

CBJ DOCKS & HARBORS BOARD
FINANCE COMMITTEE MEETING MINUTES
For Thursday, September 20, 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. Etheridge, Mr. Fisk, Ms. Jebe, and Mr. Preston.

The following members were absent: Mr. Kueffner and Mr. Mehrkens.

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

III. Approval of Agenda.

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA. The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

There was no public participation.

V. Approval of Previous Meeting Minutes.

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO APPROVE THE AUGUST 16, 2007 FINANCE COMMITTEE MEETING MINUTES. The motion passed without objection.

VI. Items for Action.

1. Proposed Fee Regulations for Cruise Ship Dock Replacement Project.

Mr. Stone said we are proposing regulations that would increase the port maintenance fee. This would generate additional revenue to do a dock project. Mr. Duncan presented dock project funding options to the Assembly. There were two funding requests. One was for \$39.1 million for dock expansion and one for \$11.9 million for upland improvements, Seawalk and public access float improvements. A fee levied to the ships using those docks would finance the \$39.1 million for the dock expansion. The \$11.9 million would be financed by a port development fee based on a per passenger levy that would apply to the whole port. Both would be done with revenue bonds through the Alaska Bond Bank. The existing \$3.00 per passenger levy will expire at the end of the season. The recommendation is to extend the levy at \$2.00 per passenger and to scale up the docking tonnage fee starting in 2008. A letter was received from the North West Cruiseship Association expressing concern about the ability to do the downtown dock project.

VI. Items for Action (continued).

Mr. Chip Thoma said he supports the project and the financing as laid out by Mr. Stone and Mr. Duncan. He expressed disappointment in Mr. Hansen's approach from the North West Cruiseship Association. He urged the Board to continue to work with them. There are State funds available in the future if this does not work out.

The Committee discussed the option of scaling up the docking fee starting in 2008 to 10¢ per ton, to 20¢ per ton in 2009, and 30¢ per ton in 2010. They discussed the port maintenance fee rate charged to lightering vessels.

MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO CHANGE 05 CBJAC 15.040 (e) TO PORT IMPROVEMENT FEES ASSESSMENT. The motion passed without objection.

MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO RECOMMEND TO THE FULL BOARD TO PROPOSE FEE REGULATIONS TO HELP FINANCE THE REPLACEMENT OF DOWNTOWN CRUISE SHIP DOCKS, TO HOLD PUBLIC HEARINGS AT THE OCTOBER AND NOVEMBER FINANCE COMMITTEE MEETINGS, AND ALSO AT THE OCTOBER AND NOVEMBER REGULAR BOARD MEETINGS, AND TO TAKE FINAL ACTION AT THE NOVEMBER REGULAR BOARD MEETING TO THE EFFECT THAT THE PORT IMPROVEMENT FEE CBJAC 15.040 (e) BE CHANGED TO 10¢ FOR EACH NET REGISTERED TON IN 2008, 20¢ FOR EACH NET REGISTERED TON IN 2009, AND 30¢ FOR EACH NET REGISTERED TON THEREAFTER. The motion passed without objection.

Mr. Stone said the upland improvements, Seawalk and public access float improvements would be taken up by the Assembly under the port development fee. It may come back to the Board for comments.

2. Yankee Cove Tideland Lease Area and Annual Rent Establishment.

Mr. Stone said we need to reaffirm the 5¢ per square foot rate and determine what we want for tidelands area.

The Committee discussed the maps provided by Mr. Hobbs showing what he would like to see established as the lease area.

Mr. Hobbs said the breakwater would be an island. He is working with NMFS and the University of Alaska who will be building reefs out there to study marine life on stuff that we build. It will be a rubble-mound breakwater.

VI. Items for Action (continued).

MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO RECOMMEND TO THE FULL BOARD AN ANNUAL RENT OF 5¢ PER SQUARE FOOT AND THE AREA OF THE LEASE BE AS DEPICTED ON THE DRAWINGS SUBMITTED BY MR. STONE AS PREPARED BY MR. HOBBS. The motion passed without objection.

VII. Items for Information/Discussion.

There were none.

VIII. Staff & Member Reports.

There were none.

IX. Committee Administrative Matters.

Mr. Preston said the next Finance Meeting would be Thursday, October 11th at 5:00 p.m. He will not be able to attend the meeting.

Mr. Etheridge said the decking at the Taku Smokeries ice plant dock needs work.

The Committee discussed the intended use of the Seawalk and questioned who is responsible for its maintenance.

Mr. Fisk asked about the brickyard. Mr. Stone gave a brief report on what was discussed at the Operations Committee meeting on Tuesday.

X. Adjournment.

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

The meeting was adjourned at 5:47 p.m.