

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, November 15th, 2017

I. Call to Order The meeting was called to order at 5:01 p.m. in City Hall Conference Room 224.

II. Roll Call The following members were present: Tom Donek, Don Etheridge, Mark Ridgway, David Seng, and Budd Simpson.

Also Present: Carl Uchytel-Port Director (by phone), David Borg- Harbormaster, Gary Gillette-Port Engineer, and Matthew Creswell-Harbor Operations Manager.

III. Approval of Agenda

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

Motion passed with no objections.

IV. Public Participation on Non-Agenda Items – None

V. Approval of Wednesday, September 20th, 2017 Operations/Planning Meeting Minutes

MOTION By MR. ETHERIDGE: TO APPROVE THE AUGUST 23rd, 2017 MEETING MINUTES AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

VI. Consent Agenda - None

VII. Unfinished Business - None

VIII. New Business

1. Six-Year Department Improvement Plan

Mr. Gillette said this time of year we are asked by the Engineering Department to provide two lists of Capital Improvement Projects (CIPs) that we intend to fund. One is a six year plan, and one is proposed for FY19. We submitted both today with the caveat that the Board hasn't approved them yet. We'll look at it tonight and go through it again at the regular Board meeting for final approval. He presented the six year list as follows:

Docks

Marine Park Sheet Pile Coating – Phase III of III (\$150,000 - FY19) Phase I was some corrosion protection under the deck over area, Phase II which we have funded and is going to be ready to bid soon is an impressed current system for the Marine Park sheet pile. Phase III is a different type of work and needs a different contractor. We don't have quite enough money at this point to do it all. Phase III is a re-coating of the sheet pile so they need to clean it up and coat it.

Visitor Information Kiosk Replacement – Construction (\$120,000 – FY19) We have money in hand to do the design and will start as soon as the urban plan is done.

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Archipelago Property Acquisition/Development (\$7,000,000 – FY19) This is tied in with the urban design master plan in cooperation with Morris communications.

Downtown Restrooms (\$500,000 – FY19) We have some money for design but we are waiting to finalize the urban plan and then we'll start working on design and location for the restrooms.

Security Checkpoint Shelters (\$300,000 – FY19) These provide a sheltered area for passengers going down to the cruise ships that have to be checked for security at the top of the ramp. This is an estimate of what two might cost with one being at each dock.

Auke Bay Passenger for Hire – Cost Share (\$690,000 – FY19) There was an analysis done that determined approximately 15% of the Statter Harbor Phase III project is something that Docks & Harbors users other than cruise ship passengers would benefit from, so this is our cost share.

Shore Power at Cruise Ship Berths (\$25,800,000 - Future) This is one we'd like to do, but there's no funding identified so listed as a future project.

Harbors

Aurora Harbor Rebuild – Phase III (\$7,000,000 – FY20)

Area Wide Annode Installation Matching Funds (\$300,000 – FY19) We have a matching grant application into DOT and this would be our portion.

Statter Breakwater Safety Improvements (\$333,000 – FY19) This will be the third installment. We took \$200,000 out to fund the Harris Harbor restrooms, but we're going to keep working on the Breakwater Safety Improvements.

Mr. Simpson asked if the \$333,000 is the final installment, totaling about \$800,000.

Mr. Gillette said yes that's about right.

Mr. Simpson said the price came in lower than we thought, so is that going to be enough?

Mr. Gillette said we think it will.

Amalga Harbor Fish Cleaning Float (\$300,000 – FY20) We put this off for another year, Fish and Game has agreed to keep it on their list for another year as we further analyze the need for it.

Auke Bay Net Repair Float (\$300,000 – FY20)

Aurora Harbor Dredging (\$350,000 – FY20)

Wayside Float Maintenance Dredging (\$350,000 – FY20)

ABMS D&H/UAS Cost Share Agreement (\$350,000 – FY19) Our agreement with UAS is to cost share some improvements, get utilities split, get access completed, get the plat recorded, and to get a small driveway around the lab building to the water side.

Cost Share w/ ACOE for Breakwater Feasibility (\$500,000 – FY19) We're on the list for consideration and if they do the study we are obligated to match that.

Aurora Harbormaster Building and Shop, Douglas Harbor Uplands Improvements, North Douglas Boat Ramp Improvements, Juneau Fisheries Terminal Development, Fish Sales Facility/Seaplane Float, Marine Services Center (Future) We've got a TIGER grant application in for a couple of these but right now they're identified as future items until we identify funds.

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Mr. Gillette said on the second sheet are FY19 capital improvements with funding sources. These are the ones that will be included in the FY19 City budget if it is approved. We are requesting City Marine Passenger Fees for the Marine Park Sheet Pile Coating, Visitor Information Kiosk Replacement, Downtown Restrooms, and Security Checkpoints. We are requesting State Cruise Passenger Fees for the Archipelago property. The Auke Bay Passenger for Hire would come out of Docks funds and Harbors funds. The Statter Harbor Breakwater Safety Improvements, Areawide Annode Installation, ABMS D&H/UAS Cost Share, and Cost Share w/ ACOE for Breakwater Feasibility will come from Harbors funds. Right now we're showing \$3.6 million in our Docks fund balance and \$1.5 million in our Harbors fund balance. We'll be meeting with our Finance Director to see how much of those funds we can move, some of that money is required to stay for bonds that haven't been paid yet. In terms of priority, the Board is welcome to move things up and down the list.

Committee Questions

Mr. Donek said two things discussed at the retreat that he doesn't see on the list is the Port Office relocation and Taku Harbor Stockade Point float and walkway.

Mr. Gillette said the Port Office relocation wasn't on the list because we don't have the property yet, but we can add both as future projects.

Public Comment- None

Committee Discussion/Action

MOTION By MR. ETHERIDGE: TO TAKE THIS LIST TO THE NEXT FULL BOARD MEETING AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

IX. Items for Information/Discussion

1. Marine Passenger Fee – Request 2018

Mr. Gillette said the packet includes the request for 2018 which was submitted last year, and a draft of the request for FY19. This needs to be submitted to the City Manager by the end of December. The list includes the following on-going maintenance needs:

Area Wide Port Operations (\$154,100)

Port-Customs and Visitor Center Buildings Maintenance Support (\$133,500)

CBJ Parks & Recreation Landscape Maintenance Services (\$45,000)

Weather/Current Monitoring System Operations & Maintenance (\$40,000) We've installed the monitoring system but it's going to take some annual maintenance and we're waiting for a proposal from the Alaska Marine Exchange. They told us last year they thought it was going to be about \$40,000. They're recommending to send a diver down to inspect the sensing equipment once a year to make sure it's not being overgrown or coming loose from the mounts. We'd like to have a little bit of residual in there in case something breaks and we need to fix it. There are sensors at the Library, the National

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Guard Dock, and at the end of the AJ Dock that track weather, basically winds and currents. The data is available on the Alaska Marine Exchange website. The feedback we've gotten from Drew Green talking to pilots is it seems to be helpful information. It's also helpful for fishermen coming to the Taku Dock, and it's working well.

Franklin Dock Tug Support (\$30,000) This is part of our conditional use permit. The money sits in a fund in case we need it. We haven't used it this year, but we did last year.

Mr. Simpson asked if this is on account of the new docks?

Mr. Gillette said this is for approach to the Franklin dock, if ships need tug support they'll call. He doesn't know if they've actually needed it to maneuver, but some of them have looked at the information and called a tug out to standby. There's a different rate if they're standing by versus actually assisting.

Mr. Gillette said the second part of the request for FY19 is for capital improvement needs which were previously discussed: sheet pile wall, kiosk, checkpoints, and construction. Unless there is anything the Board would like to add or change, this will be our list for the City Manager.

Committee Discussion/Public Comment

Mr. Simpson said this seems like a pretty modest list.

Mr. Gillette said the funding is competitive. We are submitting a data sheet on each project that explains the project and the importance of it to make our case, then we hope we get it.

Mr. Ridgway asked if we added potential costs in the summaries? For instance, if we do not do the corrosion protection for the sheet pile wall, what might the impact of that be?

Mr. Gillette said no, we did not.

Mr. Ridgway said we might want to mention the cost of not doing it.

Mr. Gillette said that would be an expensive replacement if we don't do it. We already have funds for the corrosion protection system which is an impressed current that's going to protect the steel. This would be the next phase which is the coating.

Mr. Simpson asked if you can apply the coating underwater?

Mr. Gillette said no, we'll have to work with the tides. It's usually a two part epoxy. They'll have to clean it off then there's a primer and a couple of coats of vinyl. The coatings require warmer weather, but since we no longer have ships at the dock they can work in the summer. Last year we did pile wraps under the decked over area, the brickyard, and the parking garage. That company came in July and were only here for 3-4 weeks. Nobody even really knew they were there. It went really well, and we're anticipating this will too. It's not a huge project, but in the past it would have been much more difficult because of security.

2. Floating Breakwater/Net Float – Vicinity of Alaska Glacier Seafoods

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Mr. Gillette said this is a project that we identified on the CIP list as a net float and it can accomplish a couple of different things. Depending on where we put it, it can act as a breakwater as well. Near Alaska Glacier Seafoods we have the barge landing and a boarding float. When waves come in from wind, ferries, or tour operators the float gets real jumpy and people don't want to go on it. The net float could be located where it would help the situation. There have been requests from fishermen that miss the float we had out there. We had an agreement to use someones barge but they sold it and now it is relocated. We're going to need something pretty heavy duty, and we wanted to make sure the Board is supportive of staff pursuing this.

Mr. Borg said one option we discussed was getting an old chunk of bridge from Lake Union, Washington and setting it across as a floating breakwater.

Mr. Simpson said we talked about it but what happened to that idea?

Mr. Gillette said the bridge chunks are in different states of repair. The best ones are gone and we don't want to bring something up here and find out it isn't going to last. We first looked at them for the cruise ship berths and there was a salesman in town who showed us some pictures. We even sent PNDs Seattle office to take a look and see if they were something we would want. Someone up north bought some and they broke loose on the tow on the way up and had some issues.

Mr. Simpson said there are used barges of any size for sale all over the place and they are not that expensive.

Committee Discussion/Public Comment

Mr. Borg said it was a huge issue not having one this past summer.

Mr. Ridgway asked if that would come out of Harbors funds?

Mr. Gillette said yes, it would be mainly used by fishermen and the Auke Bay Loading Facility is a Harbor facility.

Mr. Donek said on the six year plan you've got Auke Bay Net Repair Float for \$300,000. He asked if that was different?

Mr. Gillette said no, that's basically what this is.

Mr. Ridgway asked if the reason the fishermen want the float is because of the cruise operators?

Mr. Gillette said no, right now the fishermen don't have a net float. They're not allowed to use the drive down float for repairing nets.

Mr. Creswell said even if you don't have wakes from vessels, if you get a wind in there you get some fetch and swell.

Mr. Gillette said we had gotten used to the barge. We liked it, and now we don't have anything. It would be nice to have one downtown as well.

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3. Urban Design Plan – Update

Mr. Gillette said he doesn't have any new drawings, we've taken into consideration the comments from the last presentation and we're scheduled to bring this back to the Board on November 30th. Our hope is that we've answered most of the questions. On December 4th we're going to be meeting with the Assembly Committee of the Whole to present this to them and talk about how we might get it implemented. There are a couple of different strategies for having a working relationship with a private developer for the uplands. We've been consulting with the Law Department, and we'll have a couple of different alternatives to discuss on November 30th and present to the Assembly.

Mr. Uchytel said it will be key for the Board to tease out the public policy part of this plan. There are those that want growth and lease opportunities along the seawalk, and those that feel they would be disenfranchised by allowing less than fair market value for enterprise on Docks & Harbors owned/managed/developed lands. It will be a very serious discussion, we'll have ramifications and certainly the Assembly will look intently at the decisions the Board will be making.

Committee Discussion/Public Comment

Mr. Ridgway asked if there is going to be a summary of the trade-offs and how the City might be involved? It sounds like a complex thing that's moving fast.

Mr. Gillette said we've been talking to our Law Department about which concepts we can pursue and still be within our procurement rules. With their direction, we'll probably focus on one concept for the Board to recommend to the Assembly. There will be no decisions at the Committee of the Whole meeting, we will just present the plan and discuss how to implement it. Any expenditures over \$100,000 have to be approved by the Assembly. We're still working on this at the conceptual level, trying to get the details together.

Mr. Simpson said it is the role of this Committee and the Docks & Harbors Board to look at public policy considerations such as businesses using the public portions of Docks & Harbors properties for business purposes by renting or leasing them at essentially a subsidized or reduced rate, who are then competing with the uplands owners who have storefronts there.

Mr. Ridgway asked if the preferred plan is acting as the public policy in terms of decision making as to what can and cannot go on in this proposal?

Mr. Simpson said the plan we are looking at is a pictorial representation of a concept, so the fact that it may show a restroom in a certain spot doesn't mean a restroom has to go in that spot, it means the waterfront could support a restroom. This process was started last spring because a business downtown on the waterfront came to us looking for space on the dock. We agreed to permit that for a year while we worked on a broader policy and implemented this planning process. The whole thing with the Archipelago property came up just incidentally, but it's fortuitous that it's come up now. We're going to have

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to think about further small leases or big leases on property Docks and Harbors owns, manages, and controls.

Mr. Ridgway asked if the Board would be providing a defensible, sustainable, repeatable policy that we can apply to any decision making?

Mr. Simpson said he thinks the question is what lease opportunities are we going to provide or prevent.

Mr. Uchytel said Mr. Ridgway brings up an excellent point. An outcome of this urban plan process could be a resolution that provides a high level policy statement from the Board of what the public policy is for leasing on Docks and Harbors managed properties. The Assembly may say it's not a policy determination the Board has authority over, but it's worth discussing and the decision needs to be memorialized in some manner.

Mr. Simpson said the Board has not only the authority, but the obligation assigned to us by the Assembly. It's inherent in the existence of the Docks & Harbors Board. It's incumbent on us to work on a policy and recommend it to the Assembly. They can always veto it, so if we want it to work, we've got to justify it and it has to be fair and rational.

Mr. Ridgway said when the Board was provided the four design ideas to comment on, he had no idea they were creating a policy.

Mr. Simpson said putting something in writing is the next piece of the process.

Mr. Ridgway said the Board should write something that reflects the Docks & Harbors mission and has a vetting process based on some sort of criteria.

Mr. Etheridge said we have to be extremely careful when we start looking at trying to develop a policy on leasing properties because we have such diverse properties that we lease out.

Mr. Simpson said we are constrained by CBJ Law, which says we can only lease and not sell property, and anything leased has to be at fair market value based on an appraisal. We have the ability to say whether to lease the property at all, but if we do it's got to be at fair market value.

Mr. Ridgway asked if the Board can request staff look at other cities with similar circumstances like cruise ships and large water fronts with competing interests?

Mr. Ridgway said he agrees. It's such a diverse portfolio of different things, it's going to be difficult to put into a policy.

Mr. Simpson said in the past when people have come to the Board with a need, we have generally leased the property to them. With the new docks and improved seawalk, there are going to be a lot more requests so we need to figure out how we want that to look.

Dennis Watson, Juneau, AK

Mr. Watson said this reminds him of a project he worked on a few years back. They must have worked on it for close to 14 months, then it went to the Assembly and they canned

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the whole thing. The more complicated it is, the more difficult it is for everybody to understand.

Mr. Simpson said the legal constraints of the procurement policy often turn out to be a road block for what otherwise seems like a good idea. There is no action here, but it will be coming back to us in due course.

X. Staff & Member Reports

Mr. Borg reported on the following items:

- He and Mr. Creswell went to the Auke Bay Marine Station today and walked around with NOAA staff to get a lay of the land and look at some of the systems and how they operate so once we take that property over we can fold the maintenance of those buildings and all those responsibilities into our department.
- Nobody showed up to the public meeting for the RFI for waste oil disposal so we hope somebody will bite off by the December 4th deadline.
- There is an open house at the Auke Bay Marine Station on the 28th of November to cover any interested lessees. We have sent out emails with the RFI to different entities that may be interested in the property.
- We lost a seasonal employee in a hiking accident this last week, Ryan Johanson worked for us last summer. He was a great man, we really enjoyed having him around and he was really looking forward to coming back. There is a celebration of life at the Yacht Club at 1:30pm on November 18th and Docks and Harbors folks have been invited by the family.
- The Christmas party is on December 15th at the Eagles club in the valley.

Mr. Uchytel said the Coast Guard boarded the Lumberman and determined a threat of pollution release is possible. They are taking proactive steps in looking to either demand the owner clean up the potentially hazardous materials onboard, or the Coast Guard will look into opening up the Oil Spill Trust Fund to clean the vessel up.

Mr. Simpson said his recollection was the former owner represented to us that no oil or hydrocarbons were onboard.

Mr. Ridgway said his understanding was that the Oil Spill Liability Trust Fund won't touch anything if there is an actual owner identified.

Mr. Borg said they will do the removal and then bill the owner. They are estimating over 3,000 gallons of oily water, bilge slop, and so forth throughout the entire hull. There are no water-tight compartments anymore, they've all been chopped up and hacked into. All the fuel has been removed. The vessel has no means of de-watering itself. The only power is a small generator and there are several holes in the hull that are allowing down-flooding of rainwater, snow, etc.

Mr. Simpson said that can only go on for so long.

Mr. Ridgway asked if staff has access to all of the engineering reports for the Auke Bay Marine Station? He has stacks of analysis that date back to 2012.

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Mr. Gillette said he will send Mr. Ridgway a list of what we have.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting- **Wednesday, December 13th, 2017.**

XII. Adjournment – Meeting was adjourned at 6:01p.m.