

Presented by: The Manager
Presented: 12/12/2022
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-63

An Ordinance Authorizing the Manager to Enter into a 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 ("CBJ") owns the 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 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 CBJ 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 CBJ

1 (see 54 U.S.C.A. § 200305(f)(3); 36 C.F.R. § 59.3; LWCF Financial Assistance Manual at page
2 103 (3/11/2021)); and

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

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

11 THEREFORE BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU,
12 ALASKA:

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

14 **Section 2. Authorization to Execute Revenue Sharing Agreement.** The City
15 Manager is authorized to execute the Revenue Sharing Agreement depicted in Exhibit A. The
16 City Manager may make minor typographical and grammatical changes, but any material
17 change to Exhibit A requires Assembly approval prior to such change taking effect.

18 **Section 3. Effective Date.** This ordinance shall be effective 30 days after its adoption.

19 Adopted this _____ day of _____, 2023.

20 _____
21 Carole Triem, Acting Mayor

22 Attest:

23 _____
24 Elizabeth J. McEwen, Municipal Clerk
25