



A. CALL TO ORDER

The Chair called the meeting to order at 5:03 pm.

B. ROLL CALL

- Board Members Present:** Grant Miller Trevor Harang
Charles Horan Chris Fondell Lowell Frank
- City Staff:** Jim Dinley Dan Jones Scott Brylinsky Theresa Hillhouse
- Others Present:** Gary White Linda Wilson
Verne Culp Dorrie Farrell Ann Wilkinson Fred Reeder
Hugh Bevan Nancy Cavanaugh Jack Ozment

C. REVIEW OF MINUTES –June 19th, 2008

MOTION: M/S Harang/Fondell moved to approve the minutes of June 19, 2008.

ACTION: Motion **PASSED** unanimously on a voice vote

- Supporting informational documents re. Ordinance 2008-26 were distributed:
1. Draft “Position Paper on Advisory Vote to Construct Multi-Purpose Dock at Sawmill Cove Industrial Park.” Dated July 7, 2008
 2. Draft spreadsheet “Revenue Potential Sawmill Cove Dock” based on 2008 use of Juneau dock facilities and associated fees charged to cruise ships.
 3. “SMC Dock Alternatives – Version 5.” Dated February 14, 2007.
 4. Memorandum from Garry White to SCIP Board regarding “Sawmill Cove Multi-purpose Dock.” Dated July 7, 2008.
 5. “SCIP Multi-purpose Dock – Phase 2 – Mooring & Breasting Dolphins Project Budget.” PND Engineers data dated November 9, 2007.

D. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA (NONE)

E. NEW BUSINESS

1. Ordinance No. 2008-26 (Multipurpose Dock)

Mr. Fondell stated that he worked with the City Attorney and City Clerk to draft ordinance No. 2008-26 and that this draft version will go before the Assembly for a first reading on July 8th, 2008. Pending any changes by the Assembly this still gives time for two additional readings prior to the deadline for inclusion on the October 2008 Municipal Election Ballot. The Sawmill Cove Board must vote on approval of this ordinance and provide their recommendation regarding Assembly action prior to the July 8th Assembly meeting.

Mr. Horan expressed concern that the financial calculations provided to support the development of the dock need to be vetted. Currently we are not able to confidently answer questions regarding projected gross and net revenues from a dock and certainly such questions will be asked.

Mr. Fondell responded that while all details are not up to date, needed research can be done to confirm cost and revenue figures as the process moves along.

Mr. Horan suggested that instead of providing un-substantiated financial information at this time, it would be better to simply state that it is intended that this dock be self-supporting.

Ms. Hillhouse suggested amending line #58 on page two to read "This would allow a maximum of one cruise ship tied up to the dock at any one time."

Ms. Hillhouse emphasized that State law regarding ballot propositions requires the SCIP Board and Assembly to refrain from any advocacy once the item has gone through its second reading by the Assembly. Advocacy is allowed up until that time. After that, only balanced information can be provided (i.e. pros and cons).

Mr. Dinley stated that Sawmill Cove obviously needs a commercial dock to market the property.

Mr. Fondell agreed and stated that the question is how to create enough revenue to pay for the dock without increasing taxes. Allowing a single cruise ship to use the multi-purpose dock facility could provide the necessary revenue to cover capital and operational costs.

Mr. Reeder stated that based on Juneau docking fees, Sitka could potentially see a gross revenue of \$2+ million. Juneau charges approximately \$20,000 per cruise ship per day just for docking fees with an additional \$10,000 or charged for other services.

The Board discussed strategy of how to present the proposal to develop a multi-purpose dock at Sawmill Cove to the public. Concerns regarding a lack of accurate financial details were expressed with several board members reluctant to present any numbers that cannot yet be supported.

Mr. White raised concerns about the depth of the proposed site for the multi-purpose dock as it is only 40 feet deep and may not be able to accommodate a large bulk water vessel. In order to avoid dredging, the dock may have to go in farther offshore into deeper water. So more research needs to be done before the true cost of the dock we need and want can be determined.

There was consensus that a multi-purpose dock at Sawmill Cove would not be feasible at this time without an anchor tenant such as the cruise ships. However, the dock would be put to best use first, so that a bulk-water ship would have priority to use the dock over a cruise ship if there were a conflict in scheduling use of the dock.

Mr. Horan suggested removing any gray areas from the ordinance.

Ms. Hillhouse stated that as long as there is no change to the title of the ordinance it can move forward with edits and would not be subject to an additional required reading.

Mr. Culp stated that although the public wants a multi-purpose dock, there are still significant fears about the negative affects of a cruise ship dock on the community. These fears need to be given serious consideration.

Mr. Harang asked if there is a list of the public's objections and concerns regarding a cruise ship dock.

Ms. Wilkinson responded that Sitkan's for a Clear Vote do not have such a list and are not politically for or against a cruise dock, but are only concerned that any dock proposal must require a public vote for approval.

Ms. Cavanaugh asked if there would be objections by the business community to locating a cruise dock out at Sawmill Cove.

Mr. Fondell responded that, in the past, members of the Chamber of Commerce have supported a multi-purpose dock at Sawmill Cove and that this proposal is on the agenda for discussion at the COC meeting July 8th.

Mr. Ozment emphasized that dock proposals have been through the Assembly before and that to get Assembly and public support some solid return on cost numbers need to be available.

Mr. White pointed out that it should be made clear that this is only a request for approval to develop a fiscally viable proposal for a multi-purpose dock that includes use by cruise ships. It would be a waste of time to invest thousands of dollars in more studies to get the solid financial information, and then find out that there is no support for a dock if it includes use by cruise ships.

Mr. Dinley stated that the SCIP Board should not assume that the dock will receive any or all revenues from Sitka's apportionment of the marine passenger fees collected by the State of Alaska. There are other parties vying for those funds and it is up to the Assembly to decide how those funds are divided.

Discussion about potential funding for the multi-purpose dock included the following key points:

- A portion of Marine Passenger Fees collected by the State are already being apportioned to Sitka – with or without a cruise ship dock
- The portion of State collected Marine Passenger Fees coming to Sitka cannot be counted on to fund a multi-purpose dock as there is competition for the use of these funds
- Revenues do not come without expenses and more research must be done before reliable financial numbers can be determined
- Until reliable financial numbers are available no specific numbers should be presented to the public.
- The intent is that the dock will be financially self-supporting.

From the discussion the following edits to Ordinance 2008-26 were made:

- Page one / line 31 – delete the words "...and operated..." – this allows for possible contracted operation of the facility
- Page one / line 33 – delete the words "... to the General Fund."
- Page two / line 58 – wording added to read "This would allow a maximum of one cruise ship tied up to the dock at any one time."
- Page two / lines 63 and 64 – delete this sentence completely – this removes any mention of an estimated revenue figure which is not yet supportable with confirmed financial information.
- Page two / line 63 substitute wording to replace deleted text to read as follows: "It is intended that this dock will be self-supporting."

MOTION: M/S **Fondell/Harang** moved to recommend that the Assembly approve Ordinance 2008-26 as amended.

ACTION: Motion **PASSED** unanimously on a voice vote.

F. ADJOURNMENT

MOTION: M/S **Harang/Frank** moved to adjourn the meeting

ACTION: Motion **PASSED** unanimously on a voice vote.
The meeting adjourned at 7:40 pm.