Presented by: The Manager
Presented: 03/03/2025
Drafted by: Law Department

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2025-22(b)am

An Ordinance Authorizing the Manager to Negotiate and Execute a Tidelands Lease for the Purpose of Waterfront Commercial Activities.

WHEREAS, in August 2022 Huna Totem Corporation (HTC) acquired the upland parcel at the Subport from Norwegian Cruise Line Holdings; and

WHEREAS, in September 2022, Aak'w Landing LLC ("Aak'w"), a wholly owned subsidiary of HTC, applied to lease tidelands owned by the City and Borough of Juneau for the purpose of building a cruise ship dock; and

WHEREAS, the City and Borough of Juneau (CBJ) owns submerged lands in excess of 50 acres in ATS 3 including a four-hundred-foot swath seaward of the Coast Guard Dock and Subport; and

WHEREAS, in order to construct the Aak'w dock, Aak'w will need to acquire an interest in certain lands and tidelands, which includes the CBJ swath of tidelands and approximately 8 acres of unsurveyed tidelands currently owned by the State of Alaska, Department of Natural Resources (ADNR); and

WHEREAS, the City and Borough of Juneau has applied to the ADNR to have lands owned by the State conveyed for the purposes of this lease; and

WHEREAS, CBJC 53.20.020 authorizes the lease of lands owned by the City and Borough, including tidelands and submerged lands, by ordinance under such procedures and minimum terms and conditions as set forth in the ordinance; and

WHEREAS, maintaining year-round businesses and activities on the site is a shared priority of the CBJ and Aak'w; and

WHEREAS, shore power is a community priority throughout the port and it is the shared intention of the CBJ and Aak'w to electrify cruise ship docks to the degree that it's feasible to do so; and

WHEREAS, the Assembly fully supports the use of project labor agreements (PLAs) and their use in city project, the Assembly encourages Huna Totem to work closely with local construction companies and utilize our union hiring halls and apprenticeship programs; and

WHEREAS, the Assembly intends to apply the same lower berth capacity limitations to our own docks, as are required of Huna Totem;

WHEREAS, the CBJ and Aak'w have a shared interest in honoring community priorities including all negotiated agreements between the CBJ and the cruise industry.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Authorization to Lease. The Manager is authorized to negotiate and execute a lease of tidelands as generally depicted on Exhibit A, subject to the following minimum essential terms and conditions:

(A) This lease signing is conditioned upon the conveyance of State tidelands south of the Subport to the City and Borough of Juneau from ADNR;

(B) This lease is conditioned upon an appraisal providing legal boundaries and fair market value as required by CBJC 53.20.040 and 05 CBJAC 50.050;

(C) The leased property shall be used by Aak'w for waterfront commercial activities consistent with the application submitted to the Community Development Department January 25, 2023, Attachment 1;

(D) Huna Totem/Aak'w Landing must provide the CBJ with written assurance from the US Coast Guard which demonstrates that the project will not impede icebreaker docking in Juneau. Huna Totem can start work with the understanding any work undertaken is at their own risk.

(E) The Assembly prioritizes the collaborative scheduling of cruise ships in our community, to ensure that all parties adhere to the five-ship limit as well as the agreed upon passenger limits. Huna Totem will participate in an annual scheduling meeting for their dock.

(F) The dock may only accommodate vessels with no more than 4500 passengers lower berth capacity.

(G) The seawalk must remain unobstructed by commercial activities, except for special events or activities.

(H) No rental car facilities, including Turo or other peer-to-peer car rental marketplace services, will be authorized for operation at Aak'w Landing. The applicant will provide a circulator pick up and drop off area for licensed commercial passenger vehicles.

(I) Huna Totem will be permitted to begin building on city tidelands, with the understanding that any work undertaken is at their own risk, while the parties wait for a decision from the state. Once the state tidelands are conveyed, the City Manager will negotiate an amendment which encompasses the state tideland area.

(J) The lease shall be for a maximum term of 35 years (CBJC 53.20.080) effective upon signing of the lease by CBJ; the parties, upon mutual agreement and by ordinance, may execute one additional lease for a maximum term of 35 years;

(K) The annual lease rent for the first five-year period of the term shall be not less than fair market value plus sales tax. The annual rent due is divided into twelve equal installments due at the beginning of each month. Rent shall accrue on the effective date of this lease. The Manager or designee shall review and adjust the annual rental payment every fifth year of the lease in accordance with CBJC 53.20.190(d) and CBJC 85.02.060(a)(5);

(L) Aak'w shall be responsible for obtaining all necessary permits and approvals for its use and development of the leased property;

(M) Aak'w shall indemnify, defend, and hold harmless the City and Borough and its officers and employees for any claims related to or arising out of the Aak'w's use, operation, or maintenance of the leased property, equipment, and improvements, or any further development of the leased property or improvements by the Aak'w; and

(N) The lease shall include all provisions of the standard CBJ land lease form not in conflict with ordinance, any other provisions that the Manager determines to be in the public interest, and all conditions and parameters outlined in Conditional Use Permit, USE2023 0003, approved by the Planning Commission July 20, 2023, Attachment 2.

(O) If Lessee violates any term or condition of the lease, including those detailed in the conditional use permit, the City may subject Lessee to enforcement action under CBJ 49.10.600-660 and impose a per violation, per day penalty.

(P) Additional Conditions:

a. The dock may be used in case of emergency outside the specified CUP terms;

b. The dock may only accommodate lightering from a cruise ship at anchor in the case of an emergency, no matter what size the ship is.

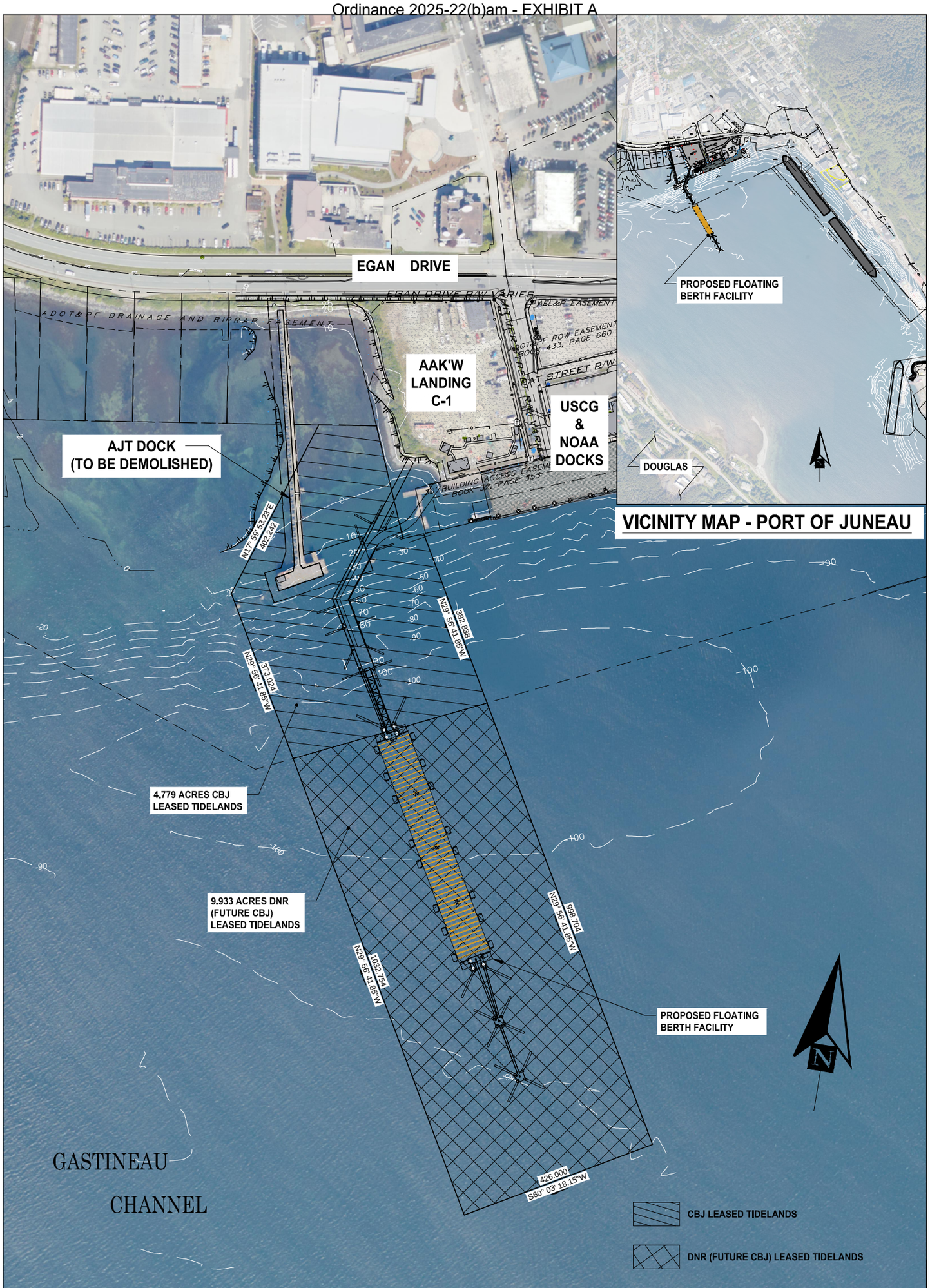
Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this 7th day of April, 2025.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk



AAK'W LANDING, LLC

9301 GLACIER HIGHWAY SUITE 200
JUNEAU, ALASKA 99801

SCALE IN FEET
0 100 200 FT.

PRELIMINARY
REQUESTED LEASE AREA

PROPOSED AAK'W LANDING DOCK TIDELANDS LEASE

DESIGN	DATE 4/4/2025	1.0
CHECKED	CONTRACT NO.	
APPROVED	JOB NO.	
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