

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES
For Thursday, December 20th, 2012

I. Call to Order.

Mr. Jardell called the Regular Board Meeting to order at 7:00 p.m. in the Assembly Chambers.

II. Roll Call.

The following members were present: Greg Busch, John Bush, Tom Donek, Budd Simpson, Michael Williams, and Kevin Jardell.

Via Telephone – David Logan

Absent: Eric Kueffner and Scott Spickler

Also present were the following: Carl Uchtyl – Port Director, Gary Gillette – Port Engineer, Dwight Tajon – Harbormaster, Loren Jones – Assembly Liaison, Pat Carroll – Design Group Chief ADOT, Nathan Leigh – USKH Consultant working on the Design of the Auke Bay project, and Ray Preston – ADOT Right of Ways.

III. Approval of Agenda.

Mr. Uchtyl said there were new items added to the packet after the Engineer's report.

Motion By Mr. Williams: To approve the agenda as presented with Mr. Uchtyl's advisement and ask unanimous consent.

The motion passed with no objection.

IV. Approval of Previous Meeting Minutes.

Hearing no objection, the November 29th, 2012 Regular Board Meeting minutes were approved as presented.

V. Public Participation on Non-Agenda Items - None

VI. Items for Action

1. Public Comment for Speed Limit Regulations

Mr. Uchtyl said this is a requirement from CBJ Law Department to have a public hearing for any proposed changes to the speed limit regulation. Back in August after deliberation at the Operations meeting and full Board meeting, The Board elected to remove the five knot speed limit off the Douglas Harbor area. Due to the new floating breakwater, the need for the five knot speed limit does not exist anymore.

Board Questions – None

Public Comments –

Clarke Damon, Juneau, AK

Mr. Damon said he didn't realize there were so many rules here. Going over the regulations, he said he had 18 questions. He went on to ask questions.

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES

December 20th, 2012

Page: 2

Mr. Jardell said this is not a question and answer session this is to hear public testimony on this particular item, and encouraged him to continue.

Mr. Damon wanted to know if he can go from Douglas to the Taku fuel dock on step?

Mr. Uchytel said no. There is a speed zone restriction in that area. We are trying to get rid of the one outside Douglas Harbor, but there is still a five knot speed limit inside Juneau Harbor. Unless you can get on step below five knots, you would be in violation.

Mr. Damon asked why?

Mr. Jardell said we allow some answers, but during public testimony it is not appropriate to get into a discussion.

Mr. Damon said the way he read it was if there was a cruise ship there than he can't, but if there is not one there, than he can.

Mr. Damon asked if he can go on step to get to the Tesoro Dock if there are no cruise ships in?

Mr. Damon said he has to look out for the State Troopers and the USCG, but who does he look out for in the Harbor Department?

Mr. Jardell said to continue on.

Mr. Damon asked more questions.

Mr. Jardell asked Mr. Damon again to keep the comments to the removal of the speed limit in front of Douglas Harbor.

Board Discussion/Action –

Mr. Simpson said the new floating breakwater has eliminated the entire wake problem, and is in favor of this.

Mr. Jardell said for clarification this change is only to remove the five knot speed limit in front of Douglas Harbor, and no other changes.

Motion By Mr. Simpson: To approve adoption of the proposed regulation changes as presented and forward to the Assembly for further action and ask unanimous consent.

Motion passed with no objection

2. Launch Ramp Permit Process

Mr. Tajon said from the last Operation meeting he was directed to put a policy in place that is consistent with the on-line launch ramp permits. Staff got together and came up with a draft form. This form will be handed to the customer and asked to fill out. The customer will still need to show their registrations for proof of ownership for their multiple trailers. Individuals purchasing online will be able to print off the proof of purchase receipt and be able to put on their dash board face side up. Annual permits purchased will be mailed from the Port Directors office within seven days. If

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES

December 20th, 2012

Page: 3

multiple decals for multiple trailers are needed, the individual will need to show proof of purchase and bring in their registrations for the additional trailers to the Harbor office.

Board Questions -

Mr. Jardell said just to be clear, if I am purchasing a single launch ramp permit and I forgot my trailer registration, I will still be able to go in and purchase a launch ramp permit?

Mr. Tajon said that is correct.

Mr. Jardell said if you have multiple trailers that is where you will need to show proof of ownership.

Mr. Tajon said yes

Public Comments - None

Board Discussion/Action-

Mr. Williams said he recommends showing proof of even the initial trailer registration.

How is that going to be tracked if they don't show the 1st trailer registration? If we are writing a policy, we need to write it so the common person is legal if they do it correctly.

Mr. Tajon said in order to make this uniform, the draft form can be used for single and multiple and then added to an excel file which is shared amongst the staff. You paid for your one permit which actually allows you to get additional decals provided you come in with the registration.

Mr. Busch asked if even with a single launch ramp permit purchase you are still writing the license # on the permit.

Mr. Tajon said that is correct.

Mr. Williams said if they show up to the office without the registration, how are you going to know that is the correct license #. He knows this is a work in progress and will leave up to staff to figure it out.

Mr. Jardell said that is a good comment that staff will figure it out and don't try to make it more difficult for the vast majority of people that are complying. This is just to re-coop some of the finances needed for maintenance on the launch ramp.

Motion By Mr. Busch: To approve the permit policy as presented by the Harbormaster and ask unanimous consent.

Motion passed with no objection

3. Gitkov Lease

Mr. Uchytel said this is an ongoing new lease with Mr. John Gitkov and Ms. Jane Hawkins. This was referred back to the Finance Committee in November for more work on two issues. One question was how much latitude does the Board have on setting lease rent? Mr. Uchytel said that he talked to CBJ Law Department and they said there is no discretion on choosing one rate over another for the lease rent amount in the appraisal, but does have discretion on who the appraiser is and how the appraisal is conducted. The other question was that Mr. Gitkov brought up a statement in the appraisal that would suggest that Mr. Gitkov's property value increased with the ABLF construction, whereas Mr. Gitkov believes that the competition from the ABLF has hurt his business. When Mr. Uchytel looked at the

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES

December 20th, 2012

Page: 4

statement in question, he believes that the Horan and Company remark in the appraisal was that the entire Auke Bay area benefits because of its location to the ABLF and increased marine activity. At Tuesday's Finance meeting the Committee moved it forward to the full Board recommending the appraisal rent rate. Mr. Uchytel said his recommendation is that the Board accept the appraisal recommendation of the \$.15 per sq/ft lease rent for a 35 year lease and forward to the Land Committee for further action.

Board Questions-None

Public Comments –

John Gitkov, Juneau, AK

Mr. Gitkov said he appreciates the Board taking the time to see a different view point. He said he understands if he has to live with the appraised value that is just how it is. Looking in the future, other people are going to have the same problem competing with CBJ, and it is tough in this town. Mr. Gitkov said if the Board was provided the authority in regulation to “approve a lease rent or an appraisal”, it would give some people more latitude in negotiating CBJ leases.

Board Discussion/Action-

Mr. Simpson said he regrets that he didn't attend the Finance Committee meeting so he would have a more thorough understanding of this issue. He said he felt that this Board does have some level of discretion, and that is why Mr. Uchytel went to CBJ Law Department. Mr. Simpson said he is not satisfied with the opinion of council and disagrees. If the Board is given no discretion but to follow the exact number the appraiser has given, why does it even come to the Board. The Gitkov's have been forthcoming with this Board and professional in their approach and have come to the Board in good faith to ask for some relief for a situation they perceive has affected them. The Gitkov's have told the Board that the ABLF competes with them. It is true that whole area is valuable and does not disagree in that regard, but he does not believe the appraiser has taken into account the fact that Docks and Harbors has built a facility that competes directly with the Gitkov facility. He said he has a problem with this process and the idea that this Board has to live with the Appraisers number even in light of compelling testimony.

Mr. Williams said there is a text book way or the real world way. The text book way is to go along with the appraisal. If the real world applies, he said he disagrees with it because Docks and Harbors did build the ABLF.

Motion By Mr. Simpson: To set the Gitkov's Tideland lease rent to \$.13 per sq/ft. and ask for a vote.

Mr. Donek said this Board does not have the authority to change the appraisal lease rent. He said he would like to send to the Assembly and have them decide.

Mr. Simpson said he would modify the motion that the Docks and Harbors Board recommends to the Assembly a rate of \$.13 per sq/ft recognizing that they have the ultimate authority to accept it or reject it.

Motion by Mr. Simpson: This Board recommends to the Assembly that the Gitkov Tideland lease rent be \$.13 per sq/ft. recognizing the Assembly has the final authority.

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES

December 20th, 2012

Page: 5

Vote

4 Yes

3 No

Motion Fails

Mr. Busch said he is not opposed to assigning a different rate, but his concern is just arbitrarily assigning a rate based on a gut feeling.

Mr. Jardell said he too does not believe that the appraiser took into account the competing factor, but he is not comfortable with just picking a number.

Mr. Jardell said this should go back to the Finance Committee, and pursue other avenues.

Mr. Busch said he recommends making the motion of \$.15 per sq/ft before it is forwarded back to the Finance Committee.

Motion By Mr. Busch: To approve the recommended appraised lease rent of \$.15 per sq/ft and forward to the Land Committee for consideration.

Vote

4 Yes

3 No

Motion fails

Mr. Jardell said he will send this back to the Finance Committee.

Mr. Gitkov said he appreciated everyones time and effort and does not want to have more appraisals done. He will accept the appraisals recommended \$.15 per sq/ft and move on.

Motion By Mr. Williams: To reconsider the last motion.

Vote

7 Yes

Motion is to accept the \$.15 per sq/ft and forward to the Lands Committee for consideration.

Vote

6 Yes

1 No

Motion passes and is forwarded to the Lands Committee.

4. Auke Bay Round-About – ADOT Property Acquisition

Mr. Carroll said Greg Lockwood is actually the project manager for this project but he is on leave right now. ADOT has two projects going on at Auke Bay right now. The first one is the road reconstruction at Fritz Cove and the second is the round – about. Mr. Carroll gave a background analysis of how this

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES

December 20th, 2012

Page: 6

project came to light. This is a \$4.5 million dollar state funded project and is currently finalizing that design so it can go out to bid. The round-about is going to change the elevation to Glacier highway and will make access to the Deems property difficult because of changing the grade. In order to reconstruct the driveway, ADOT will need to purchase some of CBJ property managed by Docks and Harbors Board at fair market value. ADOT needs Docks and Harbors Board to approve this easement to be able to move forward with this project.

Mr. Leigh showed some slides and talked about the project. He said they met with Mr. Deems and all changes have been okay with him, but he has concerns with people confusing his driveway with another entrance. Mr. Leigh said ADOT has met with Mr. Uchytel and Mr. Gillette with the concern that this project could possibly take away one or two parking spaces.

Mr. Carol said the actual size of the easement is 2272 sq/ft.

Board Questions-

Mr. Jardell said when Mr. Uchytel and himself attended a meeting with ADOT there was no mention of affecting any parking spaces. Is this new?

Mr. Leigh showed the slide to the area Mr. Jardell was talking about and it is unknown at this time what the grade of that area will be. Depending on the grade it could have no impact.

Mr. Jardell asked if a pony wall could be built.

Mr. Leigh said yes.

Mr. Williams asked what the distance from the road to Mr. Deems garage is?

Mr. Leigh said 5' to property line and 30' to edge of building.

Mr. Williams asked why the 5' elevation isn't softened to be able to come straight in and not have to have the easement.

Mr. Leigh in order to meet current design guidelines on a driveway, you need to have a landing.

In areas that have no landings, when ADOT does a project in those areas, they try to match current design guidelines and have one put in. This is standard practice.

Mr. Bush said he likes round – abouts. He asked what the width of the driveway was, and if there was going to be a left turn lane for Statter Harbor?

Mr. Leigh said the driveway is 14', and there is going to be a left turn lane.

Mr. Jardell asked with this new proposed driveway that could affect some parking spaces, should Docks and Harbors look into a sidewalk next to the parking spaces? Is there a recommendation from the Board.

Mr. Uchytel said Docks and Harbors has a good working relationship with ADOT and would like to do whatever we can to support the permanent easement for this project. He asked Mr. Carroll and Mr. Leigh what was actually needed from the Board tonight.

Mr. Carroll said his understanding is that ADOT will need approval from the Board to transfer this 2272 sq/ft easement to ADOT for fair market value.

Public Comments - None

Board Discussion/Action –

Mr. Jardell said staff has been in contact with ADOT on this and he recommends to move this along. He would just encourage to look into the need for a sidewalk.

Motion By Mr. Busch: That Docks and Harbors Board approves the property transfer of approximately 2272 sq/ft be a permanent easement to Alaska Department of Transportation necessary to facilitate the expedient process to construct a round-about at fair market value and ask unanimous consent.

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES

December 20th, 2012

Page: 7

Motion passed with no objection.

5. Marine Passenger Fees FY14

Mr. Uchytel said this is an annual event that staff comes up with projects to compete for Marine Passenger Fees. Staff has recommended eight projects that will go through the process the City Manager facilitates. This list has gone before the CIP Committee and they recommended that staff set a priority list, and Mr. Uchytel suggested adding pay phones to the list. Staff sent a priority list to Finance and Finance Committee recommended to move to the full Board for final approval.

Board Questions- None

Public Comments- None

Board Discussion/Action

Motion By Mr. Williams: To send this Priority list to the Assembly and ask unanimous consent.

Motion passed with no objection.

VII. Items for Information/Discussion.

1. Heather Marlow, Lands & Resources Manager

Ms. Marlow said title 53 deals with real property and CBJ is a large property owner. CBJ disposal property on an annual basis. She said title 53 is administered from the Lands Department, Docks and Harbor and the Airport. When the enterprise Boards were set up, they were set up with some of their own rules and some overlapped with title 53. Because some portions of this code is in Docks and Harbors code, she wants us to know this is being reorganized and making changes. Ms. Marlow said her memo states that the Lands office is rewriting title 53 because it has not been rewritten since 1980 and is working with the CBJ Law Department on different sections of the code. Lands have adopted several sections already. The next sections to come that will affect Docks and Harbors, deals with easements and leases, and will be of interest to us. In general Lands is just cleaning up the code and reorganizing duplicated language so that it is in one section of the code and disposal types are easier to understand for operations and fees. She said 80% to 90% of this is just repackaging and cleaning up language with only a few new concepts on business practices and disposals.

In general she is looking for a motion from Docks and Harbors to take back to the Lands Committee and forward on to the Assembly with these changes. She said this action request will be at Docks and Harbors next meeting.

VIII. Committee and Board Member Reports.

1. Operations Committee Meeting- December 11th, 2012

Mr. Busch said the Committee's action item was the Launch Ramp permits that were discussed here tonight. Staff was directed to put in place a policy for the recreational launch ramp users and is also looking at the regulations for the government use of the launch ramps. Mr. Busch said the Harbormaster reported the barges have arrived at Statter Harbor and are almost ready to start putting the Harbor together again.

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES

December 20th, 2012

Page: 8

2. CIP/Planning Committee Meeting – December 13th, 2012

Mr. Williams said the action items were the Gitkov lease and the Marine Passenger Fees list.

3. Finance Committee Meeting- December 18th, 2012

Mr. Donek said the Committee discussed the Gitkov lease and the Marine Passenger Fees list.

4. Member Reports – None

IX. PRAC Representative Report – Ms. Hood was absent.

X. Port Engineer's Report –

Mr. Gillette said he has a written report in the packet. Docks and Harbor is moving forward on the 1% for art process for the cruise berth project. He said he is looking for recommendations for names of people to serve on the 1% for Art Board. This list will be forwarded to the Assembly for their final approval.

XI. Harbormaster's Report.

Mr. Tajon said Pacific Pile and Marines crane should be here the first part of January. Everything is still on time.

Today there was a meeting with Jeremy Hansen for the on-line launch ramp permits and that should be available January 1st.

Update on the Aurora Harbor water leak that is ongoing is narrowed down to the north end. A diver has installed a band on an area of the water line. The amount of water that is leaking is due to the freezing weather and the patrons are leaving the water lines trickling so they don't freeze.

XII. Port Director's Report.

Mr. Uchytel said the 16B appeal process will be back with the Assembly on January 7th. Even after the Assembly makes its final decision, there is still a 30 day appeal waiting period where someone can file with the Juneau Superior Court.

The boat show is next month in Seattle. Typically Docks and Harbors sends people to represent Juneau. This year Mr. Doug Liermann and Dwight Tajon will be attending.

There are three vacancies in Docks and Harbors right now. One for a Harbor Officer at the downtown Aurora Office, one for an Administrative Assistant III in Aurora Office and one for an Administrative Assistant I in Aurora Office.

The Mt. Roberts Tram lease needs to be discussed at another Sub-committee meeting, but Mr. Uchytel said he is still waiting on a response from Charles Horan on a two page appraisal provided by Alaska Appraisal Associates.

Starting January, this Board will meet at 5:30 p.m.

Mr. Uchytel said Ms. Scovill has been spearheading the new on-line launch ramp permit sales that will be available January 1st, and she is also looking into being able to sell the daily launch ramp permits out of the APARK system at Statter Harbor.

Docks and Harbors has a YouTube account and there are a couple of videos posted, and we will continue to populate that as we move forward. This information will be in the next Tideline.

The Christmas Boat Lighting contest which is sponsored by Docks and Harbors, the Yacht Club, The Radio Center and the Juneau Chamber of Commerce judging will be December 22nd and 23rd.

Douglas Harbor, the Anchorage Corp of Engineers public works were able to secure another \$50,000 for their work on the cap design moving towards completing an environmental assessment at Douglas

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES

December 20th, 2012

Page: 9

Harbor they are very apologetic that they have not moved as quickly as promised, but they believe the EA will be completed by February 1st. They have spent \$250,000 of efforts in their work.

The Alaska Marine Exchange Board of Directors came up with \$22,000 to move forward with the next schematic design for the Marine Services building, and staff was very excited that step was taken. A request was taken to the CIP Committee for financial support matching, and Committee members wanted to know if an MOA was necessary. Mr. Uchytel asked CBJ Law Department and an MOA is required. Law is working on one to move this forward.

Docks and Harbors has received the FONSI for the Statter Harbor Phase II (launch ramp). This is the last regulatory phase for this project. This should go before the Planning Commission as early as late January.

XIII. Assembly Liaison Report

Mr. Jones said the next Land Committee meeting is on January 14th, and the Gitkov lease should go to that meeting.

XIV. Committee Administrative Matters.

1. Operations Committee Meeting –January 22nd, 2013
2. CIP/Planning Committee Meeting – January 24th, 2013
3. Finance Committee Meeting –January 29th, 2013
4. Regular Board Meeting – January 31st, 2013

XV. The Regular Board Meeting adjourned at 8:47 p.m.