

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES

For Wednesday, December 21, 2022

Aurora Harbor Office and via Zoom

A. Call to Order – Mr. Ridgway called the meeting to order at 5:00 p.m. at the Aurora Harbor Office and via Zoom.

B. Roll Call – The following members attended in person: Jim Becker, Lacey Derr, Don Etheridge, Paul Grant, Debbie Hart, David Larkin, Matthew Leither, Annette Smith and Mark Ridgway.

Also Present – Carl Uchtyl – Port Director, Matthew Creswell – Harbormaster, Matthew Sill – Port Engineer, Teena Larson – Administrative Officer, Alex Pierce – Tourism Manager, Kevin Dugan – Port Operations Supervisor and Nichole Benedict – Administrative Assistant.

C. Port Director Requests for Agenda Changes – Mr. Uchtyl asked to add a special order of business after Public Participation on Non-Agenda Items.

D. Public Participation on Non-Agenda Items

Kirby Day – Juneau, Alaska

Mr. Day thanked the Board for the opportunity to speak. He acknowledged and thanked the Board for their hard work and the many meetings they attend. He thinks the Board does great things for the community and its customers. He also thanked the Port Director and his staff for doing a fantastic job.

E. Special Order of Business

Mr. Uchtyl read a letter naming Nichole Benedict employee of the quarter for October through December 2022. He presented her with an award and an acknowledgement she would receive a check for her dedication to the job.

F. Approval of Minutes

1. November 9th, 2022 Meeting Minutes – Hearing no objection, the November 9th, 2022 minutes were approved as presented.

G. Unfinished Business – None

H. New Business

2. FY24 Marine Passenger Fee Request

Mr. Uchtyl shared a draft letter on page eleven in the packet to Alex Pierce the Tourism Manager for the City and Borough of Juneau (CBJ) regarding the FY 2024 Marine Passenger Fee Request. This is an annual request that lists projects Docks & Harbors (D&H) think would be a good use for some of the \$5 per person head tax collected. Historically D&H has received \$450K per year. Mr. Uchtyl did mention the Marine

Passenger Fund is currently in the red. These projects are wish-list ideas and he is not sure if any will be funded.

- Area Wide Port Operations
- Port-Customs and Visitor Center Building Maintenance Support
- Safety Rail along Dock Face
- FY2024 Adopted Budget for Docks
- Additional Personnel for “Port of Call” Access Control
- Port of Juneau Harmonization
- Purchase of Archipelago Property, LLC Uplands
- Lone Sailor Statue
- USS Juneau Memorial – Expansion

Committee Questions

Mr. Larkin confirmed the request for additional personnel on page fourteen of the packet was the same people as last year, not additional people needed. He also asked why we needed to spend \$100K on the Lone Sailor Statue.

Mr. Uchytel said the \$100K was to help local sponsors fundraise for the statue.

Ms. Smith asked why the lightering dock was not included.

Mr. Uchytel said it was on the CIP list, but not included on the Marine Passenger Fee Request. Mr. Uchytel indicated that support for an additional lightering dock will never be funded based on the results of the Visitor Industry Task Force report.

Mr. Ridgway asked about the process for purchasing the Archipelago Property.

Mr. Uchytel said what is in the packet is only a draft and the Board can add or remove items as they wish. Capital City Fire & Rescue and the Juneau Police Department are not required to go through this process. Our list is for community projects we wish the Manager’s Office to consider.

Mr. Grant asked about the Port of Juneau Harmonization proposal. He wanted to know how they came up with a \$1M price tag.

Mr. Uchytel said it would be engineering support and planning for the waterfront development process. \$1M is a nice round number and would be for design help.

Mr. Ridgway asked if the central corridor project might be worth mentioning. He is also a supporter of the lightering dock, although he thinks we should call it something else. He sees the dock as a way for locals to have access to the Seawalk.

Mr. Leither asked what the purpose of spending time on this wish list is if the Marine Passenger Fund is currently in the red.

Ms. Pierce said the Marine Passenger Fund is currently in the red because we did not have tourism for a few years but still needed to fund services. She said they have decided to pay ourselves back over time instead of taking a lump sum. She anticipates it will only take a few years to get the fund back where it should be and they are still taking requests.

Public Comment – None

Committee Discussion/Action

Mr. Ridgway would like to submit all of the suggested projects and add the lightering dock to the list.

Ms. Smith also wanted the lightering dock added to the submission.

MOTION By MS. DERR: TO RECOMMEND THE BOARD FORWARD THE LIST OF PROPOSED FY24 MARINE PASSENGER FEES AS AMENDED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

3. Six Years Capital Improvement Plan (CIP) Submittal

Mr. Uchtyl discussed the CIP list on page twenty-one in the packet. This list is required to be submitted to CBJ so the Engineering Dept. can manage projects. D&H is a little different because we have an in-house engineering team. These projects are more probable than a certainty. The City Manager will dole out money collected from the 1% sales tax initiative. This list helps the City Manager decide which projects get funding in which order.

Committee Questions

Ms. Smith would like to know if the costs for these projects have been adjusted for inflation.

Mr. Uchtyl said these are high-level figures and have not been changed to account for inflation.

Mr. Becker asked about the Wayside Park and wanted to know if the damage was getting worse.

Mr. Sill said the ocean floor rebound is about half an inch per year. Extreme weather and tides happen and a half inch per year is not making a huge difference. The seafloor under the dock is very soft, so it is sitting on mud when it is grounded.

Mr. Ridgway said Taku Harbor was gifted to us. It is a popular place but difficult to find funding for maintenance.

Public Comment – None

Committee Discussion/Action

Mr. Etheridge said the Governor's budget this year does not fund the Municipal Harbor Grant. The state budget is running in a deficit so he does not expect to see it added.

MOTION By MS. DERR: TO RECOMMEND THE BOARD FORWARD THE SIX-YEAR CAPITAL IMPROVEMENT PROJECT (CIP) LIST AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

4. Resolution in Support of Homeporting a U.S. Coast Guard Icebreaker in Juneau (Mr. Ridgway excused himself from chairing the committee and voting on this resolution. He gave the gavel to Mr. Etheridge in his absence). Mr. Uchtyl spoke about the resolution on page twenty-three in the packet. He said there is a lot of good things happening and good discussion about the homeporting of a U.S. Coast Guard icebreaker in Juneau. He has not seen any funding appropriated by Congress yet.

Committee Questions

Ms. Smith said she supports this and asked about funding.

Mr. Grant asked if it is too early to ask what we need to be doing to support this.

Mr. Uchtyl said we should be getting Huna-Totem, the U.S. Coast Guard and D&H together to discuss this and make sure it will work for everyone. Housing is the City Assembly's number one priority. He feels this addition would be good for Juneau; from moving companies, grocery stores and the Juneau School District.

Ms. Smith spoke about the distance from Juneau to the Northwest Passage and if it is practical to have an icebreaker here.

Mr. Uchtyl said all of the icebreakers are currently in Seattle, Washington. At one point, they were homeported anywhere from Alabama to California. The decision of their homeport is more of a political one. Senator Sullivan said there is a U.S. Arctic Nation because of Alaska and the state should have an icebreaker.

Mr. Larkin said finding dock space for an icebreaker is the easy part. We do not have maintenance facilities or haul-outs for a vessel that size in the state of Alaska. He is also concerned about housing in Juneau.

Mr. Becker said he was part of a small group that tried to get NOAA ships up to Juneau and some of these same concerns were brought up.

Public Comment – None

Committee Discussion/Action

Mr. Grant does not feel he has enough clarification to vote on the resolution. He is also concerned about housing needs of so many additional Coast Guardsmen and their families.

Ms. Smith asked if the resolution could be moved forward with a caveat that the Assembly needs to figure out housing beforehand.

Mr. Etheridge said we can do whatever we want. This is just a resolution that we are in support of an icebreaker coming to Juneau. The U.S. Coast Guard and Assembly will still have a lot of action to take before this goes anywhere.

Mr. Becker said this is very important to folks in the national arena. The United States needs to make sure we are involved in the Arctic.

Mr. Leither said if we do support the resolution it does not go directly to the U.S. Coast Guard, but to the Assembly for consideration.

Ms. Derr said the decision to bring an icebreaker to Juneau will not be decided by nine people here today. This is a resolution saying we support the idea.

MOTION By MR. GRANT: TO PLACE THIS RESOLUTION ON THE TABLE.

Roll Call Vote

Jim Becker - Y
Lacey Derr - N
Don Etheridge - N
Paul Grant - Y
Debbie Hart - N
David Larkin - Y
Matthew Leither - N
Annette Smith - N

Yes – 3

No – 5

Motion fails.

Mr. Grant would like to amend the resolution to strike the second to last paragraph “Whereas, the City and Borough of Juneau has the capacity to meet the future business and amenities needs to support a larger Coast Guard footprint.”

MOTION By MS. DERR: TO RECOMMEND THE ASSEMBLY ADOPT A RESOLUTION IN SUPPORT OF HOMEPORTING A COAST GUARD ICEBREAKER IN JUNEAU AS AMENDED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

5. Revenue Bond for Load Tap Changer (LTC) Transformers in Support of Dock Electrification

Mr. Uchytel spoke about the memo to the Assembly on page twenty-five in the packet. This memo is because we are requesting Assembly permission to sell revenue bonds in support of dock electrification. The direction is not to wait for a successful grant to move forward with this project. This is asking the Finance Director to sell \$5M in revenue bonds to pay for two transformers in support of .

Committee Questions

Ms. Smith asked who is responsible for paying the revenue bond for this project. She would also like to know if AEL&P will benefit from dock electrification.

Mr. Uchytel said CBJ would pay back the bonds. The transformers could take up to three years to be delivered. He said AEL&P is onboard with dock electrification. They will benefit from dock electrification by gaining a new customer.

Mr. Grant asked if the Assembly would need to get permission from voters to move forward with the revenue bond.

Mr. Uchytel said revenue bonds do not require voter approval.

Public Comments – None

Committee Discussion/Action

MOTION By MS. DERR: TO RECOMMEND THE BOARD FORWARD THE REQUEST FOR A \$5M REVENUE BOND TO PROCURE LONG LEAD ITEMS NECESSARY FOR CBJ DOCK ELECTRIFICATION AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

I. Items for Information/Discussion

6. Harbor Rate Study – Strategic Retreat Update

Ms. Derr said the Strategic Retreat focused entirely on the HDR Rate Study. The Board did a round-robin style discussion where everyone was able to ask questions. One of the big topics of the rate study was how it combined the Docks Enterprise and Harbors Enterprise as one single company. Mr. Brown was present and discussed why the firewall was in place. The Board's consensus was to keep the firewall. There was also discussion about if docks needed as much of an increase as harbors. In the end, it was agreed that raising rates by nine percent across the board was for the best. The docks did not see a rate increase last year like most of the other rates. The Board discussed a phased-in approach, waiting at least a year to implement the increases. Public outreach was also discussed at great length.

Committee Discussion

Mr. Ridgway said the Board should be thinking about what criteria we would like to use after the increase to confirm it is working. He thinks the rate increase needs to be discussed at greater length. Mr. Ridgway feels this is a conservative Board and will use the added income to keep up facilities.

Mr. Etheridge would like the rates raised in one year. He is afraid this year's CPI increase plus a nine percent rate increase would be too much.

Mr. Uchytel said rates have not been raised since 2004. There was a small increase by CPI for inflation, but not a rate increase.

Mr. Becker said when the Board tried to raise the rate of the live-a-board fee. There was a lot of talk about it not being fair. No one wants rates to go up but it is necessary to keep the facilities in a state of good repair.

Mr. Larkin thinks timing might be an issue with the Board recently putting through all of the regulation changes. He would like the Board to keep in mind that nine percent is not a small amount.

Mr. Etheridge said that is why increases have been put off for so long. We are also giving patrons one year to prepare for the increase.

Ms. Smith said it is the Board's responsibility to keep the Docks and harbors maintained and in good condition. She understands patrons will feel the increase, but they also need working facilities.

Public Comment – None

7. UAS Property Conveyance – Update

Mr. Uchytel, Mr. Etheridge and the City Manager met with UAS representatives recently. UAS has decided not to sell us the property with the boatyard and Fisherman's Terminal. UAS was open to lowering the lease amount if we could provide an educational benefit to students and the university. There is a memo on page forty-seven in the packet with a list of ideas to provide that benefit. These ideas were approved by the different departments and the City Manager. UAS could say these benefits are worth \$50K or \$100K or something else, we are not sure yet.

Committee Discussion

Mr. Etheridge said Eaglecrest and the bus passes were the University's idea. Years ago, we would bring on high school seniors for internship programs and that was very successful. The University asked us what we thought the value of these benefits were. The Fisherman's Terminal provides our patrons a great service. Without the Fisherman's Terminal, boats would need to go to Statter Harbor to use cranes for their gear.

OPERATIONS/PLANNING COMMITTEE MEETING MINUTES (CONTINUED)

For Wednesday, December 21, 2022

Mr. Becker asked if any student would be able to use these benefits, or just full-time students. There are many people taking one or two class here and there. He said the Fisherman's Terminal is important to Juneau and we have submitted grant applications anticipating owning the property.

Ms. Smith said this feels like extortion and she does not see why we are married to this property. She feels it is not worth being a middleman landlord. She also wanted to know if the University would require us to pay them a portion of the rents we receive like in previous lease.

Mr. Uchytel said we finished our thirty-three year lease for a very small amount and it was always going to be at fair market value after that. Terminating the partnership is an option.

Mr. Grant wanted to know why Eaglecrest and Parks & Recreation would give up revenue. He was also worried about being in competition with local business already providing some of these services, i.e the Statter Harbor kayak rental company. He is ready to set a price we are willing to pay and if they cannot agree, he thinks we need to walk away. He would like to see some political pressure put on the University from outside entities.

Mr. Etheridge said the Assembly and City Manager are very supportive of maintaining the boatyard. The Assembly thought the educational benefits would be a neighborly thing to do and would be good for bringing students to the University. It is time to figure out how much we think the educational benefits are worth and bring an offer back to the university. Mr. Etheridge would like to set up an executive session so our negotiations are not public, essentially tipping our hand. If we decline to enter into a new lease, they will go out with a RFP.

Mr. Ridgway said he thought we had a partnership with UAS and the Auke Bay lab. He was hoping that would also give us an advantage. He would like to discuss walking away from the property.

Mr. Uchytel said he does not believe we should be paying more than six figures for the UAS property, especially with the educational benefits CBJ is offering.

Mr. Sill said he recently met with MARAD about the grant for betterment of the Fisherman's Terminal. They asked about the land ownership issue and said we had a very strong application for the project.

Ms. Derr thinks the Board should internally negotiate what we are willing to spend and bring them an offer. She also wanted to know if the boatyard and the United Fisherman of Alaska are aware what happens if we lose the property.

Mr. Leither thinks the educational benefits we came up with are great. He also thinks there is a lot more that goes into it than the dollars and cents we can show. He understands the University has a fiduciary responsibility.

Ms. Pierce would like to come up with a communication strategy.

Mr. Larkin asked if the UAS research vessels would get free dockage with these negotiations.

Mr. Uchytel would like to leave the value of the educational benefit up to them to figure out. If they come up with a small figure like \$18K, we would not go along with that. He suggested he'd rather give four students a paid internship than pay lease money that does not benefit us.

Public Comment – None

8. Tourism Potpourri (McKinley Group Survey, Title 85)

Ms. Pierce shared a PowerPoint presentation showing survey results from a McKinley Research Group (formerly McDowell Group) public phone survey conducted in the fall of 2022. She discussed a tourism management strategy between the City Manager's Office, The Tourism Manager's Office and D&H Board. The final survey can be found on page forty-nine in the packet. One of the big questions asked in the survey was whether the community was supportive of limiting the number of large cruise ships per day in Juneau harbors. Ms. Pierce said the estimated number of cruise passenger for 2023 is 1.4M. She also discussed Tourism Best Management Practices (TBMP) and the amazing work they have done over the last twenty years. She explained the Tourism Task Force and spoke about the Huna-Totem property.

Committee Discussion

Mr. Ridgway would like to coordinate more with Ms. Pierce and the D&H Assembly Liaison. He would also like to hear broad direction coming from the City Manager or Assembly.

Mr. Etheridge thanked Ms. Pierce for coming to the meeting and her presentation. He would like to continue working together and increase communication between the Board and CBJ.

Ms. Derr appreciated the public comments and found them to be more helpful than the survey results themselves. She would also like to work more closely with the Assembly Liaison to help with communication.

Public Comment

Kirby Day – Juneau, Alaska

Mr. Day wanted to emphasize that the Board working with Ms. Pierce is very valuable. The Board and D&H staff have been very supportive of TBMP over the years. He

appreciates the collaboration and hopes it continues with Ms. Arnett at Travel Juneau. Mr. Day is optimistic of the future and appreciates the conversations tonight.

9. Proposed By-Law Changes

Mr. Grant said it starts with an email containing some questions he would like discussed on page ninety-five in the packet. D&H does not have a Finance Committee and he wanted that removed from our By-laws. There are also some inconsequential edits here and there. He would like to give non-Board members the ability to vote if they are appointed to a D&H committee. He would also like to update the language regarding telephonic participation. Mr. Grant asked Board members to review the by-laws and send him anything else they would like to see revised.

Board Discussion

Mr. Grant would like to remove the telephonic option. It does not allow for sharing of materials. He also thinks anyone with a conflict of interest should state it and let the Chair decide if they can vote.

Mr. Etheridge said he likes what Mr. Grant has done here. Please send input to Mr. Grant directly and do not reply-all when responding.

Mr. Ridgway would like the D&H by-laws to coincide with other empowered boards within CBJ regarding the telephonic option.

Mr. Larkin said he does not want to make the by-laws restrictive by the technology we have today.

Ms. Smith said she would like to keep the telephonic option in the by-laws. She is currently participating by Zoom on her cell phone. Her landline has much better sound and reception and she has participated that way in the past. The Board packets are available for review before a meeting starts.

Ms. Derr wanted to know if telephonic means making sure a conference call-in number is available or if it means calling in telephonically over Zoom.

Public Comment – None

10. CDD Request for Agency Review – Hansen/Gress Property

Mr. Uchtyl said he received a request from the Community Development Department (CDD) asking if the Board would like to make any official comments about the Hansen/Gress property. Mr. Uchtyl read the motion that passed at a previous Board meeting regarding this property. He said an option would be to submit the motion as the Board's official comment.

Committee Discussion

Mr. Grant asked about reserved access if D&H were to continue the Seawalk on the tidelands in front of the property. He would also like to ask for an extension on the official comment deadline.

Mr. Larkin said he thought there were two issues. One about the property lines when trying to receive permits and the other a setback issue with the tideline lease.

Mr. Ridgway said when he voted on this motion he was only thinking about the consolidated lot issue. He would like to go back and look at the proposal and comments in the minutes.

Public Comment – None

J. Staff, Committee and Member Reports

- Ms. Smith asked if D&H had anything to do with the waterfront survey going around. Mr. Uchytel said there is a survey out regarding the Marine Park Master Plan. Parks and Rec sent out a public notice about the master plan. Mr. Creswell and Mr. Sill have attended a meeting about this. D&H is not involved in the survey or solicitation other than our two employees attending a meeting.
- Mr. Uchytel will forward information about the bill for U.S. Coast Guard icebreakers.
- Next week at the Board meeting Ms. Larson will be going over the budget.
- Mr. Creswell said they are struggling to keep harbor potable water going during the cold weather. Even with heat tape, it is a struggle and the live-a-boards are his main concern.
- There will be no snow removal services on Sunday, December 25th, 2022.
- There are six piling left to drive at the Marine Park Deckover project.
- Dawson Construction is breaking ground soon on the new restrooms at Statter Harbor.
- The Aurora Harbor Phase III plans are coming along.
- Mr. Uchytel spoke about the MARAD Grants submissions for the Fisherman's Terminal and dock electrification. During the MARAD debrief he heard dock electrification will not be successful because the Port of Juneau is not a freight port.
- Mr. Dugan is filling in at the Aurora Harbor as the Operations Supervisor after the departure of John Osborn.

K. Board Administrative Matters – None

L. Adjournment – The meeting adjourned at 8:31 p.m.