

THE CITY AND BOROUGH OF JUNEAU, ALASKA
Assembly Committee Of The Whole Work Session

October 26, 2009

I. CALL TO ORDER/ROLL CALL

Deputy Mayor Randy Wanamaker, Chair, called the meeting to order at 6:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Jonathan Anderson, Bruce Botelho, Jeff Bush, Ruth Danner, Bob Doll, Johan Dybdahl, Merrill Sanford, and Randy Wanamaker.

Assemblymembers Absent: David Stone

Staff present: Kim Kiefer, City Manager; John Hartle, City Attorney; Beth McEwen, Deputy Clerk; Joe Buck, Public Works Director; John Stone, Port Director; Rorie Watt, Engineering Director; Skye Stekoll, Engineering Associate.

II. APPROVAL OF MINUTES

A. August 17, 2009 Committee of the Whole Meeting Minutes

MOTION by Mr. Doll to approve the minutes of the August 17, 2009 Assembly Committee of the Whole meeting; hearing no objections, the minutes were approved.

III. Solid Waste Update

Public Works Director Joe Buck and SCS Engineer Project Director Mark Rogoff gave a presentation regarding the Solid Waste Management Strategy. The packet contained a copy of the Power Point presentation. Handed out to the members, as a red folder item was a color copy of the presentation along with a memo from Mr. Buck outlining the steps they would like the Assembly to take regarding the Solid Waste program as well as a summary of the Assembly adopted solid waste management strategy recommendations from 2008.

Mr. Buck went on to say that they have hired a solid waste coordinator, Jim Penor. Mr. Penor has had 35 years of experience in the solid waste industry, the last 23 years of which has been with the City of Richland Washington as the Waste Management Supervisor. He has had a lot of experience starting brand new programs in solid waste and in collection and land fill operations. He is a very motivated and energized individual who is very excited about moving to Juneau. He and his wife will be moving up and his start date will be November 19 with the possibility of starting earlier.

Mr. Buck explained that they are working with Arrow Refuse staff on developing terms and conditions for an agreement for solid waste collection. They are hoping to have a draft document put together by the end of the year that they can present to the Assembly to consider. Their intent was to have that done

by the end of this year. Mr. Mark Rogoff is here to give a presentation to the committee on elements of the implementation of the solid waste management strategy, specifically to talk about what costs are involved for trash collection and for curbside recycling once they develop the entire program.

They are still planning on discussing a universal trash ordinance with the Assembly earlier next year, sometime around February. They are also looking at submitting an application along with Arrow to RCA for the transfer of the certificate of convenience and necessity for collection of trash.

Mr. Mark Rogoff, project director with SCS Engineers thanked them for having him come back a second time. Mr. Rogoff thanked them for allowing him to 'talk trash'. He has had 30 years experience in the solid waste business. He began in the public sector as a solid waste director and he implemented a solid waste program similar to the one that Juneau is looking at embarking on at this time. They basically started from scratch with no collection system, developed a landfill, transfer stations, billing system, and finally a waste to energy plant which has been in place for over 20 years now. When he was thinking about putting together this presentation, he looked at the recent solid waste strategy program that the Assembly went through last year. He looks at these programs as a jigsaw puzzle that has a lot of pieces and takes teamwork to put together.

When they were engaged about nine months ago to analyze the process, they looked at the CBJ plan and spoke with vendors who currently operate the system: Arrow, Waste Management, and Capitol Disposal. They spoke with the State, looked at permitting strategies, and went through a lot of information. In going through that analysis, they found six basic objectives to let them move forward on the program: The first step is to engage in the process to secure the RCA certificate which puts CBJ on the first path to control its own destiny in solid waste collection and to provide an opportunity for increased levels of service as it moves forward on the program. Looking through his experience over the past 30 years with 200+ communities across the U.S., he feels that by implementing a program like that, they can enable themselves to have a cleaner, greener, more sustainable community. It also provides an opportunity for cost minimization for the public. Lastly they can encourage public/private partnerships as they continue along with the program.

The first point he touched on was Integrated Solid Waste Management which incorporates various components of all the facets that communities use to implement solid waste management programs. Right now, Juneau has a collection program and a landfill disposal program. There is a little bit in recycling on a voluntary effort at the landfill but there is no curbside collection service. Thousands of communities across the United States have a curbside recycling program. Years ago, Juneau did have an incinerator. A lot of communities as part of their integrated system have a waste to energy facility which may or may not recover energy from the materials that are incinerated. Biological treatment, composting, things of that nature and materials recycling are other pieces. Right now, they only have a few pieces of the puzzle with a few of the facets of the program. As they move forward, they can incorporate the other pieces.

Currently Arrow holds the state operating license from the Regulatory Commission of Alaska (RCA). This has regulatory and administrative burdens having to do with accounting and budget issues with rate filings every year with annual reports and other submissions. This does place a financial burden that is generally passed on to the rate payers.

They did speak with the State and the transfer of the certificate from Arrow to CBJ could be easily accomplished with fairly limited costs on the part of CBJ. It may take several months, up to 6 months or so from the part of the city staff but could be accomplished with limited costs. It is the first step in putting in effect the solid waste management strategy. They have an option at that stage to decide whether to hold the rate stable, keeping them exactly the same as what they are today. They could keep them where they are until they begin to implement some of the other facets of the program such as moving towards automated collection, towards curbside recycling. By moving ahead on the RCA certificate, it doesn't mean that the rates go up or down, they could remain stable.

Regarding the Collection System, the proposal that Arrow has is to move from a manual collection system to a semi-automated collection program. It removes the back breaking labor involved in a manual collection system of picking up the garbage cans off the curb and putting it on the truck. There are labor savings but more importantly there are also safety savings involved. They recently did a study for a community who were investigating what it meant to go to an automated collection. They looked at their statistics for workers comp claims over a five year period and they were over 1.5 million dollars over five years for a small city. Some of the injuries were simple things like abrasions and fractures while others were fairly substantial such as people falling off trucks, injuries with cars and things that could be avoided if you could get the workers off the backs of the truck and just run the system with a single driver picking up the can or a 96 gallon container from the curb. There are a lot of benefits, not only with economics in the labor and cost savings but also with the worker safety issues. CBJ needs to consider as part of this system whether or not to go to a universal (mandatory) collection to see the full benefits of the program. If you go automated and only pick up every other home or every third home or you are only doing 75% of the city, you will really not see the full benefits of the cost savings from automated collection. It is almost part and parcel deciding to go through automated collection to go to universal or mandatory collection. It is almost essential and needs to be a key consideration.

If they do move forward with an automated collection program and start negotiation with Arrow to continue to run the collection system, it would require negotiation of a franchise agreement or an operating agreement. It would require negotiation of what the level of service is that the city requires. It could be enhanced levels of service. It could be going from once a week to twice a week collection; it could be buying the cans for the community, reducing the cost for the homeowners and relying on a 10-year guarantee from the vendor. The franchise agreement would require some negotiation as to what you define as customer satisfaction: 100% pick up, 99% pick up, if a pick up is missed, when does the vendor have to continue on and have to pick up.

Another issue is the bear proof container issue. The ordinance has certain requirements as to bear proof containers and/or containers that can't be placed out until a certain time. There are other communities in the U.S. that also have the same type of bear issues and he thinks they can be overcome.

Mr. Doll asked, given the variety of the layout of homes in Juneau, the distance from the curb, topography etc..., does Mr. Rogoff believe automated collection is possible.

Mr. Rogoff explained that it will have to be a combination and that is part of this whole implementation process and it may be that full automation may only apply to certain areas of the municipality. They may be able to go fully automated in certain areas of town such as the Mendenhall Valley but other parts of town with steeper topography such as the downtown area, it might not work in. They may have

to go to semi-automation where they have tippers on the back of the truck but that it would have to be a combination of what makes sense in the community. The other issue is that you may not go 100% right off the bat, they may go neighborhood by neighborhood to test out what works best and come away with lessons learned as you go along.

Another issue with the franchise negotiations would be to determine how you structure the contract with escalation clauses. What is included in that, do you allow the franchise holder to get an automatic escalation for fuel, CPI, things of that nature or would you have a stable contract over a number of years. There are a lot of issues to consider in that. The other issue is the landfill disposal rate with Capitol Disposal. The current number that he looked at is the tipping fee of \$120/ton at the landfill. That is the agreement that Arrow has with Capitol at the landfill. There are obviously issues with that.

Ms. Danner asked Mr. Rogoff to define tipping fee. Mr. Rogoff explained that the tipping fee is the rate at the landfill that is the price charged when someone delivers waste to the landfill. Usually it is a cost per ton if they do have scales. In a lot of communities, it is a volume based rate which is dollars per cubic yards.

Mr. Rogoff then continued his presentation explaining that another issue with collection is increasing service levels and giving a variety of different types of services to the community. By controlling their own destiny regarding collection, they can offer variable can rates. These are offered across the United States and are called "variable can" or "pay as you throw" programs and are widespread across the US in approximately 3,000 communities. What that means is that you can offer different rates for different size containers. An example would be different rates for a 96 gallon can, a 64 gallon can, and a 32 gallon can so that a senior citizen who generates very little garbage could subscribe at the 32 gallon container rate.

In speaking about implementing a Recycling Program, there are a lot of lessons learned in communities across the U.S. and he would recommend they go through a pilot curbside program as step one. That would mean picking various neighborhoods within the borough and they could decide whether or not within that zone or neighborhood if curbside recycling was mandatory throughout the neighborhood or it could be done on a subscription basis. There are obviously some issues dealing with that. In the system that Arrow is proposing in using automated collection trucks, changing from the typical truck that you see now in the neighborhood to what they call a packer truck. They could go to the automated collection and the second day of pick up, you can use the same truck to pick up the co-mingled recyclables that are in the can put out at the curb. That allows you to use the truck 5 days a week vs. only using it a few days a week. It saves on your cost of recycling and allows you to use curbside recycling program. The pilot program could also utilize the existing recycling facilities currently at the landfill. In a pilot program, you can have a dual program where there are a few small communities are using curbside recycling and also allow people to continue to bring their recyclables to the landfill recycling facility.

Mayor Botelho asked when you have a pilot program, how do you practically implement it in terms of determining a neighborhood, to what extent do you increase their rates or because it is a pilot program so you subsidize it, not only in terms of pick up but also in supplying the containers. What is the approach that doesn't lock them in? Some of the members of the Assembly feel strongly they need to go in this direction while others feel they need to really, truly have a good handle on the costs and that

they need to know it is only going to be an incremental increase. How do they avoid seeing this as “once we go here, we are committed”?

Mr. Rogoff said that you obviously need to reach out to the neighborhoods. There are probably neighborhoods that would like to have recycling right now. Mayor Botelho agreed that would be the case if they aren't charged for it so that is why he is trying to get some sense as to what his practical experience in implementing these programs. Mr. Rogoff said recycling is not free; there is a cost to it. It is costly to collect and process and send it to market. There is no free ride or zero cost unless you want to totally subsidize the program. Mayor Botelho gave an example of when you begin and only 73% of the neighborhood says they want to recycle but 27% says absolutely not. Does the government simply say it will be happening in this neighborhood whether you like it or not and by the way you are going to be paying extra because we are providing the service? That is a reality under the recommendations they have that they will have to face by December 2010 and will have to face those substantially before – what are the transitions?

Mr. Rogoff said that it is hard to say, as there is no free ride in implementing a curbside recycling program. There will be a cost to picking up the recyclables, processing and delivering them to the market. It can be subsidized if the recycling revenues that come in are pretty substantial. A few years ago revenues for plastics and metals were sky high, those revenues subsidized the programs for a number of communities across the U.S. Mayor Botelho said they have seen the ups and downs with the markets and asked if they have had a situation where a local government has simply said it is going to happen in Neighborhood X (using Douglas as an example since that is his neighborhood) and by the way Douglas, your billing is now going up \$10 or \$13 a month and that is just the way it is. Is that basically the transition they need to be expecting? Mr. Rogoff said that is probably the way it is going to happen.

Mr. Sanford then asked as a follow up in that vein, when in the process do they have to decide whether they are going to do a recycling program or they are going to go to waste to energy or they are going to go with gasification. There are 2-3 different proposals out there for this community right now that would keep the costs basically the same as what it is and they are talking about all these stepping stones, at what point do they finally make the decision and have an end direction for them to go in. If they are doing waste to energy or gasification, they won't necessarily want separation of the garbage or waste for recycling, you'll want to burn all of that to turn it into energy so you wouldn't be collecting it in the same way with the special trucks. You would have the same compacting trucks that you have now, except to just do it with one person.

Mr. Rogoff said the decision on the collection system doesn't really impact the waste to energy system at the back end. There may be materials that you could decide that you don't really want to recycle, that you would want to burn instead. Those could be eliminated from the recycling program. You could decide that the high BTU value materials such as plastics go directly to the waste to energy system instead of the recycling or landfill program. He understands that they are almost at the first step here; you can't even go to a waste to energy system since you don't have control your waste stream right now. The RCA process moves you into that arena to start to discuss those issues on whether you want to go to waste to energy or if you want to go 100% to recycling or what.

Mr. Anderson asked the Chair if he would be putting some boundaries on the goals for this discussion due to the other items on the agenda.

Chairman Wanamaker asked Mr. Rogoff if he could speed up the presentation and if anyone has questions on new issues, those could be taken up later.

Mr. Rogoff then discussed Universal Waste Collection. Arrow currently collects from approximately 6,500 homes and 1,150 businesses; by going to a universal waste collection it would increase it to an additional 1,250 homes and 115 businesses. One aspect of universal collection is the minimization of illegal dumping. Billing would be consolidated with other municipal facility billings already being done.

He then went on to explain the current set up with Capitol Disposal and how it might change with CBJ holding the RCA certificate. CBJ would most likely enter into a direct agreement with Capitol to provide landfill disposal. Arrow's contract with Capitol is 2-3 more years before it ends.

He also discussed a Waste To Energy (WTE) option if they wished to go that route. WTE uses normal household refuse as a fuel. Traditional approaches that have been in used in about 90 communities around the U.S. are burning it in a facility called a mass burn facility without any pre-processing involved. There are other facilities called modular facilities that are smaller scale similar to what Juneau had with its old incinerator but more modern and providing modern air pollution control devices meeting federal and state standards. There is a lot of energy recovery that could come out of the facility. A ton of waste going into these facilities generating 450-560 kWh per ton means that for the volume of waste that is generated within CBJ, you can generate about 1.5 to 2 megawatts of power which is pretty substantial for this size community. What you get out of it at the back is about a 90% reduction in volume and about 75% reduction in weight. It would allow the landfill to last longer and it is compatible with recycling programs. All the facilities that are currently being operated in the U.S. have very active recycling programs.

Mr. Anderson said they were told when the report originally came that to do a waste to energy program that everything they had would have to go into the incinerator, including all the recyclables and that they had to choose between them. That is what the original study told them.

Mr. Rogoff said he wasn't the author of original study but that it doesn't necessarily have to be that way. You definitely aren't burning the metals so the metals can be recycled. You can decide that you don't want to burn a lot of the plastics. Mr. Anderson said he thought it was because the volume that you needed to run through it to keep it running and not have to shut it down because the start up costs were so much that we literally did not have the volume of waste to keep it rolling.

Mr. Rogoff said you would need to make a decision on the size of the facility up front that you want to go whole hog as far as curbside recycling, pulling out a lot of those materials. Based on what he saw in that report, even if they did the best curbside recycling program in the world, you would only have a reduction of 25% of your waste stream. You would still have 75% of the material that would have to go to the landfill. You would have to decide the extent of the recycling program you want to go with, and depending on the model/size/volume chosen, it could be very expensive to run the recycling program. Mr. Anderson said he was just a little frustrated having different experts telling them different things.

Ms. Danner asked about the 10% ash left over, if that is considered a hazardous waste; how do they dispose of that; are there dioxin issues.

Mr. Rogoff said the ash is not hazardous waste and that it can be disposed of in the landfill. You would probably have to have a lined cell in the landfill under the state and federal EPA requirements. There would need to be a change in the disposal technology but it is being done across the U.S. Typically they have to be tested quarterly and all the results show that it can pass all the tests that the EPA has. He does feel that WTE is a viable technology if CBJ wants to go that route.

He went over the ratepayer impacts. The overall program costs typically break out into 50% each between collection costs and disposal costs. The current costs for three pick ups of 32 gallon containers is roughly \$22.96 per month and under a universal collection system would be \$21.81 per month with an additional amount of \$13.29 for recycling if there were mandatory curbside recycling.

Discussion took place regarding the current collection costs vs. the universal collection system plus the curbside recycling collection. Mr. Rogoff said there are a lot of caveats to the estimated rates given in his PowerPoint because nothing has been negotiated with Arrow at this time. It could end up to be significantly less depending on what is agreed upon. Additional discussion took place regarding the volatility of the recycling market and the Assembly will need to eventually decide what route they will want to proceed with, if they would be building a Materials Recovery Facility (MRF).

Mr. Dybdahl said he sees them getting bogged down in the details and numbers and doesn't see how they can even get there due to all the caveats. In looking at the action requested by staff, he doesn't see anything in there that they couldn't support. They have to take the first step anyway and even in the discussion about a regional solution, they still have to take control of the waste stream and so he could support moving forward with the staff recommendations.

MOTION by Mayor Botelho to recommend the Assembly action on the four items contained in Mr. Buck's memo. (*outlined below*)

ACTION REQUESTED:

Staff requests a motion of support from the Assembly for continuing development of the following program steps -

(1) Preparation of a draft agreement with Arrow Refuse for curbside collection of trash and recyclable materials for the CBJ. Submittal of a draft agreement to the Assembly for consideration by January 2010.

(2) Preparation of a draft ordinance on universal trash and recycling collection for Assembly consideration by January 2010.

(3) Joint application submittal by the CBJ and Arrow Refuse to the Regulatory Commission of Alaska (RCA) for transfer of Arrow's Certificate of Convenience and Necessity for solid waste collection to the City by February 2010. Anticipated transfer completion by August 2010.

(4) Development and implementation of a pilot curbside recycling program by December 2010.

Mr. Sanford said that when they discussed this a couple of years ago, they had three or four big goals they wanted to accomplish. One of them was recycling for sure, a second one was to combine the sludge/waste stream and the construction waste stream and any hazardous waste that we have to send out into one type of area to get rid of, and another was to try to start reclaiming the landfill. Another goal was if at all possible to do something with waste to energy. All four of these fit in to where we are headed but he is worried about doing too many things before making a decision on which direction they are going. Some of the things don't need to be done depending on which direction they decide upon and it ends up wasting our dollars by studying this and not getting to a decision point.

Mr. Bush said he concurs with Mr. Sanford's assessment, he does feel that these are consistent with just about any of the options they eventually decide upon and they may not end up with a pilot recycling program by Dec. 2010 if they would decide to go with an waste to energy alternative sometime in the interim but he doesn't think that beginning to plan for the development for it at this stage is a bad thing. If they do decide to go with recycling as the answer it would be good to keep going in that direction. He is supportive of the motion but he also agrees that they need, as a body, to start working directly on the issues on what direction they are going to take. There are at least two and possibly more directions they can take and they need to decide quickly which one they are going to take as it will have serious impacts all the way down the line.

Mayor Botelho said he also agrees with the comments by Mr. Sanford and Mr. Bush and that it strikes him that this discussion should probably wait until the Solid Waste Coordinator is on board and they have the benefit of his expertise. That might suggest setting aside a significant block of time in December or January as some of these events are coming up to devote three or four hours to slugging this out.

Hearing no objection, the motion was approved.

Mayor Botelho asked if they might amend the agenda to take up the Docks & Harbors item.

Chairman Wanamaker asked if there were any objections to that agenda change, hearing none, the agenda as amended was approved.

IV. Harbors Dock Proposal and Request for State Funding

Jim Preston, Chair of Docks and Harbors Board, spoke about the board's recommendation for the 16B dock proposal. Mr. Preston said that when he was first appointed to the Docks & Harbors Board seven years ago, at the very first meeting he went to of the CIP committee; they were talking about this very issue. During the course of that time, they have looked at many renditions on which way the cruise ships should go, including Gold Creek and others and this is the one that makes the most sense. This is the one that is able to deal with the security issues that the Coast Guard keeps bringing up at meeting after meeting. This is the one that meets the Seawalk needs. This is the one, coupled with the conceptual plan for funding; they can actually do and get constructed within the next five years, seven years in planning with it being another five years in having somebody actually open the gate to it saying here it is. It is also the one that makes the most sense for this community. He urged the Assembly to adopt this plan so they can go to the State and tap into some of the money that is sitting there waiting for them to have that is specifically for this exact kind of project.

Port Director John Stone introduced Captain Ed Page who did the navigation study. He also recognized that most of the Docks & Harbors Board members were present in the audience. John Stone then proceeded to go through his PowerPoint slide presentation.

Ms. Danner asked for clarification on Mr. Stone's comments as to whether they are talking of berths or talking about the actual passengers. Mr. Stone said he was referring to the rate of capacity for the number of berths on the boats. Ms. Danner said she was interested in finding out the actual number of passengers. Mr. Stone explained that they are commonly oversold so the actual number of passengers usually is the equivalent of the number of berths available on any given ship.

Mr. Stone then went over the Juneau Existing Conditions. They have four berths, three of which can accommodate Panamax vessels up to 1000 feet long and those are the Alaska Juneau Dock, the Franklin Dock, the Cruise Ship Terminal and then the Alaska Steamship Dock handles vessels, usually the 720 foot vessels call there, with one exception of a 760 foot vessel.

They started this analysis in 2000, because at that time they felt they needed to have four berths that could accommodate ships up to 1000 feet. They still feel that way. Their sister ports, Ketchikan and Skagway, accommodate four vessels up to 1000 feet. Over the past nine years, they have looked at many alternatives and these were the alternatives most recently under discussion: the Gold Creek Dock, the Merchants Wharf/Goldbelt Dock, and a modification of the city's Cruise Ship Dock. They did a navigation study of all these dock alternatives and the genesis for that navigation study was comments made to him by the Army Corps of Engineers. When he spoke with them about permitting cruise ship dock improvements in Juneau they felt it was necessary in order to permit any dock alternatives that they do a navigation study of Juneau Harbor. After that, they contracted with the Marine Exchange of Alaska and they got them on contract to do a navigation study which they have been conducting over the course of the past two years. Basically, it was a several step process. They interviewed all of the port users with a survey, showed them all the alternatives under consideration and asked for their comments on those alternatives, pro/con, does it impact their operations, what could they do to make it better. The second thing they did was to look at historical vessel tracks into and out of Juneau Harbor. They had a public hearing on this issue and then they did a computer simulation. They went down to the Pacific Maritime Institute who has a model of the port of Juneau and they invited pilots and captains to that computer simulation exercise. They drove large cruise ships into and out of the proposed berths and made comments. Basically, in general terms, from a navigation impact standpoint, Gold Creek has the least impacts to operations to the port. The Merchants Wharf location has the highest impact to the port. The pilots recommended that if they do pursue the Gold Creek alternative, that they gain additional wind information to enable it to be modeled better. And that they also get current data as there isn't any information on the currents in the location but there has been anecdotal evidence presented by people who docked there before that there is quite a bit of current in that area that could affect coming and going into that dock. On the Merchant's Wharf alternative, generally speaking, they know it eliminates the emergency anchorage in the port and they believe that will cause problems in the permitting with regards to Coast Guard approval of the permit. With the CBJ docks, they know they have a potential impact at the south end of the cruise ship terminal, when a vessel is in port and a vessel leaves the Franklin Dock with high winds, it is possible they may need tug assist during that period of time.

Mr. Sanford said that all this stuff shows, with some work on the part of CBJ, further communications with the Coast Guard and the different players, is that any one of these could be done with adjustments to our port and asked if that isn't true.

Mr. Stone said probably with the only potential problem being Merchant's Wharf and what stance the Coast Guard takes with respect to the emergency anchorage and not having a berth project into the port. That may only come up with regards to the Clean Water Act Permit in reviewing alternatives that are available to CBJ when you are getting that permit. They may force you to look at other alternatives than that one.

Mr. Sanford said in his mind, even that one could be addressed. There are other places a ship could anchor in an emergency situation and in fact, you probably don't want them anchoring in the middle of your harbor if there is a true emergency aboard that ship. It seems to him that the navigation study gave them a lot of good input on the pros and cons but they are all things that could be worked out with negotiations with the appropriate authorities and with the other users of the port. If they were looking at an overall broad perspective of the port instead of just a part of it, they would possibly be making another decision.

Ms. Danner said this is the one place where she has seen the Franklin Dock as possibly needing a tug assist. She said she is assuming that the 18 scenarios included here that there were other scenarios that had been done. Mr. Stone said that was all there were. Ms. Danner said she didn't see which one of them referenced tug assist for Franklin and yet it was referenced in a letter from a cruise ship company as well.

Mr. Stone said that was the opinion of the people who did the navigation study. There weren't any scenarios with tug assist. Ms. Danner said given the feedback from the people doing the scenarios, Franklin Dock was not one that needed a tug assist. Mr. Stone explained that was the opinion of the pilots and captains who did the navigation study. It is really a risk management strategy, if the case that in most instances the vessel could get out of there but it may be prudent to bring a tug in to have it available to reduce the incident of collision. Captain Ed Page said that the only scenario where a tug would be required is the Gold Creek scenario because the vessel simply didn't have enough power to get off the dock. Every other scenario was able to be done without a tug boat but the pilots said that they would be more comfortable and feel safer if they had a tug boat to give another margin of safety in the event that power is lost or other power issues. In no case was a tug ever in a simulation where it was tied on to a vessel.

Mayor Botelho said his question is a variant of Mr. Sanford's question. That was that anyone of these alternatives working with these appropriate parties and the regulatory agencies probably could work. His question would be to the flip side. If there were objections to any one of these proposals and sought to block them in a regulatory process, how would they rate them in descending order of regulator block because someone was opposed to a proposal. Mr. Stone said for navigational purposes only, with environmental issues being a whole different matter that he could address later, he would rank them from most likely to be challenged down to the least likely: Merchants Wharf, Gold Creek, and then the City's Dock and that is not to dismiss what Ed just discussed on the Franklin dock. Regulatory challenges would be a whole different matter.

Mr. Stone then showed the slide of the Docks & Harbors Board Recommendation Proposed Dock Project – 16B. They took the Steamship Wharf berth and shifted it as far possible towards the existing dock face of the Steamship dock and basically did that to enable the float plane operation to continue to function the way it has. When they started off, they had the berth further off shore and that impacted the float plane operation and based on the navigation study, they shifted that in so that it doesn't impact the float planes coming into and docking up at the float plane operation. The proposal is showing two floating berths with piles which looks very similar to what can currently be seen at the Alaska Juneau dock. It is the same set up. The proposal removes the Marine Park lightering float and they are replacing the operation of that float with a new floating berth and some of those vessels would have to move to the Intermediate Vessel float. What it does gain them is the ability to construct an unimpeded Seawalk over to Merchant's Wharf. Currently that isn't possible due to the gangway. They would take that gangway and use it for another floating berth, it is 117 feet long. They would construct a new dock section where the security gate sections would be to allow them to get rid of all the yellow fencing currently being used. They would have complete Seawalk on the docks with no more yellow fencing down the middle of it. They would take the transfer bridge from where it current is up to the Cruise Ship terminal floating berth and then construct deck infill area which would give them unimpeded Seawalk in that area where there is basically a hole in the area of the transfer bridge. There is a proposed small vessel float where they would conduct lightering. They had approximately 27 lighters this summer. They think there is likely to be some in the future the way things are going but that would provide a secure access point for the lightering activities. They currently do lightering at the intermediate vessel float and that is somewhat of a conflict with the other uses there. That would free up space at the intermediate vessel float where they service luxury yachts, some tour operators, and fishing vessels. That is basically the recommendation from the board before them this evening.

There are other projects currently in process, a new customs office, port office and they are looking at redoing the lot down by the tram to function better with the types of vehicles and vendors that they currently have there. He then went over the slides covering the basis for the board's recommendation and the local funding breakdown and the finance plan. The Local Funding Match slide was one that he added to the show earlier in the day and wasn't in the original copy of the slide show contained in the paper packet. The total cost estimate is \$40 million. They believe that they can get up to \$10 million from the State Passenger Fees but it would need everyone in the city to be behind that, especially the Assembly so the legislature knows they are trying to get the \$10 million. They propose that \$4 million would come from the Dock reserves. Port Development Fee appropriations would add up to \$6 million that would give them the balance of the \$10 million local funds.

Mr. Dybdahl asked where the \$4 million reserve under the Dock Reserves comes from. Mr. Stone said they have been building it over the past few years out of the port maintenance fee. They have been anticipating a large construction project of this nature so they have been building up money of this nature in the reserves to help finance it.

Ms. Danner said there was a \$2.5 million appropriation from the State Legislature last year and she asked where that was at. Mr. Stone said that it is currently being used in the Visitor's Center/Cruise Ship Terminal project. Ms. Danner asked what the \$10 million local fund match comes from. Mr. Stone explained that was outlined in the Local Match Fund slide. In the reserves, they have \$4 million and over the next few years with appropriations, based on the history of the way the Assembly has been appropriating money to the Docks and Harbors, they would end up with another \$6 million by the time they build it and expend money.

Mr. Dybdahl asked how much of the \$40 million addresses the dock rehabilitation needs. When they spoke about what needed to be done to the existing infrastructure, it would cost \$15-\$18 million. Is that still in the ball park as part of this \$40 million? Mr. Stone said that by doing this project, they don't need to rebuild what he is referring to so they would avoid that cost. Basically, another part of this decision is that the docks they currently have, the places where the cruise ships tie up, the actual bollards and fenders are near the end of their useful life and they will need to either replace them with like kind or higher capacity or build new docks and that is estimated to be about \$15 million. If we do alternative 16B, they don't have to replace the fenders and the tie up points along the existing docks. Those would be surplus. Mr. Dybdahl then asked if there is an estimate that the 1800 feet of Seawalk, would be additional Seawalk money, would something be done to it or would it be just as it is. Mr. Stone said it is entirely up to the Assembly, it is functioning just as it is. It is a wood surface but it is in good shape.

Mayor Botelho asked that assuming they were able to obtain \$10 million in funds from the State in this next fiscal year, what is to prevent them from seeking additional funds in out years and allowing as a result a chance to accelerate construction of the project. That gives them a couple of options, one is acceleration and the other is looking at the amount of a local revenue bond obligation. Mr. Stone said there is nothing to prevent the Assembly from going over year after year from what he sees. The city of Ketchikan does that each year and that is how they have been able to finance their cruise ship docks in the most recent years. Mayor Botelho asked if there was anything conceptual from his point of view that would prevent them from seeking additional monies. Mr. Stone said he would expect we would. Mayor Botelho said he wondered if that is something that the industry itself might find attractive since they have already paid in. Mr. Stone said the Assembly has the letter from the industry and it doesn't look like they are very excited about the plan being recommended but that he would think that if there is anything that would reduce fees it would be something they would be happy about.

Mr. Anderson asked a question of staff regarding the Port Development Fees. He said he recalled they were initially used for the Marine Park deckover which got temporarily extended, then changed and raised and the last time it came before the Assembly, there was some extension to it that he opposed. He said he doesn't recall if that got put in permanently or whether there is a sunset on it or it is temporary or what, he can't recall. Mr. Hartle said he couldn't recall either but that he could find out and get the answer to them the next day.

Mr. Sanford asked Mr. Stone for clarification about the local revenue bond for \$20 million, that it would cost \$2 million per year which would come from the existing dock fees at \$0.5 million year and \$1.5 million on existing passenger fees. He asked what the existing dock fee was. Mr. Stone said it is the 5.5% tonnage fee that they charge. Mr. Sanford said it would then have no increase to industry from what they are already paying in taxes and fees. Mr. Stone said that is correct that there is no increase from what they are currently paying. Mr. Greg Fisk, Vice-Chair of the Docks & Harbors Board, said that they tried really hard to heed the industry's request in that regard. The \$4 million is sort of their down payment; it is a crude estimate of the 5.5% tonnage fee. It is funds that they have been collecting. They have that there for emergencies in case of damage to the docks and they haven't had any major damages so they now have enough to help kick off a large project and basically take care of that long term maintenance issue.

Mr. Anderson asked when they were projecting \$6 million contributed by that, how far was that projecting out the port development fee being collected. Mr. Stone said that was out to 2014.

Mr. Dybdahl asked if the \$4 million is restricted to the downtown cruise infrastructure. Mr. Stone said that was correct. Mr. Dybdahl said that in Mr. Stone's memo to the Joint Docks & Harbors/Assembly Committee, he had listed navigation as just being one factor and that he had listed six other factors that needed to be addressed when selecting an alternative but he noticed in the presentation, there wasn't any addressing of the traffic congestion or land use management which had been listed in his previous memo. Mr. Stone said with regards to land use management, certainly the Waterfront Plan is the CBJ land use management plan with regards to cruise ship tourism in this area. The alternative that they are showing tonight is the one that has been approved in there; it seems to be consistent with the land use. The second is that they are staying within the existing tourism area and they aren't trying to go into an outside area that hasn't already been impacted. With regards to traffic, they are in the midst of doing a re-ordering of the area down by the visitor's center/tram parking lot. They hope for more efficient use of that lot with regard to parking and traffic. Each floating berth will increase pedestrian use of the area. They are not proposing any changes to that area. In general, they did a traffic study in that area and generally most of the problems encountered were with the functioning of the cross walks, in our inability to get people to use cross walks and then managing those cross walks. That creates a lot of vehicle delay so they will be coming forward with some recommendations for new cross walk locations, and some suggestions on how to make those work better – that is part of the study they are currently doing. Mr. Dybdahl asked how many more people they will then be dumping into that area if they have the two panamax ships over what they currently have. Mr. Stone said the area at the south end berth would remain generally the same. Right now the number of people coming into the north end berth would be increasing from 1200 to 2000 passengers in those ships so an increase of approximately 800 people on each one of those vessels. Mr. Fisk also noted that the total passenger load wouldn't be that much of an increase as it would reduce the amount of lightering so the total amount of passengers overall isn't going to increase by any sizable difference. Mr. Stone said it would be just servicing them better.

Additional discussion took place regarding the numbers of passengers at the public vs. the private docks and how many passengers are anticipated on the proposed docks.

Ms. Danner stated that she had a number of questions regarding the details and wanted to know procedurally if they need to have all the details in place before they determine which plan to go with. Mr. Wanamaker explained it will be up to the committee to decide what type of action it was comfortable with taking, if any, and that it could either be moved forward or referred to another committee, such as the Assembly Finance Committee for additional work, or if it was to remain with the Committee of the Whole for additional review.

Ms. Danner asked questions about congestion around the intermediate dock area, if there is a large yacht on the dock at the channel side and then there are commercial fishermen coming into the Taku Smokeries facility, and then there are lightering vessels coming in on the inside portion, have they identified any congestion concerns with that area. Mr. Stone said yes, they have looked at that and actually the main concern would be bow thruster movement when ships are leaving and that is something that they are looking at to see if it will be interfering with any of the ships that would be at the intermediate vessel float. Mr. Stone said the typical busy days for that dock are Saturdays and

Wednesdays and the people who use that area are very experienced mariners and they don't anticipate many issues with that area. Ms. Danner also asked about the fish waste that comes out of the Taku Smokeries area and what becomes of that waste and how it can be dispersed when the thrusters are in use. Mr. Stone said that the thrust wall does not go to the bottom, it is only at the tidal level down to the level of the bow thrusters so it isn't going to get down to the bottom where the outfall from the fisheries is at. Ms Danner said there is a dock between the two docks, where it says moorage float additive alternate and she asked what that is for. Mr. Stone said it is an additive alternate as a potential location for the group that is trying to bring the Storis ship as a floating museum. The ship would come in and stay, only going out every few years for servicing. There would be a little dock section with a gangway and a float and the Storis would be tied up there.

Mr. Anderson asked about the letters in the packet from Mr. Stoops and Mr. Day about navigation at the Franklin Dock and difficulties imposed by this particular configuration and assertions that it would cost \$5,000-8,000 per berthing more because of this and asked if he could respond to their concerns. Mr. Stone said he would think to the extent that they would economically harm them, they would need to compensate them, he has offered to sit down and discuss that matter with them. Generally the board's thought was that there are situations now where they are using tugs and this past summer, they may have had one there. In the future, they would need to look to see if this causes them to use tugs more than they historically have and to the extent that it does, he thinks they would have an obligation to try to make sure they don't suffer any economic harm. Mr. Stone said he isn't sure about the cost that he would need to check with the stevedores to see what that cost is; it looked pretty high to him at the estimate given. Mr. Fisk said he just hired a tug in Ketchikan, one that is also used in assistance with cruise ship moorage and it is about \$1000/hour with the fuel. He isn't sure what the call out rate is for the one in Juneau, it may be higher as it is a bigger tug but that is the range, so he thinks the estimate is high.

Mr. Doll said that aside from the financing, that impact on the use of the Franklin dock is the only other significant consideration that he sees in this entire proposal. That is a tough one to deal with because what is being implied is that the thrusters that are available for most cruise ships aren't adequate to get off the dock under certain circumstances. He said he thinks they need to wrestle with that one in more detail as there are a lot of questions that occur to him in that regard. If they are going to accept Mr. Stoop's statement that it will result in additional costs to Princess, he thinks they need to pin that down more than they have already.

Ms. Danner then asked additional questions regarding the designs of the floats, life expectancy, corrosion, maintenance over time, collision damage, provisions for future shore power and sewage connections, and the survivability of a hundred year storm like the Thanksgiving 1984 storm.

Mr. Stone answered that the design is the same as what is in place at the AJ Dock but while they have a steel floating berth, they are more inclined to go with concrete. The life expectancy of a concrete float would be approximately 40 years. As to corrosion damage, concrete would be minimal, piles are always a concern with maintenance over time having little maintenance over the first 20 years and then approximately the same costs after that. Collision damage is under maritime law and this proposed dock would actually be much safer. Regarding the shore power and sewage connections, that is something they could look at during the design phase but it is not something they have looked into yet.

With respect to the hundred year storm, he didn't see it as a concern and in fact felt it could be considered a breakwater for the shore area.

Additional discussion took place regarding any additional revenues generated due to the larger ship capacity. Mr. Stone said the number of passengers would remain the same and it would be up to the ship companies themselves on how they want to allocate their berths. You are basically looking at an increase in the tonnage fees and the amount per foot charge. Generally they want the bigger boat in a berth.

They continued to discuss some of the details and the general implementation timeline. They would look at doing construction during the winter 2013/2014 and have it ready to go as of the tourist season of 2014.

Mayor Botelho asked for clarification that this is for possible state funding and asked where they are on the next "Go" or "No Go" decision on 16B for the Assembly if they were to give a signal as the Committee of the Whole that they adopt the concept of 16B. What are the next choke points where they need to make decisions or could make decisions that say that they may be heading in the wrong direction. Mr. Fisk said if legislature doesn't appropriate the funds they ask for, that would be a major "retrench and rethink" point. Mr. Stone said there are a lot of people in the public who would want to comment and he would advocate having a comment period or a meeting to allow people to present public testimony on this as it is an issue of major community importance.

Mr. Sanford said getting back to the basic economics of it all, the cruise line industry is looking at lower numbers than what we are at right now coming into our ports. Whether it will stay that way for two years, some of that being the economic factors around the world but supposedly those are rebounding. He asked why they think it is good to start this now instead of putting it off for another 2-3 years and wait until they know what the rebound is and when it is actually going to take place. Mr. Stone answered that there are a couple of good reasons. 1) They have a good shot at getting \$10 million from the state and they have a good shot at getting an additional chunk of money the year after and that is a substantial percentage of what this plan will cost. 2) The berths out there have to have some work done, and they need to decide in the next few years whether they are going to rebuild the existing or build a new dock. 3) It will take at least 5 years from when they begin this process to get it built and they would anticipate the cruise lines to be rebounded up to at least where they were.

Mr. Fisk said they are looking at 40-50 year infrastructure here and that this is an opportune time to begin work on these projects as they have a host of other issues to address such as security and others. A rebuild of the existing docks doesn't accomplish that. It also wouldn't address the goals of the Seawalk and other issues and this project addresses all of those things and they have tried to consider all of them in a comprehensive manner. If you look at cost of materials now they are at good rates, they think the construction companies will be hungry for work but don't know how long that will persist into the future as the economy comes back but if we start today, he thinks they would save substantial money from what they might have paid 2-3 years ago. They are also looking at this as a long term infrastructure investment.

Mayor Botelho said that at the appropriate time, he would suggest staff draft a resolution to adopt 16B as a conceptual alternative and to use that resolution as a vehicle to get more public input. He has

questions for the industry and also thinks that Mr. Stone's suggestion that they get public input is important and it seems to him that the vehicle to do that would be a resolution before the Assembly. He also said he would suggest doing that in a timely manner which would allow them to queue it up prior to the legislative session.

Additional discussion took place regarding the where, when, and how to take public testimony and if the Assemblymembers were ready to move this out of the Committee of the Whole to the Assembly. It was decided that this issue would be brought back to the next Assembly Committee of the Whole meeting on November 9 to receive comments and to take testimony from the industry and other stakeholders on this or any other proposals for the dock project. Mr. Anderson said he wouldn't be available to make that meeting but encouraged the body to proceed without him due to all the other calendar conflicts between now and January.

A number of Assembly calendar issues were then discussed.

Mr. Doll brought forward the need to set a date for the Full Assembly sitting as the Human Resources Committee to interview applicants for the Hospital and Airport Boards and the Planning Committee. It was decided to set it for Monday, December 7 in place of the Committee of the Whole meeting with Mr. Bush calling in from Anchorage for that meeting. A Special Assembly Meeting for the purposes of making appointments to those board would immediately follow the HRC meeting.

Mr. Anderson said another issue he had was that the Joint Meeting of Assembly with the Goldbelt Board and West Douglas Development Working Group on Wednesday, November 4 conflicts with his teaching schedule for the fall. Mr. Bush also mentioned that he would not be in town on that day. Ms. Kiefer said that they will try to reschedule but would need to consult with the other parties participating in that meeting. She encouraged members that if their availability times were not reflected correctly on the Assembly leave calendar, to please get those dates to the Clerk's office right away to enable us to set a new meeting date.

Chairman Wanamaker called for a recess from 8:20 – 8:25pm.

Ms. Kiefer requested that the next agenda item to be considered would be the Transportation Center Art Recommendations since we had staff present for that and to move the Capital City Forum Issues for later in the meeting.

V. Transportation Center Art Recommendations – Rorie Watt

Mr. Watt explained that this was a long process. They brought projects before the Public Works & Facilities Committee (PWFC) and there was some ambivalence at the PWFC and some additional projects were brought back to them. There was strong sentiment from the PWFC for the project to stay within the budget and they considered the Art Committee's recommendations, the comments from the Planning Commission, and discussion on the project's budget. The Art Committee picked a number of projects initially and about the location of the crane on Main Street, they picked two projects with the first thing being a metal screen that would go along the canopy as first priority. The first priority above the screen is a series of images that cascade down and the name of the piece would be "Precipitation" and those images would be of historic, cultural, economic issues that have affected Juneau. The details of what are on those issues are still up in the air. They distributed a color page of some of the suggested images. The second piece to this would be below the canopy at pedestrian level, a view of downtown

Juneau from Douglas with LED lights embedded in the panel lighting it up at night. It would be the Juneau landscape and below that. The next piece that came out of comments and questions at the Planning Commission to have somewhat of a statewide theme and the idea was that there would be painted metal mountains below the canopy and those mountains would reflect mountainscapes from around the state. This was the art committee's first recommendations. They are both focused on the parking garage, not because they favored the parking garage but that the best proposals that came in were for the parking garage.

They also felt that it was important that art be extended to the Transit Center as well. In working through committee, they came back with two more art projects. There is a process by which you can either etch or paint the inside of your glazing with artistic images that would show historic bits of Juneau and it was thought that landscapes would be better than portraits as portraits could be considered controversial or magnets for vandalism. They looked at historical photos from the Alaska State Historical Library of the actual site of the Transit Center/Parking Garage. They would actually be 10 panels, each 5 feet wide and would allow for an open but secure feel to transit center.

[Mr. Doll had to leave the meeting at 8:34pm]

Other art projects considered included glass panels that would be sculpted or painted with mural three dimensional blocks in the stairway. Staff was somewhat concerned with the contemporary nature of it and suggested something more historic or thematic and the artist provided local and statewide images with an Alaska theme. The art committee didn't really like those but rather the initial modern cubes configuration. The Art panel felt it important to link thematically the transit center and the parking garage. The Planning Commission echoed that and in their comments they said that they liked all the art concepts and thought that additional money should be allocated to the art project, or if additional monies was not allocated to the art budget, the Commissioners wanted the Assembly to know that they felt it important to have art equally funded in both structures within the Transportation Center project.

Mr. Watt's recommendation was to keep the projects within the budget for the project. He would recommend the glass etching around the transit center and do the precipitation and Juneauscape and if there are excess funds that they could add some of the other proposed projects. He said the mural has its issues and it could be painted at any time so there is no opportunity lost there. The mountains are mounted onto the structure and the Assembly could decide that later if they wanted to and felt they could fund.

Mayor Botelho asked what the additional cost of using the same glass etching on the two other stairwells, as it would strike him as having a consistent theme running in the two structures. Mr. Watt said it would be approximately \$75,000 as it is approximately \$5,000-6,000 per panel and the approximately the same number of panels between the Transit Center and the garage. Mr. Watt said the decision time on the glass is getting near. The Art Panel's recommendation was glass at the Transit Center, then mountains on the garage and then at the last, glass at the stair towers.

Additional discussion took place regarding the location of the pieces, the timing of the various pieces and when decisions to include or not include them might have to be made.

MOTION by Mayor Botelho for the Committee of the Whole to recommend to the Assembly the priorities identified, that is the etched glass for the Transit Center, assuming that the second paneling would be the second priority, beyond that would be the mountainscape. *Hearing no objection, motion carried.*

VI. Update/Review of Capital City Forum Recommendations (*This agenda item was not taken up during this meeting – it was decided by Mayor Botelho that this topic would be discussed at the Assembly Retreat.*)

VII. COMMENTS AND QUESTIONS

Ms. Danner notified everyone that there will be a meeting of the Affordable Housing Commission on Tuesday, October 27 at 5:15pm at the Mendenhall Library.

VIII. ADJOURN – Chairman Wanamaker adjourned the meeting at 8:47 p.m.

Submitted by Beth McEwen, CMC, Deputy Clerk