

CALL TO ORDER

The February 22, 2022 regular meeting of the Whittier City Council was called to order at 7:02 p.m. by Mayor Dickson.

OPENING CEREMONY

Mayor Dickason led the pledge of allegiance to the flag

ROLL CALL

There were present:

Dave Dickason presiding, and
Dan Blair Victor Shen

Cathy McCord-Via Teams
David Pinqouch-Via Teams
Peter Denmark-Via Teams
Tom Wagner- Via Teams

Comprising a quorum of the Board; and
Absent

Also Present

Jim Hunt, City Manager- Via Teams
Jackie C. Wilde- Assistant City Manager
Kris Erchinger, Finance Director
Scott Korbe, Public Works Director
Andre Achee, Police Chief
Holly Wells, City Attorney
Jessica Spuhler, City Attorney

CITIZENS' COMMENTS ON ANY SUBJECT EXCEPT THOSE ITEMS SCHEDULED FOR PUBLIC HEARING –

Nick Olzenak read a letter regarding his opinion on the head of the bay project. Encouraged the community to participate in discussion for a better future for Whittier.

Dave Goldstein thanked the Council and Administration for their efforts in the project planning at the head of the bay and getting Whittier to move forward one way or another.

APPROVAL OF SPECIAL MEETING AGENDA AND CONSENT AGENDA

Motion (Blair/Shen)

Approval of Agenda and Consent Agenda

Non-Objection to liquor license renewals for Swiftwater Seafood Café and Anchor Inn – Council member Shen declared a conflict of interest on Non objection liquor license for Anchor Inn. - Mayor stated that he did not see a conflict.

Approval of the December 14, 2021 Regular Meeting Minutes

Approval of the January 18, 2022 Regular Meeting Minutes

Motion Passed

Unanimous

PRESENTATIONS AND REPORTS

Certificate of Appreciation for Jeff Lee from USGS

Certificate of Appreciation for Rueben Garcia from USGS

Mayor Report-*Mayor Dickason thanked staff and the Council for their work during the Committee of the Whole*

Vice Mayor Report-*Vice Mayor Denmark Commended the administration for their efforts in the head of the bay project.*

City Manager Report-*Finance Director Erchinger spoke on the following: Cardno/Buckner Building, grant opportunities, meetings discussing head of the bay project, and other topics. Finance Director Erchinger reported the CMR in the packet. Would like to bring forward a discussion regarding back tax notices. Lost Revenue grant for \$447,923.48 administration will be bringing forward a time to meet with council regarding how it should be spent. Water Wastewater, utilities, Harbor restrooms please see pages 11 and 12 of the packets to see financials. City Manager Hunt gave overview of Juneau trip meetings with Lobbyist and pushing of the City's priorities*

City Attorney Report-*Attorney Wells introduced Jess Spuhler; another attorney at Birch Horton Bittner & Cherot practicing Municipal law. Jess Spuhler has experience in regulatory practice as well.*

Commission/Committee Reports

Parks & Recreation Committee- Laydown Provided

PUBLIC HEARINGS (NON-ORDINANCE)- NONE

NEW BUSINESS

ORDINANCES- NONE

Motion (Blair/Wagner)

RESOLUTION 2022-004-Approving the Essential Terms And Conditions Of A Lease Between The City Of Whittier And A Wholly Owned Subsidiary Of Huna Totem Corporation To Be Formed, ~~A Wholly Owned Subsidiary Of Huna Totem Corporation~~, And Authorizing The City Manager To Enter Into All Necessary Agreements With The Parties Incorporating The Essential Terms Approved

Motion (Blair/Dickason)

ADMENDMENT Strike second "A Wholly Owned Subsidiary Of Huna Totem Corporation" from title

AYES: Blair, Shen, Wagner, McCord,
Dickason, Denmark, Pinqouch
NAYS: NONE

Motion (Blair/Wagner)

AMENDMENT Strike 8th Whereas

AYES: Blair, Shen, Wagner, McCord,
Dickason, Denmark, Pinqouch
NAYS: NONE

As Amended

AS AMMENDED RESOLUTION 2022-004-Approving the Essential Terms And Conditions Of A Lease Between The City Of Whittier And A Wholly Owned Subsidiary Of Huna Totem Corporation To Be Formed, And Authorizing The City Manager To Enter Into All Necessary Agreements With The Parties Incorporating The Essential Terms Approved

General discussion given

Council Member **Pinqouch** stated that he is not in favor of approving this resolution due to the fact that the community hasn't had enough input

Vice Mayor **Denmark**- Not in favor of the project and will show that in his vote

Mayor **Dickason**-Stated that there were many opportunities for this project for community members to come forward and voice their concerns and opinions. **Dickason** also stated that delaying the process further does not help at all. **Dickason** commended Council and Administration on covering the details but this now hinges on how the City handles the Best Practices document; stated that the City still has a lot of control, and the main issue is to secure the future of Whittier in a positive note.

Council Member **Shen**-requests that the same effort be used for pursuing Best Management Practices agreement.

Motion Passes

AYES: Blair, Shen, Wagner,
McCord, Dickason
NAYS: Denmark, Pinqouch

Motion (Blair/Shen)

RESOLUTION 2022-005-Retroactively Amending The 2021 Budget to Record Expenditures Of \$120,373.96 Paid by The State of Alaska on Behalf Of The City Toward The City's Public Employees Retirement System Liability For The Period January Through December, 2021,

and Appropriating Funds

General discussion was given.

Motion Passed

AYES: Blair, Shen, Wagner, McCord,
Dickason, Denmark, Pinqouch
NAYS: NONE

Motion (Shen/McCord)

RESOLUTION 2022-006- Stating The 8.0
Mill Rate Of Levy, Date Of Equalization,
And Date When Taxes Become Delinquent
For The 2022 Tax Role

Motion Passed

AYES: Blair, Shen, Wagner, McCord,
Dickason, Denmark, Pinqouch
NAYS: NONE

Other New Business Items

Appoint Jamie Loan to the Planning and Zoning Commission seat E with a term to expire
October 2023

Motion Passed

Unanimous

Appoint Jimmy Morrison to the Port and Harbor Commission Seat B with a term to expire
October 2023.

Motion Passed

Unanimous

Appoint Mark Bender as city liaison to the Prince William Sound Regional Citizens' Advisory
Council

Motion Passed

Unanimous

INFORMATIONAL ITEMS AND REPORTS

December 2021 Financial Reports for the City of Whittier *Please see City Council packet which
contains monthly Financial Statements*

COUNCIL COMMENTS

Dave Dickason- Thanked the Council

Dan Blair- None

Victor Shen- Gave an update on the Parks and Rec

David Pinqouch – Asked if Head of the Bay project could be discussed further

Cathy McCord- Commended Mike Bender for his work with RCAC and the City of
Whittier

Tom Wagner- None

Peter Denmark- Asked about a possible visitor's center for the 2022 summer season.

CITIZENS COMMENTS

Suzanne Eusden- Inquired about Buckner Building

Jamie Loan- Thanked the Council for her Commission Appointment

COUNCIL AND ADMINISTRATION RESPONSE TO CITIZEN COMMENTS

Finance Director **Erchinger** responded to the question about the Buckner Building. **Erchinger** explained that the City has been working with Cardno for the last 6 months to assist in grant application for the process. Mentioned that Cardno is not charging us for their services. The recent grants the City applied for were for \$500,000 and a \$130,000. Explained that the purposes of the grants vary, i.e.: assessment, mitigation, demolition, cleanup, reuse, redevelopment etc. **Erchinger** stated that the City has been working with the State DEC which emphasizes chances of having projects continue going through phases.

Finance Director **Erchinger** gave an overview of the primary terms of the Huna Totem Lease at the Head of the Bay. Explained the following Key Lease Provisions:

- Lease was crafted using the initial Whittier Dock Enterprises construction lease and the recently approved Princess cruise dock and uplands lease.
- Non-exclusive access to tidelands
- Huna-Totem Corporation may operate under a wholly owned subsidiary, at their preference and their operations will be consistent with their sustainable tourism model which balances respect for the values and culture of the communities in which they operate, with sustainable tourism and economic development (Page 20 of packet)
- Lease Term: 35 years with two 25-year options to extend (85 years total)
- Operator will maintain local management and security
- The Whittier City Council determines a public interest finding that authorizes a long-term lease in excess of 20 years (WMC 3.36.320(A) based on the purpose of the lease for use in operating and managing and cruise ship terminal and dock facility and other related infrastructure and services, and the positive economic contribution of the activity to the community, as well as the specific nature and value of the property improvements to be placed on the leasehold premises.
- The property improvements revert to the City at the conclusion of the lease or can be removed, at the City's option

Utilities and Infrastructure:

- The parties will seek grant or external funding to construct long-term HOB water system and wastewater collection and disposal system to be owned by City
- Huna-Totem will develop all internal utilities necessary to support the Cruise Ship Parcel and Improvements, which shall be at their sole cost and installation. P. 9 (e)
- Acknowledgement of City's lack of financial capacity to construct or finance construction of major water and sewer infrastructure without identifying a specific revenue source. P. 9 (e)

- Huna-Totem will investigate with cruise lines, the possibility of shore power.

Construction:

- Requirement to provide As-Built drawings and As-Built survey to City upon completion of construction. P. 15 (6.10).
- Consider energy efficient construction methods, use of renewable energy (P. 16 (6.3e))
- Responsible for permits and compliance, including Army Corps 404 Permit (p. 14(6.5))
- Material Completion date is December 31, 2025 P4, 14.1.2.

Incorporates Council and public comments/input centered on:

- Protection of beach and beach access
- Minimizing impacts to wildlife and environment, including trails
- Traffic congestion, traffic patterns, tunnel operation

To address beach and beach access:

- To minimize impacts to the beach, City has been in negotiations with Alaska Railroad
- The City and the ARRC are parties to a Master Lease, under which the City has control over properties at the Head of the Bay owned by the Railroad, giving the City authority to develop that land consistent with the Whittier Comprehensive Plan, without direct Railroad approval, under certain conditions
- The Railroad and the City dispute the validity of the Master Lease as it relates to the Head of Bay Property
- To expedite this cruise ship dock project, the parties are agreeing to enter into a separate lease regarding lands at the Head of the Bay. The City does not waive its rights under the Master Lease, but the parties are agreeing to pursue a separate lease with respect to this project alone at this time, with the remainder of the Master Lease issue to come before the parties at a future date
- The Goal: Move the dock further north and move boardwalk further west to uplands
 - o Requires land from ARRC
 - o Will result in a phased-in construction of the boardwalk, reducing the initial length and developing out over time on an as-needed basis, rather than overdeveloping at the outset.

- (Reduces initial length to around 500 ft instead of 1800 ft, with options to extend later)

To address issues regarding traffic, environment:

- The partners have agreed to participate and collaborate on development of a Best Practices Program, to address and mitigate concerns before they become problems. This should be community driven. Stakeholders will include cruise managers/operators (Huna-Totem, Princess), local businesses and residents, Chamber of Commerce, transportation entities (ARRC, Ferrovial, DOT, bus/shuttle providers), PWS Stewardship Foundation, PWS EDD, Port and Harbor Commission, Planning Commission, kayak/jet ski businesses, Charter Boat and Tour Boat operators, museum, BTI/Manor boards, etc.

Lease Provisions To address Environmental concerns:

- Maintain beach access p. 3(1.1.5)
- Preserve natural beach. Beach remains in its wild state. P. 3 (1.1.5)
- Consider impacts on wildlife. Maintain clean and orderly operations that do not attract the premises to rodents or wildlife. P. 7(e)
- Bear resistant trash cans. (P6 (f))
- Mitigation of contamination. P. 25 (12.3)
- Promote and support environmental stewardship including energy efficient construction, use of renewable energy, measures to mitigate sound pollution and

promotion of air quality. P. 14 6.3(e)

- Minimize adverse impacts (i.e. sound, air quality). P 14 (6.3e)
- Compliance with Hazardous Materials Laws (p. 23 (a)).
- Encourage eco-friendly construction P. 14(6.3e)
- Environmental covenants with ADEC. P. 25 (12.4) if on City-owned uplands
- Contamination discovery procedure P. 5 (1.6.5); p. 24 (12.2)

TOURISM BEST MANAGEMENT PRACTICES EXAMPLES:

1) traffic congestion will be addressed (pre-season transportation meetings, agreements on traffic staging, traffic flow, rules for where operators can and cannot drop passengers, specifics regarding vehicle idling, fluids and emissions, requirements to avoid residential areas, specific roads that cannot be traveled on, prohibitions on impeding pedestrian traffic, safety when backing up vehicles, training, crossing guards, volume of bells and PA system, length of vehicles allowed only in certain areas, etc.).

2) Flightseeing. Tours can only use established flight routes, at certain altitudes and not before or after specific hours (to reduce noise pollution), reduced traffic allowed in certain sensitive areas, minimized impacts to backpackers and wildlife, prohibitions on viewing animals during ‘birthing’ season, etc.

3) Hiking, walking, bike tours. Tours not allowed during commute times, required use of bike paths and riding single file, avoiding certain trails for commercial purposes, requirement for tour guides to be easily identified so complaints can be lodged/addressed, litter removal, etc.

4) Cruise ships. Minimize cruise ship announcements/signals, outdoor entertainment sound impacts to community, emission standards, air quality, minimize wakes especially related to floatplanes and kayaks, litter requirements, etc.

5) Docks, harbors, staging areas. Litter removal requirements, special events rules.

6) Impacts to Marine Tour/Sightseeing/Sportfishing Operations. Wake requirements, minimizing impacts to other watercraft, docks, beaches, especially popular areas including shrimp pots, etc. and identification of “no wake” zones, identification of appropriate routes to minimize wake impacts to special areas, limits on volumes of PA systems, requirement to follow federal regulations regarding marine mammal viewing, coordination of vessels in close proximity to wildlife, reporting system for violations of the rules, limits on time spent viewing wildlife, vessel engine idling limits, requirement to attend training for certain activities (i.e. whale watching), prohibition on operating in certain areas

This type of program provides a specific “complaint” program with a phone hotline and a feedback loop that ensures that every complaint is addressed immediately, a response is required by the offending company/individual, all complaints and responses are made public, etc. so that there is a system of accountability. Such a program offers a tangible opportunity for interested parties to provide input both on what we they DO and do NOT wish to see by way of visitor impacts in Whittier.

Project Timeline:

The City held no fewer than six public meetings to discuss the proposed project
9/7/2021 – Special Council Meeting executive session to introduce the project concept

9/21/2021 – City Council authorized purchase of Head of Bay Property from USACE; not specifically related to the proposed Cruise Ship Dock development project, but something that had been in the works by the City for decades and was finalized in September

11/9/2021 – Special Council Meeting with a presentation of the proposed project

11/23/2021 – Town Hall Listening Session at PSB

12/7/2021 – Town Hall Listening Session at BTI Homeowners Lounge

12/14/2021 – Council authorization to begin lease negotiations (RES #47-2021)

12/29/2021 – Meeting with ARRC

1/4/2022 – Meeting with the State and Governor Dunleavy

1/5/2022 – Joint Work Session – P&Z and Port & Harbor Advisory Commission

1/11/2022 – Council open public meeting to hear from the public regarding HOB development proposal

1/18/2022 – Council executive session to solicit lease terms input

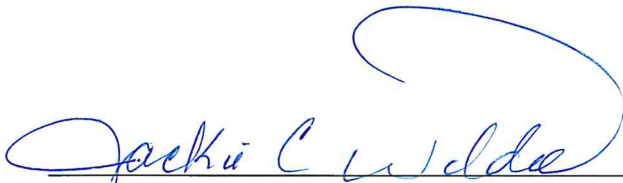
2/09/2022 – Council executive session to discuss proposed Huna-Totem Lease

2/22/2022 – Council approval of Huna-Totem Head of Bay cruise ship parcel lease

Erchinger stated that majority of the concerns from the public have been incorporated in the lease, but concerns would be best addressed by creation of a *Tourism Best Practices Process*. Public will be invited to participate in creating the Tourism Best Practice Program.

ADJOURNMENT

The meeting was adjourned at 8:19 p.m.



Jackie C. Wilde
Assistant City Manager- Acting Clerk



Dave Dickson
Mayor

(City Seal)