

Special Ketchikan City Council meeting was called to order by Mayor Williams at 7:02 p.m., August 24, 2011, with the following members present: Dick Coose, Jason Harris, Kj Harris, Matthew Olsen, Jack Shay, Robert Sivertsen and Marty West.

The Pledge of Allegiance was given by all persons in the Chambers.

Staff present were Assistant Manager Martin, City Attorney Seaver, Port and Harbors Director Corporon, Police Chief Talik and Deputy City Clerk Stanker.

### **COMMUNICATIONS**

Mayor Williams stated there were a number of proposed amendments brought forth to the Council by persons involved with the work on the dock and persons who would like to work on the docks. He noted this special meeting tonight was to listen to ideas from persons speaking and present possible changes or additions to the proposed motion.

### **PERSONS TO BE HEARD**

Steve McDonald gave a brief history of the dock vendor program and was concerned the multi-million dollar companies selling on the cruise ships could eventually outbid the small independent companies for the dock booths. He noted passengers were more likely to buy the big money tours. He felt adding more booths would just be diluting the pot. He addressed Mr. Carro's proposed plan as giving someone a monopoly and did not support it. He indicated Mr. Carro sold less than 1% of his tours. He mentioned the bids will be going up because of more competition. He stated he was in favor of the previous Independent Tour Operator Program with local stipulations. He went on to say Independent Tour Operator meant you were independent from the cruise ships; he wants to see locals selling on the docks, not companies from other communities. He also indicated he would like to see the money left in our town. He answered questions from the Council.

Bob Wickham stated he has worked on the docks through Yellow Cab and Ketchikan Sightseeing for fifteen years. He felt since we have twice as much dock space and the number of passengers has risen since the program started, increasing the number of booths would benefit everybody. He answered questions from the Council.

Rob Holston, owner of Lighthouse Excursions, stated he has been in the business for eleven years now, with the first year selling out of booths. He noted his business did considerably better when he got a contract with Princess Cruise Lines, but no other cruise lines. He went on to say he would like his tour sold throughout the dock and Mr. Carro has come up with a solution. He asked the Council to look a solution that would allow local operators like him to stand a better chance of being represented on the dock.

John Malouf, representing Alaska Amphibious Tours and Alaska Hummer Adventure, stated he has been part of the booth program and is a local and offers a couple great

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products that compliment Ketchikan. He noted he sells on and off the ships and did not feel he should be excluded because his tours are sold on the ships. He answered questions from the Council

Michael Matier, representing Sea Side Tours, stated he just started last weekend. He indicated he didn't see a free enterprise system existing on the docks and didn't feel more booths were the answer. He noted he didn't have a suggestion, but something has to be done. He currently sells his tours through associates on the dock and probably gets half of what it sells for. He liked the idea of it being set up for small businesses and the money being left in town.

Scott Baker, representing First Shot Tours, stated his tour is so specialized at this point only Mr. Carro sells his tour. He felt Mr. Carro's solution would suit everyone the best and hoped it went through. He answered questions from the Council.

Justin Carro gave a brief history on the existing Dock Vendor Program. He stated all vendors have a right to be represented on the docks, even if you are sold on the cruise ships. He noted what is not reasonable is a company that is carried on the ships can monopolize the program by driving up the bids year after year. He mentioned a program similar to his proposal is in use in Skagway and they have not had any complaints and will move forward again with it next year. He felt the program was a local public resource, and should not be bid on by a person or company that is not local.

Brian Salzaar, president of Taquan Air, stated he was here to speak in favor of Amendment No. 2. He indicated they were a locally owned business and operated year round. He felt his company should not be penalized for their success because their tours are sold on the ships.

Tony Korn, representing the Alaska Rainforest Sanctuary and Alaska Canopy Adventures, stated this company started in 2004 with a trail system that was developed through the rain forest as well as a trail hike with some wildlife viewing opportunities, and eventually zip lines were brought in. He said these packages were marketed through the cruise ships. He indicated most of their business is done on the ships, they have currently seen a decrease in their ship sales and an increase from the independent tour sales where the majority is done on the dock. He requested the right to competitively bid the booth spots on the dock. He indicated they were in favor of Amendment No. 1 and opposed Amendment No 2.

Wendy Chatman manages the tour operation for Taquan Air and the Adventure Cart Expedition. She stated the tours are presold on the cruise ships. She indicated they were not in favor of the passage of Amendment No. 2, as this would prohibit them from being able to competitively bid the booths on the dock.

Betsy Burdett, representing the zip line tours north of town, stated she supported Mr. Carro's proposal. She indicated since Mr. Carro has been selling their tour, their revenues have increased. She felt Mr. Carro sold tours evenly and was fair.

Marco Angarano stated he was in favor of opening the bidding up to everyone and adding more booths to the docks. He urged the Council to expand the program rather than exclude, stating there is no sense in restricting growth. He was excited to have the opportunity to bid for a booth.

Nick Sighting stated he operated Creek Street Rod Rentals as an independent tour operator. He indicated having Mr. Carro sell his tour makes his business. He noted he was in favor of Mr. Carro's proposal, and said it would be beneficial to our community.

Forrest Townsend explained how Mr. Carro's proposal would benefit all the tour operators. He felt the community needed to focus on what opportunities are out there and make it work. He went on to say there is no reason this program be exclusive to any one company, and the broker system would allow that.

Reta Flagg urged the Council to support her company's recent proposal, stating they would be fair representing everyone even the little people. She noted she had a good relationship with the ships. She went on to say currently there are a lot of tour operators that can't afford to bid the booths and this proposal would give everyone a fair opportunity for their tours to be sold.

Mathew Graham stated he was not in favor of opening up the bidding to persons outside of Ketchikan, but keeping it local. He felt adding more booths would overwhelm the passengers coming off the ships. He indicated local tax payers should have a right to sell their tour on the dock, and the only fair way was to have one booth sell everybody's tours. He urged the Council to look at Mr. Carro's proposal or a comparable plan.

The Council took a short break at 8:20 p.m. and reconvened at 8:27 p.m.

## **UNFINISHED BUSINESS**

### **Competitive Bid of Contract No. 11-34 – 2012-2013 Dock Vendor Program**

Moved by Sivertsen, seconded by Coose the City Council direct staff to delay release of dock vendor bid documents until Title 13 of the Port and Title 14 of the Harbor of the Ketchikan Municipal Code are amended to restrict lease holders to local companies; after completion and acceptance of the amendment, the authorization for competitive bid will be brought back to Council.

Port and Harbors Director Corporon and City Attorney Seaver answered questions from the Council.

Motion passed with Shay, Kj Harris, Olsen, West, Jason Harris, Sivertsen and Coose voting yea.

### **MAYOR AND COUNCIL COMMENTS**

Councilmember Sivertsen felt even though we are moving forward with this motion we can still review what other communities are doing and find out what works and what doesn't. He appreciated the participation and thanked the tour operators for coming out to speak tonight.

Councilmember Coose echoed Councilmember Sivertsen's comment about the tour operators coming out tonight. He felt we all learned something regarding how things work on the dock. He indicated no matter what decisions are made, we need to keep the quality of our services for the passengers coming off the ships.

Councilmember Kj Harris agreed with Councilmember Coose and wanted to remind everyone elections are coming up and to get involved.

Councilmember Shay indicated he would like to pursue Councilmember Olsen's idea on adding a modest amount of booths and would like more research on that. He referenced a letter from Alaska Municipal League regarding the timber receipts that are in jeopardy. He indicated he was working on a letter with Mayor Kiffer to present to the City for support. He informed the Council he paid the airfare and the City paid for the lodging for his recent trip to Sitka to attend the Alaska Municipal League summer board meeting. He asked if there was any objection for him to attend the Alaska Municipal League conference in Fairbanks; none was heard.

Councilmember Olsen requested he be removed from the UAS board and a new appointment be made.

### **EXECUTIVE SESSIONS**

#### **Request for Executive Session - Discussion of Potential Litigation Strategies with Legal Counsel Within the Attorney-Client Privilege Relating to the Impact of the Application of U.S. Forest Service's Roadless Rule on the Whitman Lake Hydroelectric Project and Future City Projects**

Moved by West, seconded by Sivertsen the City Council declare that consistent with the General Manager's memorandum dated August 10, 2011, it is in the best interests of the City to go into executive session in accordance with KMC 2.04.025(a)(3) and AS 44.62.310(c)(3) to discuss potential litigation strategies with legal counsel within the

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attorney-client privilege relating to the impact of the application of U.S. Forest Service's Roadless Rule on the Whitman Lake Hydroelectric Project and future City projects.

Motion passed with Sivertsen, Jason Harris, Coose, Olsen, West and Shay voting yea; Kj Harris voting nay.

The Council recessed into executive session at 9:03 p.m. and reconvened at 9:05 p.m.

Mayor Williams said the Council has completed an executive session regarding the impact of the application of U.S. Forest Service's Roadless Rule on the Whitman Lake Hydroelectric Project and future City Projects.

Moved by Coose, seconded by Jason Harris to authorize the city manager to retain the law firms of Hoffman Gilmon Silver & Blasco and James F. Clark for an amount not to exceed \$10,000 to represent the City as an intervenor plaintiff in State of Alaska v. The United States Department of Agriculture, et al., concerning the validity of the Roadless Rule.

Motion passed with Coose, Jason Harris, West, Kj Harris, Sivertsen, Olsen and Shay voting yea.

### **ADJOURNMENT**

As there was no further business, the Council adjourned at 9:07 p.m.

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Lew Williams III, Mayor

ATTEST:

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Kim Stanker  
Deputy City Clerk