MEETING NO. 2010-30: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 7:00 p.m. by Mayor Bruce Botelho.

I. ROLL CALL

Assembly Present: Jonathan Anderson, Mary Becker, Ruth Danner, Bob Doll, Johan Dybdahl, Merrill Sanford, and Bruce Botelho.

Assembly Absent: Karen Crane, David Stone.

Docks and Harbors Members Present: Don Etheridge (telephonic), Thomas "Tom"Donek, Kevin Jardell, Bernard "Bob" Wostmann, Eric Kueffner, Greg Busch, Jim Preston, John Stone, Michael Williams

Docks and Harbors Members Absent: Cheryl Jebe

Staff Present: Rod Swope, City Manager; John Hartle, City Attorney; Laurie Sica, Municipal Clerk; John Stone, Port Director; Phil Benner, Harbormaster; Heather Marlow, Lands and Resources Manager.

II. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – None.

III. SPECIAL ORDER OF BUSINESS

A. Joint Meeting With the Docks and Harbors Board

Mr. Preston thanked the Assembly for the opportunity to meet. He said that Mr. Stone would show a Power Point presentation and he would discuss each project listed, and would like to add a proposal from the owners of Fisherman’s Bend.

Mr. Stone presented information on Statter Harbor. In 2000, the Board began a long-term planning effort to address the variety of public uses in the Auke Bay harbor. We sited the commercial fishing loading, unloading, freight loading, and repair activities to the area just beyond the AMHS Ferry Terminal, which has relieved congestion in the area. It is apparent we have many competing users in a small area. In 2004-2005, DeHart’s Marina was offered for sale to the city. The Board determined this property would be a good addition to the plan. The Board adopted a master plan and we have been working on implementation since that time. Improvements include a recreational boat launch and parking in the area in front of Squire’s Rest. We would like to move all whale watching activity to a parking lot and ramp next to that recreational boat launch. The existing 60 stalls at DeHart’s Marina moorage would be replaced at two new floats closer to the existing harbor facility. There is also a fuel dock leased to Petro Marine for their operation that was in the agreement with the DeHart’s property, which would need to be moved to a better location. There is also a boat yard being used in this area now and users would like this activity to continue, so we have relocated this
and plan to take out the old boat launch and put in a hydraulic trailer. This is in general the master plan and there are different pots of funding available for the work.

Mayor Botelho asked where the plan is with regard to implementation.

Mr. Stone said the recreational launch ramp is in the NEPA process in order to obtain federal funds for the project. We are hoping to do a final EA in the next few months. We had 500 - 1000 comments on related issues with this project. We are doing everything we can to minimize the amount of fill needed for the project. The next stage is the whale watching launch and we are in the initial planning stages. The next step is meeting with Auke Bay harbor patrons next week to go over plans.

Mayor Botelho asked what funds are available for this project. Mr. Stone said there are some state funds and nothing else - they will be looking for funds.

Mr. Anderson said his interest is in public participation. He asked if there is any opportunity for public comment at this meeting tonight. Mayor Botelho said that would not take place at this meeting. Mr. Anderson said to the Board that it seems like the public input piece of the harbor planning is not working and the Assembly has received many comments. What can be done to improve this? Mr. Stone said that is one of the main reasons for next week’s meeting. The regulatory process drives many of the activities taking place and this system is technical and seems to disconnect the applicant from the public. Sometimes there will be several different public processes taking place, some permit driven, some board driven, some led by the Assembly, and it can be confusing. We hope the meeting next week will help the public understand how to stay dialed in to the process. Mr. Preston said that December 16 was chosen as a day that was available. We have had many people come to meetings, send us correspondence, and speak to us in person. December 16 may be premature from our position of presenting information, but it is not premature to listen to the public. We will have another public meeting on the project in February and March when we have firm plans, then we will be seeking funding when the plans have been refined.

Mr. Anderson said that even though the plan is not there, the public wants to have input into shaping the plan. He was happy to hear that things are not set in stone at this point.

Mr. Preston agreed, and said the Board has not made a decision on the configuration of the plans for Statter Harbor. Part of the enabling ordinance to purchase DeHart’s includes some of the required items and activities, however, we have not finalized anything.

Mr. Doll said he had a significant amount of email on the project and when CBJ bought DeHart’s, it appears that there were relationships between DeHart’s and the boat owners that people thought CBJ would continue to fulfill. One email said that the boat owner has a reserved parking space at DeHart’s and if that is the case, how will the Board address this. This boat owner asked about a locked gate providing security and wants to know how this will be addressed.

Mr. Stone said that when the agreement was negotiated, the owner, Mr. Deems, pushed to gain as many of the same benefits for his patrons as he had provided, and we have always said that we will provide replacement moorage, but the issue of having a separate marina was never part of the plan. The parking is available now, but it is in a boatyard, and will be moved to a better area. How we will charge for this will need to be determined. The harbor ultimately will be in
better shape and the congestion will be relieved. We have never gated any harbor area and this will be an issue for the Board. There will still be transient vessels at this harbor. We have not had many reports of theft and vandalism.

Mayor Botelho said that to reiterate the communications we are receiving, the Assembly has been told that there are agreements and obligations that were made. He asked what agreements were made.

Mr. Stone said we rebuilt Harris Harbor and changed it from a 300-slip marina to a 200-slip marina, and there was angst. The representation that was made was for public improvements. The sales agreement is clear and it states what we will do.

Mr. Doll asked if we are agreeing to provide moorage for current DeHart’s slip owners, and said we do not do this for anyone else. He asked what happens when the boat is sold or a slip is foregone. Mr. Stone said the standard is that the slip reverts to the city.

Mr. Preston said that the plan shows about 60 slips, but there may ultimately be 100 slips.

Mr. Sanford said that the estimated need is $3 – 5 million, and he asked how these funds would be sufficient to finish Statter completely. He would like accurate numbers. Mr. Stone anticipated those numbers would be presented in next year’s CIP.

Mr. Dybdahl asked what area was covered by the Environmental Assessment for the launch ramp, did it cover the whale watching launch area as well, and was eel grass shown in the picture how it affected the project. Mr. Stone said there is eel grass in the area. The Federal NEPA process is limited to the project that they will finance or fund, which is only the recreational marina. They will not do any commercial facilities. The footprint being discussed with the Fish and Wildlife Service is surrounding the recreational launch facility. The basic argument is how much fill is required to meet the purpose and need of the project, and there is debate about how much parking is needed for boats, vehicles, trailers, etc. There are configurations other than the one shown, approximately 20 different scenarios. We have been asked to look at a multi-story parking garage, remote parking with a shuttle, purchasing adjoining properties, and these all entail many details for each scenario. We did a lot of work measuring the launch ramps, how many users there are, and how long the users use the facility and we have good data. Based on that, we will do our best to show the federal government what is needed.

Mr. Dybdahl asked if the federal permittees have ever asked the Board to look into snow storage. Mr. Stone said no.

Mr. Preston said that the Board would prefer to have four lanes for launching, rather than two, but it is difficult to find the space.

Ms. Danner said that the plan looks very good and it is apparent that the Board is trying to address many needs, and it is in the concept stage only. If funding is available for the whale watching piece first, will that be done first or are there stages to this project. Mr. Stone said it would depend on the time of year, but the recreational boat launch and whale watching parking, staging, and ramps should happen at the same time.
Mr. Anderson asked about the location of the picnic shelter that was accepted from the Parks and Recreation Department by the Harbor Department. Mr. Stone showed the seawalk area and the anticipated picnic areas.

Mr. Stone presented information on Douglas Harbor. This area has soil contaminated with mercury and we have funding limitations on how we can treat the soil. Over the past three years, we have looked at many plans. One is to take the dredge spoils out of the harbor and deposit them in the middle of the channel (which has been done twice before) and cap the dredge spoils so it cannot be released. A second idea is to build an uplands fill with a beneficial use over time. A third option is to put the spoils in a landfill disposal, and it appears the only such facility that will take the material is in the lower 48. We are looking at these options and working with the regulators to get a good cost estimate to understand if we have funds to complete this project or how much additional funding would be needed. The disposal in the Channel wastes the fill. When we are done dredging the harbor, the bottom will be fairly high in mercury, so this would need to be contained (capped), and to do this means we need to dredge deeper, which increases the costs. We should have sufficient information by January to determine a direction to take. We have a $2 million state harbor grant, which must be matched by CBJ, and we are using the revenue bonds permitted, but these can only be used for moorage, so this is an issue. We could take all CBJ money and do the dredging, but we could not rebuild all the floats. It may be one direction to take. It has been a permitting challenge that we did not anticipate based on previous activity. The regulatory scrutiny has increased over the past several years and mercury has become a greater issue. It is only 30,000 yards, however, the mercury has elevated the project to a top interest of regulators all over the country.

Mr. Dybdahl asked how much of the material in the harbor is actually sediment that has flowed into the harbor and how much of the depth shallowing is caused by isostatic rebound. Mr. Stone said that isostatic rebound is not measured in Douglas, but in Juneau, and it is measured in the area at a little over one half inch per year. It has been 50 years since the harbor has been dredged, so he estimated about 2.5 feet of isostatic rebound. If you look at the tidal history of Juneau in the 40s a low tide was -1, and a year ago we had -6 tide, so the tides are changing. The edges of the banks slough in to the harbor over time, and road debris and storm waste grows over time, the vegetation grows under the floats which grows and dies, and 3’ mounds can be found under the floats.

Mr. Doll said he has a strong prejudice for shoreside disposal of the dredge spoils at Norway Point. This seems to make the most sense. Mr. Stone thought that would also make the regulators very happy.

Mr. Sanford said another upland site is the ledge to the left going out to the island, which could be used for parking. Mr. Stone said they have avoided placing any materials on the park side of the roadway, and they have considered walls, but it is a complicated way to use the material as the fill behind walls needs to be stable. More area is needed to spread out dredge spoils.

Mr. Preston said the Board was interested in going to the voters for additional funds for this project in 2010 and determined the plan was not ready, but the Assembly may see this request in the future.
Mr. Stone presented information on Project 16b for the downtown cruise ship port development and reviewed the intent to put in two floating berths and mooring dolphins, with almost the same berthing configuration, to allow for larger ships. There are many tasks underway. They are working with the Fisherman’s Memorial group and have identified potential alternate sites for the memorial if needed. Regarding Franklin Dock mitigation for situations in which a tug may be needed post-project, the Board has asked for a proposal from Mr. Stoops regarding costs. There will be more information on shore power and sewer feasibility studies in January. The sewer could work out very well, with limitations on the type of sewage. It could be very beneficial for the cruise ships. Power is more of a future issue. The type of mooring dolphins, the type of materials used for the floating berths, the ramps, are all under consideration now in cooperation with the cruise industry. We intended to have everything done by 2013, now it appears one berth will be available in 2013 and another in 2014, to ensure docking configurations are met.

Mr. Anderson asked how plans for the seawalk were proceeding and wanted to ensure that CBJ does not have to rip things down that CBJ has recently built. Mr. Stone said close coordination is required and he and the engineering director are working on an agreement to prevent our staff from getting sideways. Engineering is working on Marine Park, and it just takes communication.

Mr. Anderson asked the plans for potentially siting the whale statue. Mr. Stone said he has not been involved with this and the whale statue committee has talked with Engineering about their park planning.

Mr. Dybdahl asked for more information on the sewer system. Mr. Stone said Jim Dorn has consulted with Joe Buck from CBJ PWFC the possibilities. The information is being provided to the industry. At some point, Mr. Buck will be involved with agreements with the cruise lines on taking wastewater and what the charges are.

Mr. Doll said the Parks and Recreation Advisory Committee met and reviewed the whale statue issue and no location has been determined. The costs of siting decline as the location moves north.

Mayor Botelho asked about funding and capital projects. Mr. Preston said Aurora Harbor and the lift is also a project. The Board would like to talk money with the Assembly.

Mr. Stone provided information on the Aurora Harbor rebuild. He showed a plan that has been out in the public for a while, it has an $18 million replacement cost. We applied for a state grant for $2 million to do A float, and perhaps get into B float. That facility has not been designed for the size of boats in use there and we have structural failures, this is the priority. It is a previously-owned state harbor facility and these get priority over new harbor projects, so any CBJ funds can be matched by state harbor grants, if funded by the legislature.

Mayor Botelho asked who evaluates the priorities of the Tier One projects. Mr. Stone said state DOT has a scoring system similar to school grants and Juneau has done well in the past with the applications so they have a successful system.

Mr. Sanford asked the amount of the state allocation. Mr. Stone said it has varied in previous sessions, and he believes there is a preliminary amount of $20 million. The legislature is strongly in support of the program. The total price of the Aurora Project is $18 million, $2
million of CBJ Funds and $2 million of state grants are allocated, with $14 million remaining to be funded, half of which would be a state grant.

Mr. Stone recapped the funding sources needed for harbor projects:

- Douglas Rebuild - $1 to $2 million of general funds
- Statter Rebuild
  - Tour Float – Marine Passenger Fees
  - Dehart’s Floats – general funds
- Aurora Rebuild
  - $7 million of State Harbor Grant
  - $7 million of general funds
- Marine Haul-out Replacement – general funds

Mayor Botelho said there are many worthy claims on placing issues on the ballot. He asked the Board over what period of time would they like X dollars. Assuming not all funds will be available, how would the Board set priorities of the projects that need funding.

Mr. Preston said the Board would like to start considering replacement funds for all projects and all projects need work right now. Through all the Board committees, we are trying to determine which operation needs the most work now. The A and B Floats at Aurora are in desperate condition, and Douglas is in danger of needing to be closed due to safety issues. Projects become priorities because we cannot afford not to do some work. In the past, we have had a fund balance to draw from to make matching funds. We are near the end with that. We have match for Aurora and most of the money identified for Douglas without the dredging issues.

Mr. Doll supported finding alternate sources of funds. For all CBJ capital construction we need to do what we have the money for, rather than what the public seems to think is the most important. While we need the Aurora project now, we are working on Statter because there is money for that. This may or may not coincide with the public interest. It seems to be forced by outside agency funding. Mr. Preston said that seemed fair.

Mr. Anderson said the issue of all maintenance coming due at once is similar to the concern of the school district. We struggle with these issues. The School District can get 70% reimbursement from the state. We also are examining our debt position. We are OK, but it is increasing.

Mr. Dybdahl said there was a recent Harbor Convention in Anchorage and there was an exercise on a regional basis to take all the projects within a region to be reviewed and ranked. Do you know if this will be part of a future policy regarding funding? Mr. Stone said the information would be available for the Corps of Engineers and Congress to look at, without a promise for funding. He said a recent assessment was done and Statter ranked at the top, which surprised him.

Mayor Botelho asked Mr. Preston about the proposal received from Fisherman’s Bend, which was offered to CBJ at a price of $4 million, and what were the Board’s thoughts on this proposal.
Mr. Preston said that when DeHart's was purchased, the old timers on the Board continued to say CBJ should have bought it when the chance arose before. The DeHart’s purchase advanced the plan for Statter Harbor. It makes me think what we could do if we could afford Fisherman’s Bend. It may become extremely private and limited, and there are over 100 people mooring there. If they are all displaced, where will they go? It would be good to keep a viable marina there, but the price has been set at $4 million. We are not in a position now to make an offer back to them, as appraisals need to be made and are not budgeted for. If it were to be in CBJ’s possession, it includes a revenue stream of approximately $300,000 annually, which could cover basic operations and minor operations, but no major upgrades, which are needed.

Mr. Jardell said this goes beyond the board and is a decision for elected officials. The citizens are demanding more moorage in Auke Bay that exists and this is a supply that will most likely be lost if the city does not end up in ownership. The current market for moorage does not support capitalizing and amortizing your capital costs to the tune of building a new facility and covering operations and covering the profit margin. This will likely be sold to a private party and that marina will likely go away. If CBJ purchases this, the operations could likely be covered with the revenue, but the moorage rates would need to be increased to cover the capital costs to the point people would not pay.

Mr. Doll asked if Fisherman’s Bend has a travel lift and the answer was no, just a small boat sling. Mr. Doll asked if there would be any benefit to the city to take an option on the purchase. Mr. Jardell said that had not been analyzed.

Mr. Sanford said the DeHart’s situation was apparent and an integral part of the existing harbor. It made sense, and he hopes that this will eventually provide improvements for those moored at DeHart’s. Fisherman’s Bend divides the bay in half and allows for a private marina and the need is not the same. He said it was not a good or bad thing, but money is tight CBJ should be cautious.

Mr. Doll said Statter Harbor is the “money harbor” and in the long term was the direction for investment.

Ms. Danner said there is additional room for expansion at Fisherman’s Bend. Additional moorage could be added. Mr. Stone said Fisherman’s Bend has a CBJ tidelands lease and they did have a plan for expansion. We are working with the Corps of Engineers on a seawall to protect that area in 10–15 years, which would make the area more valuable and provide more protection.

Ms. Danner asked the difference in moorage costs between Fisherman’s Bend and DeHart’s Harbor. Mr. Stone said Fisherman’s Bend are 10–20% higher than DeHart’s.

Mr. Preston said the Fisherman’s Bend property owners will attend the next Docks and Harbors Board meeting, and the offer is out there. The Board wanted feedback from the Assembly and direction on how to proceed.

Mayor Botelho said the Assembly was not in that position to give direction at this point and the Board had heard the individual member’s comments. In the perfect world, this property could play a part in the overall management. The idea of striking when we have an opportunity will
be out there, but there are existing needs on properties that we already own, and for us to take on that load as well may be questionable.

Mr. Dybdahl asked if it were a perfect world and the property had been acquired, how would it affect the master planning for Statter Harbor? Mr. Preston said ideas had been discussed that if two floats were added at Fisherman’s Bend, then all the DeHart’s patrons could be handled.

Mr. Anderson said he is reluctant and does not see immediate virtue in pulling property off the tax rolls. Amazing things can be done given the funding, but he does not support going in this direction now.

Ms. Danner said that more resources require more staff for maintenance, which adds additional stress.

Mr. Williams said DeHart’s is in bad shape. Fisherman’s Bend is in better condition than DeHart’s and they have done some work on the facility. It is not perfect, but it is in adequate condition – it will need some work in five years. If we did look at an additional few fingers on that harbor, we would need a breakwater sooner than later, or the boats there would be vulnerable. It would be a huge burden with the existing staff.

Mr. Kueffner said the Fisherman’s Bend opportunity is an example of how sources of money and things that need to be done do not always match up. Opportunities arise and need to be considered. He said that he was not eager to see more harbors that needed maintenance.

Mr. Preston thanked the Assembly for the time to make the presentation and he would welcome another opportunity to meet with the Assembly as they gain more information on their projects.

Mayor Botelho thanked the Board for their time and work and he knows the Board takes its obligations seriously and they have a challenging job with limited resources. We may disagree at times, but that does not diminish the Assembly’s appreciation for the work of the Board.

IV. ASSEMBLY COMMENTS AND QUESTIONS: None.

V. ADJOURNMENT: 7:38 p.m.

Signed: ___________________________  Signed: _________________________________
Laurie Sica, Municipal Clerk  Bruce Botelho, Mayor