

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES
Thursday, November 10, 2005

I. Call To Order.

Vice-Chair Mr. Fisk called the meeting to order at 12:05 p.m. at the Aurora Harbor Office.

II. Roll Call.

The following members were present: Mr. Etheridge, Ms. Jebe, Mr. Knapp, Mr. Preston, and Mr. Fisk.

Mr. Kueffner arrived at 12:10 p.m.

The following members were absent: Mr. Dore, Mr. Simpson, and Mr. White.

Also present were the following: Mr. Stone – Port Director, Mr. McCall—Harbormaster and Mr. Dybdahl – CBJ Assembly Liaison.

III. Approval of Agenda.

Mr. Stone requested to add under Item VII. Items for Information/Discussion, two items, they will be Item #1 - Boat Break-in Update and Item #2 - Abandoned Boat Update.

MOTION by Mr. Knapp: ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS AMENDED. The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

There was no public participation.

V. Items for Action.

1. Miner's Hall Tideland Lease Rent Reconsideration.

Mr. Stone gave a short summary on this topic.

Mr. Stone said in general the rate had to be based on an appraisal. This would be considered the minimum acceptable rent.

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES

November 10, 2005

Page 2

V. Items for Action (cont'd).

He added that there are two parts of the rent. One is the appraised market value where the appraiser simply looked at the sales history in that area and from that derived a value for the tidelands.

The second part is the percentage that public entities use to determine the annual rent based on that market rent.

In general, it appears that the State of Alaska uses between 6 to 8% as a percentage of the market value for their leases. 6% is usually for long term leases such as the one we are doing.

This application was originally approved by the Board Members back on January 6, 2005. The interest rates have been steadily increasing since that time.

Mr. Stone said that he recommended two things, they are as follows:

1. Set the annual rent equal to the 5-year Treasury bond index at the time the application was approved by the Board. The 5-year Treasury bond index on January 6, 2005, was 3.71%. This means that the annual lease rent is \$13,861. (3.71% of the market value of \$373,629.).
2. City Code allows a lease rental credit when a lessee installs improvements that benefit CBJ. In this case, the applicant is required to contribute 20% of CBJ's cost to construct an adjoining seawalk. The Assembly should allow a lease rent credit for all or a portion of the required seawalk contribution.

Discussion followed with Mr. Knapp and Mr. Preston.

MOTION by Mr. Preston: MOVE TO RECONSIDER THE PRIOR MOTION RECOMMENDED TO THE ASSEMBLY ON THE MINER'S HALL TIDELAND LEASE RENT. Mr. Knapp seconded the motion.

Discussion followed with Mr. Preston, Mr. Fisk, Mr. Kueffner, Ms. Jebe, Mr. Knapp, Mr. Stone, and Mr. Dybdahl.

The motion passed 5 to 1 with Mr. Fisk voting no.

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES

November 10, 2005

Page 3

V. Items for Action (cont'd).

MOTION by Mr. Preston: MOVE TO AMEND THE PREVIOUS MOTION THAT WE RECOMMENDED TO THE ASSEMBLY. THIS WAS 4% WHICH EQUALED \$15,000., AND MOVE TO CHANGE IT DOWN TO 2% WHICH WOULD EQUAL \$7,500. Mr. Knapp seconded the motion.

Discussion followed with Mr. Preston, Mr. Etheridge, Mr. Knapp, and Mr. Fisk.

The motion failed 5 to 1 with Mr. Preston voting yes.

MOTION by Mr. Kueffner: MOVE TO ADOPT MR. STONE'S MEMO STATING THAT THE ANNUAL LEASE RATE WOULD BE \$13,861. (3.71% OF THE MARKET VALUE OF \$373,629.), AND THE CITY WOULD ALLOW THE FULL LEASE RENTAL CREDIT FOR THE 20% OF CBJ'S COST TO CONSTRUCT THE SEAWALK. Mr. Preston seconded the motion.

Discussion followed with Mr. Knapp, Mr. Preston, Mr. Kueffner, Mr. Dybdahl, Mr. Stone, and Mr. Fisk.

The motion passed unanimously.

VI. Items for Information/Discussion.

1. Boat Break-in Update.

Mr. McCall gave a short summary of this topic and handed out some paperwork to the Committee Members.

With the Board's concurrence, Mr. McCall will issue a Criminal Trespass Notice to Mr. Clay Calabrese as a result of continuous complaints and problems with this harbor patron.

2. Abandoned Boat Update.

Mr. Stone gave a short report regarding this topic.

Mr. McCall handed out some paperwork to the Board Members, and added some further information.

CBJ DOCKS & HARBORS BOARD
SPECIAL BOARD MEETING MINUTES

November 10, 2005

Page 4

V. Items for Information/Discussion (cont'd).

Mr. McCall added that the vessel in question had belonged to Ms. Katherine Hope and was named the Ragtime. She said that she had sold the vessel and the new owner was Mr. Dean Scharclain. However, he had never registered as the new owner with us. Currently the vessel is not in our Harbors but is abandoned and located on State tidelands near the bridge. It poses a hazard to navigation if a high tide floats it off the current tideland spot. All of the hazardous chemicals have been removed from the vessel.

The Board Members were all in agreement to have staff remove the vessel and have it disposed of as soon as possible to prevent any further problems.

VII. Adjournment.

MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO ADJOURN THE MEETING. The motion passed without objection.

The meeting was adjourned at 1:20 p.m.