

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES

For Thursday, May 25th, 2023

In CBJ Room 224 & Via Zoom

(Zoom recording had intermittent connection issues in the beginning of the meeting)

A. Call to Order – Mr. Etheridge called the May 25th meeting to order at 5:00 p.m. in City Hall Room 224 & via Zoom.

B. Roll Call – The following members attended in person or via Zoom: James Becker, Paul Grant, Matthew Leither, Mark Ridgway, Annette Smith (arrived @ 5:29pm via zoom), and Don Etheridge.

Also in attendance – Mr. Uchytel – Port Director, Matthew Sill – Port Engineer, Matthew Creswell – Harbormaster, and Teena Larson – Administrative Officer.

Absent – David Larkin, and Debbie Hart.

C. Approval of Agenda

MOTION by MR. RIDGWAY: 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 April 27th, 2023 Board minutes – Hearing no objection the April 27th meeting minutes were approved as presented.

F. Consent Agenda –

A. Public Requests for Consent Agenda Changes - None

B. Board Members Requests for Consent Agenda Changes - None

C. Items for Action

1. Harbor Rate Increase – Next Steps

RECOMMENDATION: TO INCREASE ALL APPLICABLE DOCKS & HARBORS FEES 9% EFFECTIVE JANUARY 2024.

2. Aurora Phase IV Funding Strategy

RECOMMENDATION: TO COMMIT \$5M OF LOCAL MATCH TO THE ADOT HARBOR FACILITY GRANT APPLICATION FOR AURORA HARBOR PHASE IV.

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

Motion passed with no objection.

G. New Business

1. Boat Shelter Sale – Board Right-of-First Refusal to Purchase.

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Mr. Uchytel said there are a total of 21 boat shelters in Aurora Harbor. In the packet on page 47 is a memo which shows the regulation pertaining to the boat shelter sales. An owner of a boat shelter is required to offer the Board the right of first refusal to purchase the shelter at fair market value. The Board has a 30-day period to exercise this right. There was no interest from past Boards to purchase a boat shelter.

Board Questions

Mr. Bryson asked if this was owned by the City could it become a revenue generator? The Assembly would support anything being revenue positive right now.

Mr. Etheridge said the concern with the condition of the shelters is the liability.

Mr. Ridgway asked if the only reason for this to be in regulation is so Docks & Harbors could purchase it if they wanted to?

Mr. Etheridge said that is the only reason he knows.

Mr. Uchytel said another reason could be to notify the Assessor's office of a sale. He said Mr. Creswell is working on a rack card for what you need to know for being a boat shelter owner. Staff is following what is in regulation.

Mr. Grant asked if staff would want one or two boat shelters for Docks & Harbors equipment?

Mr. Creswell said he would have a hard time buying an old shelter and have one more thing for his staff to work on.

Public Comment - None

Board Discussion & Action

MOTION By MR. RIDGWAY: TO WAIVE THE DOCKS & HARBORS BOARD RIGHT-OF-FIRST REFUSAL TO PURCHASE BOAT SHELTER AE-20 AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

H. Items for Information/Discussion

5. UAS Property/Boatyard Status – Update

Mr. Uchytel said on page 48 in the packet is the City Manager's memo to the Assembly Committee of the Whole. He said page 49 and 50 is his memo to the Assembly COW. Page 51 in the packet was the original Draft UAS lease agreement the Board saw in February and page 54 is the updated lease agreement with the Educational Benefits being changed on page 55. Eaglecrest wanted to limit the incentives and specified in detail what they were willing to offer under C (1). The University has received the changed lease agreement but has not responded to a yes or no to the changes.

Board Discussion

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Mr. Becker asked if UAS will be working to figure out what they want to do after the four years or are they working on it now?

Mr. Uchytel said he is unsure?

Mr. Grant asked about number four in Mr. Watts memo, agree that the \$2M that was previously allocated for purchase of the property can be used for capital improvements to a new location, has this happened, or do we need to ask the Assembly, and they should agree to this. The \$2M could be a head start on a new boat yard.

Mr. Bryson commented that he believes the Assembly will support the Board if you can find another solution for the boat yard. Docks & Harbors needs a piece of property that is a revenue generator and not just an expense.

Mr. Uchytel commented that he believes UAS does want to get rid of this property and move their activities from downtown to a central campus so the idea is that in four years from now they will have figured out the funding and the new chancellor can stamp her vision on how this will work. At that point they would consider the whole parcel for sale. The Assembly will also say we need to look for an alternative location during this time as well. However, the City wants this property when UAS vacates it. It is a connection to the High School, connects our two harbors, and has waterfront access.

Mr. Ridgway asked if the City Manager or the Assembly should continue the negotiations with UAS? This may be beyond the Board's negotiating ability.

Mr. Uchytel said the reason it is going to take four years, is it is going to take time to move their programs to other facilities when they do not have money to build new facilities.

Mr. Etheridge commented that during negotiations, other properties were suggested to trade, but UAS wanted nothing at that time. He said Mr. Watt was involved with the initial negotiations.

Mr. Ridgway said regardless of the outcome, we should still look for other locations for the boat yard. He would like a sub-committee to set up after July 1st to work on this topic.

The recording was interrupted due to connectivity, it was restarted in CBJ Room 224.

Mr. Grant commented that he is unsure what to do. Should we take the \$2M to look for another location or just let it sit for now.

Mr. Bryson said the Assembly wants to provide flexibility for the Board and they were not pleased with UAS. The \$2M is left there so it could be an option to look for another location. He also suggested to still communicate with UAS and have a couple Assembly members reach out to UAS to have a joint meeting. He would like to take this to the Mayor to see if the Assembly could help with direction with this land property acquisition.

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Mr. Grant asked if we used the \$2M on a different location, how far would it get us? Mr. Uchytel said there is the old Northland landing which is 1.82 acres and leased to the Smith Brothers. The next parcel is assessed at \$1.5M. The parcel that we own does not have any uplands.

Mr. Ridgway commented that the four years are going to go quickly and we need to get working on this.

Mr. Becker commented if we are going to move he suggested the Little Rock Dump location.

Mr. Leither asked what the price quote was for a haul out facility at the Little Rock Dump?

Mr. Uchytel said today it is probably close to \$50M.

Public Comment - None

6. Downtown Boatyard Status – Update

Mr. Uchytel said moving forward with signing the four-year extension with the University, the sub-leases also expire, CBJ Law indicated we can offer a preferential extension to them. Page 61 in the packet is a letter he wrote to Mr. Duvernay, owner of the boat yard lease. Because our lease cost increased, it is reasonable to increase the sub-leases to help absorb the expense. He put in the letter the fair market value of \$120,000 for the uplands from the Horan appraisal. On page 53 in the packet is the Horan appraisal. Part of the boat yard lease is the travel lift, pier, and float which are not included in the fair market value. Mr. Duvernay leases the area on the map depicted lease parcel C plus the access corridor. The letter also indicated the desire for Mr. Duvernay to secure all the necessary permits as part of the lease extension. There will still need to be some negotiations with the maintenance responsibility.

Mr. Duvernay said he is here tonight to talk about his operations and he expressed his interest in continuing to lease the boat yard for the next four years. He said it is difficult to plan and operate a business when dealing with a short-term lease. He would like to help find another location or do what we can to secure the existing location. Ideally he would like to find a location with a greater lay down area. He would like to discuss with Mr. Uchytel, not in a public setting, the DEC permitting and SWPPP plans to see what those will entail.

Mr. Uchytel said a lot can be discussed at my level, but in the past the Board has shown interest in negotiating or participating in the decision making. He offered to the Board any member that wanted to participate could. He wanted to craft a fair and equitable agreement.

Mr Duvernay indicated that all the Board members were welcome, but he pointed out that some of the topics to discuss are more confidential at this stage. Beyond that, discussing in public would be fine.

Mr. Etheridge recommended Mr. Uchytel work one on one with Mr. Duvernay.

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Mr. Uchytel said he would work with Mr. Duvernay on an agreement and bring it back to the Board for review.

Board Discussion - None

Public Comment - None

7. Board Recruitment Efforts

Mr. Uchytel said in the packet on page 62 and 63 is the Enterprise Board Appointment Process that was provided at the Operations meeting last week. He said the Board has four openings. Two incumbents are reapplying so there will be two new Board members starting July. He encourages the Board members to get the word out to good applicants.

Board Discussion - None

Public Comment - None

I. Staff, Committee and Member Reports

J. Port Engineer's Report

Mr. Sill reported –

- He is working on the final change order to close out the Marine Park Deck over project. The changes came in at 1.4% over the total bid. We are currently working with the Long Shoreman for the placement of the capstan on the bollard.
- Aurora Harbor phase III rebuild project. He sent the contract to process a PO so we will be able to start the project in the next few days. The schedule may look better than originally thought. The float construction may be moved up to be able to install in the September/October time frame but there is still a lot of uncertainty there. The electrical components are still a long wait with an estimated time frame of 17 months.
- Statter Restroom Project – There are three weeks until the revised substantial completion deadline. There will be a ribbon cutting event on June 16th. The construction has caused conflicts with the bus operations but they are working through the problems. Dawson is making good progress.
- There is no update on the Harris Security gate at this time.

K. Harbormaster's Report

Mr. Creswell reported –

- May 5th was the Maritime Festival and the Blessing of the Fleet. This was well attended and well received by the public. We also had three large cruise ships in on that day.
- Working with staff on the delay of the Statter Harbor Restroom project. He has been routing and rerouting around the construction which has been requiring a lot of staff time.
- The summer season prep is nearly complete. Staff has been pressure washing and getting the Harbors all cleaned up.

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- We are still hiring, there are five Part Time Limited positions, one Benefitted Harbor Tech, and two Administration positions.
- Summer Office hours – Statter Harbor is open seven days a week – 8 to 5 week days, and 8 – 4:30 weekends. Aurora Harbor is open six days a week – 8 to 4:30.
- Staff is enforcing the ten day move rule at Statter Harbor. It has been fairly well received and people have been understanding for the most part. Anyone not able to comply is required to put a request for an extension in writing. On June 1st, 40 to 50 letters will go out to Harris patrons out of compliance that have not moved.

Mr. Becker asked how the operations at the ABLF are going?

Mr. Creswell said it is going well.

Mr. Leither asked what the process was for the ten day move rule notifications.

Mr. Creswell said prior to the season, everyone that had their boat in Statter last summer received a letter stating the ten day move rule and if you are not in compliance what will happen. When a vessel is getting close, they get a phone call and we work with them with a day or two but if they are not in compliance, they are assessed the additional fees.

Mr. Ridgway asked about the house boats that do not move.

Mr. Creswell said they are in the non-moving vessel zone stated in regulation. They are granted permission to be in that zone.

L. Port Director's Report

Mr. Uchtyl reported –

- In the packet is the letter to DOT asking for a waiver allowing us to reapply without having the current project closed out. He is expecting an answer next week.
- The June 16th ribbon cutting ceremony will start at 11am. Any Board or Assembly members is welcome to speak. The customer appreciation hot dog cookout will follow.
- Mr. Creswell has been working with the Army divers which is an annual event. Staff is finding opportunities for the Army and Coast Guard divers to work on under water inspections and small salvage projects.
- At the AJT Mining Properties lease, next to the old Thane Ore House property, NORTECH has been working on a soil sampling of a diesel fuel spill find. Staff received the report for the environmental sampling and the results exceeded the State's regulated levels. Mr. Uchtyl sent the report to Alec Mesdag with AELP who is the lease holder of this area. Dock & Harbors is the owner of the property, we lease to AJT Mining, and they sub-lease to Tlingit and Haida. He plans to meet with Alec Mesdag and NORTECH to figure out the remediation or monitoring plan and communicate that plan to DEC.

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Mr. Ridgway asked if the only thing done at the old Thane Ore House site after five years of leasing is that the building has been burned down? How many acres is this area? Does Tlingit & Haida have other leases in this area?

Mr. Uchytel said yes, the only thing they had done is burned the building down. The old Thane Ore House property is 1.28 acres. Tlingit and Haida also has a Sub-lease with AJT Mining Properties (AELP). The diesel fuel spill site is on the AJT lease area.

Mr. Grant asked if the duration of the lease and sub-lease are the same?

Ms. Larson said the AJT lease expires in 2039 and the rent is \$11,000 annually. The Tlingit and Haida lease expires in 2051 and the rent for that is \$9,500 annually.

M. Assembly Liaison Report

Mr. Bryson reported –

- The Assembly is underway with the new City Manager recruiting. We are looking for someone connected to Southeast or has a similar experience.
- The Assembly is also looking for members to serve on the Board of Equalization. This is a paid position.
- Public Works and Facilities held a N. Douglas Crossing listening session last week. There is still great community interest across the board for no build to build out Mendenhall Peninsula. There were 30 people testify in person and 35 online. There was about 30 different perspectives.
- There was a lively discussion at the COW meeting on Monday about the UAS lease. He believes the Assembly will support any decision the Board makes on that piece of property.

Mr. Becker asked what was the most popular from the five bridge location options?

Mr. Bryson said no single option is the front runner.

Mr. Ridgway commented the property he is looking at for a possible new boat yard may be the property proposed for the second crossing bridge location.

N. Board Administrative Matters

- a. Next Regular Board Meeting – Thursday June 29th, 2023.
Mr. Grant said he will not be attending this meeting.

O. Adjournment – The meeting adjourned at 6:28pm.