

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 31st, 2016

I. Call to Order.

Mr. Donek called the Regular Board Meeting to order at 5:06p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: John Bush, Weston Eiler(arrived at 5:37 pm), Bob Janes(arrived at 5:07pm), Robert Mosher, Budd Simpson, David Summers, Tom Zaruba, and Tom Donek.

Absent: David Lowell.

Also present were the following: Carl Uchytel – Port Director, David Borg- Harbormaster, Gary Gillette – Port Engineer, and Jerry Nankervis – Assembly Liaison.

III. Approval of Agenda.

Mr. Simpson recommended to move the New Business Action Items 1-4, 6 and 7 to the consent agenda.

MOTION By MR. SIMPSON: TO APPROVE THE AGENDA AS AMENDED AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection

IV. Approval of February 25th, 2016 Regular Board Meeting Minutes.

Hearing no objection, the February 25th, 2016 Regular Board Meeting Minutes were approved as presented.

V. Public Participation on Non-Agenda Items – None

VI. Consent Agenda

- A. Public Requests for Consent Agenda Changes - None
- B. Board Members Requests for Consent Agenda Changes – None
- C. Items for Action - None

1. Public Hearing for Regulation Change 05CBJAC20.020 Special Annual Moorage Fee for Skiffs

RECOMMENDATION: TO APPROVE AMENDING THE SPECIAL ANNUAL MOORAGE FEE FOR SKIFFS TO \$300 AND ELIMINATING ANY CPI ADJUSTMENTS; AND, RECOMMEND THE ASSEMBLY ADOPT THE CHANGE IN REGULATION.

2. Public Hearing for Regulation Change 05CBJAC20.160 Parking Lot Fees

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RECOMMENDATION: TO APPROVE AMENDING THE PARKING LOT FEES TO INCLUDE A \$1.00 PARKING HOUR RATE FOR STATTER HARBOR; AND, RECOMMEND THE ASSEMBLY ADOPT THE CHANGE IN REGULATIONS.

3. Enforcement Regulation for User Fee Collection (Passenger for Hire Non-Payment Issue)-05CBJAC20.080

RECOMMENDATION: TO APPROVE THE PROPOSED REGULATION CHANGES ESTABLISHING PENALTIES FOR CHARTER OPERATORS FAILING TO REPORT AND SUBMITTING TIMELY PAYMENTS; AND, THAT THE PORT DIRECTOR BEGIN THE 21-DAY PUBLIC NOTICE PERIOD NECESSARY FOR REGULATION CHANGES.

4. CPI Adjustment for Moorage Fees during FY17-05 CBJAC20.030, 05 CBJAC20.040 & 05 CBJAC20.041

RECOMMENDATION: TO WAIVE THE AUTOMATIC CONSUMER PRICE INDEX (CPI) MOORAGE FEES INCREASE FOR THE PERIOD OF JULY 2016 THROUGH JUNE 2017.

6. Moorage Discounts for Advance Payment – 05 CBJAC 20.042

RECOMMENDATION: TO PROVIDE A 10% DISCOUNT ON 12 MONTH ADVANCE PAYMENT FOR PAYMENTS MADE FOR THE FY MOORAGE BEFORE JULY 1ST AND 5% DISCOUNT ON 6 MONTH ADVANCE PAYMENTS FOR PAYMENTS MADE BEFORE JULY 1ST FOR JULY 1-DECEMBER 31ST MOORAGE AND FOR PAYMENTS MADE BEFORE JANUARY 1ST FOR JANUARY 1 – JUNE 30TH MOORAGE AND, THAT THE PORT DIRECTOR BEGIN THE 21-DAY PUBLIC NOTICE PERIOD NECESSARY FOR REGULATION CHANGES.

7. IVF/Reservations Moorage Rates

RECOMMENDATION: FOR IVF/RESERVATIONS RATES TO REMAIN UNCHANGED FOR FY17.

MOTION By MR. SIMPSON: TO APPROVE THE CONSENT AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

VII. Unfinished Business - None

VIII. New Business

5. CPI Adjustment for Moorage Fees following FY17-05 CBJAC20.041

Mr. Uchytel said on page 27 in the packet is a graph of how the moorage fee change would be affected with the proposed adjustment. Statter Harbor rates would be adjusted the same as the downtown rates are adjusted. Docks & Harbors has received complaints because

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Statter Harbor's rates are higher and it is continually increasing more with the CPI adjustment and the rounding in regulation. This fee change is an attempt to not raise the Statter Harbor rates more than downtown rates.

Board Questions

Mr. Donek said with using the same adjustment as downtown, this year Docks & Harbors will be losing \$.05 from the Statter Harbor rate.

Mr. Uchytel said that is correct.

Mr. Simpson said this has all been discussed at great length and the Committee is being responsive to the disparity between the Auke Bay and downtown harbors. The Committee wasn't willing to make Statter Harbor the same rate as downtown, but the Committee was willing to compromise by adjusting the amount of increase so it is the same as downtown. Mr. Simpson asked Mr. Uchytel if he was recommending to have the CPI adjusted to the nearest \$.01 or \$.05.

Mr. Uchytel said he was just showing options.

Public Comment - None

Board Discussion/Action

MOTION By MR. SIMPSON: FOR SUBSEQUENT CPI ADJUSTMENTS, TO ADJUST AURORA, HARRIS, AND DOUGLAS FEES BY THE APPLICABLE CPI PERCENTAGE AND ADJUST STATTER FEES BY THE DOLLAR AMOUNT APPLIED TO THE DOWNTOWN HARBORS; AND, THE PORT DIRECTOR BEGIN THE 21-DAY PUBLIC NOTICE PERIOD NECESSARY FOR REGULATION CHANGES AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

8. Andrew's Marina New lease Application

Mr. Uchytel said this was a State tideland lease which was transferred to CBJ in 2001. It is a 55 year lease that began in 1961 and expires April 25th, 2016. Andrew's Marina indicated they would like their preferential right to renew their lease. Our Term Contractor, Horan & Company conducted an appraisal of the 1.2 acres and recommended \$.10 SF which is going from \$5,300.00 to \$5,549.50/annually. Mr. Uchytel said he is asking the Board to approve the process to begin a new lease with Andrew's Marina.

Board Questions

Mr. Janes asked if the 35 year renewal is a set renewal time?

Mr. Uchytel said in regulation 35 years is the maximum amount of years for a lease.

Mr. Janes said with the state of repair at Andrew's Marina on some of the floats, they may not make it 35 years. Can Docks & Harbors be looking at a shorter lease term? This might be better for Docks & Harbors if the Marina ever becomes a public hazard.

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Mr. Uchytel said regarding the hazard, Docks & Harbors does not have any liability for the Andrew's Marina condition. He said he has received complaints from members of the public and he directed them to let Charlie Ford the building inspector know. Docks & Harbors just leases this area and does not validate the condition of the infrastructure.

Mr. Donek said he has seen other lease holders with existing time on their lease to have it renewed to be able to recapitalize their investment. In order to rebuild the Marina, they will need 35 years lease.

Mr. Uchytel said with all the lease holders, they also have the right to assign their lease to someone else.

Mr. Donek said this is just a portion of the Marina, what is the rest of the Marina on?

Mr. Uchytel said some of the other area is also Docks & Harbors.

Mr. Janes said he understands Docks & Harbors doesn't have any liability. But he feels Docks & Harbors has a duty to the public to make sure the area being leased should be clean and safe. This might be a good time to push for more improvements at this facility.

Public Comment - None

Board Discussion/Action

Mr. Simpson said the point is well taken that if Docks & Harbors is going to expect a Marina to be developed and approved they will need a lease with a lengthy term for financing purposes. It would make sense to rectify the two leases to get on the same time frame.

Ms. Larson said their second lease expires in 2044.

Mr. Simpson suggested to cut the time back on this lease.

Mr. Donek asked if he is proposing to cut the time back on this lease to match the 2044 expiration date?

Mr. Simpson said yes.

Mr. Zaruba said that could prove to be problematic if they are trying to get a loan.

Mr. Simpson suggested to do 35 years on this lease and they can come back to the Board for an extension on the other lease.

Mr. Summers said he would like to see improvement requirements before agreeing to a 35 year lease. Their Marina, in the state of dis-repair, has a negative impact on our community and is unsightly and unsafe. He would not recommend a new lease with Andrew's Marina at this time. However, that could be changed if Andrew's Marina came to the meeting and said their intent is to improve the property and disclose the improvements they intend to make.

Mr. Bush asked if they are good tenants and pay their lease payments on time.

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Ms. Larson said yes.

Mr. Uchytel said he doesn't see anything in the current lease that gives authorization for Docks & Harbors to compel safety or repairs on the existing condition of the Marina.

Mr. Janes said he is unsure of the time frame for this renewal, but he would like staff to contact Andrew's Marina to find out what their plans are. He said he feels Docks & Harbors has a duty to ensure or attempt to keep things in a safe and serviceable condition for residence of this community. He would like to put pressure to make things better.

MOTION By MR. SIMPSON: TO REQUEST THE PORT DIRECTOR BEGIN THE PROCESS TO ENTER A NEW 35-YEAR LEASE WITH ANDREW'S MARINA AND ASK FOR A VOTE.

John Bush - Y
Tom Donek - Y
Robert Janes - N
Robert Mosher - Y
Weston Eiler - Y
Budd Simpson - Y
David Summers - N
Tom Zaruba - Y

Motion Passed 6 Yes 2 no.

9. Nordic Tug (Alaska Memories) Sublease Application

Mr. Uchytel said this is a 1400 SF sublease to Nordic Tug behind Maritime Hydraulic in the Fisheries Terminal adjacent to the Aurora Harbor Office. This is the first three year renewal after a five year lease. The lease value is tied to the assessed value which is provided by the City Assessor. Mr. Uchytel said with Docks & Harbors pending land use master plan between Norway Point and Bridge Park there is a good chance in three years there will be a new plan for the uplands so this could potentially be the last sublease and Docks & Harbors would redevelop all the uplands.

Board Questions

Mr. Simpson asked if it was in the terms of the existing lease that Docks & Harbors does not have to renew this sub-lease after this time.

Mr. Uchytel said we have the option to not renew it.

Mr. Zaruba asked what the Assessors value is for this area? What is the annual lease rate?

Ms. Larson said \$4,365.00 annually.

Mr. Zaruba asked if that included the dock?

Mr. Uchytel said not the dock. This lease is only for the uplands area.

Mr. Zaruba asked if Docks & Harbors was receiving additional revenue for the dock?

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Mr. Uchytel said yes because they are paying moorage. They move to the float if the Harbor needs their space and the space is not berthed.

Mr. Borg said four of the Nordic Tug vessels are assigned to the float.

Mr. Uchytel said the sub lease rate is 10% of the Assessed value. This area is leased to us from UAS.

Public Comment - None

Board Discussion/Action

MOTION By MR. ZARUBA: TO REQUEST THE PORT DIRECTOR TO EXTEND THE SUBLEASE WITH ALASKA MEMORIES FOR 3 YEARS AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

10. Protest of Plan for Apartments Proposed on Docks & Harbors managed lands

Mr. Uchytel said this item was added today. Greg Chaney, Lands and Resources Manager, put together a City/State Project (CSP). This is a detailed plan for 17 apartments adjacent to the bridge. The proposed area has been given to Docks & Harbors for planning and managing purposes. CDD and Mr. Chaney was given direction from an Assembly member that this would be appropriate use of City land to solve a portion of the housing issue. Docks & Harbors is trying to look holistically from this area to Norway Point and we will include looking at housing to see if it would be the right thing here. Absent having our public input and our planning for this narrow strip of land it is premature to move forward with the CSP for apartments. Mr. Uchytel said he intends to protest this.

Board Questions

Mr. Simpson said presently you can drive under the bridge. Will this housing plan block off that access under the bridge?

Mr. Gillette said it looks like it will be blocked off.

Mr. Simpson said this CSP is not appropriate at this point.

Mr. Gillette said the selection committee has selected a consultant and they are finalizing their fee proposal. Staff should have it within the next day or two and be able to give them the go ahead to move forward. We did also specify that housing was to be looked at.

Mr. Uchytel said this CSP is exactly opposite of what Docks & Harbors wants to do with the master plan. We want to look at everything and how they all tie together and not just say this is a good place for a building.

Mr. Janes asked what is the timeline for the study to be completed for this area?

Mr. Gillette said the plan is to start immediately and have some public meetings. Take the summer off and then come back in September for the final public hearing and final plan.

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Public Comment - None

Board Discussion/Action

Mr. Donek said he has a problem with this CSP. Under the bridge is a route to get to an area that Docks & Harbors has been looking at for a direct sales area for fisherman. He also wants to leave the waterfront area open.

Mr. Bush said he wants to protest this.

Mr. Summers said he acknowledging the need for housing, but this housing plan is a bad idea.

MOTION By MR. ZARUBA: TO PROTEST THE CSP (CITY/STATE PROJECT) AND LAND ACTION REVIEW APPLICATION FOR 17-UNIT APARTMENT PROPOSED ON DOCKS & HARBORS MANAGED PROPERTY AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection

IX. Items for Information/Discussion - None

X. Committee and Member Reports

1. Harbor Fee Review Committee Meeting- Wednesday, March 9th, 2016

Mr. Simpson reported the Committee discussed and acted on the items that were on the consent agenda tonight.

2. Operations/Planning Committee Meeting- Wednesday, March 9th, 2016

Mr. Simpson reported the Committee discussed and acted on the Andrew's Marina lease.

3. Finance Committee Meeting- Thursday, March 24th, 2016

Mr. Zaruba reported the Committee discussed the fee issues and the Andrew's Marina lease.

4. Docks Fee Review Committee Meeting- Thursday, March 24th, 2016

Mr. Bush reported the Committee discussed cruise ship per foot moorage rates. The Committee decided to see if changes are needed after the new dock is completed. The Committee also discussed the Port Maintenance fees and the Port Dues which are basically the same but separated with a 200 ton rule. Staff was directed to ask CBJ Law if the two can be combined. After staff gets word from Law, the Committee will look at changes at that time.

5. Member Reports -

Mr. Janes said he was at Statter Harbor today and there were no parking spaces for his truck and trailer and the dumpster was full. He is really happy the new Statter Harbor parking is under construction.

XI. Port Engineers Report

Mr. Gillette said his written report is in the packet.

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XII. Harbormaster's Report -

Mr. Borg reported

- Staff is doing spring cleaning and pressure washing.
- A big issue dealing with currently is working on hiring Harbor Technicians. We've had past employees decide to move on and we are going to have five or six new employees this year.
- Staff is working on the power cord replacement program and customers are slowly turning in their unapproved power cords.
- We obtained a 800 Case Loader from CBJ Streets Department which is going to help with the snow removal of the new Statter Harbor parking lot. It has been well maintained with about 5,000 hours on it.
- The OSHA checklist is almost complete with the last items being the power cord issue.

XIII. Port Director's Report

Mr. Uchytel reported

- Mr. Robert Clauder, the downtown Operations Maintenance Supervisor, submitted a retirement letter after 33 years and his last day is April 29th.
- The seasonal employees return on Monday. Lots of training is being planned. Customer service training is scheduled for April 20th.
- April 11th at 5:00 pm is the Statter Harbor pre-season meeting. The purpose of this meeting is to get the different user groups together to try to make the Statter Harbor operations more efficient.
- He is working on a business plan to ensure the use of Marine Passenger funds for Phase III of the Statter Harbor master plan is appropriate.
- Thursday April 14th the Vendor Booth Permit holders meeting is at 9:00 am and the Loading Zone Permit holders at 10:30 am.
- Statter Harbor project is going good with substantial completion July 8th. There is an issue with paving. Miller has a contractual agreement with SECON to pave, but Miller indicated they intend to do the paving in house.
- He said he will be attending a Harbormaster conference in Vancouver and will be out of the office Tuesday through Friday.
- Goldbelt intends to have Petro Marine put a 5,000 gallon fuel tank by the Seadrome building on their leased property from CBJ. The Port Office rents space out of the Seadrome and has seven parking spaces so the staff parking will move down from where we have been parking. Goldbelt also intends to remove a

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lot of green space from that area to increase parking. Mr. Uchytel said he referred them to CDD to make sure they have the 10% of green space required.

- The 16B project is going good.
- On Wednesday April 13th he will be presenting the Docks & Harbors budgets for FY17 and FY18 to the Assembly Finance Committee.

XIV. Assembly Liaison Report

Mr. Nankervis reported -

- The Channel Construction lease was on the Assembly consent agenda on March 21st for introduction and was approved. The public hearing will be April 11th.
- The Assembly met with Bartlett Regional Hospital on March 14th and the Juneau School District Board of Education on March 7th.
- On February 29th the Douglas Harbor Renovation Bid was awarded to Trucano Construction for \$5M.
- The Whittier Street reconstruction project was funded and the construction began this week.
- The seawalk phase II bridge park to gold creek construction bid was awarded to North Pacific Erectors.
- 2015-20AF is an ordinance appropriating \$4M for the cruise berth improvements. \$2.5M came from the Port Development fees and \$1.5M came from Docks fund balance.
- 2015-AG was an ordinance appropriating \$3.3M in additional funding for Douglas Harbor renovations. CIP grant funded \$2M and \$1.3M came from the Harbors fund balance.
- March 15th was the election for the new mayor Ken Koelsch. He has 2 ½ years on his term.
- Barb Sheinberg's temporary appointment to the Assembly has now been filled because Mary Becker is now moving back into her district one seat.
- Jamie Bursell will continue to fill in on Karen Crane's district two seat until the fall elections in October.
- On Monday the managers budget will be presented to the Assembly, and on Wednesday it will be presented in more detail.

XV. Board Administrative Matters

- a. Harbor Fee Review Meeting - Wednesday, April 13th, 2016 at 12:00pm
- b. Ops/Planning Committee Meeting - Wednesday, April 20th, 2016 at 5:00pm
- c. Finance Committee Meeting -Thursday, April 21st, 2016 at 5:00pm

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d. Docks Fee Review Meeting - Thursday, April 21st, 2016 following Finance
Mr. Bush said he will be out of town.

e. Board Meeting - Thursday, April 28th, 2016 at 5:00pm

XVI. Adjournment - The regular Board Meeting adjourned at 6:17 p.m.