

DOCKS AND HARBORS OPERATIONS MEETING MINUTES



April 16, 2025 at 5:00 PM

Port Director's Conference Room/Zoom Webinar

A. CALL TO ORDER

B. ROLL CALL: James Becker, Tyler Emerson, Clayton Hamilton, Don Etheridge, Matt Leither, Nick Orr, Shem Sooter.

Absent: Debbie Hart, Tyler Emerson, Annette Smith

Also in Attendance: Carl Uchtyl – Port Director, Matthew Still – Port Engineer, Matthew Creswell-Harbormaster, Katie Harms- Director DIPAC, Melody Musick – Admin Officer

C. PORT DIRECTOR REQUESTS FOR AGENDA CHANGES – Mr. Uchtyl proposed adding a special order of business after approval of minutes.

Mr. Etheridge moved to approve the amended agenda and asked for unanimous consent.

Motion approved unanimously.

D. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS - None

E. APPROVAL OF MINUTES

1. March 19, 2025

Hearing no objection, the minutes were approved as presented.

SPECIAL ORDER OF BUSINESS

Mr. Uchtyl referenced an executive proclamation by Governor Mike Dunleavy received in mail today: Whereas Alaska offers an abundance of water activities, including rafting, kayaking, sport fishing and boating on a multitude of available waterways, Alaska's lakes, rivers and coastlines are used for recreation, work, substance and transportation and whereas, for the unprepared, boating activities can quickly become deadly. And whereas the vast majority of Alaska's boating facility fatalities involve a sudden, unexpected cold water immersion event following a capsized ejection or fall overboard; and whereas many boaters experience a higher risk of drowning during a cold water immersion event regardless of swimming ability; and whereas Alaskan boaters know that the best way to ensure the safe and enjoyable time on the water is to always wear a life jacket, carry the proper equipment and remain sober; and whereas by emphasizing safety first, we can all help reduce the loss of life and property damage on Alaska's waterways. Now, therefore I, Mike Dunleavy, Governor of the state of Alaska, do proclaim May 17 to 23, 2025 as Safe Boating Week.

Mr. Uchtyl said that this proclamation occurs every year and is posted in the Harbor offices.

F: UNFINISHED BUSINESS: - None

G. NEW BUSINESS

2. DIPAC Request to Relinquish Leased Tideland Property

Presentation by Port Director. Mr. Uchtyl referenced page 10 of the agenda packet and said that DIPAC director Katie Harms, who is in attendance, is requesting to relinquish a portion of the tideland property that they currently lease from Docks and Harbors. The area that they wish to relinquish and give back to CBJ is on page 11. It is 0.62 acres, 27,000 square feet. Ms. Harms believes that the reason DIPAC had originally leased that property was that there was an urban fishing dock there in the past. There was a float and a shack with fishing poles on the uplands and due to fiscal challenges in fishing right now, they

would like to give back that property. Mr. Uchytel said that the Board has taken back leases in the past. This lease was initiated in 1992 as 45-year lease originally with the State and was transferred to Docks and Harbors in about 2001. This process requires Board and possibly Assembly approval. Mr. Uchytel said that the lease language is not the same that CBJ typically uses. For example, Docks and Harbors leases typically include that the lease, if in good standing, may be canceled in whole or in part at any time, upon mutual agreement by the lessee and CBJ. Mr. Uchytel said that he did not see that exact language in this agreement but does not foresee than being a barrier.

Mr. Uchytel referenced images in the agenda packet provided by Ms. Harms. If the Board elects to accept the relinquishment, Docks and Harbors would be foregoing about \$4,800 in lease revenue per year. Mr. Uchytel said that he and Ms. Harms can answer any questions.

Committee Questions

Mr. Hamilton asked Ms. Harms if there was a DIPAC program that used to be operated out of the old float.

Ms. Harms said that yes, DIPAC owned and managed our own sportfish dock from 1991 and thought it was about 2001 when it was removed when the State began to build the Wayside Park. The location of the float was so close to the fish pens that it made it hard to not cross the boundary line. The public had to fish in one direction, and they would frequently fish over the boundary line to where they weren't supposed to fish.

Mr. Etheridge said he would like to make a correction: The City did not build Wayside Float. Rather, the State built Wayside Float and then gave the facility to Docks and Harbors.

Committee Discussion/Action

MOTION BY MR HAMILTON: TO ACCEPT DIPAC REQUEST TO RELINQUISH LEASED TIDELAND PROPERTY ATS 1356 TRACK B.

Motion passed unanimously.

H. ITEMS FOR INFORMATION/DISCUSSION

3. Aurora Harbor Office - Planning/Space Needs
Presentation by Port Engineer – Matthew Sill

Mr. Sill referenced the spreadsheet on page 57 of the agenda packet, regarding the plan to consolidate the Port Director's office with the existing Aurora Harbor office. Mr. Sill said based on conversation with management and other Docks and Harbors team members, he has identified the square footage and rooms to be accommodated in the new building. The numbers in parentheses reference square footage of existing and/or comparable spaces. Regarding function, space is allocated for offices for the Port Director, Port Engineer, Deputy Port Engineer as well as a combined space for Administrative Officer, Administrative Supervisor, and a reception counter for the Administrative Assistants for both the Port and Aurora Harbor. The lobby and reception area in the spec sheet is modeled after Statter Harbor.

Mr. Sill said that there are also provisions for public amenities that are restrooms, showers, and laundry. Note that Statter is referenced for the size of the laundry room – even though Statter is currently using that room for storage. There are offices for the Harbormaster and Harbor Operations Supervisor, a bullpen/cubicle area for six employees, a gear room with lockers and washer/dryer and three small unisex restrooms for 12 staff. The Garage/Storage/Equipment section includes a section for tools and parts and a section large enough for the Docks and Harbors boom truck and it would be nice to be able to back in the boat on a trailer. Mr. Sill said that the numbers presented are rounded off and will be adjusted. Mr. Sill said that concept specs also includes a Harbor Board conference room with an estimated size of 450 square feet, which would be slightly larger than the Port Director's Office conference room. Mr. Sill said that other office needs include break room, kitchen, network closet,

storage, boiler room, janitorial are all included in this outline, plus 10% for hallways and miscellaneous space. The total estimate is 7,159 square feet which includes a range between \$400 and \$600 per square foot to create upper and lower bounds based on an estimate from a structural engineer who recently estimated \$500 per square foot for the project.

Committee Discussion/Public Comment

Mr. Becker said this is basically the same presentation as before and thought that the Board would have to move somewhere first while the old building is torn down and a new one constructed.

Mr. Uchytel said the first step on moving forward is to determine the needs of the new space and the rough order of magnitude, so that is what Mr. Sill delivered. This document is based on the work that was done by MRV Architects for the project that was proposed to be in conjunction with the Marine Exchange of Alaska. Mr. Uchytel said that timing for the project is not yet known, however, there are short term solutions such as office trailers that can be used to work around any inconvenience during the construction phase.

Mr. Etheridge asked why a need public laundry is needed.

Mr. Sill said that a laundry facility would provide an amenity for travelers and transient patrons of the facility.

Mr. Etheridge said that there is a laundromat two blocks away and laundry is usually the first thing that gets destroyed or vandalized.

Mr. Sill said that the laundry can also be removed from the list.

Mr. Uchytel said that Docks and Harbors is looking for funding opportunities for this project. The Boating Infrastructure Grant (BIG) Alaska Department of Fish & Game managed grant, which provides funds for support facilities of transient vessels greater than 26 feet in length for stays of up to 15 days. If Docks and Harbors can identify those boaters and apply, that money could be applied to public bathrooms and showers and possibly help to cover the project cost.

Mr. Leither asked what the next step in this project would be.

Mr. Sill said that the next step would be to start looking into architects, and that job is made easier with a very clear list of requirements in the rough order of magnitude format.

Mr. Sooter asked whether there are any thoughts about how many stories for this building?

Mr. Sill said that there may be more room available to go up rather than out.

Mr. Sooter said an elevator should be included in the project cost.

Mr. Sooter said that the primary power would need to be moved, probably underground.

Mr. Sill agreed with Mr. Sooter.

Mr. Uchytel said that the conference room is not a "must have," it's just a "nice to have" as there may be other CBJ facilities may be available for the Board meetings. Mr. Uchytel said that to build a two-story building without elevator, there would have no rooms needed to be accessed by public on the second floor.

Mr. Leither asked what would be added if budget would allow.

Mr. Uchytel said that outdoor amenities such as landscaping, picnic table, grill, and outdoor amenities.

Mr. Creswell said that he wants to include adequate shop and storage because that has been a struggle in the various facilities as it was an afterthought and piecemealed together. The Downtown Harbor office needs to have a planned area with sufficient shop and parts and gear storage and that it may be worth overbuilding a small amount to ensure we can accommodate being able, for example, to work inside during winter season.

Mr. Becker asks about moving everything to the University building by Aurora Harbor, since the building is already constructed, and the University could consolidate their facilities to Auke Bay.

Mr. Sooter asked whether Docks and Harbors has tried in past to buy the UAS building by Aurora Harbor.

Mr. Uchytel said that the challenge is that UAS is subject to the funding constraints of the Legislature, and although Docks and Harbors has tried to buy the land, they are not willing to sell. Docks and Harbors had the building appraised, the whole lot, including the building was somewhere around \$10 million but UAS still must figure out what to do with that UAA nursing program, the diesel program and the mine simulator to move it out to Auke Bay campus. Mr. Uchytel said that he has not heard anything further or to the contrary.

Mr. Hamilton asked why everything in the estimate is larger than at Statter Harbor.

Mr. Sill said that this is a wish list and anytime you're estimating there might be something forgotten. Mr. Sill said that he bumped everything up modestly in the estimate but that he does not think it is extravagant. Mr. Sill asked Mr. Hamilton if there was anything specific that he had questions about.

Mr. Hamilton said that the laundry room at Statter is used for storage, and the Aurora estimate includes laundry and storage which appears redundant if the laundry area in Aurora will enviably be used for storage as well. Mr. Hamilton said that he does not like the estimated cost of \$4.3 million.

Mr. Sill said the room at Statter that was designed for laundry has been used for storage and that he is not proposing that we build a laundromat and use it for storage. Mr. Sill said the last time that Docks and Harbors designed a harbor office, the architect thought that 200 square feet was a good size for a laundromat. Mr. Sill said that he included general storage, that is unheated, for items such as chairs and tables and things. Also included in the estimate is air-conditioned archive storage for project documents and administrative files. Mr. Sill said storage often gets left out in pre-planning, and then offices end up with filing cabinets everywhere.

Mr. Orr asked Mr. Creswell the ideal size for the shop.

Mr. Creswell said that he would need to get back with that information.

Mr. Hamilton asked how the funding breaks down between Docks and Harbors enterprise funds.

Mr. Etheridge said that his thought is that since Port staff would be included at the Aurora Harbor office that some of the Dock funds could be applied to the project.

Mr. Hamilton said that rates are going up and this would be spending millions of dollars on facilities that already exist. Mr. Hamilton said that the reason he got on the Board was because of the rate increases.

Mr. Leither said that the reason the Board conducted a rate study, and rates have risen is to recapitalize projects like the Aurora Harbor. The Aurora Harbor project has been planned and it is not an unanticipated project.

Mr. Hamilton said that he was not on the Board when the rate study occurred and therefore, he does not associate with the Board's decision to raise rates.

Mr. Etheridge said that this project is something that must be done eventually. The project is past due, the building is rotting, and the sewer is backing up through the floor.

Mr. Sooter said that the Board is just brainstorming concepts for the project right now.

Mr. Uchytel said that after other projects are finished, we can return to this and brainstorm after the Board agrees to move forward. Right now, we are at full capacity for projects and maybe we can revisit this in late summer or fall.

Mr. Sooter asked whether there has been a CIP created for this.

Mr. Uchytel said there is no CIP

Mr. Sooter asked the process for CIP.

Mr. Uchytel said that, in the fall, Engineering will ask for a CIP list and that is when the Board submits requests.

Public Comment - None

4. Little Rock Dump - Secure Storage Concept
Presentation by Port Engineer. Mr. Sill said that Docks and Harbors receives requests for fishermen and patrons for storage. Currently storage is offered next to the Aurora Harbor office where people pay to store things within a chain link fence which is not particularly secure. Docks and Harbors proposes the idea of secure storage yard with fencing and lights down at the Little Rock Dump. Dowl Engineering came up with a big gold-plated project that would cost a great deal of money, to which Docks and Harbors asked them to prepare some smaller scale concepts. The Little Rock dump was used for sewer sludge disposal from the sewer treatment plant. Mr. Sill referenced page 58 of the agenda packet, saying that each of the purple shapes are an area where dewatered sewage was encapsulated in the Little Rock Dump and covered with a layer of gravel. Mr. Sill said it has probably been 20 years since the sewage was placed there but Docks and Harbors cannot disturb it. The Little Rock Dump site would be a good use for storage space given the obstacles with construction that the sewage cells provide. Secure storage does not involve digging, only leveling off and bringing in material. Dowl Engineering prepared a rendering on their second take; they proposed making a relatively flat spot with mix of Conex boxes and storage racks. The cost estimate for the site preparation is \$280,000 with a 20% contingency to level out the site, install a chain-link fence and put some compacted fill surfaces down. The other cost estimate is from Morris Engineering at \$600K and which includes a higher level of security and detail than needed.

Committee Discussion

Mr. Becker says that theft is a concern based on his experience at Bristol Bay and asks whether individuals would buy their own Conex.

Mr. Etheridge says his original idea was to level off some ground, rent space and allow individuals to purchase and install their own Conex.

Mr. Leither said he is not opposed to it, but the cost of the project is more than he was expecting.

Mr. Hamilton said key fobs and barbed wire fence should address security concerns.

Mr. Sill said there would be an 8-foot-tall chain link fence.

Mr. Etheridge said that the current storage area at Aurora will be lost with the installation of the drive-down float.

Mr. Leither asked whether there is any idea what the demand might look like for the storage project.

Mr. Etheridge said that he does not have an idea of the number of interested individuals but that he believes fishermen will be amenable to moving storage closer to the fishing grounds.

Mr. Hamilton said there are 450 to 500 fishing permits in town.

Mr. Sooter said that storage space in Juneau is hard to come by, so this is a good idea.

Mr. Orr asked whether there is a reason not to expand further than the areas marked.

Mr. Sill said the location of this was driven by cut and fill, avoiding any kind of digging and minimizing the amount of fill. When the engineers went in and did a comprehensive topography in the area they identified flattest areas, which is what determined the project site.

Mr. Becker asked who owns the land now.

Mr. Etheridge said that CBJ does.

Mr. Leither asked if it is a State permitting issue about digging on the land.

Mr. Sill said that he believes the terms of the permit that allowed the sewage material to be placed there in the first place required that it not be disturbed for some length of time.

Mr. Etheridge says it was a garbage dump for many years.

Mr. Uchytel said that what would happen next is to go back and prepare plans and specs that Docks and Harbors could advertise based on the term contract design efforts from Dowl. Moving forward, a scope of work will be put together and negotiating with Dowl to finish the design.

Mr. Sooter asked for a cost estimate.

Mr. Uchytel said it would be less than \$50,000.

Mr. Etheridge said that he recommends we move forward with this.

Mr. Sooter agrees.

Mr. Uchytel said as we approach the end of fiscal year, we are also working on the roof for Statter Harbor. We typically have enough funds in our operating fund that have enough authorization to do things like this as the Board sees fit, so it may be something we can work on budget-wise to exercise in this fiscal year and move this forward.

Mr. Sooter said let us move it to the next step.

Public Comment - none

5. Aurora Harbor Drive Down Float - Request for Proposal (RFP)
Presentation by Port Engineer: Mr. Sill said that on page 63 of the agenda packet is the RFP for design services for the Aurora Harbor Drive Down Float that was advertised on April 10th. This is the design for the PIDP MARAD Grant. The next step is to bring on a consultant which is a competitive proposal process, design engineers in Southeast Alaska will be looking at this RFP and putting together the proposal based on this document. The result will provide new project cost estimates and 100% bid-ready design.

Committee Discussion

Mr. Uchytel said if any of the Board members want to participate in the selection committee, one or two would be welcome to participate in that process, as it demystifies how Docks and Harbors selects professional services.

Mr. Sill referenced the scoring sheet and said it is broadly based on how well contractors convince us in their documents that they understand what it is that the RFP is asking, and the contractor's history of being able to provide projects of a similar scope. Contractors are encouraged to submit their rates, but those are not directly scored.

Mr. Leither asked how much was the MARAD grant?

Mr. Uchytel said about \$11.25 million.

Mr. Leither asked if we received the ADOT Harbor Facilities grant, how much of the local cost would be covered?

Mr. Uchytel said about \$1.24 million.

Mr. Leither asked what is the total project cost?

Mr. Uchytel said Docks and Harbors has committed to fund 20% of the entire project cost which is approximately \$14 million dollars. Docks and Harbors has committed \$2.8 million. If Docks and Harbors receives the ADOT Harbor Facilities grant, then we would only be committed for \$1.4 million of the project cost. Mr. Uchytel said that when looking for professional services, it is not a bid, the contractor is selected based on qualifications. They need to provide their rates, but you are not selecting based on rates, rather the qualifications of the firm to do the work.

Public Comment - none

6. FY26 Marine Passenger Fee (MPF) Proposal to Assembly
Presentation by Port Director – Mr. Uchytel said that he and Ms. Musick presented at the Assembly Finance Committee on April 5th in an all-day long budget meeting. Docks & Harbors budget presentation went well. The Tourism Director presented Marine Passenger Request proposal to the Assembly. The Assembly has an AFC meeting tonight to revenue the Marine Passenger Fee requests and are detailed in the proposal.

Committee Discussion/Public Comment – None.

7. Cruise Ship Dockage Fee - Regulation Change

Mr. Uchytel said that this is a pre-hearing meeting. Next Thursday, will be the public hearing at the Board meeting that will advertise and change the regulations for the cruise ship algorithm from a displacement and length overall to a \$7 per lower berth count. At the Assembly Finance Committee, presentation of the Docks and Harbors budget, we stated that we anticipate double the current Dock revenue. There was a question from the Assembly about where that additional revenue will go. The Mayor made the point that we have not decided whether the money will stay at Docks & Harbors. Some of the Assembly members are looking at this increase to funding to go towards Eaglecrest or the housing fund.

Mr. Sooter asked when Dock revenue bonds would be paid off.

M. Uchytel said around 2033. The Harbors revenue bond will be paid off around 2035.

Mr. Sooter asked whether there is any way to funnel some of the increase revenue funds towards the principal on the bond.

Mr. Uchytel said the bond managers have rules, there may be a penalty for early payment. Currently the Finance department is re-financing the Harbor bonds to get Docks and Harbors a better rate.

Mr. Orr said that Docks and Harbors could “defease” the bond by buying a bunch of treasuries and then Docks and Harbors would match. Mr. Orr said when it comes to early payment on a bond, bondholder doesn’t buy a bond with the idea it is going to come back to them. What Docks and Harbors could potentially do is buy treasuries which will replicate the same interest payment all the way out and then when it is done, Docks and Harbors would still have the treasuries. If what Docks and Harbors has is non-amortizing bond, we get to keep that money. Those are options you can discuss with the finance team.

Mr. Uchtyl said at one the Assembly talked about paying off the revenue bond for no other reason than that they could tap down on use of two cruise ship docks. Apparently, there is something in our bond covenant that you can’t give up revenue.

Committee Discussion/Public Comment - none

I. STAFF, COMMITTEE AND MEMBER REPORTS

Mr. Uchtyl said he will be out of town on Thursday and will miss the public hearing for regulation changes. Mr. Uchtyl said that he will put the DIPAC lease on the consent agenda for the Board meeting.

Mr. Sill said that tomorrow there is the pre-construction conference for Aurora Harbor Phase IV and the contractors have started sending submittal for Docks and Harbors review. This shows that the contractors are serious about wanting to finish the project quickly. Statter Harbor Phase IIID parking lot project was advertised today so the next step will be selecting a contractor for that job. Taku Harbor will be advertised next week. Statter Harbor roof replacement 95% plans were submitted by PND Engineers so after review, PND will have bid drawings to advertise in a couple of weeks.

Mr. Uchtyl said the Assembly voted to agree to lease CBJ property to Huna Totem for the development of the fifth cruise ship dock. Mr. Uchtyl said that he has applied to ADNR to have the submerged lands about 10 acres conveyed to CBJ where the new dock is intended to be constructed. Mr. Uchtyl said that his expectation is that the money Docks and Harbors will receive from leasing to Huna Totem will remain in Docks & Harbors fund, although there was some push back, the Assembly had a dozen amendments they wanted to add to the leases including that the money go to the housing fund. That amendment was defeated but going forward the Assembly is looking for money within the CBJ family.

Mr. Leither asked whether the Board is hoping for an offer from Goldbelt rather than accepting the appraisal.

Mr. Uchtyl said that Goldbelt intend to get another appraisal that they will bring back to the Board.

a. Next regular Board meeting April 24th

b. Next Operations-Planning Committee meeting May 21st

K. ADJOURNMENT by at 6:59

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