

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES

Thursday, April 20th, 2023

CBJ Room 224 and Via Zoom

A. Call to Order: Mr. Ridgway called the meeting to order at 5:02pm in CBJ Room 224.

B. Roll Call : The following members attended in CBJ Room 224 or via zoom - James Becker, Paul Grant, David Larkin, Matthew Leither, and Mark Ridgway.

Also Attending: Carl Uchytel – Port Director, Matthew Creswell – Harbormaster, and Teena Larson – Administrative Officer.

Absent: Don Etheridge, Debbie Hart, and Annette Smith.

C. Port Director requests for Agenda changes

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

Motion passed with no objection.

D. Public Participation on Non-Agenda Items -None

E. Approval of Minutes

1. March 22nd, 2023 minutes

Hearing no objection, the March 22nd, 2023 minutes were approved as presented.

F. Unfinished Business

2. Hansen-Gress Property Purchase & Sales Agreement

Mr. Uchytel said previously the Board approved the appraisal for this property and the purchase and sales agreement will need to go through the Board. He recently found out the sales agreement does not need to go through the Assembly. The purchase and sales agreement on page fifteen in the packet has been drafted by CBJ Law. The purchase price is \$118,510. It has the right of first refusal requested from the Board in case the City wants to buy this property back in the future.

Committee Questions

Mr. Grant asked if the Board has any authority to speak on this sale with the sale agreement being between the City and Borough of Juneau and Hansen Gress. He asked who holds the title for this property?

Mr. Uchytel said the City does, Docks & Harbors just manages it.

Mr. Grant said he has a problem with approving an agreement that is selling something someone else owns.

Mr. Uchytel said the Assembly has already approved the appraisal and the sale of the property, just not the agreement yet.

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Mr. Grant asked if this has been approved by Hansen Gress?

Mr. Uchytel said they have not reviewed it yet.

Mr. Ridgway asked if it would be too onerous to set boundary conditions under the right of first refusal that the price be set using the same appraisal methodology and consistent with what was used to come up with this price.

Mr. Uchytel said the area we are selling is the least value of land in the whole parcel. If fifty years from now Hansen Gress wants to sell and receive an offer, they would need to notify CBJ of that offer and allow CBJ to purchase it at that offer price. He is not sure if adding the language about using the same appraisal methodology would protect us any more than the right of first refusal current wording in fifty years from now.

Mr. Ridgway asked why is he using fifty years and not one year.

Mr. Uchytel said the premise of all this work is that Jeremy Hansen and Tyler Gress is to fix up an aging building for their use for the foreseeable future. It will be more than one year.

Mr. Grant asked if CBJ Law had thought about making this a right of first offer rather than a right of first refusal? If they decide to sell, they need to give the City an opportunity to make the first offer which would open up negotiations with us as opposed to someone else making an offer and CBJ would need to match that offer.

Mr. Uchytel said the Board specifically asked for a "Right of First Refusal" in the agreement and that is what he asked CBJ Law to use.

Mr. Grant commented that he thought the intent for this is to make sure CBJ can get this back if they decide to sell. He is not sure if it is best to have the "Right of First Refusal" or "Right of First Offer" and he wanted staff to ask CBJ Law.

Public Comment - None

Committee Discussion/Action

Mr. Ridgway suggested to explore Mr. Grant's question with CBJ Law about the "Right of First Offer". There will be a need for a motion tonight to forward this to the Board. He would like staff to ask if we can also add the condition of "can we explore boundary conditions" or is that appropriate? He said this is City land and the zoning was conducive to the original owner building their building across two lots, and now we are faced with a problem where we are judiciously disposing of waterfront property.

Mr. Uchytel said he will ask CBJ Law.

MOTION By MR. BECKER: TO ACCEPT THE HANSEN-GRESS DRAFT PROPERTY PSA AS PRESENTED AND SEND TO THE FULL BOARD.

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Mr. Grant objected – He would like to add, SUBJECT TO STAFF’S REVIEW OF “RIGHT OF FIRST OFFER” AND APPRAISAL CONDITIONS. He does not want this to go to the Board as a final document until he hears what CBJ Law said on this.

Mr. Larkin asked for more clarification on the “Right of First Refusal”, and “Right of First Offer”. The “Right of First Refusal”, we would have a chance to purchase the property at that offered rate, or a higher price first. The “Right of First Offer” we can make an offer, but they can still go to someone else that offers higher and sell to them. How does the difference affect us?

Mr. Grant said in the “Right of First Offer” they are obligated to negotiate with us to the point we are unable to reach an agreement on price. It seems to make more sense in terms of negotiations with the seller.

Roll Call Vote –

Yay – Matt Leither, David Larkin, Mark Ridgway, Jim Becker, and Paul Grant.

Mr. Grant read the whole motion as amended -

MOTION: TO ACCEPT THE HANSEN – GRESS DRAFT PROPERTY PSA
SUBJECT TO STAFF’S REVIEW OF “RIGHT OF FIRST OFFER” AND APPRAISAL
CONDITIONS AND ASK UNANIMOUS CONSENT.

Motion passed.

G. New Business

3. Local Match - PIDP (Port Infrastructure Development Program) Grant for Aurora Harbor Drive Down Float

Mr. Uchtyl said on page 23 of the packet is a preliminary design for the PIDP grant application. This application is for a Small Port-Small Project. With the property issues with the University, he believes using a location on CBJ property will have a better chance for this grant. What is shown in the plan is a \$11.25M project for a drive down float which is the maximum ask for this grant. There is no required match, but he has been told that some match is better than none. Comments received from a MARAD representative is that offering 20% or less would be the most competitive. If a 20% match is not feasible for the community to address in detail why. If there is some amount that can be used as a match to put that amount in the application and to state the obvious. On page 25 in the packet are some options where a smaller match could come from. He noted we only have \$1.25M in the Harbor fund balance. He talked about the Auke Bay Wave Attenuator match need, and the Board may want to add more security type projects for the downtown harbors security needs. He said he added to the packet letters of support for the Drive Down Float project starting on page 27 in the packet. Also in the packet is a cost analysis put together by Rain Coast Data. Our BCA is much higher than with past project applications. Using CBJ property and making a smaller project, our BCA greatly improves.

Committee Questions

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Mr. Grant asked how this interplays with possible future scenarios with the University. What if in three or four years the University wants to sell the property to us.

Mr. Uchytel said when he had PND move forward with this design, he wanted them to do no harm to the University property. With this design, we could still come back and do what was previously designed for the University property.

Mr. Grant asked if the University property is on the table in three or four years, do we want to keep the money that would be used on this for the University property purchase.

Mr. Uchytel said the Infrastructure Improvements Jobs Act (IIJA) put \$1T into infrastructure projects and that is what is funding the MARAD and the PIDP projects now. Three or four years from now, we may not have a change to go back and get any money

Mr. Ridgway commented in regards to the design, he is concerned with the sharp corner and has witnessed difficulty turning at the Auke Bay Loading Facility in the past.

Mr. Uchytel said we are applying for a grant and not doing final design. He does not see any other place a drive down float will fit on the CBJ property with road access and easily available without large infrastructure investments. If we want a drive-down float, this is the only logical location. There may be room for alterations to this design but we are limited to \$11.25M project.

Mr. Becker commented that he would like to work on the design more.

Mr. Uchytel said the grant application is due next week. If the Board says they do not want to do this, that is fine. He is prepared to submit a grant application and be competitive. After we get the grant, we can work more on the final design.

Mr. Ridgway asked if the grant looks unfavorable to changing the design that was submitted in the application?

Mr. Uchytel said he believes there is latitude to go from a conceptual design to a final design.

Mr. Ridgway asked what is staff recommendation for a match?

Mr. Uchytel said he does not have an amount. We have \$1.25M in the Harbor Fund, we need \$1.5M match for the Auke Bay Wave attenuator, and the Board has indicated the need for more security projects in the downtown harbors. He suggested not less than \$500,000 and explain the other needs in the grant. If we are not successful, we could try again next year with a higher match amount.

There was more discussion on how much should be used for a match.

Public Comment - None

Committee Discussion/Action

Mr. Ridgway suggested to use \$637K as a match based on his review of available funds.

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Mr. Uchytel commented that this is due April 28th and because there are contractors involved with this application, he would not like this changed after this meeting. This will be put on the consent agenda for the Board meeting next week.

Mr. Grant said he was going to suggest \$500,000.

MOTION By MR. GRANT: TO COMMIT \$500,000 AS LOCAL MATCH FOR THE MARAD PIDP GRANT APPLICATION FOR AN AURORA HARBOR DRIVE DOWN FLOAT AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

4. Bid Award - Aurora Harbor Rebuild Phase III (Contract # DH-015)

Mr. Uchytel said staff opened bids last Wednesday, and there were two bidders. We do not have enough money in the CIP to even award the base bid at this time. Staff is in the process of transferring money from our fund balance to this CIP. This transfer takes two Assembly meetings. The Assembly introduced this on Monday and final action will be on May 8th. At the May 8th meeting the Assembly can also award the low bid to Trucano Construction. Mr. Uchytel showed on page 68 in the packet what the base bid will buy. Mr. Uchytel provided other options but suggested to move forward with the base bid award.

Committee Questions

Mr. Ridgway commented that Mr. Uchytel is suggesting to take what we can get, and build what we can.

Mr. Grant asked if the T-float on the end can not be added, can we build a couple more slips?

Mr. Uchytel said once the bids have been open, this is a take it or leave it bid. We do not have any money for anything more than the base bid.

Public Comment - None

Committee Discussion/Action

MOTION By MR. BECKER: TO RECOMMEND AURORA HARBOR PHASE III BID AWARD TO TRUCANO CONSTRUCTION COMPANY FOR \$4,269,650 AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

H. Items for Information/Discussion

5. ADEC Certificate of No Exposure (CNE) – Auke Bay Loading Facility

Mr. Creswell said in the packet on 69 & 70 is the Auke Bay Loading Facility uses. From last week, Gastineau Guiding has removed their request to pressure wash. This was brought back to this meeting at the request of the Chair. On page 69 is the certificate of non-exposure from DEC which allows for minor maintenance. That is also backed up

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with a letter from me to DEC. In the packet on page 70 is a SOP for what is allowed at the ABLF, what is required for the minor maintenance, and it is all performed by reservation only. Mr. Creswell went over the SOP which has been prior practice and is now in writing.

Committee Discussion-

Mr. Becker asked if the conflict at the ABLF has been resolved?

Mr. Creswell said this is a solution and it does not allow pressure washing.

Mr. Grant suggested to change in #7 – remove “capable”.

Mr. Ridgway said he did not see anywhere that is prohibits fuel transfer. Item #4 add “protective tarp” and after immediately add “documented”.

Mr. Creswell said there is some fuel transfers allowed at the ABLF but only in certain areas.

Mr. Ridgway recommended to put in more detail what is and is not allowed in regards to fuel transfer.

Mr. Uchtyl also pointed out that having the word “capable” may be the word needed so they are capable but not locked.

Mr. Ridgway commented that we own the property and can dictate the rules. Moving forward, if something is not working, change the SOP. He suggested to add in item #5 after the pressure washing prohibited to add “or any activity creating debris”. He is offering potential edits but relies on staff for the final decision. Item #7 add “send an email attesting the tank is empty and when it will be removed”.

Mr. Larkin recommended in item #6, shipping containers location will be identified by Harbor staff. This allows for our staff to tell where the containers need to be placed.

Mr. Creswell said we do that currently.

Public Comment – None

6. UA/UAS Property Lease

Mr. Uchtyl said we have reached an agreement with the University for an annual lease rent of \$100,000 with CBJ providing considerations for specific services. In waiting to receive a new lease from UAS, UAS is asking if CBJ would object to an extension of the existing lease with a new rent amount and requirements. He asked CBJ Law and they have no objection to this. We could see some lease terms at the next Board meeting to review. He will brief the Assembly Finance Committee at the budget presentation meeting. Regarding the sub-lease for the boatyard operator, the direction from CBJ Law is that we can continue to lease that property to Harri’s Commercial Marine with the extension without an open competition for a new boat yard operator.

Committee Questions –

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Mr. Grant asked if there is going to be substantial costs that need to be factored in for what Docks & Harbors will be contributing in order to keep the rent at \$100K?

Mr. Uchytel said he has been trying to get that information from UAS.

Mr. Grant asked if UAS is going to propose to Docks & Harbors what additional add-ons they want.

Mr. Uchytel said that is correct.

Mr. Becker asked about the Travel Lift? He said it is in bad shape and has been for three years.

Mr. Uchytel said the Travel Lift is owned by UAS and is to be maintained by the Boatyard operator. He is unsure what course of action is to come for the Travel Lift. He asked why Harri's has not done repairs for three years if it has been in bad shape?

Mr. Ridgway asked what Mr. Uchytel thinks this area will look like in 30 years?

Mr. Uchytel said with a new chancellor, he is hopeful UAS will want to sell all or a portion of their property. He does not believe there will be a higher and better use than CBJ's use. We still have the \$2M that the Assembly appropriated for this property. The fair market value was \$2.88M and Docks & Harbors would still need to come up with \$1M.

Public Comment – None

7. Assembly Finance Budget Presentation

Mr. Uchytel said in the packet on page 72 is the Assembly presentation he will present on April 26th. He went through his presentation and pointed out and discussed highlights.

Committee Questions –

Mr. Ridgway said for future reference, he would like to highlight the additional personnel need due to the Coast Guard requirements.

Public Comment - None

I. Member Reports – Mr. Leither commented that Statter Harbor is looking great and thanked Harbor staff.

Mr. Grant reported on the security discussion at the outreach meeting. The patrons talking on this topic were from Douglas Harbor and he did not get the sense that these people were alarmists. He said the Harbormaster commented after the meeting that security measures just moves the problem around from one harbor to the next. He wanted the Board to think about doing security gates at Douglas rather than Harris at this time.

Mr. Uchytel said the reason Harris was chosen, was because there is one entrance and a better connectivity with security cameras. He is reaching out to our term contractor Morris Engineering to ask for a lighting plan solution for Douglas Harbor. One will be

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for a \$50,000 plan and one will be for a \$100,000 plan. It would be easier to implement the gate at Harris and the lighting at Douglas.

Mr. Becker commented that the Douglas patrons got the Board's attention and he wanted to meet with them to talk about this security topic.

Mr. Ridgway suggested to have a document showing Docks & Harbors security plans and it also helps the Board fulfill their duties. He wants people to feel confident that a solution is on the way.

Mr. Becker said the Douglas patrons pointed out that JPD has been called several times and did not even show up and asked Mr. Creswell if that was true?

Mr. Creswell said JPD is under staffed and can only enforce on the areas they are authorized to enforce. Sometimes that means the suspect is questioned and released. He said he has had great response from the police. Mr. Creswell told about an individual arrested and taken to jail who was in Harris untying boats and was caught after a chase.

Mr. Grant asked if an additional security person would be a benefit? He would like staff to bring this back to the Board to think about.

Mr. Ridgway commented that security personnel, gates, and lighting is all we can do.

Mr. Uchytel commented that before he heard from the Douglas patrons he believed Douglas to be a fairly safe Harbor. Part of that was because one of our Harbor Officers lives in Douglas year around. He has heard Sitka has had similar problems with bathrooms like we experienced with the Harris bathrooms. A lot of the homeless people have moved to the Valley now. The Glory Hole is incentivizing cheap housing and has encouraged boat rentals previously.

Mr. Grant commented that the Board needs to get ahead of a potential shooting in our harbors based on what he heard.

Mr. Larkin left the meeting at 6:48pm.

Staff Reports - None

J. Harbormaster Report - None

K. Committee Administrative Matters
Next Operations/Planning Committee Meeting-**Wednesday, May 17th, 2023**

L. Adjournment – The Meeting adjourned at 6:49pm.