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To: Assembly Lands, Housing & Economic Development (LHED) Committee

Subject: Ordinance 2024-11 & 2024-12

This letter is in response to the wording change in Ordinance 2024-11 & 2024-12 that originally allowed “Lessee an option to renew this lease for one, successive period of 35 years”, and was subsequently changed to “The lease shall be for a maximum term of 35 years”.

Trucano Family LLC (TFL) is a 3rd generation, locally owned family business, that has a portion of land adjacent to North Douglas Highway. Since its purchase, this lot has been developed into a marine port which houses a fuel tank farm (Petro Marine) and a contracting company (Trucano Construction). In order to make these operations successful, tideland leases, originally with the State, and then transferred to the City of Juneau were obtained.

When development began it was understood these tideland leases would not expire for 55 years, and at that time we would have an option for renewal. Had we known CBJ would limit the renewal process, we likely would have not made these major investments. Furthermore, TFL owns the land located directly shoreward from this tideland lease, and has the option to renew the tidelands running around the other three sides. This would make the parcel inaccessible and unvaluable to anyone other than the landowner.

Trucano Construction is a general contracting company that started in 1965 and specializes in marine construction throughout Southeast Alaska, but mainly in Juneau. Some of the CBJ projects they have been involved with include: Rebuilds of Douglas, Harris, Aurora and Statter Boat Harbors, Downtown Waterfront Improvements, Sea Walk Construction and sunken boat removal/demolition. Being the only local, marine company that provides these services, there is a cost savings to CBJ versus hiring out of state contractors. In addition, they have constructed numerous bridges and buildings throughout Juneau, and recently partnered with a company to complete over 100 affordable condos in the city. Trucano owners and employees are all local individuals that live and spend their money in the City of Juneau.

Petro Marine is an Alaskan based fuel company that barges fuel into Juneau for distribution around the city. They have been in operation at this location for over 20 years, and benefit the City of Juneau by providing competitive fuel prices and numerous local jobs. This location eases congestion in the downtown corridor, as the only other major fueling port is located South of Downtown Juneau.

Neither of these businesses could continue to operate after 35 years with the current wording in the lease agreements.

The members of the TFL are confused why this change took place, and would like some clarification as to why an option to renew would not be allowed. What is the benefit to CBJ by not even providing an option in 35 years to continue this lease? We would also like to know if this lease is being singled out? Or, is this the new standard for CBJ tideland lease renewals? If this is going to be the new standard, it will likely cause major problems for many private businesses (tourism, freight, seafood) which provide services and jobs to the community of Juneau.

Thank you for your time regarding this matter.

Sincerely,
Jeff Trucano
Trucano Family LLC