

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, July 18th, 2018

I. Call to Order

Mr. Simpson called the meeting to order at 5:00 p.m. in City Hall Conference Room 224.

II. Roll Call

The following members were present: Don Etheridge, Mark Ridgway, Bob Janes, David Seng, Weston Eiler, Budd Simpson, Dan Blanchard and Jim Becker.

Absent: David McCasland

Also present: Carl Uchytel- Port Director and David Borg-Harbormaster.

III. Approval of Agenda

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

Motion passed with no objection.

IV. Election of Operations-Planning Committee Chair/Vice Chair

Mr. Janes nominated Mr. Eiler for the Chair of the Ops Committee.

Mr. Simpson nominated Mr. Ridgway for the Vice Chair of the Ops Committee.

Mr. Ridgway provisionally nominated Mr. Etheridge for the Chair of the D&H Board.

Mr. Janes provisionally nominated Mr. Simpson for the Vice Chair of the D&H Board.

Elections passed with no objections.

V. Public Participation on Non-Agenda Items - None

VI. Special Order of Business

Mr. Uchytel presented Jeremiah Cryts and John (Tom) Matheson with awards for Employee of the Quarter for their efforts in spearheading repairs to the Auke Bay Marine Station Float. The citation read, in part: *Jeremiah & Tom distinguished themselves by completing a rehabilitation project on the Auke Bay Marine Station (ABMS) floating dock in preparations for the arrival of the Alaska State Troopers vessel ENFORCER. The Troopers notified Docks & Harbors in January that they were considering permanently*

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repositioning the vessel from Ketchikan to Juneau. Docks & Harbors had recently acquired the ABMS and thought the ENFORCER would be a great addition to our facility. The 120' floating dock was in a state of serious disrepair. The most significant of these needed repairs was the complete replacement of the bull-rail running the outer perimeter of the dock....Over a period of three weeks, Jeremiah and Tom executed the plan replacing the bull-rail. The construction efforts went as far as lapping the joints to provide increased structural integrity and chamfering the rails so that mooring lines would not chaff and needlessly wear. They then set to the task of cleaning the float and removing many years of marine growth and unsightly stains. Recently, a delegation of senior executives from NOAA and CBJ toured the facility. This group complimented the efforts numerous times noting the outstanding and meticulous work.

VII. Approval of Wednesday, June 20th, 2018 Operations/Planning Meetings Minutes

MOTION By MR. SIMPSON: TO APPROVE THE JUNE 20th, 2018 MEETING MINUTES AS PRESENTED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

VIII. Consent Agenda - None

IX. Unfinished Business - None

X. New Business - None

XI. Items for Information/Discussion

1. Potential Donation of Docks & Harbors ADA Ramp to Rotary International

Kim Kiefer, President of Juneau Gastineau Rotary Club, Juneau, AK

Ms. Kiefer said she is coming before the Board on behalf of the four clubs in Juneau and the Rotaract Group. The project they are working on together this year is to rebuild the trail that goes from Dzantik'i Heeni (DZ) School over to Alaskan Avenue. The trail was built years ago and it's a plank trail. It gets very heavily used, especially the area close to DZ school. The kids go out on that trail to do science projects. They want to pull up all the planks, put material down, and then put gravel on top of it. They need to rebuild three bridges. The longest bridge is the one closest to Alaskan Avenue on that little corner. Right now the trail is not accessible and they would like to make it accessible. She understands Docks & Harbors has a used 65' gangway that would be perfect to make it accessible. Right now, the clubs have raised \$12,600. They can get a match from Rotary International District for another \$12,500. They also received \$10,000 from the Juneau Community Foundation so they have \$35,000 for this project. If they could get the gangway, that would allow them to have the trail be accessible. On the market Docks & Harbors could probably get \$15,000-\$20,000 because the gangway is in pretty good

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shape. If the Board would be willing to donate part of it, she thinks they could come up with \$5,000. It would be appreciated and used by a number of people.

Committee Discussion/Public Comment

Mr. Becker asked staff if we are holding it for any particular reason?

Mr. Uchytel said this is the gangway that used to be along the seawalk. It was the ADA ramp just south of the library. We tapered that slope this past winter and we no longer need the gangway. It is excess to our need at this point.

Mr. Janes said this is a well thought out community project. He would like to open the discussion for a donation to the Rotary Club without accepting the \$5,000.

Mr. Ridgway asked if there is a timeline critical element to this decision for the project?

Ms. Kiefer said they want to try to get the majority of the project done this summer and they got a late start because Rotary International just approved the extra \$12,500. The project is starting right now, there will be a couple of work parties in August and September. If they know the gangway is coming, it can be one of the last pieces that gets put in but they really want to have it done by the time the snow flies. If they don't get the gangway they have to go out to a bridge design company and work with them to figure out the wood bridge piece of it so the sooner they can do that the better.

Mr. Ridgway asked staff if they have an estimated value of the gangway?

Mr. Uchytel said a new 65 foot gangway would cost \$40,000 to \$50,000.

Mr. Seng asked if Ms. Kiefer's group has worked with a design firm or engineers to make sure there are appropriate abutments and footings that will work with the span of this particular ramp?

Ms. Kiefer said the President of one of the Rotary Clubs works for an engineering firm and he thought he could work with the firm to design it if we know this is the way we're going to go.

Mr. Janes asked if Rotary would have a use for that extra \$5,000 if we donated this rather than selling it to them?

Ms. Kiefer said definitely, if they had that extra \$5,000 they could work on another connection route for this trail.

Mr. Ridgway asked staff if we have the legal authority to be able to give something and is there a procedure or municipal code we should be adhering to?

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Mr. Uchytel said if the will of the Committee is to move forward with a donation he will consult the Law Department.

Ms. Kiefer said there is a policy that allows the Assembly to do that, but she doesn't remember what the dollar value is.

Mr. Simpson said this is on the agenda as an item for information. We need to put it on the next agenda as an action item so we can vote on it, but the sense of the group is that we want to make the outright donation subject to legal requirements.

Mr. Ridgway asked staff to do a cursory review of Docks & Harbors needs to be able to make a declared statement that we have no use for it.

Mr. Seng asked if staff is confident that the condition of this ramp is such that we are not going to incur any liability by donating a ramp which might collapse?

Mr. Borg said he has no concerns.

Mr. Simpson said it was built for a specific purpose, to make the dock ADA compliant in an interim way, knowing we were going to do something different eventually. He can't think of any place else we would ever need that type of ramp. It wouldn't be suitable for our typical dock and float uses.

Mr. Uchytel said the ADA rules are such that you are compliant in a harbor whenever you have a gangway 80 feet or greater. We would never reuse the 65 foot gangway to approach a floating dock, but it could be used to bridge between two float systems.

Mr. Janes said he'd like to send Ms. Kiefer away with the assurance from this Board that unless something really stands out as a red flag we'll move this forward quickly. We are all in favor of donating the gangway to Rotary International.

2. Vessel Salvage and Disposal - 05 CBJ 40.010(g)

Mr. Borg presented the following:

Current Regulation

05 CBJAC 40.010 – General moorage management policy

(g) Vessel salvage and disposal.

(1) Prior to obtaining a moorage assignment pursuant to 05 CBJAC 40.035, 050, 055, or 065, the owner of a vessel must

(i) provide the Harbormaster with proof of current marine insurance showing, at a minimum, the owner's name, information identifying the vessel, and the dates of insurance coverage; or

(ii) pay a non-refundable moorage surcharge \$0.25 per foot per month.

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(2) The funds collected from the moorage surcharge under this regulation will be used to pay for the unrecoverable costs attributable to vessel salvage and disposal activities in the small boat harbors.

(3) This regulation does not relieve an owner from the responsibility to pay fees as set out in CBJ Ordinance Title 85 or regulations adopted thereunder, and does not constitute marine insurance.

Problem Statement

- This fee is assessed as a fine for not having insurance. Many patrons automatically assume that it replaces vessel insurance and that they are covered.
- Only applies to vessels that have permanent stall assignments. Does not apply to transient vessels even if in the harbor system year round.
- Recently a long time harbor patron came in to take advantage of the fee. He has paid for the past 20 years an amount equal to \$1,800 and figured that's how much it was going to cost us (Docks and Harbors) to dispose of his vessel.
- The amount collected between May 2015 and May 2018 was \$58,000.

Mr. Borg said we spend a lot of money pulling boats, pumping boats out, recovering fire damage, etc. In the last three years we've had to refloat 5 vessels at an average cost of \$5,000 to \$7,000. These vessels were not insured. The biggest issue we have right now is when people come in we ask if they have insurance, if they don't have it we tell them we've got this fee of \$0.25 per foot per month, they say that's cheap and they automatically assume they are covered with insurance. They are not, and it takes quite awhile to explain this to people. We are not sure where this fee came from or what the best way is to move forward. Right now this fee only applies to vessels that are permanently assigned, it does not apply to vessels that are transient. Unless you are on A or B float in Statter Harbor, you're not required to pay the fee for not having insurance. Everyone in general population is in transient, they can be there all year round and we collect nothing. The Whimsea is a perfect example. She caught fire, burned, and sank. The Coast Guard spend \$160,000 to get it to the surface. The owner has no insurance and the Coast Guard is not going to get any of that money back. It cost Docks & Harbors an additional \$17,000 to transport it around to Trucano's yard so we could dispose of it. Our insurance covered everything but the \$5,000 deductible. Now the owner is thinking he should have had an opportunity to salvage his vessel and has filed a suit against the City to get some money back. We're working with CBJ Risk on that. Again, he was in a transient zone and he wasn't required to pay the vessel disposal fee. We are fee heavy in this department. We have fees for everything. We have talked about just doing away with this fee. He is not a big fan of that. He called Sitka, Petersburg, Wrangell, and Ketchikan and none of them have this fee. The Harbormaster in Ketchikan said they tried to bring up insurance and it turned into an explosive situation. The first thing we've got to do is change the name of this fee. This morning staff came up with "Uninsured Vessel Penalty" since it is a penalty for not having insurance. Also, we want people to have insurance but we don't really know what type of insurance they need to have. People come in and ask what type of insurance they need and how much and it gets kind of sticky for us. We assume that people are going to have the right kind of insurance but

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that's not always the case. The issues for this fee are the name, the amount of the fee we collect, and how to apply it to transient vessels. We know if they're coming from Washington they've got to have insurance because it's required by state law. When someone comes into our office to register a transient vessel it takes 15-20 minutes to get them registered and into the computer and explain to them our fee structure and all these things back and forth. If we start getting into insurance with transient folks it will really create a hassle, and we are trying to be customer service savvy. One option we talked about was raising the moorage fees across the board and if vessels have insurance we take \$0.50 per foot or some other amount off. Another option is to do nothing except change the name and keep the \$0.25 fee for stall holders. We need to talk more about this. Some of the Board members probably know the history on how this fee came about.

Committee Discussion/Public Comment

Mr. Simpson said when this came up before, we wanted to require boats to have insurance. People came to us and said they couldn't get insurance for their old boats but they still have the right or desire to be in our harbors. This fee came up as a way around the insurance requirement. It was misnamed, it should be a no insurance surcharge. It should never have been called a vessel disposal surcharge. Now that Washington requires insurance, what is happening with those boats that told us they are uninsurable? Is there actually insurance? If there is, we should make the uninsurable boats get insurance.

Mr. Janes said he spends hundreds of thousands of dollars on insurance every year so wherever he gets a chance he does not get insurance. He considers himself self-insured on his personal boat. His 22 foot boat is in transient in Statter Harbor and he's not required to have insurance. He would pay it if we required it, but we don't so he doesn't. He doesn't like the idea of calling it a "penalty." It really isn't a penalty unless we have a law. Insurance companies rule the world and he would rather not give them any more of his money. He does believe we need a system but he objects to it being a penalty for not having insurance. We need to deal with the transient boats in our harbors because we have dozens and dozens of them that are not visitors, they put their boats in the harbors for the 6-8 months a year and are called "transient." He'd love to have a stall but there are none available.

Mr. Etheridge said he had insurance on his tug until it starting costing him over \$10,000 a year by the time he gets done with his survey and pays his insurance. He takes the risk and pays his extra \$0.25. The Board created that \$0.25 fee because we were, at that time, having to dispose of a few boats that were sinking in the harbor and nobody would claim them anymore. If we have to increase that fee he would be willing to support that. When you have to pay \$6,000 for a survey just so you can get insurance it's crazy.

Mr. Ridgway said \$58,000 in three years is \$1,600 per month and when he multiplied that by 4, there are 6,400 feet of boats currently paying that penalty per month. He asked if Mr. Borg has a good handle on averaging out the cost of vessel disposal over time?

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Mr. Borg said it depends. For example, when the 40 foot Northwind sunk it cost \$7,000 to get it out of the water and then it went through the impound process, obviously nobody is going to buy a sunk boat so we took it to our term contractor and he spends another \$5,000 to \$7,000 to dispose of it. That one boat, just because it sunk, costs double to get rid of. If we just impound a boat and want to get rid of it that's a small cost. He has a good handle on how much each individual event is.

Mr. Ridgway said he's trying to get to the difference between what we're taking in on this poorly named fee and what we're putting out as we approach the larger problem of insurance. At \$1600 per month this is a maintenance item for staff to find the people and assess this fee, correct? It takes staff time to make sure that you're managing this penalty or fee the way it's put out there right now, it's not just the delta of the cost, it's also a resource drain as well. Mr. Ridgway asked if Mr. Borg sees charging separate rates for insured and uninsured vessels as potentially reducing the burden on staff?

Mr. Borg said it makes it easier for the transient and non-transient vessels. We would be able to collect. Right now we don't go after an insurance requirement for transient vessels. This would.

Mr. Ridgway asked if patrons are signing a document that is abundantly clear that they, not the harbor, have liability for their vessel?

Mr. Borg said yes he is comfortable with the paperwork they are signing.

Mr. Seng said we are not collecting near enough money to cover our costs at \$19,000 a year. The Board should either up the ante and cover the cost, which is going to raise mooring fees by an amount that is going to make people squawk, or just say we spend more effort and lose more good will chasing pennies than what we're actually pulling in. If it's only \$19,000 he thinks we're doing more harm than good by charging that with our harbor patrons. Lets figure out what the problem really is and solve that. If it's that we need more money to cover our disposal fees then lets go get it. And if it's not, then lets not waste time chasing pennies on the dollar.

Mr. Janes said he would go along with charging separate rates for insured and uninsured vessels, whether you're transient or permanent. We can direct staff to start thinking about what those rates would be. We don't want to gouge anybody but we also want to get a rate that could cover an incident if it happens. At that point somebody might decide insurance is not a bad deal or they might decide just to pay the extra rate for the four months they're in the water. He thinks that's pretty simple for the public to stomach as they go in to pay moorage fees.

Mr. Simpson said if we keep the insurance requirement or have it as one of two options, we need to say what the insurance is. When you have a boat in reserved moorage you have to produce your insurance certificate annually so that's a pretty easy thing for staff

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to monitor. Those certificates say what the coverages are, liability or property damage etc. We could talk to a couple marine insurance brokers and figure out what to require.

Mr. Seng said if we're talking about trying to cover Docks & Harbors costs in the event that a boat is lost, burned, sinks, has to be raised, we're kidding ourselves if we're not going to charge the same kind of rates that insurance companies charge to cover the costs of the unknown. They're spreading their risk across much larger numbers of boats. Then if we get into trying to evaluate the quality of their insurance and make sure that it meets our standards, it seems like we're going deeper down the rabbit hole rather than simplifying things. Maybe we want to simplify it and say we're going to raise our moorage rates for transient and permanent and the reason we're doing that straight cut across the board is to recover our costs because that's what the problem really is. It became an insurance issue at one time but it's not really an insurance problem. It's just a pure cost, dollar value, how do we cover that as simply as possible so we can lighten the load on every individual boat owner by applying it to every boat owner and make it go that way, back to simple.

Mr. Becker said he is aware of one situation where the boat was a total loss. The guy had insured it for replacement value and being a total loss, the deductible was waived by the insurance company. He doesn't know if that's standard or not. Maybe we need to have some insurance people guide us through this.

Mr. Ridgway said he sees it as a gate issue. We kind of have a gate because of a liability issue. The cost of salvaging a vessel if it catches on fire, there's a bunch of hazardous materials, it trashes the dock, that's all on us. Docks & Harbors, because of massive costs and worry about liability, decided everybody's got to have insurance. A bunch of people came back and said we've got old boats and we can't get insurance so we came up with a way to let them in the gate. Over time we might want to solidify that gate and say no one comes to our harbor ever without a certain level of insurance that indemnifies us or at least financially protects the people of the Borough from having to spend up to \$400,000 in a really bad year of having to salvage some private individual or company's boat. The issue was we were kind of being nice. There is no reason we can't say no vessel will be at a CBJ facility without having shown a certain level of insurance, as we are informed by people who know insurance. He asked if Mr. Borg has seen insurance companies recover vessels?

Mr. Borg said absolutely, if we've got a sinker and we call a diver the first thing they ask is whether the owner of the vessel has insurance.

Mr. Ridgway said it's the Board's job to protect the Docks & Harbors enterprise even if that sets up our users for larger costs, potentially across the board.

Mr. Janes said he will pay insurance if he needs to. Transient vessels should be paying insurance. What about boats that can't get insurance? Do we kick them out of the harbor?

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Mr. Ridgway asked how many vessels that are currently paying us money every month *can't* get insurance?

Mr. Borg said the only numbers you're counting are the ones who are permanent stall holders. If you think about how many are transient, the numbers are big.

Mr. Simpson said a lot of those transient people, especially the nicer boats that are coming up here on their summer cruises, are going to be insured. Any boat that is financed is going to have mandatory insurance. It's not like all of these transient boats are out there with no insurance.

Mr. Seng suggested saying at some date certain in the future we will require insurance for every boat in Juneau harbors but it should be 3-4 years out so we can let people know to make their plans.

Mr. Blanchard asked if it would be appropriate to give staff the right to change the name of the fee in the short term just to take some heat off them while the rest of this decision is being made? Second, from his own experience in Washington, the only way you can make insurance required is if the whole state does it. The problem is one marina to another has a different policy, and we are crazy to think that we're going to interpret everything that's in that policy. We don't know if it is for summertime use of navigable waters only, we don't know if it has a ten mile limit, there's too much there. When the state does it then there is a standard that every insurer knows and they write the policy for that state's standard. We don't have that. This is the cost of doing business and we need to figure out a rate that covers it because we are going down a rabbit hole. We're spending a large amount of money right now just administering the fees that we have. As a patron of the port he has gone through those discussions with staff and he deeply appreciates those comments because there are a lot of better things we can do.

3. Washington State Marina & Vessel Insurance

Mr. Uchytel said in the past we've brought Rick Shattuck in and had him brief the Board on various insurance possibilities that are out there. The issues that staff are challenged with are the few irresponsible boat owners that use our harbors. The Lumberman is an example. How do we deal with that and how do we protect our interests in a manner that's fairly distributed throughout the harbor system? The Lumberman is a \$200,000 problem that somebody's got to pick up and who pays for that? The Alaska Association of Harbormasters and Port Administrators (AAHPA) supported and drafted legislation called SB92 Abandoned and Derelict Vessels. That bill went through the legislature, it's been approved by both houses, it sits on the Governor's desk for his signature. Everybody believes he's going to sign it at the appropriate time, as it's an election year. That bill was watered down from the initial ad-hoc group which AAHPA was involved with and a variety of organizations both federal and state. The original bill called for insurance and was modeled after the Washington State legislation. Once that got into the Alaska Senate there was no way that bill was going anywhere with any linkage to insurance. The bill is

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essentially going to require titling and registration of documented vessels, so it's a start. What Washington State was trying to do was cradle to grave accountability of vessels. Alaska needs to start going down that path. We're a long way away. This question about insurance for CBJ is one of appetite by the Board. How badly do we want to push insurance in this community knowing that vessels can move and we're going to scare vessels to Hoonah and Sitka by taking a very firm stance on requiring insurance. Washington State requires \$300,000 in marine insurance coverage encompassing general, legal, and pollution liability protection, and various harbors require more. Is this something the Board wants to tackle and at what pace? It's hard for a municipality to take up. We're willing to do that but it really should be the state. The SB92 passage is a good first step.

Committee Discussion/Public Comment

Mr. Blanchard said having lived through that with boats in Washington, he supports anything we can do to move that along on a state level. Back in the day when each port district was doing their own thing it was chaos and ineffectiveness everywhere. In the short term, don't we have an underway policy for vessels in the harbor, once a year they have to prove they can get underway?

Mr. Uchtyl said three times a year vessels are supposed to leave and come back.

Mr. Eiler said Mr. Borg has been actively working with his crew to turn that over. It has not always been enforced as it should have been in the past.

Mr. Uchtyl said in Washington State, he thinks if your vessel is over 40 years old and over 65 feet there is a requirement that if you sell it to somebody and that person abandons it, you're responsible as the seller of that vessel. There are some other things that Washington State may do with requiring posting of bonds for abandoned/derelict vessel purposes.

Mr. Blanchard said Mr. Uchtyl is correct on having to post a bond and that type of thing.

Mr. Ridgway said he would like to see some sort of analysis of what might happen to our patronage if insurance proved to be mandatory for a CBJ slip.

Mr. Etheridge said we did drive a lot of vessels out of our harbor last time we jacked the rates up. We lost a whole lot of our fishing vessels to Petersburg, Hoonah, and Sitka. That's what he thinks would happen if we start trying to require insurance, it's cheaper to go to Hoonah and fly back and forth than it is to pay for insurance on a lot of these boats.

Mr. Eiler said this is a complicated issue. This information is a great first start and hopefully Board comments have been instructive to staff on what we'd like to look at going forward. Bringing in Mr. Shattuck or someone else would be helpful.

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4. Update on Grant Applications

Mr. Uchytel said we submitted three BUILD grant applications. We believe Juneau Fisheries Terminal has the best opportunity for success. We also threw in the Juneau Marine Services Center, which is the boatyard, with the caveat that we're still exploring Norway Point and the Little Rock Dump, and the Auke Bay Non-motorized Coastal Transport Link. That's the elevated walkway from Statter Harbor to the Auke Bay Marine Station. We did get letters of support from Central Council Tlingit and Haida, Senator Murkowski, three resolutions from the Assembly, letters of support from Taku River Red, Alaska Glacier Seafoods, JEDC, and also one from the American Association of Port Authorities. The other application that we'll get out before August 1st is for the Aurora Phase III project. It's the ADOT harbor grant program. Because we haven't closed out the Aurora Harbor Phase II project he had to get a waiver from ADOT. We did get that waiver so as long as we can get the zinc annodes in and the project closed out by October 1st they'll except our application.

Committee Discussion/Public Comment

Mr. Eiler asked when we will know about the federal grants?

Mr. Uchytel said probably in three or four months, before Christmas.

5. Transportation Staging & Deckover Update

Mr. Gillette presented a quick history of the historic milestones of the Archipelago property. Archipelago purchased it from Sealaska in 1998. They marketed it for sale and the City bought some of it in 2011 to widen the sidewalk. The Docks & Harbors Board went to the Assembly and asked to buy the entire property in 2011 for this transportation staging need and a community building. We were turned down. Primarily the concern was the loss of private property on the tax rolls at that time. In August of 2013 we purchased two 25' easements which gave us a 50' swath through the property. Later that year we bought Lot 3. The Board discussed the need for a Marine Park to Taku Dock Urban Design Plan after we finished the cruise berths. As we were starting into that public process the Archipelago Properties LLC, which is the actual owner of the property, which is a subsidiary of Morris Communications, started discussing with us in July of 2017 about jointly developing it. The Board adopted the Urban Design Plan and recommended the Assembly appropriate funding for the plan development. In January we had a small modification at the Assembly's request. For the rest of 2017 and continuing today we've been working with Archipelago Properties to develop a concept. The Assembly has reviewed this back as early as December 2017. In January, the Committee of the Whole reviewed it and authorized funding a preliminary design and cost estimate which we have now basically completed and that's what we took back to the Assembly the other night. In March they awarded \$200,000 for us to actually do that work. We just reviewed all this at the July 11th Assembly meeting. He presented a map of the current property ownership. The future lot line has changed a little bit but generally it follows the

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green line in the middle. We went through some calculations based on a Horan Appraisal and the CBJ purchase would be about \$2.1 million. We've gone through some preliminary design with the \$200,000 that we spent. The upper part of that lot has two buildings on it down to about where that property line is. That would be the private side. Docks & Harbors would be building the transportation staging lot and a building of about 3,300 square feet which would be an open covered shelter area and restrooms to serve those visitors that are staged there while they're waiting for their bus to arrive for their tour or just a place to get out of the weather. This is just a concept, it probably won't look exactly like this but the idea is that the covered shelter would be open and you could walk through. We'd have doors that could close down for security or uses in inclement weather. The rest of the parcel is pretty much open space. We've had our landscape architect take a look at it so there will be some landscape in there. There was always a desire to have a future waterfront attraction in that big open space. A number of ideas have come forth. We want to make the area useable for people gathering and hanging out in the open space in a park type setting. Then we get to the budget which is of course important for the Assembly and the project. Design and permitting is about \$1.9 million, construction is \$17 million, contract administration and inspection is \$1.2 million and land acquisition is about \$2.1 million so we're at about a \$22.2 million project. What that would get us is the deckover and staging, the covered shelter and restrooms, and building that bulkhead wall. Our cost estimate today is still based on that Horan Appraisal. We're working on some ideas and some things that Archipelago wanted to include in the Purchase and Sales Agreement that could possibly adjust some of those numbers but we're still thinking we're going to be in that \$2.1 million general range. The budget director has identified where we might get the money from, the harbors fund balance, some CIP transfer money, some state revenues from passenger fees, and he came up with \$23.2 million which gives us a little buffer from what our budget was. We're still working through this and working with the Finance Director and the City Manager to get this in front of the Assembly. The next action by the Assembly will be July 23rd which would give the City Manager and Port Director the authority to negotiate this directly with the Archipelago Property because the code basically says if we didn't do that we'd have to put this out for public consumption. It makes sense in this case because they own half the property and we own half the property so it's more of a technicality than anything. Assuming that passes it would give us the authority to start negotiating the hard dollars. We think we're in a pretty good range. We've had a really good relationship with Archipelago throughout this process. Our transportation staging area grew quite a bit from when we first started which actually pushed them from a concept of three buildings to two buildings but they understood the highest priority we had was to accommodate those vans and buses so they willingly changed their design. He thinks we're going to get through this pretty well. We're going to the Assembly Finance Committee on August 8th with the Finance Director to explain to the Assembly how the financing would work. There is some question about whether or not we would have to include local funds because it could be used during the off season. It's speculative how much it would get used but it is some folks' idea that we should contribute some too. We're working through those details.

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Committee Discussion/Public Comment

Mr. Janes asked to see the slide with the land we are acquiring for \$2.1 million?

Mr. Gillette pointed out which parcels we're buying and which we're selling. He said the total that we're buying from Archipelago is \$3.16 million and then we're selling some so the difference is \$2.1 million.

Mr. Eiler asked where the retaining wall is?

Mr. Gillette said generally the retaining wall will follow the property line. As he mentioned, we went from a 24 foot vehicle to a 25 foot which increased the number of passengers we can handle by about 25% in this lot so we've really improved that. We've vetted this through with different tour operators and we think we've maximized the use of the property. We at one point had a full drop off lane, but we were concerned about people walking out and we didn't feel it was safe so we took that out and just have a loading zone here. We've got 12 spaces for vehicles and one drop off/loading zone. We'll have a guard rail so vehicles don't back into the building or pedestrians.

Mr. Ridgway asked now that we've forwarded on our recommendation to the Assembly, what role does the Docks & Harbors Board have in pursuing this project?

Mr. Gillette said the Purchase and Sales Agreement will come back to the Board for review once we've got a good draft. We got a draft from Archipelago, we've made comments and that's gone through two or three iterations. We've met with the Manager and the City Attorney on it. They're going to put it into a legal format and do their review of it, then that will come to the Board as a document to review. Once we get this authorization to negotiate then Mr. Uchytel and the City Manager will negotiate with Archipelago. Horan's doing another appraisal and there are some conditions that Archipelago wanted to put into the land agreement which may impact values. Then the Purchase and Sales Agreement would go along with an ordinance back to the Assembly so he presumes the Board would review the Purchase and Sales Agreement and the ordinance and make a recommendation to the Assembly.

Mr. Ridgway asked if there are cost of ownership numbers on the decking we are building to substitute for land? What is that going to cost us and where will those funds come from over time? Is there another place where Docks & Harbors has built open space because it was desired by folks versus pursuing our mission? Do we build parks?

Mr. Gillette said we did the Marine Park deckover, which is used for community events and things when the buses aren't there. Part of the reason it was paved in brick is so it would have more of a pedestrian feel to it. Marine Park was expanded a bit. The wedding cake area is a buffer between parking and the former Marine Park. That whole area was open and was filled in for bus staging. There was discussion back then of using it for an

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ice skating rink in the winter. Once they found out how much it would cost for a refrigeration unit that ended that discussion.

Mr. Ridgway said if we are building decking he imagines that's a maintenance item that we have some number for. Is that going to be concrete or wood decking?

Mr. Gillette said it would be concrete and wood. The concrete is primarily because we have to be able to capture the run off and treat it, we can't just let it drip through the boards because of parking. It makes more sense to build a building on concrete. For the wooden section, we wanted to continue the character of the wharf. Archipelago liked that idea as well. Concrete is also more expensive.

Mr. Uchytel said we are required to do 10% landscaping.

Mr. Gillette said in the Urban Design Plan the transportation staging, covered shelter, and open space were the three highest uses that were identified throughout the plan.

Mr. Ridgway said he sees a divergence between Docks & Harbors' mission and building a park that's also a long term maintenance item. People said what their preferences would be during the planning session, but that doesn't necessarily change the Docks & Harbors mission.

Mr. Gillette said we've always talked about some sort of waterfront attraction and this is where it would be built. We'd like to have that waterfront attraction, but right now we don't have anything to put in there.

Mr. Ridgway asked if that had been further discussed with the Morris Group folks as far as the stipulation that they would have the right to veto any further attractions. It's one thing to build a park, it's another thing to build it for future use, and it's another thing if the inland neighbor has veto authority on public land.

Mr. Gillette said that would be addressed in the Purchase and Sales Agreement and it's one thing that could impact the value of this property. There are ongoing discussions of potential uses and buildings on the site as well as ongoing discussions of the value of that property and what those covenants are that could be incorporated into the sales agreement.

Mr. Eiler asked when the Board might see a draft Purchase and Sales Agreement come back from the Law Department?

Mr. Gillette said it will probably be mid to late August.

X. Staff & Member Reports

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Mr. Borg asked if the full Board wants to meet next week or not? The Lands Committee and Auke Bay Steering Committee Liason selections still need to be made. Mr. Uchytıl's evaluation is also coming up.

Mr. Eiler asked if the Regular Board meeting is currently noticed?

Mr. Simpson said yes it is on the CBJ meeting calendar but it is not hard to cancel if there is not a good reason to have a meeting.

Mr. Eiler asked if the Board needs to appoint a Port Director Review Committee?

Mr. Simpson said there has been one but he doesn't recall if it's a standing committee. Usually the Chair would appoint committee members for that, but that doesn't need to happen at a meeting.

Mr. Janes said things are heating up a little bit for the Auke Bay Steering Committee and he has been the liason. Because he knows what's happening out there and there won't necessarily be a meeting next week he will volunteer himself to continue with that liason position right now. He is in touch with the Cannery Cove Condo Association Board of Directors, they've got some issues going on as well as the Steering Committee so he will jump right into that heated discussion.

Mr. Eiler said the motions made earlier in the meeting were provisional, but without objection Mr. Janes may continue to do that. He said he himself has been sitting in as the liason to the Assembly Lands Committee. He is happy to continue that or if anyone else has interest he is happy to pass the baton. Without objection, he instructed staff to cancel next week's Board meeting. He asked if there were any more staff or member reports?

Mr. Borg said everything is going really well. The fishing season seems to be slow, the drama is down to a minimum at Statter Harbor. We did have one sinker last week. The crew got on real quick and saved the boat from sinking. We got it hauled out and everything was taken care of. Our crew's been doing a fantastic job. For the Lumberman, he has no news other than what was put in the paper last weekend. The state (ADNR) has hung paper on the Lumberman to start that impound process. ADEC is also very engaged, so hopefully this thing gets some traction.

Mr. Simpson asked about the person that fell off the downtown dock recently?

Mr. Borg said it happened early in the morning, around 2:30am. Alcohol seemed to be a factor. An individual fell off the dock, into the water, and hit his head on the way down. We are not exactly sure how the injury occurred but we are trying to pull some tape on that. Several other people went in after him which is not always the best thing to do. CCFR showed up and rescued the individual with the assistance of the Coast Guard. We didn't have anybody on staff at the time. That makes five that have fallen in over the last nine months. Four were accidental and one bachelorette party girl decided to jump in. We

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have had two confirmed deaths from that as well. We are looking at what our opportunities are to improve that. With the exception of the party girl they have all happened in the north end of the dock, just because that's where at-risk folks are hanging out. We also had an assault there last week which we did get video of. A woman pushed a man and he fell over the rail. Luckily he fell on one of the boards and caught himself. It turned into a good fight and our camera system caught it all.

Mr. Ridgway said we've got the proposed design for the railing. He asked if Mr. Borg thinks that will slow this down considerably? Should we prioritize that even more?

Mr. Borg said it's definitely something we're talking about at the staff level. It's obviously something we need to do.

Mr. Eiler asked how the Fourth of July went on the dock?

Mr. Borg said outstanding. We had pretty much a full crew on until about half an hour after everything closed down. We only had about 20 people on the CT dock so we probably don't need to open that next year. The majority of people were on the AS dock, it's closer to where the fireworks were. It went really well.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting- **Wednesday, August 22nd, 2018.**

XII. Adjournment- The meeting was adjourned at 7:11pm.