

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES

For Wednesday, September 21th, 2022

In the Port Director's Conference Room
and via Zoom meeting.

A. Call to Order – Mr. Larkin called the meeting to order at 5:05pm in the Port Directors conference room and via Zoom. Due to technical difficulties, this meeting moved from CBJ Room 224 to the Port Director's Conference room.

B. Roll Call – The following members attended the meeting in person or via zoom meeting: James Becker, Lacey Derr, Don Etheridge, Paul Grant, Matthew Leither, and David Larkin.

Absent - Annette Smith, Debbie Hart and Mark Ridgway

Also in attendance – Carl Uchtyl – Port Director, Matthew Creswell – Harbormaster, Erich Schaal – Port Engineer, and Teena Larson – Administrative Officer.

C. Port Director Request for Agenda Changes

Hearing no changes, the agenda was approved as presented.

D. Public Participation on Non-Agenda Items - None

E. Approval of Minutes

1. August 17th, 2022 Operations/Planning Meetings Minutes.

Hearing no objection, the August 17th meeting minutes were approved as presented.

F. Unfinished Business

2. Land Management Plan – 85.02.063

Mr. Uchtyl said this was approved at the last Board meeting. On page 37 in the packet is an email he sent to the Board due to the Board remaining ambiguous to the policy of tideland disposal. If this Committee wants to make changes you can do so at this time and it can be put on the consent agenda for the Board next week. Ordinances are recommendations from the full Board that go to the Assembly and the Assembly takes action with public notice. This will go to the Assembly Lands, Housing & Economic Development Committee on Monday before going to the Assembly.

On page 39 in the packet are recommended changes from Mr. Grant. Mr. Uchtyl said he wants the Committee members to review the proposed language in the draft put together by the City Attorney and make sure it is what the Committee wants.

Committee Questions

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 21st, 2022

Mr. Grant asked if we had one more meeting to vote on this?

Mr. Uchytel said this will go on the consent agenda for the full Board and it can be pulled from the consent agenda for changes. Another note is the Board can recommend changes at any time it will just go through the process again.

Public Comment - None

Committee Discussion/Action

Mr. Grant said he sent some thoughts to Mr. Uchytel. His concern is in 85.02.063 (b) (4). His first question is –

- Is “tidelands” an appropriate word to use for lands under the jurisdiction of the Docks & Harbors Board because we manage other property not just tidelands?
- Should the word “should” be “shall”.
- Should it read, “shall not be sold unless...”, and we list some unless options showing rules.

This is key to our mission and should be given a lot of thought.

Mr. Becker said it is going to the Assembly now and after reviewing your letter wouldn’t you think that the Assembly would change things?

Mr. Grant said he would doubt they would want to get in the weeds that far. We have momentum on this ordinance and it makes sense to make the changes now.

Mr. Uchytel said on page 34 (b)(4) is the language Mr. Grant is referring to. The language “shall be guided” is a qualifier as well but if you just focus on (4), that is only part of the story. The way this has been historically written is that this was intended at one time to be somewhat open ended. It was never intended to have “shall” is how he would interpret it.

Ms. Derr said she likes the suggestion from Mr. Uchytel to possibly change “Tidelands” to “Property that Docks & Harbors has jurisdiction over” to make this a little more broad. These are guiding principles and meant to be not so strict to meet the needs of the time. She would be in favor of updating Tidelands to reflect the Docks & Harbors property that we have jurisdiction over. She said she does like shall and believes these are guiding principles and would be in favor of moving forward.

Mr. Larkin suggests not to put in language too restrictive down the road. He likes in paragraph (b) “shall be guided” and a change from “Tidelands” to something more encompassing for all of our properties. He would like to use the word “should” because it allows some flexibility. He goes back to the presentation a few meetings ago that had a goal number one of returning public lands back to the public. We should be following that. This will allow future Boards some flexibility so you do not have to go back and change the ordinance.

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 21st, 2022

MOTION By MR. GRANT: TO REPLACE IN SECTION (b)(4) OF 85.02.063 “TIDELANDS” TO “ANY PROPERTY OVER WHICH DOCKS AND HARBORS HAS JURISDICTION”.

Mr. Becker seconded the motion.

MOTION PASSED WITH NO OBJECTION

3. Omnibus Regulations Changes with Fiscal Notes

Mr. Uchytel said on page 42 is the proposed regulation changes for 11 regulation changes. We went through a public hearing and when staff was preparing this with the legal team to include in the Assembly packet to take action, it was pointed out that we failed to meet the fiscal note requirement. This will need to be publically noticed again with the fiscal note attached. The intent is to show how it will affect staff and also the fee payers. The fiscal note is prepared by the Finance Director.

Committee Questions

Mr. Grant asked if this has to go in front of the Board again and then the Assembly?

Mr. Uchytel said it is following the same process as before. It is introduced at the Operations/Planning meeting tonight. If it is approved here, it will go on the consent agenda for next week's Board meeting. If approved at the Board staff will start the minimum 21 day public notice period including the fiscal notes. He also wanted to point out the staff received a comment from a harbor patron on page 50 in the packet. Mr. Uchytel recommended going over all the proposed regulation changes again.

Mr. Etheridge recused himself for the discussion on the inactive management

MOTION BY MR. GRANT: TO ACCEPT ALL THE REGULATION CHANGES WITH ZERO FISCAL NOTES AND GO OVER THE REST WITH POSITIVE FISCAL NOTES.

Mr. Becker seconded the motion

Motion passed with no objection

Mr. Uchytel went over the regulations with positive fiscal notes.

The Reservation charges - This is not a new fee. Staff is requiring someone that makes a reservation for more than seven days to pre-pay everything and could forfeit that entire amount if they did not show. This could impact patrons.

Crane Use Fee – Previously patrons were required to pre-pay. We now have a fob activation fee that is \$10.

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 21st, 2022

Mr. Creswell said there is no pre-pay and patrons are invoiced for the crane usage at the end of the month.

Storage Fees – The recommendation is to delete a person who maintains a reserved moorage assignment may store one personal item of up to 200 sq/ft for \$.25 per sq/ft per calendar month, or portion thereof. So this will increase to \$.50 for those patrons. There are 16 patrons this will affect and they have all been notified and we have not received any comment.

Mr. Grant asked where the storage areas are located?

Mr. Creswell said next to the Harbormaster's office, the Douglas Parking Lot, and at the Auke Bay Loading Facility.

Parking Lot Fees – With trying to be fair and equitable on how we manage parking passes at Statter Harbor it was recommended to do away with \$100 per month parking in the summer and \$50 per month from October 1 through April 30th. This is not adding a fee but it could be an added burden on a Harbor Patron. This could have a potential to bring in an additional \$2,000 monthly for the Harbor.

Summer Management – This is an attempt to encourage compliance with the 10 day rule movement of transient vessels. This is not a new fee but this would work out to be \$.61/LF/day in lieu of the monthly discounted charge of \$.26/LF/day if someone was not in compliance.

Mr. Grant wanted to add to the fiscal note after the word "compliance", "with transient harbor requirements". It would be clearer with a reference to the transient requirements.

Mr. Larkin asked if it would work if after "compliance" add "with 05CBJAC25.060"

Mr. Grant said that works if someone wants to go look up what that number means but since this is not going in the regulation he said he does not have a problem with that.

Mr. Leither asked if this goes on the consent agenda at the next meeting. Will the consent agenda be that we accept the fiscal notes or is it to accept all of the regulation changes?

Mr. Uchytel said he still needs to see what the Finance Director wants but the Board is approving the intent of the fiscal notes. If you want to pull anything from the consent agenda to change the proposed language you can do that.

Mr. Leither said he would not like to approve one of these changes and does not want to be on record supporting something he does not.

Mr. Etheridge said it will go in as a package like it did the last time on the consent agenda to go out for a public hearing and then during the public hearing the Board will go through each regulation change and at that time you can request changes.

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 21st, 2022

Public Comment - None

Committee Discussion/Action

MOTION By MR. GRANT: MOVE TO APPROVE ALL THE FISCAL NOTES PRESENTED BY STAFF AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

Mr. Grant amended his motion.

MOTION By MR. GRANT: TO RECOMMEND THE BOARD DIRECT STAFF TO EXECUTE PUBLIC NOTICE FOR PROPOSED REGULATION CHANGES INCLUDING FISCAL NOTES AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

G. Items for Information/Discussion

4. Juneau-Douglas North Crossing – PEL (Planning and Environmental Linkages)
Mr. Uchtyl said Jennifer Holt and Kate Silver are on Zoom from Dowl Engineering out of Anchorage. They are the contractors under the Alaska Department of Transportation looking into a second crossing. They are wanting information from the Board regarding vision, ideas, and topics regarding development along Douglas Highway.

Kate Silver said she is the land use planner with Dowl. She is looking into the implications of a potential second crossing to NW Douglas Island. The project she is working on is a sub-area study of NW Douglas to gather information about land holders in the area and potential ways that development could change in the future if there were to be a second crossing. Part of the study we are identifying different stake holders around Juneau and Douglas that we are interviewing to gather information for the PEL study and at the end of the study we will prepare a high level land use map that shows where housing might develop or commercial development or those types of things if there was to be a second crossing to NW Douglas. There are a few open ended questions that she would like to ask to hear the Docks & Harbors perspective.

- What in the D&H opinion is the status of harbors and associated services in Juneau? Do you see a need for changes in the future, and what might those be or are there opportunities that are on the horizon.

Committee Discussion -

Mr. Becker said years ago when he talked to the property owners, they did not want the second crossing because they thought their property value would go down. He would recommend talking to the property owners again. He believes there is a need for the second crossing.

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 21st, 2022

Mr. Grant commented that he hears the focus is more on what the benefits would be for development in N. Douglas.

Ms. Silver said that is correct. The PEL study is looking at social, environmental, and public input around a potential crossing and if there were a crossing how would that change things in NW Douglas. We have heard about the housing shortage and the difficulty accessing Eaglecrest from the Valley. In terms of Docks & Harbors are there any changes that you anticipate related to a second crossing?

Mr. Etheridge said the one item he can see is the launch ramp at N. Douglas. He foresees more people from the Valley area using the N. Douglas launch ramp and the facility currently is undersized for the need at this point. There is a plan we are looking at for expanding the N. Douglas launch ramp but it will be in the future. His concern is if it is easier to get from the Valley to N. Douglas launch ramp it will increase the rate of use.

Mr. Leither said he was thinking opposite. People from N. Douglas would drive to Auke Bay to launch because of N. Douglas launch ramp not meeting their needs.

Mr. Etheridge said he believes people would go to N. Douglas because it is closer to the fishing grounds and a lot of the smaller boats will do that.

Mr. Becker said he thought it would alleviate some of the congestion in Auke Bay if the Whale Watching boats could go out of N. Douglas.

Mr. Larkin said his personal opinion of a second crossing is that we need a second crossing for emergency management. Just having one bridge, and if something happened to the bridge, it cuts off emergency services, access to the hospital, stores, etc.

Mr. Uchytel said DOWL is looking at what could be on the backside of Douglas. Juneau is long, linear, and steep and we do not have a lot of industrial property for harbors and harbor services. If the second crossing did happen, it would provide an opportunity for harbor-type needs. This will be a long way out but maybe even another cruise ship dock. There are economic opportunities that could be developed that we do not have on the Juneau side.

Mr. Grant said this would also open up access to the Goldbelt property which is now served by a small pioneer road off the end of the Douglas Highway. They may have plans for low income housing that could be enhanced.

Ms. Silver said they plan to have an interview with Goldbelt about their potential plans for N. Douglas. We talked to the Eaglecrest General Manager today and various groups that may have development plans. For now they will continue to gather input.

Public - None

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 21st, 2022

5. UAS Property Conveyance

Mr. Uchytel said on page 51 is a memo dated September 16th to the Board providing options for consideration. The UA Land Management direction from the Board of Regents, and the President and the Chancellor is not to sell the property but find some other lease mechanism. There is still the \$2M commitment from the Assembly and one of the options in the September 16th memo was to use the \$2M to buy down the lease rent. On page 55 of the packet is the letter to Robert Barr requesting the buy down option but Mr. Watt has indicated that will not be an option for the use of the \$2M. We are back to the other options. There is a commitment from the Mayor and UAS representative to meet and figure out a path forward. Paying \$230,000 annually for our operations is significant and we need to do what is in our best financial interest and for our harbor patrons.

Committee Discussion

Mr. Becker asked if UAS has an updated appraisal?

Mr. Uchytel said we are still working off the Horan appraisal from January 2020. The value is if they start selling parcels they diminish the overall value of the entire 5.3 acres. They are looking at what is in the best interest of the University. Splitting the property up could impact potential sale in the future.

Mr. Larkin asked if the current lease now expires May 4th, 2023?

Mr. Uchytel said that is correct but it may be figured out by the end of the year.

Public Comment - None

Mr. Grant said he sent his thoughts to Mr. Uchytel which is on page 64 of the packet. We have four choices. He said he would like to propose at some point to walk away. There is no other way to approach this. The Assembly gave us \$2M to buy this and we were prepared to raise the rest. The advance rent is pouring money down the same rat hole and he does not see any of the options significantly changing the balance of what we pay out for subsidizing the marine services versus what we receive from the users of those services. We should walk away and figure out what to do with our \$2M.

Mr. Etheridge said he knows Ms. Smith also would like to walk away. He said we need to continue discussions until we get to a point there are no more discussions. We need to see what is on the table. We know we are not able to lease this area for \$230,000 but he wants to hear from the University and not cut off communication.

Mr. Grant said he does not see anything else on the table that is financially feasible or palatable.

Ms. Derr said she does feel we are running out of options. She does support having another discussion with UAS but our position needs to be clear that what is proposed is

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 21st, 2022

outlandish. We provide a service and do not make any money on this. This service is provided for the livelihood of the Juneau community but it is not a money making endeavor. If UAS is not going to change their views and work with us we are doing nothing but throwing money and time and our breath at something that will not change. She would like clear communication with UAS that this is our limit and if UAS is not intending to work with us we will need to walk away.

Mr. Becker said he is not willing to walk away yet and would like to have more discussions with UAS.

Mr. Larkin said he suggest to continue discussion with UAS but does believe we will probably end up walking away. This is a great service for Juneau and we should not look at everything as a money maker but a service that is needed for the public. At the same time we should start exploring other options or are there other entities that could pick up these services to offer.

Mr. Uchytel said he was asked by the Mayor to reach out to Trucano to see if that was a suitable boatyard and he asked one of the partners and they do not want to do a boatyard because there is no money in it. We do have plans for a Marine Services Center but at a cost of \$30M to \$50M but we don't have anywhere to expand.

Mr. Grant said he would strongly discourage entering into any type of lease extension on any terms. We need an end point. When this expires he would not advocate to stretch this out.

Mr. Becker said Mr. Duvernay who runs the Juneau Marine Services Boat Yard should be in this process.

Public – None

6. NOAA Dock Conveyance – Coast Guard Authorization Act (CGAA)

Mr. Uchytel said on page 70 of the packet is senate language that was approved by the Senate Commerce Science and Transportation Committee on September 14th. This is a 500 page bill but he pulled the section germane to our discussion. This is a transfer that allows the Secretary of Commerce to convey the 2.4 acres NOAA Dock to CBJ at fair market value. This is under the Coast Guard Authorization Act. This needs to be reconciled with the House version of the Coast Guard Authorization Act. Our lobbyists are pretty confident this will pass congress and signed into law. This is the language that would allow us to pursue obtaining this dock. His vision for this area would be to have NOAA vessels brought back to Juneau. Norwegian Cruise Lines have said they will make room for Coast Guard vessels on their docks.

Committee Discussion

Mr. Becker asked about the extensive repairs needed on the dock currently?

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 21st, 2022

Mr. Uchtyl said we will need to incur them.

Mr. Grant said the repairs will be reflected in the appraisal.

Mr. Uchtyl said we may be able to use head tax because this is the area where the plan for the small cruise ship project is. He said this is very positive but we will only have three years to execute the deal. He said if we do not move forward with the purchase of the UAS property perhaps we roll the \$2M into these negotiations or the recapitalization of the facility.

Mr. Grant commented that this may not be a bad place for a boatyard.

Mr. Larkin asked what fair market value would be for this area?

Mr. Uchtyl said he does not know.

Public Comment - None

7. Harbor Rate Study

Mr. Uchtyl said this is the HDR rate study and he can answer questions.

Committee Discussion

Mr. Etheridge said this is the only rate study from HDR that is meaningful. He suggest to the members to review HDR's study in detail so when this comes back to the Committee there can be better discussion.

Public Comment - None

8. Statter Phase IIIC (Bathroom) – Update

Erich Schaal went over the slides in the packet from page 94 to 98 put together by Matthew Sill. Today staff had a 90% review meeting with the design consultants. Staff is still anticipating a project cost of less than \$2M. We have 50% design estimate from a design consultant at \$1.5M but with volatility of the Juneau Contractor pool we believe it will be higher because everyone is still so busy. We are still planning on a May 31st completion date. The project goal is to provide a much needed ADA accessible facilities for our visitors as well as locals using it in the winter. These would be heated and insulated and used by a key fob system. The schedule for the project is the design consultants will send us the bid package in two parts. We expect the completed specifications early next week Monday and submit the signed drawings on September 29th with the anticipated start date September 30th. This will give bidders 21 days to prepare a bid. The pre-bid will be held on October 11th providing an opportunity for contractors to ask questions and then the bids will be due on October 21st. We will open the bids in the morning and prepare the bid documents that show what bids we received and how they rank for low bid and then we will bring that information to a Special Board meeting in the evening of October 21st for approval so it can go to the Assembly on October 24th for final approval.

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 21st, 2022

Mr. Uchtyl said we will be asking the Board to hold a Special Board meeting on Friday October 21st. We have been pushing this hard and want to get it done so it does not impact the charter operations in May of 2023. We are required to advertise bids for 21 days. This will go before the Board on Friday the 21st and the Assembly on Monday the 24th.

Committee Discussion

Mr. Larkin asked on the angle of the roof, what snow load is it rated for?

Mr. Schaal said it will meet normal building codes which is a 50 pound snow load. It will have a rubber membrane roof. One of the reasons for the gull design so the snow does not shed on people walking by.

Mr. Larkin asked if this building can still have a second story if that was wanted in the future and if so is there room in the pipe chase for the electrical for that second floor?

Mr. Schaal said this design does not have any provisions for a second floor.

Mr. Grant asked if we could push putting it out to bid by two days earlier so we could have this approved at our October 19th meeting.

Mr. Uchtyl said he has asked that question and it is not possible.

Mr. Leither said he has a prior obligation on October 21st.

Public Comment – None

9. Legislative Priority List

Mr. Uchtyl said this came up today. On page 122 in the packet describes what the Legislative Priority List is. These are the priorities approved by the Assembly. Most of this document was from last year but he is using it as an example for the Board for your consideration. This will go to the Public Works and Facilities Committee for process on Monday and he is asked to update the Docks & Harbors projects wording by tomorrow and based on the schedule there will be time for soliciting input from the various Board and Commissions. He wants the Board members to be thinking about what projects we want to send for Legislative priority for the Assembly. There is a process. These projects will be included and vetted through the Assembly. Very rarely do any of these get funded. He will bring it back to the Board next month for more discussion.

Committee Discussion - None

Public Comment - None

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 21st, 2022

H. Staff, Committee & Member Reports

Mr. Grant said he received a comment from a Douglas resident to get on with paving the Douglas Harbor parking lot. The person said they do not need a complete development but if there could be some asphalt on the area's around the ramps and the parking areas it would be a big amenity.

I. Port Engineer's Report – Mr. Schaal said he had nothing to report. He said this is his last meeting and his last day will be Friday.

J. Harbormaster's Report – Mr. Creswell reported

- The season is ending. It has been a difficult but successful season.
- Staff is now getting ready for winter and snow.
- Derelict vehicles are continuing to go away.
- Staff is in the process of identifying vessels that have not moved. There are 16 vessels in Douglas Harbor that has not moved in over two years. We sent letters out to set up sea trials. We are half way completed. We also identified some in Statter. We will start the process again in the spring starting at Harris Harbor.

K. Port Director's Report – Mr. Uchytel reported;

- Staff holds pre and post meetings for the vendor, bus companies, and charter operators. They were all well attended and all in all very positive with good feedback. He is estimating 1.15M passengers which is a good number.
- Staff changes – Scott Hinton left D&H and Kevin Dugan was hired for his replacement.
- For Docks Enterprise, we will need a supplemental noting that we exceeded our budgetary authority. Harbor Enterprise we will end up in the black.

L. Assembly Liaison Report - None

M. Board Administrative Matters

Next Regular Board Meeting – September 29th, 2022 – Mr. Uchytel said he will be in Anchorage at the AAHPA conference but will call in.

Next Operations-Planning Committee meeting – October 19th, 2022

Next Special Board Meeting (to approve bid award) October 21st, 2022

N. Adjournment – The meeting adjourned at 7:04PM