



City and Borough of Juneau
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TO: Mayor Weldon and City and Borough of Juneau Assembly
DATE: August 18, 2023
FROM: Rorie Watt, City Manager
RE: Subport Development – Updated Assembly Consideration Process

In January 2021, at the COW, I provided a [memo](#) that detailed a recommended public process approach to consideration of a fifth cruise ship dock at the Subport property. Over the past 2.5 years, CBJ has used this document as guidance in the Assembly and public process around the property purchased by Norwegian Cruise Lines (NCL) and subsequently transferred to Huna Totem Corporation (HTC). This memo is intended to provide an update on the process and outline the Assembly's next steps. The "Issues and Approach" sections below will follow the same format as the 2021 memo and provide an update on each component of the process with a draft approach, all of which still hinges on three sequential questions:

1. Should a dock at the Subport be considered?
2. Should a dock at the Subport be permitted, and if so, under what conditions?
3. Once the full details of the proposal are known, should the Assembly lease land for the development of a cruise ship dock at the Subport?

Issues and Approach:

1. Long Range Waterfront Plan (LRWP)

This process is complete as recommended in 2021. This affirmatively answers the question of "should a dock at the Subport be considered?".

2. Conditional Use Permitting

- a. The Conditional Use Permit (CUP) application was heard by the CBJ Planning Commission on July 11, 2023. The Planning Commission approved the proposed dock, but not the uplands development. This CUP was appealed on August 4. A separate CUP for the uplands development was approved on August 8. As of August 18, CBJ has not received an appeal of the uplands CUP.
- b. The 2021 memo recommends that the Assembly hire an independent hearing officer in the event of an appeal. That decision is before the body tonight, and staff's recommendation stands.

- c. The Assembly should refrain from negotiations with HTC before the appeal is resolved. It would not be surprising if HTC requests to start negotiating while the appeal is still in process. The outcome of the appeal and the conditions imposed by the Planning Commission will inform the Assembly's decision on what to include in a tidelands lease. While I appreciate that an appeal delays the project proposal (and is frustrating for project proponents), I strongly believe that the public is best served by letting the appeal process run its course before contemplating next potential steps.

3. CBJ is the owner of the adjacent tidelands.

- a. If the appeal process results in approved CUPs for both the dock and uplands, the Assembly should commence tideland lease discussions with HTC, based on public process.
- b. The Assembly may consider the conditions imposed by the Planning Commission to determine whether they are adequate or if additional items should be included.
- c. While the appeal is in process, staff will work with the Assembly to design a timely public process to ensure that the items included in the tidelands lease and the decision on whether to approve or deny a fifth cruise ship dock are based on public input.

4. Adjacent or Coordinated Development.

There are two CBJ projects that need to be considered in the context of the proposed development.

- a. Docks & Harbors is currently working on obtaining funding for the "Small Cruise Ship Berthing Plan." That plan has preliminarily identified a preferred development option that is adjacent to and coordinates with the proposed HTC development. There is no timely action on these ideas necessary at this time.
- b. Engineering Department staff have been working on developing a waterfront seawalk from the bridge to the rock dump, in conformance with the Long-Range Waterfront Plan. Efforts to extend the seawalk to the AJ Dock has some momentum and are making progress.

5. Negotiations with Federal Government.

- a. The HTC proposal originally included a U.S. Coast Guard facility on one side of the proposed cruise ship dock. The Coast Guard has declined to be part of the project. The Coast Guard also owns property along the water side of the lot and the adjoining tidelands.

- b. The D&H planning effort would require negotiation and agreement with NOAA and possibly the USCG.
- c. The Coast Guard has selected the adjoining federal (Coast Guard and NOAA) lots as a homeport for a future icebreaker. This is an important priority for CBJ and any offsite impacts of the development on navigation, security, or facility access should be considered in the tideland lease discussions.

Recommendation:

Assign Appeal 2023-AA01: Karla Hart v. Planning Commission re: USE 2023-0003 Huna Totem Floating Dock to an independent hearing officer.