

Presented by: The Manager
Presented: 04/17/2023
Drafted by: S. Layne

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2023-08

An Ordinance Repealing Ordinance 2022-63 and Authorizing the Manager to Enter into a Revised Revenue Sharing Agreement with Goldbelt, Inc. to Fund Installation of the Gondola and Associated Infrastructure at the Eaglecrest Ski Area.

WHEREAS, the City and Borough of Juneau owns Eaglecrest Ski Area and desires to develop and improve the public ski area by installing, deploying, and operating a gondola system and other associated amenities, facilities, and visitor attractions; and

WHEREAS, the City and Borough of Juneau Assembly appropriated \$2,000,000.00 for the purpose of a used gondola (February 28, 2022; Ordinance 2021-08(b)(am)(Z)); and

WHEREAS, shortly after the \$2,000,000.00 was appropriated, Goldbelt, Inc., a local Alaska Native Corporation, reached out with a \$10,000,000.00 offer to fund installation of the gondola and associated infrastructure; and

WHEREAS, the City and Borough of Juneau contemplated both market and bond bank financing and does not believe that these two approaches would be as favorable as working with Goldbelt, Inc., because neither private or bond bank financing would allow for joint marketing; moreover, private financing would require loan collateralization and revenue bond financing rates would be unfavorably high because the revenue stream does not yet exist; and

WHEREAS, in exchange for Goldbelt, Inc.'s capital contributions, the City and Borough of Juneau is willing to share summer revenue from the gondola project; and

WHEREAS, the City and Borough of Juneau is not pledging taxes, revenue from taxes, or the full faith and credit of the municipality but is securing this revenue sharing agreement principally with the summer revenue from the gondola project, (*see* CBJ Charter 10.1; A.S. 29.47.240 Revenue bonds); and

WHEREAS, this revenue sharing agreement does not create a property interest conversion for the purposes of the federal Land and Water Conservation Fund because ownership of the gondola project, like the surrounding Eaglecrest Ski Area, remains wholly owned by the City and Borough of Juneau (*see* 54 U.S.C.A. § 200305(f)(3); 36 C.F.R. § 59.3; LWCF Financial Assistance Manual at page 103 (3/11/2021)); and

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2 WHEREAS, Goldbelt, Inc., is uniquely situated to execute a revenue sharing agreement
3 with the City and Borough of Juneau because Goldbelt, Inc., owns the other gondola-like
4 conveyance (Goldbelt Tram Alaska) in the community, which eliminates competition concerns
5 with the Goldbelt Tram Alaska, encourages visitor impact diversification and sustainable use of
6 both aerial conveyances, and Goldbelt, Inc., has a natural financial interest to see both aerial
7 conveyances prosper while benefiting the community; and

8 WHEREAS, this revenue sharing agreement and the underling gondola installation is in
9 the best interest of the community and serves an important public purpose; and

10 WHEREAS, the Assembly adopted Ordinance No. 2022-63 on the 9th of January 2023,
11 which authorized the Manager to execute the Revenue Sharing Agreement depicted in Exhibit
12 A to that ordinance; and

13 WHEREAS, the specific terms of the Revenue Sharing Agreement adopted by Ordinance
14 No. 2022-63 are no longer appropriate for the Eaglecrest Gondola Project, and need to be
15 replaced with new terms that reflect the factual parameters of the project.

16 BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

17 **Section 1. Classification.** This ordinance is a noncode ordinance.

18 **Section 2. Repeal of Prior Ordinance.** Ordinance No. 2022-63 is hereby repealed in
19 its entirety.

20 **Section 3. Authorization to Execute Revised Revenue Sharing Agreement.** The
21 Manager is authorized to execute the Revised Revenue Sharing Agreement depicted in Exhibit
22 A to this ordinance. The Manager may make minor typographical and grammatical changes,
23 but any material change to Exhibit A requires Assembly approval prior to such change taking
24 effect.

25 **Section 4. Effective Date.** This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2023.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk