-Line:** The system has been fully functional since the 2017 cruise ship season.

**Maintenance and Operation Responsibility:** Maintenance for operational costs (electricity, equipment calibration, etc.) would be the responsibility of Docks and Harbors through a contract with Marine Exchange of Alaska.

**Project Contact:** Gary Gillette, CBJ Port Engineer or Carl Uchtyl, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board**  
**FY2020 Marine Passenger Fee Request**

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**Safety Guardrail Along Dock Face**

**Project Descriptions:** The project would be located along the downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. The project consists of constructing a new guardrail along the face of the existing dock.

**Marine Passenger Fee Funds Requested (FY20):** \$2,000,000

**Project Review:** This project would construct a new pedestrian guardrail along the existing dock face from Marine Park to the South Berth approach dock. The existing dock face only features an eighteen inch bullrail at the edge. For pedestrian safety a forty two inch high guard rail would be constructed. The proposed guardrail would be designed in the same character as other guardrails along the seawalk.

**Project Time-Line:** This project would begin as soon as funding is allocated. The first step would be to design the guardrail and prepare construction bid documents. Upon award of a contract to the lowest qualified bidder construction would begin. The plan is to have the guardrail installed by spring 2020 provided full funding is obtained.

**Maintenance and Operation Responsibility:** CBJ is responsible for all ongoing maintenance and operating expenses. Maintenance and operations expenses for the guardrail would be minimal.

**Project Contact:** Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board**  
**FY2020 Marine Passenger Fee Request**

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**Security Checkpoint Queuing Structures – Phase II**

**Project Description:** The proposed security checkpoint queuing structures would be located at the top of the gangway to the floating berths to which the cruise ships breast. Recent upgraded Homeland Security protocol requires that CBJ Docks and Harbors staff monitor the flow of passengers as they return to the cruise ships. This check point is required at the top of the ramp to the floating berths thus two separate security locations need to be monitored on city owned berths.

**Marine Passenger Fee Funds Requested (FY20): \$200,000**

**Project Review:** The Port of Juneau staff is required to check cruise passenger identification cards as they return to the ships. This entails funneling literally hundreds of passengers through one checkpoint to review their credentials. The checkpoint queuing structures would accommodate an orderly and safe queuing approach to the cruise ship berths.

**Project Time-Line:** Phase I of this project is currently in design. The current funding is anticipated to construct one of the queuing structures thus the requested funds are for the second structure. If funding is available the second structure would be completed by spring 2020.

**Maintenance and Operation Responsibility:** CBJ Docks and Harbors would be responsible for maintenance and operating expenses of these two structures as part of the cruise berths facility.

**Project Contact:** Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board  
FY2020 Marine Passenger Fee Request**

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**Emergency Electric Vehicle Transport Shuttle**

**Project Description:** CCFR is called routinely to a vessel to transport clients from the vessel to Bartlett Region Hospital. The vessel initiates this request and the CCFR ambulance is often stymied in their efforts to drive through the large crowds. This Emergency Electric Vehicle Transport Shuttle would expedite the extraction of the vessel's client from the vessel.

**Marine Passenger Fee Funds Requested (FY20): \$XXX**

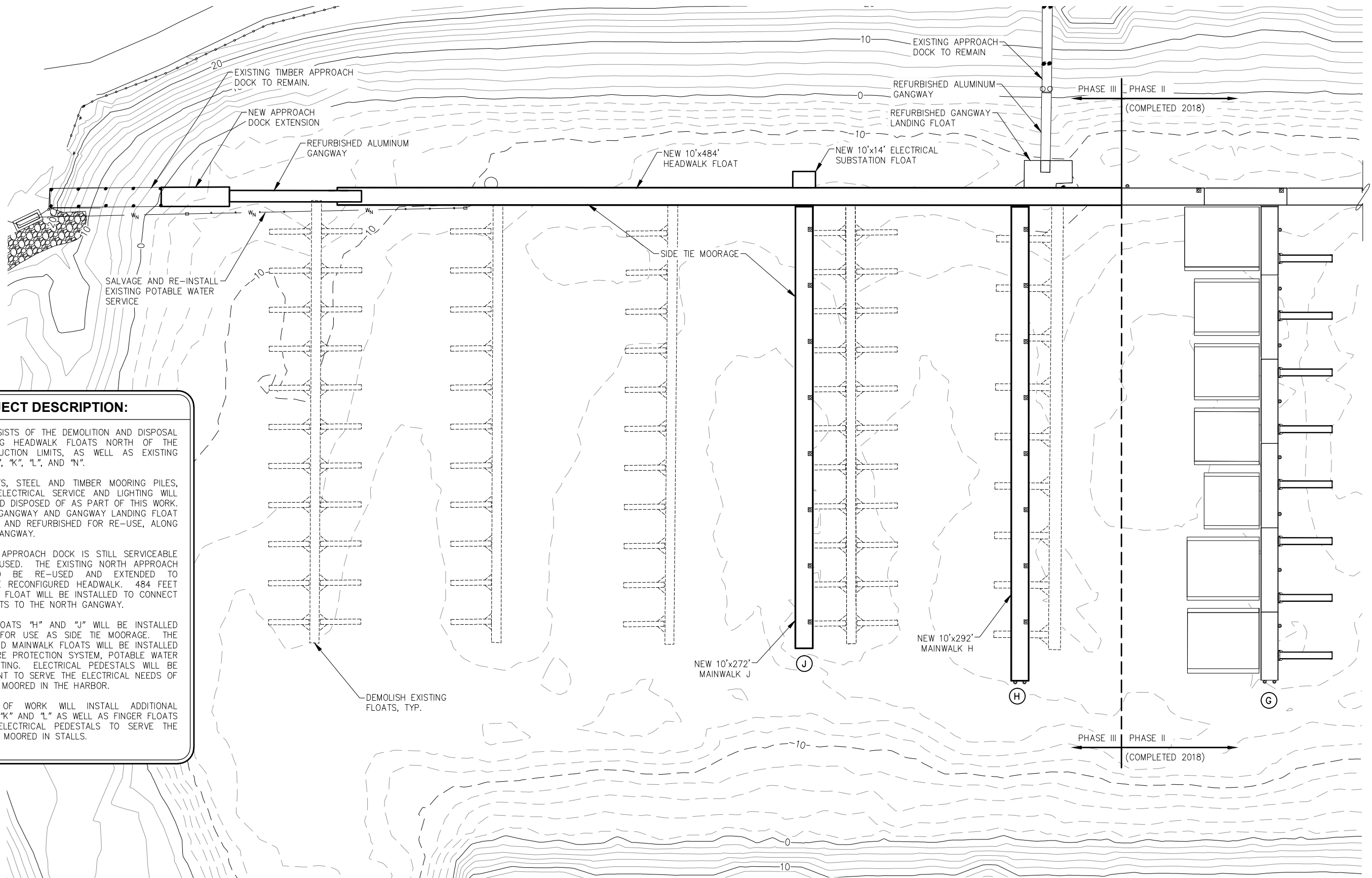
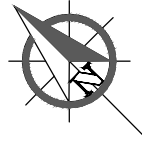
**Project Review:** TBD

**Project Time-Line:** TBD

**Maintenance and Operation Responsibility:** TBD

**Project Contact:** Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

DRAFT



**PROJECT DESCRIPTION:**

THE PROJECT CONSISTS OF THE DEMOLITION AND DISPOSAL OF THE REMAINING HEADWALK FLOATS NORTH OF THE PHASE II CONSTRUCTION LIMITS, AS WELL AS EXISTING MAINWALKS "H", "J", "K", "L", AND "N".

ALL FINGER FLOATS, STEEL AND TIMBER MOORING PILES, WATER UTILITIES, ELECTRICAL SERVICE AND LIGHTING WILL BE DEMOLISHED AND DISPOSED OF AS PART OF THIS WORK. THE EXISTING "H" GANGWAY AND GANGWAY LANDING FLOAT WILL BE SALVAGED AND REFURBISHED FOR RE-USE, ALONG WITH THE NORTH GANGWAY.

THE EXISTING "H" APPROACH DOCK IS STILL SERVICEABLE AND WILL BE RE-USED. THE EXISTING NORTH APPROACH DOCK WILL ALSO BE RE-USED AND EXTENDED TO ACCOMMODATE THE RECONFIGURED HEADWALK. 484 FEET OF NEW HEADWALK FLOAT WILL BE INSTALLED TO CONNECT THE PHASE II FLOATS TO THE NORTH GANGWAY.

NEW MAINWALK FLOATS "H" AND "J" WILL BE INSTALLED WITHOUT FINGERS FOR USE AS SIDE TIE MOORAGE. THE NEW HEADWALK AND MAINWALK FLOATS WILL BE INSTALLED WITH COMPLETE FIRE PROTECTION SYSTEM, POTABLE WATER SERVICE AND LIGHTING. ELECTRICAL PEDESTALS WILL BE PROVIDED SUFFICIENT TO SERVE THE ELECTRICAL NEEDS OF SIDE TIED VESSELS MOORED IN THE HARBOR.

FUTURE PHASES OF WORK WILL INSTALL ADDITIONAL MAINWALK FLOATS "K" AND "L" AS WELL AS FINGER FLOATS AND ADDITIONAL ELECTRICAL PEDESTALS TO SERVE THE NEEDS TO VESSELS MOORED IN STALLS.

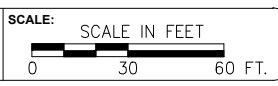
**REVISIONS**

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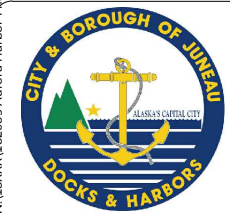
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**CITY & BOROUGH OF JUNEAU, ALASKA**  
**AURORA HARBOR REBUILD - PHASE III**

SHEET TITLE:  
**SITE PLAN - PHASE III**

PND PROJECT NO.: 182085