



# Port of Juneau

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155 S. Seward Street • Juneau, AK 99801  
(907) 586-0292 Phone • (907) 586-0295 Fax

**From:** *Carl J. Uchytel*  
Port Director

**To:** Docks & Harbor Board

**Date:** August 23<sup>rd</sup>, 2022

**Re:** UAS PROPERTY – LEASE/PURCHASE

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1. Chair Etheridge and myself met virtually with the University of Alaska (UA) Land Management on August 3<sup>rd</sup> and 22<sup>nd</sup>. UA Chief Land Officer (Adrienne Stolpe) and Land Management Senior Property Manager (Tina Thomas) were present at both meeting. At the August 3<sup>rd</sup> meeting, Chair Etheridge and I were informed that UA was not interested in pursuing a purchase and sale agreement for the three parcels currently in use. UA would be willing to offer the property only under a lease at fair market value to CBJ. Chair Etheridge and I reiterated to UA Land Management that the potential revenue extracted at this facility (~\$40K) will not nearly cover the costs of leasing the property at fair market value (~\$230K). We referenced the letters submitted by the Mayor to President Pitney and the letter submitted by the Docks & Harbors Board encouraging UA to sell the property to CBJ at fair market value. UA Land Management indicated they would reengage with UA leadership ensuring the decision maker were fully briefed on the financial opportunities and financial risks. Chair Etheridge and I reiterated that the true worth of this property is to support commercial fisheries and commercial boatyard interests at the local level.
2. At the August 22<sup>nd</sup> meeting, UA Lands Management indicated they had consulted with UA leadership (President Pitney, Chancellor Carey & Vice-Chancellor Ciri). It is the UA position that the best interest of the University of Alaska is served by maintaining the property in an ownership role. UA Land Management suggested there may be an opportunity to reduce the lease rent fair market value, if CBJ can demonstrate an “educational benefit” to UA. The UA Land Management has fiduciary responsibilities to UA and it is unlikely the reduction of the lease rent would be substantial. Chair Etheridge & I brought up a concept of paying down the lease rent over the period of a lease through the \$2M committed from the Assembly as part of a proposed purchase and sales agreement. The idea was not rejected outright in the discussion; however, the Assembly may not wish expend funds for a purpose which was intended to be a purchase agreement.

3. Docks & Harbors staff requests direction from the Board, some options include:
- i) Docks & Harbors enters into a fair market lease agreement for the next 33 years @ \$230K/year;
  - ii) Docks & Harbors pursues an “educational benefit” in the leased area to lease at less than fair market value.
  - iii) Docks & Harbors pursues paying down the lease rent with proposing to the Assembly to allocate the \$2M upfront in the lease agreement;
  - iv) Docks & Harbors allows the lease to expire, returning the boatyard and waterfront parcels back to UA.

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Encl: (1) Mayor Weldon letter to President Pitney dated March 7<sup>th</sup>, 2022  
(2) Docks & Harbors Board letter to UA Land Management dated June 27<sup>th</sup>, 2022  
(3) Map of UAS Property



**Office of the Mayor**  
155 S. Seward Street  
Juneau, Alaska 99801  
PHONE: (907) 586-5240  
FAX: (907) 586-5385  
[Beth.weldon@juneau.org](mailto:Beth.weldon@juneau.org)

March 7, 2022

President Pat Pitney  
University of Alaska  
via email: [ua.president@alaska.edu](mailto:ua.president@alaska.edu)

Dear President Pitney,

The City & Borough of Juneau – Docks & Harbors sincerely thanks the Board of Regents, the UA Lands Division and the University of Alaska Southeast for their thoughtful deliberation on disposing of property via fair market land sale. Docks & Harbors has enjoyed an extremely amicable relationship with UAS throughout the decades and desires to maintain that bond for many years to come. Both the City & Borough of Juneau and the Docks & Harbors Enterprise have demonstratively shown goodwill towards UAS both fiscally as well as willingness to provide maritime services at the Auke Bay Marine Station for marine dependent operations.

The downtown UA property which adjoins Aurora and Harris Harbors is particularly valuable as it links scarce uplands with road access to the Juneau waterfront. It would come as no surprise that Docks & Harbors would view this property as a long term strategic cornerstone in support of the two downtown public harbors. In the near term, Docks & Harbor board leadership views maintaining the existing 2.8 acre property which is currently under lease as critical in supporting a viable maritime industry in Juneau. There are no other suitable waterfront access solutions for commercial fisherman except for property provided for at the Juneau Fisheries Terminal. Additionally, the commercial boatyard exists only because leased property was dedicated for this activity. Together, the boatyard and the Juneau Fisheries Terminal operations do not generate sufficient revenue to cover appraised value lease expenditures. Nonetheless, the Docks & Harbors Board has communicated a willingness to support these activities through future subsidies. For Juneau to grow its maritime economic influence, it must invest in infrastructure and the Juneau Fisheries Terminal and boatyard are both essential to this goal.

Docks & Harbors is grateful that UAS extended the terms of the lease one year enabling CBJ to pursue funding opportunities. It was certainly not our intent to coerce a decision during the CBJ public process to secure funding, while adhering to the Alaska Open Meetings Act. CBJ is now positioned to enter into negotiations to preferably achieve a purchase and sales agreement. Docks & Harbors is committed to ensuring Juneau governmental partners will always be provided with waterfront access necessary for

each entity to be successful in their mission. UAS would have this same commitment for the property under consideration.

The City & Borough of Juneau and the Docks & Harbors Enterprise respectfully request that the University system enter in to negotiations for the ultimate transfer of 2.8 acres of property through sale at fair market value.

Respectfully,

A handwritten signature in black ink, appearing to read "Beth A. Weldon", with a long horizontal flourish extending to the right.

Beth A. Weldon  
Mayor



# Port of Juneau

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**From:** City & Borough of Juneau - Docks & Harbors Board  
**To:** University of Alaska – Office of Land Management  
**Date:** June 27<sup>th</sup>, 2022  
**Re:** UAS TECH CENTER PARCELS – DISPOSAL PLAN

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1. This memo supplements Mayor Weldon's March 7<sup>th</sup>, 2022 letter to President Pitney. City & Borough of Juneau - Docks & Harbors is most appreciative of the University of Alaska's willingness both to extend the existing lease and for the consideration to enter into a purchase & sales agreement.
2. The City & Borough of Juneau - Docks & Harbors department functions as an *enterprise*, operated similarly like a private business, receiving no local municipal sales or property tax for operations. The reality is that Docks & Harbors subsidizes critical activities in which the private sector doesn't participate along the Juneau working waterfront. The scarcity of available Juneau industrial property, which is easily accessible to marine modes of transportation, challenges water-dependent small and independent businesses to operate profitably. The resulting economics is that Docks & Harbors provides public investment for commercial fishing vessels, commercial freight haulers and fish processing plants to access municipally managed cranes, loading docks, ice machines and vessel haul-out facilities which is not sustainable solely with private capital.
3. The UAS Tech 2.8-acre waterfront property (adjoining the two downtown harbors and boatyard) is absolutely critical to providing services for marine commerce and economic viability for the Juneau waterfront. Docks & Harbors has been pursuing grant opportunities to recapitalize this aging infrastructure for nearly a decade and is willing to continue efforts. The CBJ Assembly agrees that this property is a cornerstone for the maritime community and has committed a onetime \$2M appropriation to Docks & Harbors for purchase only. The remainder of the purchase price will be at Docks & Harbors expense. The Harbor Enterprise fund balance is approximately \$1M total. From the Docks & Harbors perspective, purchase of the offered property, with funds leveraged from the Assembly, is far better for our organization and the patrons we serve than extending a lease arrangement.
4. Docks & Harbors respectfully requests your thoughtful consideration to enter into a purchase and sales agreement for the 2.8 acre site (Parcels A, B & C) at fair market value.

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Copy: Mayor Weldon

On Vacation  
On Vacation (Jun 24, 2022 13:26 AKDT)

Annette Smith

Jun 24, 2022

Date

David Larkin

David Larkin

Jun 23, 2022

Date

Don Etheridge  
Don Etheridge (Jun 23, 2022 14:16 AKDT)

Don Etheridge

Jun 23, 2022

Date

Lacey E. Derr  
Lacey E. Derr (Jun 23, 2022 09:47 AKDT)

Lacey Derr

Jun 23, 2022

Date

Mark Ridgway  
Mark Ridgway (Jun 24, 2022 09:21 GMT+1)

Mark Ridgway

Jun 24, 2022

Date

Matt Leither  
Matt Leither (Jun 23, 2022 10:30 AKDT)

Matt Leither

Jun 23, 2022

Date

Paul H. Grant  
Paul H. Grant (Jun 24, 2022 09:20 AKDT)

Paul Grant

Jun 25, 2022

Date

Bob Westmann  
Bob Westmann (Jun 23, 2022 11:28 AKDT)

Bob Westmann

Jun 23, 2022

Date

James Becker 6/27/22  
James Becker

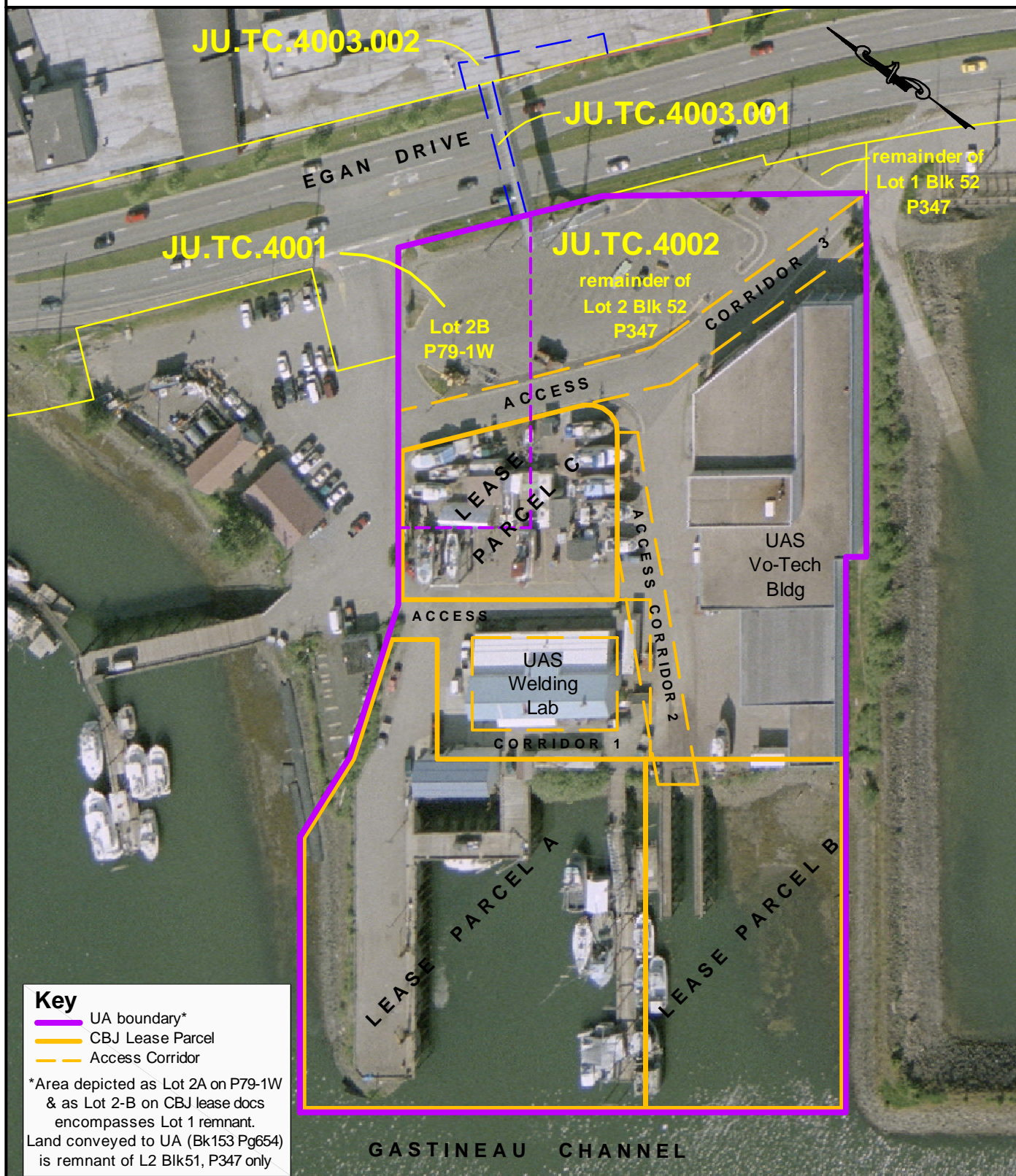
Date



# Juneau Tech Center

JU.TC.4001

JU.TC.4002



UA LAND MANAGEMENT  
March 2009

0 100 ft  
Scale

Meridian C.R. Township 41S Range 67E  
Date of photo: 6-09-06 Source: Aero-Metric Anchorage  
(Photography is unrectified; Distortions exist.)