

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Thursday, July 19, 2007

I. Call to Order.

Mr. Preston called the meeting to order at 5:00 p.m.

II. Roll.

The following members were present: Mr. Preston, Ms. Jebe, Mr. Kueffner, Mr. Knapp, and Mr. Simpson.

The following members were absent: Mr. White, and Mr. Fisk.

Also in attendance was: Mr. Stone – Port Director.

III. Approval of Agenda.

Mr. Preston added an additional item for information regarding the fixed income stall rate pertaining to the letter from Mr. Munro.

MOTION by Mr. Simpson: ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS AMENDED. The motion passed without objection.

IV. Public Participation.

There was none at this time

V. Approval of Previous Meeting Minutes.

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO APPROVE THE MINUTES OF JUNE 21, 2007. The motion passed without objection.

VI. Items for Action.

1. Dehart's Boatyard Rent Adjustment.

Mr. Stone reported to the committee that in the member's packet there is a memo from him dated June 13th and stated that basically there is a lease with the leaser at DeHart's boatyard. Mr. Stone went over the terms of the lease and the costs paid by the leaser. The lease term called for an adjustment at June 30, 2007 and that the annual lease be 7% of the assessed value of the leased premises, but in no case shall the annual lease be more than 50% of the annual lease rent charged to Juneau Marine Services.

Mr. Stone stated that they had adjusted the lease rent for Juneau Marine Services this past year. We adjusted it to \$23805.00 of which also includes 95' of lineal moorage. Mr. Stone went over this with the committee members at this time and also the new lease fees for DeHart's.

July 19, 2007

Page 2

Mr. Stone went over the transition of ownership and stated that it would seem prudent just to continue the rent of what it was this year with the current leaser. He discussed the new rental fees with the committee members and explained them at this time with regards to the new leaser.

Further discussion among the committee members and the Port Director took place at this time.

Mr. Jim Lesh of 8504 Nugget Place, the current leaser of the DeHart's facility spoke to the committee members regarding his concerns of the amount of the rate increase for the lease, the current condition of the lift in comparison with the down town yard and the revenue the facility generates with the way business has been these past few years. He expressed he didn't see any reasoning for the increase with the simple fact that the yard, lift and docks are now two more years older.

He addressed a list of concerns regarding the condition of the facility with the committee members and also explained that he is liable for the property tax required by the City, which he has been billed at \$1600.00 per year for the past two years since he has been leasing the yard.

At this time there was discussion among the committee members and Mr. Lesh regarding when he would be moving on and the smoothest transition of ownership as possible.

Further discussion among the committee members and Mr. Lesh took place at this time with regards to repairs done to the lift this past year along with more detail regarding the property tax he has been paying.

Mr. Jim Betts of 4850 Glacier Highway spoke of his interests regarding the leasing of the facility. He stated that he would like to see the Finance Committee keep a mission statement involved and close at hand regarding the direction of the travel lift operation out at the DeHart's facility.

He complimented Mr. Lesh on his operation of the DeHart's lift and stated that he was glad that CBJ Harbors has an understanding that the boat yard is an asset in terms of general revenue. He stated his interests in leasing this operations and hopes Docks and Harbors will stick to their mission statement.

MOTION by Mr. Simpson: ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE RENT REMAIN THE SAME DURING THE CURRENT FISCAL YEAR IN RECOGNITION OF THE FACT THAT THE BUSINESS DOES NOT APPEAR TO SUPPORT A HIGHER LEVEL OF EXPENSE FOR THAT AND THAT WE PRIOR TO NEXT YEAR DEVELOP A NEW RENT RATE IF IT IS WARRANTED.

MOTION by Ms. Jebe: ASK TO ADD A FRIENDLY AMENDMENT TO THE MOTION REQUESTING THE REAL PROPERTY TAX BE CREDITED TO MR. LESH'S LEASE AND FORWARD IT TO THE FULL BOARD. The motion with the friendly amendment passed with a vote of 4 to 1.

More discussion among the committee members and the Port Director took place at this time.

Finance Meeting Minutes

July 19, 2007

VII. Items for Information.

1. Yankee Cove Rent Adjustment Update.

Mr. Stone reported to the committee members that it isn't a rent adjustment it is the rent. He stated this fall he expected the Assembly will be taking an action on an ordinance for authorizing CBJ Harbors to enter into a lease agreement with Yankee Cove. So as part of this Mr. Stone stated he has to provide to them an appraisal or something that will establish the rent.

Mr. Stone stated at this time we have paid \$3000.00 to have an appraisal done, and this has been presented to the committee a few month ago. He stated the lessee objected to this because he felt it was excess value and it was too high. The committee directed Mr. Stone to go to the City Assessor and the Assessor feels that this is the appropriate price and was very close to what Horan had was maybe just a bit less.

The City Assessor stated if the lessee wanted an income appraisal they should be paying for it.

This would be the committee member's recommendation to have the Port Director notify Mr. Hobbs that if he wants a different appraisal he would need to hire an appraiser to get CBJ a different appraisal so we could establish a different value.

Discussion among the committee members and the Port Director took place at this time.

2. Fisherman's Bend Rent Adjustment Update.

Mr. Stone reported that this rent adjustment is for next month. He stated that this lease has expired. They have paid for the lease year based on the previous rent, which basically means that the contract is being honored. Because of the expiration there will be the need to do a rate adjustment and a few years ago they had Horan do an assessment. Mr. Stone stated that in 2004 he indicated a market rent of \$46,718.00 for this parcel. Mr. Stone spoke with the City Assessor and he was assessing the parcel at \$62,291.00 (See Attached Letter).

Mr. Stone went over the letter from Fisherman's Bend owners with the committee member at this time and stated that he would recommend to the owners that they get another appraisal from a hired appraiser.

The committee member's decision at this time was to direct the Port Director to contact the owners and suggest they come up with a request for an extension of time for them to be able to get an appraisal done on the property and present it to them when they are completed.

Further discussion among the committee members took place at this time regarding the letter in the packet from Sharon Andrew owner of Fisherman's Bend.

3. Lease and Commercial Use Application Regulations.

Mr. Stone stated that since there is quite a bit of land management or lease administration it is a good idea to go over the CBJ ordinances, which is really the only the thing that exists with regards to leases and went over the fee structures and other details involved with what we are doing and feels we should consider doing more for a more formal set of procedures for doing applications.

He recommended reverting back to this more and possible expansion on this. He stated he just wanted to go over the need for a little more regimented approach to handling the lease applications both through a policy affirmation of the Board to follow these specific procedures and/or develop our own set of regulations.

Mr. Stone stated that it could be brought forward to the Full Board, but he would need to delay it about a month to draft something up.

Further discussion among the committee members and the Port Director regarding this item took place at this time.

4. Fixed Income Stall Rate. Letter from Mr. Alan Munro.

Mr. Preston went over the letter with the committee members at the request of Mr. Munro. Mr. Preston asked if there was any interest of the members to change the current fee structure at the present time. There was no interest at this time.

Mr. Kueffner stated that he believes that he was the member that strongly discouraged the senior citizens from a discounted launch fee and therefore is also is against this. He has volunteered to write a response to Mr. Munro.

VIII. Member & Staff Reports.

Mr. Stone stated the deadline for submitting harbor grant applications is tomorrow. He is submitting one for Douglas Harbor.

Further discussion followed

IX. Committee Administrative Matters.

There were none at this time.

X. Adjournment.

MOTION by Mr. Simpson: ASK UNANIMOUS CONSENT TO ADJOURN THE MEETING. The motion passed without objection.

The meeting was adjourned at 6:15 p.m.