



## **MEMORANDUM**

**DATE:** February 1, 2024

**TO:** Assembly Finance Committee

**FROM:** Alexandra Pierce, Tourism Manager

**SUBJECT:** Marine Passenger Fee Philosophy

This memo provides an overview of the passenger fee process as well as staff's current philosophy behind passenger fee allocations and our strategic plan for the future. There are three components to what we collectively refer to as "passenger fees": CBJ's \$5 Marine Passenger Fee and \$3 Port Development Fee and the State \$5 Commercial Passenger Vessel Excise Tax (CPV). This is actually a \$34.50 tax, of which Juneau receives a \$5 allocation. Not all ports collect passenger fees, but the first seven ports of call for a ship over 250 passengers receive \$5 in State CPV.

All ports fund tourism infrastructure through a combination of passenger and port fees. When we talk about passenger fees, we tend to lump all these pots of money together, but both the lawsuit and public process focus on MPF only. CBJ's ordinance requires staff to solicit for MPF suggestions in December and then put the proposed budget out for public review before it goes to the Assembly for adoption along with the Manager's budget.

The cruise industry holds a consensus view that Southeast Alaska visitor numbers will stay flat between 2023 and 2025, largely as a result of Juneau's five ship limit. The scheduled lower berth capacity is estimated to be 1.65 million visitors for the summer 2024 season.

### **Using Passenger Fees under the settlement agreement**

At the February 7 Finance Committee meeting, the City Attorney will provide an overview of the legal landscape for using these funds. Essentially the expenditure of fees must support the vessel. Our settlement agreement with CLIA allows us to expend fees to support and provide services to passengers.

Under the settlement agreement, fee usage is dependent on proximity to the ship and determined by a mapped area. We are able to use passenger fees in Zone A for services and infrastructure. In Zone B, we are required to discuss passenger fee usage at an annual meeting with CLIA. Projects outside Zone B are also subject to consultation with CLIA.

The settlement agreement requires us to meet annually to "discuss in good-faith any new proposed projects and services for which Fees are sought to be expended in the following Fiscal Year with the ultimate decision resting with the Assembly." We have agreed to settle disputes over expenditures of fees through direct discussions, escalating to non-binding mediation before resorting to mitigation. This meeting took place on January 8.

Funding

Here is how that forecast for visitation translates to passenger fee revenue in FY24 and FY25:

		PAX	MPF	PDF	State CPV*	Total
CY2023 Jul/Aug/Sept	FY2024	990,000	\$ 4,950,000	\$ 2,970,000	\$ 8,250,000	\$ 16,170,000
CY2024 April/May/June	FY2024	660,000	\$ 3,300,000	\$ 1,980,000		\$ 5,280,000
CY2024 Jul/Aug/Sept	FY2025	990,000	\$ 4,950,000	\$ 2,970,000	\$ 8,250,000	\$ 16,170,000
CY2025 April/May/June	FY2025	660,000	\$ 3,300,000	\$ 1,980,000		\$ 5,280,000

*\*State CPV receipts remitted to CBJ approximately eight months after they are received*

**FY24 Passenger Fee Total   \$ 21,450,000**  
**FY25 Passenger Fee Total   \$ 21,450,000**

The absent 2020 cruise season and slow 2021 season still incurred operating and debt service expenses. As a result, we carried a negative fund balance of \$3.2 million into FY23. This was eliminated in FY24 and we will carry a positive fund balance into FY25.

The below chart lists the projects that staff is proposing to fund for FY25. A compilation of all requests received is included in attachments B and C.

<b>FY25 Passenger Fee Proposal</b>				
	<b>Direct Cost</b>	<b>Overhead</b>	<b>Total</b>	<b>Available Balance in CIP</b>
<b>Debt Service: Juneau Cruise Terminal Docks</b>	<b>\$ 2,026,600</b>	<b>\$ -</b>	<b>\$ 2,026,600</b>	<b>\$ -</b>
<b>CBJ Municipal Services</b>				
Police Support	\$ 1,067,600	\$ 12,300	\$ 1,079,900	\$ -
Ambulance/EMS Support	\$ 656,700	\$ 7,600	\$ 664,300	\$ -
Seawalk, Open Space and Restroom Maintenance	\$ 831,500	\$ 9,600	\$ 841,100	\$ -
Street Cleaning/Repair	\$ 339,200	\$ 3,900	\$ 343,100	\$ -
D&H - Port Management	\$ 275,000	\$ 3,200	\$ 278,200	\$ -
D&H - Port Customs Office Building Maintenance	\$ 142,000	\$ 1,600	\$ 143,600	\$ -
D&H - Access Control Security	\$ 300,000	\$ 3,500	\$ 303,500	\$ -
Tourism Management	\$ 342,400	\$ 3,900	\$ 346,300	\$ -
<b>Total City Services</b>	<b>\$ 3,954,400</b>	<b>\$ 45,600</b>	<b>\$ 4,000,000</b>	<b>\$ -</b>
<b>Third-Party Visitor Services by Assembly Grant</b>				
Travel Juneau - Visitor services program	\$ 171,000	\$ -	\$ 171,000	\$ -
Travel Juneau - Crossing guard program	\$ 358,800	\$ -	\$ 358,800	\$ -
Tourism Best Management Practices (TBMP)	\$ 44,200	\$ -	\$ 44,200	\$ -
Downtown Business Association	\$ 90,000	\$ -	\$ 90,000	\$ -
JEDC - Mobile Data Purchase	\$ 100,000	\$ -	\$ 100,000	\$ -
AJ Dock - Access Control Security	\$ 150,000	\$ -	\$ 150,000	\$ -
AJ Dock - Restroom Maintenance	\$ 30,000	\$ -	\$ 30,000	\$ -
Franklin Dock - Access Control Security	\$ 150,000	\$ -	\$ 150,000	\$ -
Franklin Dock - Restroom Maintenance	\$ 30,000	\$ -	\$ 30,000	\$ -
<b>Total 3rd Party Services</b>	<b>\$ 1,124,000</b>	<b>\$ -</b>	<b>\$ 1,124,000</b>	<b>\$ -</b>
<b>Capital Investments</b>				
Shore Power	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 5,379,500
Overstreet Park and Canoe Statue Lighting		\$ -	\$ -	\$ -
Downtown Bearproof Garbage Cans	\$ 100,000	\$ -	\$ 100,000	\$ -
NOAA - Blubber Cortisol Study	\$ 160,000	\$ -	\$ 160,000	\$ -
NOAA - Statter Harbor Signage	\$ 25,000	\$ -	\$ 25,000	\$ -
Marine Park Improvements	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 1,695,700
Triangle Project (Claw Back)	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Capital Transit	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Warner's Wharf Beautification	\$ 200,000	\$ -	\$ 200,000	\$ -
Public Wi-Fi	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Archipelago Museum	\$ 500,000	\$ -	\$ 500,000	\$ 500,000
Revolving Loan Program	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
<b>Total Capital Investments</b>	<b>\$ 11,985,000</b>	<b>\$ -</b>	<b>\$ 11,985,000</b>	<b>\$ 7,575,200</b>
<b>Total Proposed FY24 Passenger Fee Expenditures</b>	<b>\$19,090,000</b>	<b>\$ 45,600</b>	<b>\$19,135,600</b>	<b>\$ 7,575,200</b>

### Using Passenger Fees:

Passenger fee funding for all CBJ municipal services and the related overhead is calculated by a third-party cost allocation consultant (Matrix Consulting) in compliance with applicable federal standards and

industry best practices. Third-party visitor services are funded based on the settlement agreement and on discussions with CLIA as described therein.

### **Capital Investments:**

Shore Power: staff is recommending \$5 million for shore power. This money may be used to purchase transformers for the 16B docks or may be used as a match for a grant.

NOAA: the blubber cortisol study will use baseline data collected during COVID to assess the effects of boat traffic on whales. NOAA has also requested funding for interpretive signage at Statter Harbor.

Marine Park: we completed design of the Marine Park renovation this summer. This funds construction.

Overstreet Lighting: Parks & Rec has a project planned to improve lighting along the Overstreet Park Seawalk. The artist who built the canoe sculpture put in a request to light the sculpture; this can be incorporated into the existing Parks & Rec project. Staff did not receive a cost estimate before the packet deadline, however one is forthcoming and will be in the budget for public review.

Capital Transit: there are two requests for bus service. One to formalize and fund what Capital Transit is currently doing and enhance service to the Valley. This request is included in the budget before the Committee. The second request is for a downtown circulator pilot project. The Circulator Study was before PWFC on January 29. Staff has reserved enough money to fund the circulator in fund balance pending Assembly adoption of the Study and direction on implementation.

Triangle Project: this is a passenger fee funded project that was completed using General Funds during the pandemic. The “claw back” makes the general fund whole.

Warner’s Wharf: this is a simple beautification and upgrade project for the Warner’s Wharf alleyway. Warner’s Wharf (next to Pier 49) is a key connection to the Seawalk.

Public Wi-fi: we received many complaints about the issues with internet service with cruise ships in town. Wi-fi throughout downtown is an effort to address those issues and take some of the load off our local network. There is still work to do with the providers, but this is something that CBJ can do quickly to address the problem.

Waterfront Museum: under the current plan, the museum would include public restrooms and some visitor amenities.

Revolving Loan Program: this program would establish a low interest loan for tourism operators to invest in cleaner energy equipment. Examples include low emission bus or boat engine conversions. CBJ successfully implemented a similar program in the early 2000s to convert to quieter float plane engines. This project reimagines that program to help tour operators adopt cleaner technologies. The loans would be administered by JEDC.

Seawalk: you may notice that this high priority project is conspicuously absent from this year’s passenger fee budget. Staff will likely approach the Assembly with a debt financing package for the Seawalk in the coming months. We are adequately funded for design.

### **Attachments:**

**Attachment A – Combined Passenger Fee Requests Table**

**Attachment B – Consolidated FY25 Passenger Fee Requests**

**Attachment C – Passenger Fee Projection**



**Attachment D – Memorandum of Agreement (Amendment 1) – settlement agreement between CBJ and cruise lines**

**Attachment E – Maritime Industry Zones map**

Combined Passenger Fee Requests				
CBJ Tourism	Annual Survey	Requested \$50,000	Funded x	Notes
	Marine Park Construction	\$3,600,000	x	
	Public Wi-Fi	\$1,000,000	x	
	Warner's Wharf	\$200,000	x	
	Archipelago Museum	\$500,000	x	
	Revolving Loan Program	\$1,000,000	x	
	Triangle Project (claw back)	\$1,000,000	x	
	Seawalk	\$1,000,000		
CBJ Engineering and Public Works	Capital Transit Valley Service	\$1,000,000	x	Held in fund balance
	Downtown Circulator	\$672,000		
	New Wellhead for Pump	\$1,000,000		
	Wastewater Improvements	\$5,000,000		
CBJ Docks & Harbors	Statter Harbor Phase IIID	\$2,500,000		
	Areawide Port Operations	\$275,000	x	
	Customs & Visitor Center Maintenance	\$142,000	x	
	Dock Safety Rail	\$1,500,000		
	Dock Electrification	\$5,000,000	x	
	Security	\$300,000	x	
	Purchase Archipelago property	\$10,000,000		
	Lone sailor statue	\$1,000,000		
	USS Juneau Memorial	\$3,000,000		
	Rebuild emergency vessel float	\$650,000		
DBA	Downtown Ambassador Program	\$90,000	x	Financial breakdown requested
Franklin Dock	Security	\$130,000	x	
	Restrooms	\$30,000	x	
JEDC	Purchase mobile data	\$100,000	x	Must share with CBJ and other orgs
	Seasonal workforce housing construction	\$23,200,000		
NOAA	Blubber Cortisol Study	\$160,000	x	
	Statter Harbor Signage	\$25,000	x	
Travel Juneau				
	Visitor Information program	\$171,000	x	
TBMP	Crossing guard program	\$358,825	x	
	TBMP Budget	\$44,150	x	
Douglas Mertz	Dock Electrification		x	
	Maintenance of Park and Seawalk by Whale			
Bruce Denton	Replace Staging Area Tent			
	Downtown Circulator	\$1,200,000		
Catherine Don	Incinerator			
ILWU	Electric Shuttles	\$35,094		
	Food vendor/artist stalls on docks	\$11,036		
Emily Kane				
	Exercise Equipment on Seawalk			
Katy Ritter	Incinerator			
Margo Waring	Dock Electrification		x	
	Park Maintenance			
Laurie Craig	Replace Bear Proof Garbage Cans	\$100,000	x	supported by P&R
LeCreatia Wilson	Lawyer Study to Amend MPF Usage			
	Purchase AJ & Franklin Docks			
	Buy Local Shops to Diversify			
	Purchase AEL&P Building Downtown			
Michael Riederer	Emissions Testing for Buses			
Nathan Teal	Eaglecrest Road Repairs			
Victoria Potter	Childcare			
Nancy Watterman	Dock Electrification			
Renewable Juneau	Dock Electrification	\$10,000,000		
Michael Clemens	Tourism Cost Benefit Study			
Robert Mills				
	Lighting on Canoe Sculpture	TBC	x	

**City and Borough of Juneau**  
**Passenger Fees from All Sources**  
**(\$000 Thousands)**  
**February 1, 2024**

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
<b><u>MPF</u></b>										
Revenue	\$ 5,067	\$ 5,407	\$ 5,991	\$ 4,000	\$ 9	\$ 2,641	\$ 6,988	\$ 8,250	\$ 8,250	\$ 8,250
Unspent MPF returned to Fund	\$ 251	\$ 30	\$ 2,410	\$ -	\$ -	\$ 107	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	\$ (3,953)	\$ (3,337)	\$ (3,189)	\$ (5,424)	\$ (2,408)	\$ (2,963)	\$ (4,638)	\$ (4,889)	\$ (5,124)	\$ (5,124)
Capital Expenditures	\$ (1,303)	\$ (1,869)	\$ (5,385)	\$ (677)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus/Deficit	\$ 62	\$ 231	\$ (173)	\$ (2,101)	\$ (2,399)	\$ (215)	\$ 2,350	\$ 3,361	\$ 3,126	\$ 3,126
Fund Balance	\$ 536	\$ 767	\$ 594	\$ (1,507)	\$ (3,906)	\$ (4,122)	\$ (1,771)	\$ 1,589	\$ 4,715	\$ 7,841
<b><u>SMPF</u></b>										
Revenue	\$ 4,600	\$ 4,600	\$ 5,271	\$ 5,971	\$ 2,446	\$ 572	\$ 5,680	\$ 8,250	\$ 8,250	\$ 8,250
Operating Expenditures	\$ -	\$ -	\$ -	\$ -	\$ (351)	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ (2,095)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures	\$ (4,600)	\$ (4,600)	\$ (5,000)	\$ (4,500)	\$ -	\$ -	\$ (4,095)	\$ (11,000)	\$ -	\$ -
Surplus/Deficit	\$ -	\$ -	\$ 271	\$ 1,471	\$ -	\$ 572	\$ 1,585	\$ (2,750)	\$ 8,250	\$ 8,250
Fund Balance	\$ 295	\$ 295	\$ 566	\$ 2,037	\$ 2,037	\$ 2,609	\$ 4,194	\$ 1,444	\$ 9,694	\$ 17,944
<b><u>PDF</u></b>										
Revenue	\$ 3,015	\$ 3,217	\$ 3,568	\$ 2,367	\$ -	\$ 1,557	\$ 4,171	\$ 4,950	\$ 4,950	\$ 4,950
Operating Expenditures	\$ (6)	\$ (6)	\$ (6)	\$ (363)	\$ (8)	\$ (8)	\$ (8)	\$ (20)	\$ (20)	\$ (20)
Debt Service	\$ (2,093)	\$ (2,095)	\$ (2,097)	\$ (2,095)	\$ -	\$ (1,883)	\$ (2,028)	\$ (2,026)	\$ (2,027)	\$ (2,027)
Capital Expenditures	\$ -	\$ -	\$ (3,700)	\$ -	\$ -	\$ -	\$ -	\$ (4,045)	\$ -	\$ -
Surplus/Deficit	\$ 916	\$ 1,116	\$ (2,235)	\$ (91)	\$ (8)	\$ (334)	\$ 2,134	\$ (1,142)	\$ 2,903	\$ 2,903
Fund Balance	\$ 1,732	\$ 2,848	\$ 613	\$ 522	\$ 514	\$ 180	\$ 2,314	\$ 1,173	\$ 4,076	\$ 6,979
<b><u>TOTAL PASSENGER FEES</u></b>										
Revenue	\$ 12,682	\$ 13,224	\$ 14,830	\$ 12,338	\$ 2,455	\$ 4,770	\$ 16,839	\$ 21,450	\$ 21,450	\$ 21,450
Unspent MPF returned to Fund	\$ 251	\$ 30	\$ 2,410	\$ -	\$ -	\$ 107	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	\$ (3,959)	\$ (3,343)	\$ (3,195)	\$ (5,787)	\$ (2,767)	\$ (2,971)	\$ (4,646)	\$ (4,910)	\$ (5,144)	\$ (5,144)
Debt Service	\$ (2,093)	\$ (2,095)	\$ (2,097)	\$ (2,095)	\$ (2,095)	\$ (1,883)	\$ (2,028)	\$ (2,026)	\$ (2,027)	\$ (2,027)
Capital Expenditures	\$ (5,903)	\$ (6,469)	\$ (14,085)	\$ (5,177)	\$ -	\$ -	\$ (4,095)	\$ (15,045)	\$ -	\$ -
Surplus/Deficit	\$ 978	\$ 1,347	\$ (2,137)	\$ (721)	\$ (2,407)	\$ 23	\$ 6,070	\$ (531)	\$ 14,279	\$ 14,279
Fund Balance	\$ 2,563	\$ 3,910	\$ 1,773	\$ 1,052	\$ (1,355)	\$ (1,333)	\$ 4,738	\$ 4,207	\$ 18,486	\$ 32,765

\* MPF Proposal includes \$11.985M of capital investments, leaving \$6.5M in fund balance at the end of FY25 if appropriated.

Presented by: The Manager  
Presented: 03/14/2022  
Drafted by: R. Palmer III

**RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2979**

**A Resolution Authorizing the Manager to Amend the CLIA Settlement Agreement.**

WHEREAS, Resolution 2852 (March 22, 2019) authorized the Manager to execute a settlement agreement to resolve the litigation related to the legality of the collection and expenditure of fees imposed upon a vessel related to the provision of municipal services and the construction of capital improvements; and

WHEREAS, paragraphs 3(d) and 7 of the settlement agreement encourage the parties to annually consult to discuss any new proposed projects and services for which CBJ passenger fees are sought to be expended; and

WHEREAS, the amendments authorized by this resolution would update information and clarify that CLIA is waiving objection to the expenditure of up to \$10 million in passenger fees for support to the Capital Civic Center project.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

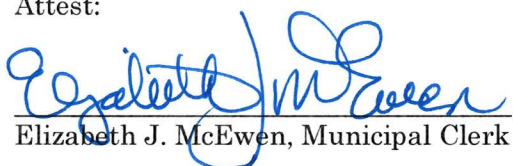
**Section 1. Authorization.** The Manager may execute the amended settlement agreement in substantially the same form as attached in Exhibit A.

**Section 2. Effective Date.** This resolution shall be effective immediately after its adoption.

Adopted this 14<sup>th</sup> day of March, 2022.

  
\_\_\_\_\_  
Maria Gladyszewski, Deputy Mayor

Attest:

  
\_\_\_\_\_  
Elizabeth J. McEwen, Municipal Clerk

**MEMORANDUM OF AGREEMENT (AMENDMENT 1)**

This Memorandum of Agreement (hereinafter, the “Agreement”) is made and entered into effective as of March 2019, by and between Cruise Lines International Association Alaska and Cruise Lines International Association (“Plaintiffs or CLIA”), on the one hand and The City and Borough of Juneau, Alaska and Rorie Watt (hereinafter “CBJ” and “Watt” respectively and collectively “Defendants”), on the other hand (Plaintiffs and Defendants may sometimes be referred to hereinafter collectively as the “Parties,” or any one of them individually, a “Party”) and reflects amendments agreed to on March \_\_\_\_\_, 2022, in accordance with Paragraph 3(d), below.

**RECITALS**

A. WHEREAS, on or about April 13, 2016, Plaintiff filed an action in the United States District Court for the District of Alaska entitled Cruise Lines International Association Alaska and Cruise Lines International Association v. The City and Borough of Juneau, Alaska and Rorie Watt, bearing case number 1:16-cv-0008-HRH (the "Action"). In the Action, Plaintiffs challenged two fees imposed on vessels by the CBJ (the Marine Passenger Fee (MPF) a \$5-per passenger fee and the Port Development Fee (PDF) a \$3-per passenger fee, collectively referred to as “Fees”) that enter CBJ public or private docks, alleging the Fees were either facially unconstitutional or being expended by CBJ in an unconstitutional manner. Defendants disputed the Plaintiffs’ claims made in the Action, and generally and specifically disputed that the Fees were unconstitutional or unlawful, while asserting that CBJ’s use of the Fees was proper in all respects.

B. WHEREAS, Plaintiffs and Defendants filed cross motions for summary judgement and Defendants filed a motion to determine the law of the case. After oral argument the United States District Court Judge, Hon. H. Russel Holland, issued an Order on December 6, 2018 (“MSJ Order”) holding the Fees are permissible under the Tonnage Clause (“Tonnage Clause”) of the United States Constitution and the Rivers and Harbors Appropriation Act of 1899 (RHAA) codified at 33 U.S.C. section 5; provided said Fees are used for services to a vessel or rendered to facilitate the marine enterprise/operations of the vessel and not for services that only benefit passengers. While Judge Holland’s rulings clarified the law, they leave the parties discretion to amicably apply the Court Rulings. Thereafter, on January 25, 2019, Judge Holland entered a Final Judgement in the Action affirming the holding of the MSJ Order (MSJ Order and Final Judgement collectively referred to as “Court Rulings”).

C. WHEREAS, it is the desire of the Parties hereto to abide by this Agreement and resolve the Disputes raised by the Parties in the Action in a manner consistent with the terms of the MSJ Order and in compliance with the Final Judgement, unless the underlying legal authority changes. The parties agree that amicable resolution of the issues is better than continued litigation. This Agreement shall further set forth the terms and conditions of the Parties continuing relationship based on the terms of the MSJ Order and Final Judgment and under which Fees, if any, will be collected and expended. The MSJ Order and Final Judgment shall be subject to the good faith interpretation of the Parties for certain projects. The Parties wish to avoid the costs and the expenditure of resources in pursuing and defending continued litigation pertaining to the various claims and/or defenses raised in the Action. The Parties agree that the terms and conditions set forth in this Agreement are intended to be fully enforceable.

49 D. WHEREAS, other communities in Southeast Alaska are concerned about the  
50 impact of the Court Rulings on their communities and have voluntarily offered the CBJ monetary  
51 support to appeal the Court Rulings, and as such, any amicable resolution between CBJ and CLIA  
52 must be practical, not harmful to other communities in Southeast, and should acknowledge each  
53 community must exercise local control in its decision making because each community has unique  
54 approaches and issues. The Parties also acknowledge that CBJ's Marine Passenger Fee and Port  
55 Development Fee are fees imposed upon a vessel, and not fees imposed upon a passenger like the  
56 State Commercial Passenger Vessel excise tax (A.S. 43.52.200 et. seq). The Parties agree that the  
57 State Commercial Passenger Vessel excise tax was not litigated or an issue in the Action. The  
58 State of Alaska and a predecessor of CLIA settled a dispute involving the State Commercial  
59 Passenger Vessel excise tax in 2010 resulting from No. 3:09-cv-00015-TMB, United States  
60 District Court for the District of Alaska.

61  
62 E. WHEREAS, CBJ acknowledges that the construction of the western seawalk  
63 project from Gold Creek to Overstreet Park may or may not have survived legal challenge and  
64 that because CLIA chose not to seek an injunction for this part of the construction, this project  
65 was not delayed and was successfully constructed; and while CLIA acknowledges that the western  
66 seawalk project may or may not have survived a legal challenge, CLIA also acknowledges the  
67 entire seawalk has been a part of CBJ's Long Range Waterfront Plan for more than 10 years, the  
68 project has the support of the Juneau public and such public support is instrumental and necessary  
69 to the development of the Juneau waterfront and the growth of the cruise industry.

70  
71 F. WHEREAS, the Parties shall engage in annual meetings to discuss their respective  
72 issues and positions, regarding major development projects, as early as possible. For example,  
73 during the 2019 consultations with the City Manager, CLIA did not object to the CBJ using fees,  
74 subject to Assembly appropriation, imposed on a vessel or passenger to lease space away from  
75 the downtown Juneau area to temporarily stage containers during the cruise season to enable  
76 vessels to efficiently unload, load, and timely depart instead of having containers trucked through  
77 the Maritime Industry Zone during peak periods, and does not object to the use of an amount not  
78 to exceed \$10 million in fees over no longer than a five year period to support renovations/  
79 improvements/additions to the Capital Civic Center.

80  
81 G. WHEREAS, the Parties affirm that nothing in this Agreement is an attempt to  
82 interfere with the Assembly's responsibility to govern the affairs of the City and Borough of  
83 Juneau but is provided to the Assembly as best practices pertaining to the collection and  
84 appropriation of Passenger fees so that future disputes may be avoided.

85  
86 NOW, THEREFORE, for valid and binding consideration acknowledged by the Parties,  
87 the Parties hereby agree as follows:

### 88 DEFINITIONS

89  
90 A. The term "Cruise Lines International Association" shall include its Members  
91 calling in Juneau, Alaska, specifically and without limitation to include: Carnival Cruise Lines,  
92 Crystal Cruises, Disney Cruise Lines, Holland America Line, Norwegian Cruise Line, Oceana  
93 Cruises, Princess Cruises, Regent Seven Seas Cruises, Royal Caribbean International and  
94 Silverseas Cruises and any person or entity, past or present, acting on behalf of any of the  
95 foregoing, including, but not limited to, each of their present and former agents, representatives,  
96 owners, officers, executives, partners, directors, employees, insurers and/or attorneys.

B. The term "Cruise Lines International Association Alaska" (together with Cruise Lines International Association, "CLIA") shall also include CLIA Northwest & Canada and any person or entity, past or present, acting on behalf of any of the foregoing, including, but not limited to, each of their present and former agents, representatives, owners, officers, executives, partners, directors, employees, insurers and/or attorneys.

C. The term "The City and Borough of Juneau, Alaska" shall include any person or entity, past or present, acting on its behalf, in the collection and expenditure of those certain Fees collected from cruise vessels calling at the docks and local waters within the jurisdiction of CBJ, including, but not limited to, each of their present and former members, representatives, officers, executives, partners, directors, employees, insurers and/or attorneys, but not individual Assemblymembers.

D. The term "Rorie Watt" shall include Mr. Watt in his official capacity as City Manager of Juneau, Alaska and any person or entity, past, present or future, acting in the official capacity as City Manager of Juneau, Alaska, including, but not limited to, each of their successors, assigns, representatives, officers, executives, partners, directors, employees, insurers and/or attorneys.

E. The term "Dispute(s)" shall be defined as all claims, defenses and/or allegations arising out of and in any way connected with the pleadings filed in the Action. The term shall not include future business dealings with respect to the collection and expenditure of Fees, except as otherwise agreed in this Agreement.

F. The term "Marine Passenger Fee" ("MPF") shall mean that certain five U.S. dollar (US\$5.00) per passenger fee assessed on certain passenger vessels as codified by CBJ Code Sections 69.20.030 and 69.20.040.

G. The term "Port Development Fee" ("PDF") shall mean that certain three U.S. dollar (US\$ 3.00) per passenger fee assessed on vessels carrying passengers for compensation on port calls in the City and Borough of Juneau pursuant to Resolution 2552 (2010).

H. The term "Motion for Summary Judgment Order" ("MSJ Order") is defined above. The terms of the MSJ are incorporated herein by this and any other reference. The MSJ Order is attached hereto as Exhibit A.

I. The term "Final Judgment" refers to that certain Judgment In A Civil Case filed by the United States District Court Judge for the District of Alaska, Hon. H. Russel Holland, on January 25, 2019, and entered in the Action at Docket No. 217; the terms of which are incorporated herein by this and any other reference. The Final Judgment is attached hereto as Exhibit B.

J. The term "Maritime Industry Zone" shall refer to that certain map attached hereto as Exhibit D.

K. The term "Effective Date" shall be defined as the date of full execution of this Agreement by both parties.

## **AGREEMENTS**

1. **Incorporation.** This Agreement hereby incorporates the Recitals and Definitions stated above.

142 2. **Operational Services Budget.** Attached as Exhibit C to this Agreement and incorporated  
143 herein by this reference is a true and correct copy of the CBJ FY 2019 Budgeted MPFs  
144 expenditures. The Parties acknowledge the allocation of Fees stated therein and, for purposes of  
145 this Agreement, CLIA does not object to each of the line item expenditures for FY 2019. With  
146 respect to the allocation of Fees for General Government Services in the successive years  
147 following FY 2019 governed by this Agreement, the Parties agree that in lieu of a line item  
148 allocation for General Government Services, CBJ will obtain a cost allocation study of said  
149 General Government Services and will allocate Fees based on the results of the future study  
150 effective FY2021 (July 1, 2020). The Parties understand and agree the intent of procuring an  
151 audit under this paragraph is that the cost of operational services will not vary significantly (+/-  
152 ten percent) from historical allocations for operational services. The parties agree that from time  
153 to time inflationary adjustments will likely be necessary.

154  
155 3. **Agreed Use of Fees in Maritime Industry Zone.** The Parties acknowledge and agree to the  
156 collection and expenditure of Fees in the Maritime Industry Zone. The Parties attach hereto as  
157 Exhibit D an area map of downtown Juneau wherein CBJ provides (Zone A) or could provide  
158 (Zone B) the infrastructure for cruise vessels, the support services for such vessels while in port,  
159 and infrastructure and services that further the marine enterprise/operation of such vessels,  
160 including: dockage, lightering, ship to shore infrastructure including utilities and debt service,  
161 ship to ship infrastructure including debt service, seawalks, restrooms, signage/wayfinding, motor  
162 coach staging, passenger queuing, terminal or emergency assembly facilities, access and parking  
163 facilities for vehicles serving a vessel, and any infrastructure required or recommended by the  
164 Department of Homeland Security (i.e. USCG and USCBP). The following expenditures are  
165 agreed to by the Parties:

166  
167 a. Debt service on the Cruise Ship Berth Enhancement project (commonly known as  
168 16B) and the planning, design and construction necessary to improve private and public  
169 cruise ship docks. The cost of acquiring land, tidelands, and easements required for the  
170 construction of capital improvements would be considered eligible project costs. For  
171 purposes of this Agreement, CLIA does not object to Fee expenditures for those  
172 purposes.

173  
174 b. For the purposes of this Agreement, CLIA does not object to Capital improvements  
175 within Zone A of the Maritime Industry Zone that further the marine enterprise/operation  
176 of vessels as described above including: dockage, lightering, ship to shore infrastructure  
177 including utilities and debt service, ship to ship infrastructure including debt service,  
178 seawalks, restrooms, signage/wayfinding, motor coach staging, passenger queuing  
179 facilities, access and parking facilities for vehicles serving a vessel, and any infrastructure  
180 required or recommended by the Department of Homeland Security (i.e. USCG and  
181 USCBP). The Parties agree to the expenditure of Fees for this infrastructure in Zone A  
182 and acknowledge that the CBJ may need to expand or change such services and  
183 infrastructure in Zone A due to a change in circumstances, such as changes in vessel size,  
184 scheduling, and demands for such services or infrastructure by the changes in  
185 circumstance. The cost of acquiring land, tidelands, and easements required for the  
186 construction of capital improvements would be considered eligible project costs. For  
187 purposes of this Agreement, CLIA does not object to Fee expenditures for those  
188 purposes.



c. Operational Services provided within Zone A pursuant to Paragraph 2, including but not limited to the following services that the CBJ provided in 2018 to CLIA, its passengers or crew: dockage, lightering, restroom maintenance, crossing guards, police/security patrols and infrastructure, fire and emergency medical service, weather monitoring, tug assist, trash collection and disposal, and any service required or recommended by the Department of Homeland Security (i.e. USCG and USCBP). The Parties agree to the expenditure of Fees for these services in Zone A and acknowledge that the CBJ may need to expand or change such services and infrastructure in Zone A due to a change in circumstances, such as changes in vessel size, scheduling, and demands for such services or infrastructure by the changes in circumstance. For purposes of this Agreement, CLIA does not object to Fee expenditures for those purposes.

d. For proposed capital improvements or operational services within Zone B, the parties agree to discuss these ideas at the annual meeting. CLIA does not object to a Fee expenditure in Zone B of an amount not to exceed \$10 million (\$10,000,000), over no longer than a five year period, for the Centennial Hall Expansion Project (also known as the "Capital Civic Center").

e. The Parties agree that expenditure of Fees outside of Zones A and B may be necessary. In such case, the parties shall discuss such ideas in accordance with paragraph 7.

4. **Statter Harbor Improvement Project.** CBJ has developed construction plans for improvements to Statter Harbor that will promote marine commerce in the area and provide services to vessels. CLIA contends the full scope of construction of the Statter Harbor Project may be beyond the scope of permissible expenditure of Fees set forth in the MSJ Order, but for purposes of this Agreement, CLIA does not object to a Fee expenditure up to seventy-five percent (75%) of a total project budget not to exceed twelve million four hundred thousand dollars (US\$12,400,000.) CBJ agrees to finance the remainder of the Statter Harbor Project construction through other funding sources.

5. **Attorney's Fees.** Both Parties shall be reimbursed for their respective attorney's fees incurred litigating the Disputes brought in the Action. The Parties agree that CBJ shall cause one million five hundred thousand dollars (\$1,500,000) to be paid from the MPF collected from CLIA Members to partially reimburse CLIA for its attorney's fees incurred in the Action. The Parties acknowledge that CBJ incurred approximately Eight Hundred Thousand (\$800,000) in legal fees defending the Action and prior to the Effective Date of this Agreement has used approximately Three Hundred and Fifty Thousand Dollars (\$350,000) from MPF collected from CLIA Members. The Parties agree that CBJ may cause the remaining Four Hundred and Fifty Thousand Dollars (\$450,000) to be paid from the MPF collected from CLIA Members and use those funds as an "other funding source" in accordance with paragraph 5. Payment to CLIA shall be made on or shortly after March 22, 2019. The Parties acknowledge that the CBJ has initially provided the \$1.95M payments from FY2019 general funds (Ord. 2018-11(AF)); For purposes of this Agreement, CLIA does not object to the CBJ reimbursing the \$1.95M payments of general funds with FY20 MPF funds (Ord. 2019-14). Neither payment shall be deemed or constitute an admission of liability or wrongdoing by either Party nor shall either Party be considered the prevailing party.

6. **Public Records.** CBJ shall keep true and accurate records, sufficient to determine the amount of Fees collected and the appropriation, allocation and expenditure of said Fees during any Fiscal Year wherein Fees are collected from CLIA. Consistent with Alaska public records laws (e.g. A.S. 40.25.110 and CBJC 01.70), these records shall be maintained and open to inspection at CLIA's expense at reasonable intervals by an independent auditor during regular business hours of CBJ. All audit expenses shall be considered costs recoverable to the prevailing party in any dispute resolution initiated pursuant to Paragraph 9.

7. **Annual Consultation.** Guided by the timelines in CBJC 69.20.120(b) (March 14, 2019), the Parties agree for each and every Fiscal Year, the Parties shall endeavor to meet in person to discuss in good-faith any new proposed projects and services for which Fees are sought to be expended in the following Fiscal Year with the ultimate decision resting with the Assembly.

8. **Amount of Fees.** CBJ acknowledges and agrees the MPF should remain at \$5.00 per passenger and the PDF should remain at \$3.00 per passenger for at least the next three years from the Effective date. However, if an Assembly determines otherwise during the next three years, the parties agree to meet and discuss consistent with paragraph 7. If there is any change to the State Commercial Passenger Vessel statutes (A.S. 43.52.200-295) during the three year period, then the intent of this section is null and void.

9. **Dispute Resolution.** In the event of any dispute, claim, question, or disagreement arising out of or relating to this Agreement or the annual project planning meeting or any breach thereof, including any claims relating to collection and expenditure of the Fees, the Parties hereto shall use their best efforts to settle such disputes, claims, questions or disagreements through direct discussions and, if the matter cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by non-binding mediation, before resorting to litigation. The parties agree that upon notice to the other demanding mediation, the statute of limitations for the matter is tolled. If the parties cannot reach a resolution through mediation, then either party may file their claim in the United States District Court for the District of Alaska, which shall be the sole and exclusive forum for resolving such matters. The Parties agree that all claims shall be filed and adjudicated in the United States District Court for the District of Alaska. The intent of this paragraph is to provide a process to resolve only justiciable issues that the CBJ has undertaken or is reasonably certain to undertake with Fees; This paragraph is not intended to limit or compel the legislative discretion of the Assembly.

10. **Cost of Enforcement.** In the event that either party shall institute any action (whether mediation and/or court litigation), at law or in equity, against the other party to enforce or interpret any provision(s) of the this Agreement, or for breach hereof or default hereunder, the prevailing party shall be entitled to reasonable legal fees and costs, and such other relief to which it may be entitled, for the enforcement of any of its rights hereunder consistent with Alaska Civil Rule 79 and 82.

11. **Complete Agreement.** This Amended Memorandum of Agreement represents the complete and exclusive agreement by and between the Parties and supersedes all prior and contemporaneous promises and agreements of any kind relating to the resolution of the Disputes,

as well as all negotiations and discussions between the Parties hereto and/or their respective legal counsel with respect to the subject matters covered hereby. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any of the Parties hereto concerning the subject matter hereof. This is an integrated agreement.

12. **Term of Agreement**. The term of this Agreement shall be ten years from the effective date with automatic ten year renewals unless either Party provides written notice to the other, sixty days prior to the renewal date, to terminate this Agreement.

13. **Successors and Assigns**. All of the terms and provisions of the Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the Parties.

14. **Governing Law**. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the United States of America and the State of Alaska.

15. **Waiver of Breach**. No waiver of any breach of any term or provision of this Agreement shall be construed to be, or shall be, a waiver of any other breach of this Agreement. No waiver shall be binding unless in writing and signed by the party waiving the breach.

16. **No Admission of Liability**: The Parties agree that the execution of this Agreement is done solely for the purposes of compromise, and to eliminate the burden and expense of further litigation, and does not constitute, and shall not be construed as, an admission of liability, wrongdoing, fault or as evidence with respect thereto, by any Party, on account of any claims or matters arising between CLIA on the one side and the CBJ on the other side raised in the Action. The Parties further agree that this Agreement shall not be offered or received against any of the Parties as evidence of a presumption, concession or admission with respect to any liability, fault or wrongdoing, other than such proceedings as may be necessary to effectuate the terms of this Agreement, the MSJ Order and Final Judgment. The parties acknowledge and agree that nothing in this Agreement is intended to prohibit disclosure by CLIA Members to their passengers and guests of Fees paid to CBJ pursuant to this agreement or to prohibit CLIA Members from continuing to assess passengers/guests for reimbursement of fees paid to CBJ.

17. **Third party claims**. In the event that a third-party files a claim or lawsuit against the CBJ resulting from or related to this Agreement and/or the collection and expenditure of the Fees, CLIA shall have no obligation to defend or indemnify the CBJ for such claim and/or lawsuit. CLIA's agreements and/or cooperation with respect to the CBJ's collection and expenditure of Fees, does not bind the CBJ in any manner to collect and expend the Fees nor does CLIA have any responsibility for the expenditure of the Fees once the Fees are collected from CLIA Members.

18. **Notice.** Any notice required to be given pursuant to this Agreement shall be deemed to have been sufficiently given either when served personally or when served by first-class mail addressed to the other Parties.

a. Notice to CLIA shall be effective only when addressed to:

~~President~~Chairman, CLIA Alaska

360 K Street Suite 300

Anchorage, AK 99501

with copy to:

President, CLIA

1201 F Street NW

Suite 250

Washington, DC 20004

b. Notice to CBJ shall be effective only when addressed to:

City and Borough of Juneau

c/o City Manager

155 S. Seward St

Juneau, AK 99801

19. **Mutual Drafters.** All Parties have cooperated in the drafting and preparation of this Agreement. Hence, this Agreement shall not be construed against any party on the basis that the party was the drafter.

20. **Severability.** If any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Memorandum of Agreement (Amendment 1).

**Cruise Lines International Association Alaska**

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**Cruise Lines International Association**

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**The City and Borough of Juneau**

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

**Rorie Watt**

**By:** \_\_\_\_\_

**Dated:** \_\_\_\_\_





**Maritime Industry Zones**

0 500 1,000 2,000 Feet



# **Juneau Whale HEALTH Project**

## **Humpbacks, Ecosystem Monitoring, And Long-Term Histories**

January, 2024

### **Juneau-based Research Team**

Dr. Heidi Pearson, University of Alaska Southeast  
Dr. Shannon Atkinson, University of Alaska Fairbanks  
Dr. Suzie Teerlink, NOAA Fisheries, Alaska Regional Office  
John Moran, NOAA Fisheries, Alaska Fisheries Science Center



### **Summary**

The purpose of this proposed project is to monitor the sub-population of humpback whales that are critical to Juneau's whale-watching industry. The Juneau Whale HEALTH Project builds on years of research and expertise and proposes a new research chapter aimed at monitoring Juneau's most valuable marine resource and a key driving attraction for visitors from all over the world- humpback whales. We seek support for fieldwork, lab analyses, and University team members' time to oversee the project and analysis. NOAA team members and NOAA's research vessel are included in this project proposal at no additional cost, greatly reducing the overall budget. This research team represents decades of expertise and includes benefits of leveraging in-kind support to conduct a rigorous and affordable monitoring program. This project could successfully be funded at different levels to be more comprehensive and we have broken these out below.

### **Background**

Juneau is Alaska's largest whale-watching port and likely the largest and most lucrative whale-watching hub in the world. Local tour operators work closely with Alaska's cruise industry to offer convenient shore excursions for cruise ship passengers during Juneau port-of-calls. The whale-watching industry is estimated to generate over \$60 million in direct economic revenue while offering a conduit for 367,000 cruise travelers to share in the wonder and beauty of humpback whales each year<sup>1</sup>. The industry has grown steadily over the last 20-30 years, however, the subpopulation of humpback whales that this industry relies on is actually quite small. There are typically about 8-10 humpbacks in the Juneau area at any given point during the summer, but this can dip to only 2-3 whales at times depending on prey availability and other environmental factors, leaving limited viewing options for the ~72 whale-watching tour boats.

<sup>1</sup> McDowell Group. [Economic Analysis of Whale Watching Tourism in Alaska](#). Report prepared for NOAA Fisheries in October 2020.

The number of humpback whales has remained fairly constant or even decreased in the Juneau area over the past decade, and so as the whale-watching industry has grown, there has been increasing pressure on any given individual whale. While prey is surely an important factor driving humpback whale distributions, we still don't understand all the ways that prey contributes to humpback whale distributions or how it interacts with other factors that impact the health and productivity of humpback whale populations.

The whale-watching industry in Juneau is completely dependent upon humpback whales frequenting the tour area. However, there is no monitoring support for humpback whales in Juneau to be able to detect concerns or track population health. We propose to responsibly monitor this valuable population to help ensure sustainability into the future. In short, this project will be an investment in the future of Juneau's tourism industry. Our proposed project builds upon a highly successful 4-year collaboration between NOAA, UAS, and UAF to assess humpback whale residency and health from 2020-2023.

#### **Abundance, reproduction, and health**

As a base-level monitoring approach, we propose to conduct regular surveys in the Juneau area to collect photo ID and biopsy samples. Photo ID uses photographs of the underside of humpback whale flukes (tails) to track individuals through time and space and will be used to monitor abundance, reproduction, and residency. Photographs will also be used to monitor the population for vessel strike and entanglement scaring and to document outcomes from these human interactions. Biopsy samples are a common marine mammal science field method for collecting small samples of blubber and skin that can be used to analyze the physiology of a whale. A single sample can be subdivided and used for measuring a suite of steroid hormones, along with genetics, disease, and stable isotope analyses. These metrics are important for monitoring, health, reproductive status, stress, genetic relatedness, population origin, and diet composition. Using this combination of methods, we will be able to monitor humpback whale abundance, residency patterns, reproduction, and health.

The quantity and composition of prey available to humpback whales feeding in Alaska in the summer is undoubtedly an important factor in characterizing humpback whale distribution and health. We will also include a small-scale prey monitoring component to provide a qualitative assessment of the prey availability to whales in the study. This can be an important context in our monitoring and ideally would eventually be expanded to a quantitative assessment of the prey availability.

#### **UAF Graduate Student**

This project would be greatly enhanced by also including support of a graduate student to collaborate on the aforementioned monitoring aspects and to investigate specific research questions with the data. This would reduce the support necessary for University faculty and bring in an early career scientist in as a dedicated team member who would work under close advisement of Dr. Heidi Pearson (who holds appointments at UAS and UAF).



Department of Natural Sciences  
School of Arts and Sciences  
11066 Auke Lake Way  
Juneau, AK 99801

This is a great way to help support and train the next generation of scientists and this project would be well poised to integrate a graduate student. A graduate student would also allow us to expand our research to include other interesting elements, for example the use of drones to establish body condition. Drones are increasingly being used in marine mammal science as a way to monitor humpback whale body condition by collecting and analyzing aerial photographs. Further, work is being done to correlate body condition to pregnancy status. By adding a drone component to the study, we would be able to add several surveys each summer to focus on aerial body condition to monitor health and detect pregnancy.

**Annual Budget (preliminary)**

- Baseline level monitoring: Abundance, reproduction, and health: \$90,000
- Addition of a UAF Graduate Student: \$70,000 (includes a full student support package for one year and a small budget for field equipment)

\*Depending on the funding mechanism used to transfer funds, UAS may require ~5% overhead in addition to these values.

*Select media and publications from earlier years of this study:*

- [BBC clip](#) of humpback whale research from this team
- NOAA webstories in [2020](#) and [2021](#) highlighting work from this research team
- Recent Publication - S. Atkinson, V. Melica, S. Teerlink, K. Mashburn, J. Moran, H. Pearson, Use of hormones in assessing reproductive physiology of humpback whales (*Megaptera novaeangliae*) from Juneau, Alaska, *Theriogenology Wild*, Volume 3, 2023, 100050, ISSN 2773-093X, <https://doi.org/10.1016/j.therwi.2023.100050>.

Interpretive Displays in High-Traffic Tourism Center  
City and Borough of Juneau - Marine Passenger Fee Program  
Project Proposal, January 2024

**What:** Marine Wildlife and Marine Conservation Interpretive Displays

**Where:** Statter Harbor Passenger vessel (whale watching and charter fishing) passenger staging area.

**Background:** Statter Harbor (Auke Bay) recently underwent some revisions and has a new passenger loading gangway that helps to separate the user groups within the harbor. This means that passenger vessels (whale watching and charter fishing tour boats) are all moored on the North end of the harbor and buses/coaches can drop their passengers off in the newly developed area between the main Statter Harbor parking lot and the launch ramp parking lot. This area has new bathrooms and a covered area and sees upwards of 200,000 tourists each summer as they stage for whale watching trips or wait to load their buses/coaches on departure.

**Project Summary:** NOAA Fisheries is collaborating with CBJ Docks and Harbors to design, create, and install permanent high-quality interpretive displays for the education and enjoyment of tour passengers using and passing through this space. The goal is to create displays that are beautiful and informative that engage visitors and inspire them to learn more about marine wildlife and marine conservation in Alaska. Marine wildlife and fish are such an important draw for travelers to visit Alaska and Juneau and this project will be hugely impactful as it will beautify and bring culture to an area that sees over 200,000 visitors every year for many years to come.

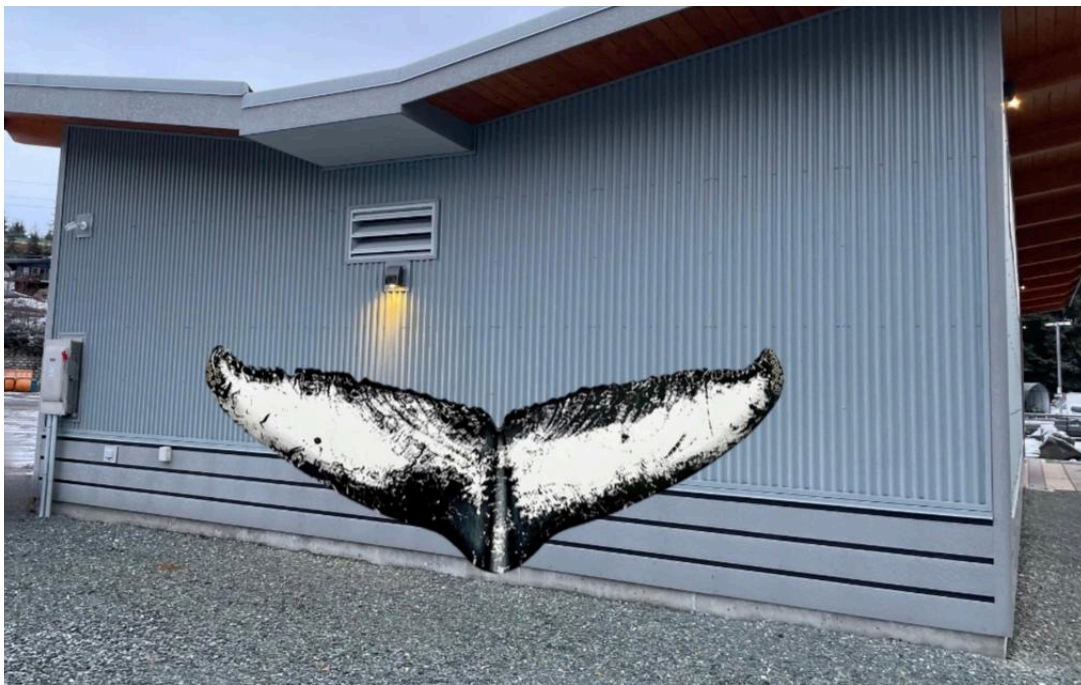
NOAA Fisheries is contributing the subject matter expertise and is designing the content (an in kind contribution to the project) and will work with CBJ Docks and Harbors to edit and refine the materials prior to production. The displays will be installed in coordination with other improvements on site and with CBJ Docks and Harbors collaboration and oversight.

To realize this project, support is needed for production of two of the elements:

- 1) A life-sized sculpture of humpback whale flukes
- 2) High-quality outdoor interpretive displays

### 1. Life-sized humpback whale flukes

Humpback whales are much larger than they seem from shore or from a boat. Their flukes reach 15 feet wide and over 6 feet tall. For this project, we are inviting an artist, Richard Dolan, to come to Juneau to create his largest creation yet. Richard is known for his incredibly accurate renditions of whale flukes and has created dozens of smaller sculptures of humpback whale flukes and other whale sculptures. See [Richard's website](#) for examples of his work. For this project, he will be scaling his art up to create a life-sized sculpture of the flukes of Juneau's most regular and well-loved whale, SEAK-1538 "Flame" to display at Statter Harbor. Flame is truly a living Juneau icon. To learn more about this interesting whale, see the [Juneau Flukes](#) catalog and a mock-up of the project in the photo below. The final product will be as incredible as it will be educational - it will help to convey the actual size of humpback whales and will give a basis for educating viewers about humpback whale fluke patterns and how they are used in science.



*A photo of Richard Dolan's previously built 3-foot wide sculpture of Flame's flukes enlarged and superimposed over a proposed space to install a life-sized (15-foot wide) sculpture. Flame is Juneau's most reliable and most viewed whale. She is an adult female who spends her summers near Shelter Island. Flame is also known for breaking the humpback whale record for the most consecutive calves ever documented - she had a successful calf for 4 years in a row (2019-2022)!*

## 2. Interpretive Displays

We are also planning to design 5-10 displays that can be shown around this area to help inform tourists about marine wildlife and marine conservation. We propose to have each display highlight a different topic. We have included a list of example topics below, however, final decisions on exactly which topics will occur after input from CBJ and those tour operators who operate out of Statter Harbor. NOAA Fisheries will contribute thoughtful, professional, and informative displays designs with input and collaboration with Docks and Harbors.

### Example Sign Topics:

- Marine mammal life history, identification, and interesting facts
- Marine fishes life history, identification, and interesting facts
- Humpback whale flukes photo-Identification. How taking photos of flukes can help us track individual whales around the world.
- Tactile display - casting of baleen and/or orca teeth or other marine mammal bones and structures and how they work
- "How Blubber Works" - an explanation of how marine mammals use blubber to survive in the water and how blubber functions to offer supreme insulation.
- Large whale entanglement response - how whales get tangled up and how they get cut free.
- Acoustics - play underwater sounds of marine mammals with a push button display
- The ways that whales interact with their ecosystem: what they eat and how whale poop



fertilizes the marine environment

- Phytoplankton to herring schools - What makes Alaska the spot for marine foraging.
- 

Example production vendors:

[www.vackersign.com](http://www.vackersign.com)

[www.trademarkcreative.com](http://www.trademarkcreative.com)



*Examples of pedestal angle-mount displays and wall-mounted displays for the area. Displays*

would be low enough to not obstruct the view of the Harbor, and the displays would be spread out information so that people could read and enjoy the content from separate stations.

**Budget:**

Budget Total \$24,400

**Part 1: Life-sized flukes sculpture**

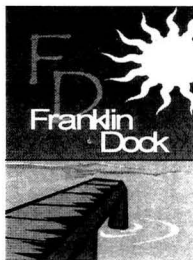
- Lumber and hardware- \$5,500
- Artist labor @ \$50/hour (x 150 hours)- \$7,500
- Accommodation and workspace are being provided, in kind, from other collaborators. - \$0
- Airfare- \$1000

***Subtotal proposed budget: \$14,000 payable directly to the artist, Richard Dolan***

**Part 2: Permanently installed interpretive displays**

- Mounting brackets and hardware- approx \$600 per display
- Production of signs- approx \$700 per display

***Subtotal proposed budget for displays: \$10,400 payable directly to the vendor***



December 29, 2023

City and Borough of Juneau  
 Alexandra Pierce, CBJ Tourism Manager  
 155 South Seward Street  
 Juneau, AK 99801

Dear Ms. Pierce,

Please accept this as a proposed list of expenditures at the Franklin Street Dock for funding consideration from Marine Passenger Fees for FY25. This request is consistent with our requests over past years.

This parallels requests for grant funding by CBJ and Docks & Harbors for security and restroom maintenance and cleaning. It therefore seems fair and reasonable for consideration of our funding request for similar expenditures at Franklin Dock.

**Dock Security as Required by USCG Regulations      \$130,000**

This is requested for security supplies, audits, conducting exercises and training for all personnel with security-related duties and other security-related expenses. This also includes security guard enclosures/equipment necessary to achieve compliance with USCG approved security plan in providing ISPS related services to vessels while in port.

Additional personnel are now required (for all cruise ship facilities in SE Alaska) to address USCG Transportation Security Act regulations.

*On December 18, 2020, Coast Guard Sector Juneau released a Marine Safety Information Bulletin (see attached) clarifying the regulatory requirements for Maritime Transportation Security Act (MTSA) regulated facilities which receive large foreign passenger vessels (i.e., cruise ships). The Consolidated Cruise Ship Security final rule, published on March 19<sup>th</sup>, 2018, defined the differences between a “cruise ship terminal” and a “port of call”. The final rule also prompted a conversation between USCG Sector Juneau and SEAK industry stakeholders, including Franklin Dock Facility Security Officer (FSO) in Juneau. Previously, SEAK industry stakeholders (including Franklin Dock FSO) interpreted Title 33, Code of Federal Regulations (CFR), Section 105.255(d)(4) as a list of documents which could serve as personal identification irrespective of criteria in 33 CFR 101.515. As such, facility security*



*personnel were allowing individuals with only a vessel boarding pass or room key card to gain access to the secure area adjacent to the cruise vessel.*

*The resultant clarification in the MSIB is that, as of April 1<sup>st</sup>, 2021, facility security personnel must now use a two-prong approach to ensure proper identification and valid purpose:*

- 1. Check the personal identification meeting the criteria in 33 CFR 101.515; and,*
- 2. Confirm the purpose for access by examining at least one document listed in 33 CFR 105.255(d)(4).*

Although this may seem like a minor additional task to validate an ID with a boarding pass or key card, the impact will greatly impede the flow of passengers returning to their vessel. The above mentioned two-prong requirement will be similar to what one experiences at an airport TSA checkpoint. The extra time required to ensure each boarding pass matches the government issued ID has the potential to create delays as in some cases, in excess of 1,000 passengers/hour attempt to re-board their vessels in Juneau. Additionally, passengers who do not have government issued ID with them will need to be escorted to the vessel security officer by port facility security personnel.

By funding two (2) additional (seasonal part-time) port security officers, this will augment the standing Franklin Dock security staff enabling the proper checking of credentials in accordance with Coast Guard guidance while still monitoring the security perimeter as required.

#### **Public Restroom Cleaning and Maintenance      \$30,000**

These expenses include maintenance, repairs, supplies and cleaning for the public restrooms at the Franklin Dock which were originally built and funded with Marine Passenger Fees. The cleaning portion of the expenses is based on a three times-per-day cleaning schedule on ship days.

#### **Grand total requested = \$160,000**

Sincerely,

Reed Stoops  
Franklin Dock Enterprises  
350 N. Franklin, #2  
Juneau, AK 99801

cc: Kirby Day / Princess Cruises



# U.S. COAST GUARD SECTOR JUNEAU



December 18, 2020

## MARINE SAFETY INFORMATION BULLETIN

### Port of Call Access Control

This safety bulletin serves to clarify regulatory requirements for Maritime Transportation Security Act (MTSA)-regulated facilities that receive large foreign passenger vessels (hereafter “cruise ships”) throughout the Southeast Alaska Captain of the Port zone.

**Background** – The Consolidated Cruise Ship Security Regulations final rule, published on March 19, 2018, defined and clarified the differences between a “cruise ship terminal” and a “port of call.” The final rule also prompted a conversation between Sector Juneau and Southeast Alaska industry stakeholders to discuss processes and expectations. For years, industry had interpreted Title 33, Code of Federal Regulations (CFR), Part (§) 105.255(d)(4) as a list of documents that could serve as personal identification, irrespective of the criteria in 33 CFR § 101.515. As such, facility security personnel were allowing individuals with only a boarding pass or room key to gain access to the secure area. The Coast Guard Office of Port & Facility Compliance recently found that additional measures are needed to meet the intent of the security regulations.

**Requirement** – Before allowing any person, including apparent vessel passengers, to access the secure area of an MTSA-regulated facility, security personnel need to use a two-pronged approach to ensure proper identification and a valid purpose:

1. Check personal identification meeting the criteria in 33 CFR § 101.515; and
2. Confirm the purpose for access by examining at least one of the documents listed in 33 CFR 105.255(d)(4).

The Coast Guard understands that complying with these regulations for the first time will require industry to reassess their operations and procedures. The remoteness of Alaska and physical arrangement of some MTSA-regulated facilities are unique. These circumstances will likely necessitate a collaborative effort between industry and the Coast Guard to address any concerns, and my staff look forward to discussing the way forward with you. Together, I am confident we can find solutions that meet the letter and intent of MTSA regulations and overcome challenges that stakeholders may encounter.

**Deadline** – Facility owners/operators submit amendments to facility security plans that document compliance with 33 CFR § 101.515 and 33 CFR 105.255(d)(4) no later than April 1, 2021. In addition, every facility must have implemented the process proposed in the amendment before receiving a cruise ship.

**Contact** – For any questions regarding this safety bulletin or port of call access control, please contact the Sector Juneau Facilities Division at (907) 707-5513 or email [D17-PF-SectorJuneauPrevention@uscg.mil](mailto:D17-PF-SectorJuneauPrevention@uscg.mil).

Sincerely,

S. R. WHITE  
Captain, U.S. Coast Guard  
Captain of the Port  
Southeast Alaska





[www.JEDC.org](http://www.JEDC.org)  
 612 West Willoughby Avenue  
 Juneau, AK 99801  
 Phone: (907) 523-2300  
 Fax: (907) 463-3929

January 2, 2024

City Manager's Office  
 Attn: Alexandra Pierce  
 155 South Seward Street  
 Juneau, Alaska 99801

Re: CBJ FY25 Marine Passenger Fee Funding Proposal for Planning, Design and Construction of Seasonal Tourism Workforce Housing Project

Dear Ms. Pierce,

## EXECUTIVE SUMMARY

The Juneau Economic Development Council (JEDC) is requesting FY25 Marine Passenger Fees. In our efforts to identify and provide a concrete solution to the seasonal worker housing shortage, JEDC would directly improve the ability of the visitor industry to provide services to Juneau visitors as well as alleviate some of the impacts on Juneau's housing market for year-round residents caused by the high number of seasonal workers requiring housing. JEDC seeks \$23,200,000 in FY25 passenger fee funding for the planning, design, and partial construction costs of a seasonal workforce housing project that will accommodate at least 200 (or higher) non-local seasonal workers. The proposed housing project strongly aligns with three of JEDC's five strategic priorities: 1) help make Juneau a great (capital) city; 2) develop talent; and 3) strengthen key regional industries.

Since 2011, JEDC has supported an industry cluster-based approach to economic development in the Southeast Alaska region called the Southeast Alaska Cluster Initiative. In support of the tourism sector specifically, this approach brings private sector firms in the Visitor Products industry together with federal, state, and local agencies, university faculty, trade association representatives, economic development organizations, community leaders, and other stakeholders in a facilitated cluster working groups to address industry needs, concerns, and opportunities on a cooperative basis. In October 2022, the Visitor Products Cluster Working Group (VPCWG) refreshed its priorities and outlined several "Action Initiatives," each led by private-sector business leaders. One of these initiatives focuses specifically on addressing the lack of sufficient seasonal workforce housing in Juneau and other cruise ship ports in Southeast Alaska.

## DESCRIPTION OF NEED FOR PROJECT

The lack of available and affordable housing in Juneau remains a significant barrier to workforce recruitment. To gauge the severity of this issue, The Juneau Economic Development Council conducted a survey of Southeast Alaskan businesses from December 2022 through January 2023. The survey's objective was to determine how businesses in the region were impacted by a lack of affordable housing for seasonal employees, aiming to determine whether demand exists for a dormitory-style housing development for these workers. One hundred thirty-one (131) responses were received from business owners in Southeast Alaska who hire seasonal

employees, with most respondents being a part of the tourism industry. Of those 131 respondents, 84 indicated that they have businesses in Juneau.

The subset of respondents living in Juneau reported that businesses were impacted very negatively in 2022 by the lack of housing for non-local seasonal workers and that substantial demands exist for a dormitory-style development aimed at these employees. The responding businesses leaned towards a preference for locations closer to the Downtown area (in Juneau), and rated affordability and location as the most important aspects of housing for their employees. The busiest period for respondents was between April-October, with May-September being especially busy. On average, businesses estimated hiring 20 non-local employees during their 2023 busy season, out of an average of 40 total employees. This suggests that, on average, non-local seasonal employees comprise about half of these businesses' workforce. Local businesses described extreme staffing shortages in the summer season that prevented them from operating at normal capacity. Some businesses even shut down for periods of time during their peak season. When businesses are closed, have limited capacity, or the quality of service is affected, this negatively impacts the cruise ship visitor experience and results in significant losses for local businesses. Juneau's visitor experience and the visitor industry suffer due to this lack of available and affordable housing. See below for results:

- Forty-seven of the 51 respondents to date have identified explicitly as tourism businesses.
- 49+ businesses (>96%) have seasonal workers May-August; 47 businesses (92%) have seasonal workers in September; 40 businesses (78%) in April, 33 businesses (64%) in October, and then a sharp decline to 2-6 businesses (<12%) that have seasonal workers in the remaining months of the year.
- When considering multiple variables related to housing, businesses ranked Affordability as most important to their employees, followed closely by Location, then Size and Space; Privacy ranks last.
- On average, 20 non-local, seasonal workers who require housing will be hired per business in 2023. The 51 responses so far suggest that 1,000+ seasonal workers will need housing in the 2023 season.
- Collectively, the businesses responding so far intend to provide a financial subsidy for housing to 463 workers; this means local businesses will subsidize housing for 46% of these seasonal workers. Also, 34 businesses (65%) reported being willing to subsidize some amount of employee housing.
- Regarding maximum price range employees are willing to pay, 24 businesses (47% of respondents) reported \$500-\$750/month, 13 businesses (25%) reported under \$500/month, 11 businesses (21%) reported \$751-\$1000/month, and 3 businesses (6%) reported \$1001+/month.
- If housing for seasonal workers is built, 25 businesses (49%) are willing to provide transportation to/from work, 14 businesses (27%) may provide transportation, and 12 businesses (23%) will not provide any transportation assistance.
- If seasonal housing is built, 26 businesses (51% of respondents) are interested in reserving units (guaranteeing rent and damage deposits) for their seasonal employees and 17 businesses (33%) are possibly interested.

Another survey was conducted in 2023 by JEDC to identify specific residential properties that are used for seasonal workforce housing by Juneau businesses.

- Nine different visitor industry businesses reported owning residential property in Juneau. A total of 13 properties are occupied, with seven being owned by these businesses and the other six being leased.
- Sixteen out of 20 respondents employ seasonal workers. Among these, seven (7) reported owning or leasing property for use by seasonal workers. Only five (5) property addresses were identified, due in part to respondents not reporting specific locations. JEDC is still collecting information.

Data from Juneau tourism businesses indicate there is significant interest in addressing seasonal workforce housing. Many employers are also willing to provide financial subsidies and transportation to make such housing more attractive and affordable for employees. In response to Juneau's housing shortage and its effect on seasonal workforce recruitment, JEDC, along with the VPCWG, proposes the construction of a 200+-unit dormitory-style housing complex for seasonal tourism workers. The units will be leased directly to tourism businesses to meet workforce housing needs. Direct leases to tourism-focused businesses will ensure that the housing meets its intended primary purpose: addressing the housing needs of non-local seasonal workers required to support the businesses that serve 1.6 million cruise ship passengers visiting Juneau each year. Businesses will secure the appropriate number of units based on their needs and manage internal transitions between employees that occur during the rental period. Additional benefits of direct leases to businesses (versus rentals to individuals) include the reduced likelihood of missed payments, maintenance of security deposits, and overall ease of property management.

## **HISTORICAL SUPPORT FOR HOUSING**

The community of Juneau has historically built infrastructure to attract or accommodate workforce growth. The City and Borough of Juneau's *Juneau Townsite Historic Building Survey* (2023) provides a summary of the city's efforts in 1948 to provide office space and residences for government workers (p.17). Juneau's population began to falter as the mining era ended and the fishing and lumber industries declined in 1944. As noted by the report, the Community Building Corporation had stated that "the City of Juneau must place itself in a favorable position to attract Government agencies seeking office space" (Daily Alaska Empire, 1948). The city secured its place as the capital of Alaska by initiating and financing several major building projects for government workers and activities, such as the Community Building and the Mendenhall Towers.

## **PROJECT DESIGN & MANAGEMENT**

With the requested Marine Passenger Fee funding, JEDC seeks to cover planning and design costs in collaboration with a local firm, such as NorthWind Architects LLC to build six floors of seasonal work-force housing above a ground that offers commercial space in downtown Juneau. Additionally, JEDC seeks to add one to three additional stories to increase year-round housing supply downtown, which also will serve to supplement construction costs associated with the project. JEDC intends to finance the remaining construction costs not covered by Marine Passenger Fee funding through revenue generated by the project. Rental income from the property will offset the initial investment and fund ongoing property maintenance and overhead. Marine Passenger Fee funding is necessary to offset high construction costs and make this project feasible. Assuming 85-100% capacity from May through September, 55-70% capacity in April and October, and 0-15% capacity at a reduced rate from January through March and November through December.

JEDC is developing the proposed design in collaboration with NorthWind Architects LLC. Please find an example of a floor plan for seasonal housing design attached. CBJ-owned property at 324 Second Street has been selected to develop project construction cost estimations. However, the proposed project (non-local seasonal workforce housing to support the tourism industry) is not site-specific. JEDC will consider a modular design that can scale to different project sizes and locations, including throughout Southeast Alaska. A modular design requires less on-site labor to erect the structure, which acknowledges the constraints on our construction workforce in Juneau and other communities in Southeast Alaska. Regarding schedule, modular construction is underway at the same time as site construction, including foundation and utilities. This allows for a shorter, more efficient construction schedule and earlier availability for occupancy. JEDC will consider site suitability,

development costs, impact on local neighborhoods, and preferred location for businesses (based on the results of the Seasonal Workforce Housing study) to determine the optimal project location.

JEDC plans to hire a Program Director to oversee the development of this project. The project should take approximately 52 to 64 weeks from the time all permits and permissions to proceed with construction are obtained and materials are on site. Once the building is constructed, JEDC will consider hiring a private operator to work directly with local tourism operators and manage the property. Tourism businesses are the focus of this project and will be given priority in securing units, given the investment of Marine Passenger Fees. During the off-season, units will be made available to temporary workers in other industries, such as construction and healthcare, to address seasonal workforce needs in other sectors and create additional revenue to offset costs.

## COST ESTIMATE

The current cost estimate outlines approximately seven floors, with the Ground Floor being a retail & amenity space available to the public and Floors 2 through 6 being dedicated to seasonal workforce housing. JEDC intends to offer additional upper floors of market-rate housing apartments to meet Juneau's housing needs.

Considering a conventional site development, the total construction cost, including site development, was estimated at \$23,183,724. At 59,290 square feet, this comes out to \$325.00 per square foot. This square foot cost estimate was accompanied by a Probable Low Limit cost of \$211 per square foot and a Probable High Limit of \$487 per square foot. This estimate includes associated costs, including but not limited to site development, labor, equipment, materials, plumbing, and electrical, and factors in escalation for inflation. It does not include the cost of purchasing the CBJ-owned land (or any land). JEDC has identified options to increase affordability, such as increased density and building site configuration, and is actively working with NorthWind Architects to create an updated design that reduces overall costs.

<b>Total Workforce Housing - Area of SF 204 Beds</b>			<b>59,290</b>
<b>Mid-range Residential Construction Costs</b>			<b>\$325</b>
	<b>Sub-total</b>		<b>\$19,239,605.00</b>
<b>Cost Type</b>	<b>Major Component</b>	<b>Percent Total</b>	<b>Subtotal</b>
Construction	<b>Subtotal Construction Costs</b>		<b>\$19,239,605.00</b>
Project	Design	10.0%	\$1,923,960.50
Project	Construction Management	5.0%	\$961,980.25
Project	Other	5.5%	\$1,058,178.28
<b>Estimated Total Development Costs</b>			<b>\$23,183,724.03</b>

## CONCLUSIONS

Given the urgent need for seasonal housing in Juneau, and the time required to complete a project of this scope, JEDC is submitting a request for FY25 Marine Passenger Fee funding. By acquiring funding now, JEDC hopes to avoid delaying construction by an additional year or more. JEDC will secure funding for the other portion of construction costs from other sources.

Ultimately, available and affordable housing is good for all Juneauites. Seasonal workforce housing will benefit cruise ship passengers directly by allowing Juneau-based businesses to attract and retain workers to support visitor services. The provision of housing for non-local seasonal workers in the tourism industry will also alleviate

pressure on Juneau's housing market by reducing the need for tourism companies to occupy housing units for part of the year that could be available to year-round Juneau residents. The growth of Juneau's economy is limited by our ability to build housing for our workers, seasonal and year-round. Juneau continues to experience a housing crisis as the supply of newly built housing units has not kept up with the increased demand for units for short-term rentals, seasonal housing, and a growing adult population. The Juneau Economic Development Council, with the support of the Visitor Products Cluster Working Group, is committed to tackling these issues through the proposed seasonal workforce housing project.

Thank you for your continued support.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Holst", written over a circular line.

Brian Holst  
Executive Director

JEDC WORKFORCE HOUSING: MIXED USE  
INITIAL PLAN CONCEPT





**Juneau Commission on Sustainability**

(907) 586-0800

[jcos@juneau.org](mailto:jcos@juneau.org)

[www.juneau.org/engineering-public-works/jcos](http://www.juneau.org/engineering-public-works/jcos)

155 S. Seward Street • Juneau, AK 99801

January 3, 2024

Ms. Alexandra Pierce, Tourism Manager  
City & Borough of Juneau

Subject: Marine Passenger Fee Recommendations

Dear Ms. Pierce,

The Juneau Commission on Sustainability (JCOS), in its role as advisor to the CBJ Assembly, recommends three projects for 2024 Marine Passenger Fee (MPF) funding:

- \$5 Million for CBJ 16B dock electrification;
- \$1 Million as an initial contribution to a Tourism Clean Energy revolving loan fund and incentive program; and
- \$1.2 Million for a downtown circulator electric bus system.

These requests support Assembly goals, community sustainability goals, and the local Clean Port Initiative that JCOS proposed last year to advance Visitor Industry Task Force (VITF) recommendations. They also reinforce Juneau's long-term participation in the Green Corridor initiative.

MPF funding for these projects should be combined with related CBJ efforts into a broader community initiative to make Juneau a model for community sustainability and beneficial electrification. This approach strengthens Juneau's ability to attract federal infrastructure funding and support from existing federal programs under the Infrastructure Bill, Inflation Reduction Act, and directly from our Congressional Delegation; and potential energy funding from the State.

1) Shore Power for CBJ 16B Docks. \$5 million.

Electrification of the two CBJ cruise ship docks are consistently identified as a high priority in planning for Juneau's downtown and for the visitor industry. JCOS supports the Docks and Harbors' recommendation that \$5 million be allocated for this project in the FY25 budget.

As part of this project, JCOS recommends completing the following elements in 2024 in order to make timely and forward-looking progress on dock electrification:

- a. **A bid-ready document that includes all engineering/design and environmental/ cultural permitting** necessary to seek competitive bids to complete shore power infrastructure for the 16B docks. Completing these critical path documents contemporaneously avoids delays, drives down project costs, potentially saves Juneau millions of dollars by receiving low bids, and demonstrates project readiness when applying for state and federal funding.
- b. **An electrification analysis by knowledgeable consultants for the entire downtown port area** to ensure that CBJ investments in 16B shore power infrastructure harmonize with and meet the future needs of other electrification projects. The CBJ, the Assembly, and the public frequently receive conflicting information about the impacts and costs of proposed electrification projects, and there is a growing need to coordinate and integrate CBJ investments. In addition to shore power for the CBJ's cruise ship docks, these include the proposed Huna Totem dock, a potential homeport facility for a U.S. Coast Guard icebreaker, small vessel and other docks, and increasing waterfront charging needs for electric vehicles and buses to meet Juneau Renewable Energy Strategy and Visitor Industry Task Force recommendations. JCOS recommends that a 3rd party contractor assist the CBJ and AELP, with public input, in assessing and evaluating alternative approaches and public/private investments in electrical infrastructure for the entire waterfront.
- c. As needed, **land acquisitions or substation modifications** to complete 16B dock electrification.
- d. **Final specifications and order for LTC transformers for 16B docks** as soon as possible.
- e. **Staff time for the CBJ grant writer or consultant services.** This effort requires a focus on federal and state funding sources to optimize 16B and full port electrification in the future.
- f. **Development of a financing plan**, including any needed consultant assistance.

2) Revolving Loan Fund and Incentive Program for Tourism Business Clean Energy Projects. \$1 million.

This pilot fund would assist tourism businesses in converting polluting transportation equipment to cleaner forms of energy. It would be partially modeled on the CBJ's successful revolving loan fund that allowed conversions of tourism floatplanes to quieter engines in the early 2000s. In



addition, grants could be awarded for technical assistance and pilot projects. Flightseeing, marine tours, and tour buses and vans contribute significantly to Juneau's carbon emissions, and many businesses are interested in finding ways to reduce their pollution. The JRES and the VITF recommended electrification of buses used by tourism businesses.

3) Downtown Electric Bus Circulator System. \$1.2 million.

JCOS continues to support development of a downtown circulator bus system and recommends funding a project as described in the *2023 Juneau Visitor Circulator Study*. This would help visitors and residents move between the docks, downtown businesses, and attractions such as the Overstreet/Whale Park and the State Museum, thereby reducing congestion and improving accessibility. Electric buses would provide quiet, pollution-free transportation and contribute to Juneau's climate and renewable energy goals. Their purchase could be funded through a combination of MPF match, Inflation Reduction Act tax credit/direct pay, and federal grants.

Thank you for considering JCOS' MPF funding request and recommendations. JCOS appreciates your strategic input and leadership in ensuring that Juneau moves forward with a cleaner port destination. The MPFs are critical for advancing the community's sustainability and Juneau's leadership and collaboration in the Green Corridor and cruise industry efforts. Please feel free to contact me if you have any questions.

Sincerely,



Gretchen Keiser, Chair  
Juneau Commission on Sustainability

cc: Mayor Weldon and Assembly Members  
Katie Koester, City Manager  
Carl Uchytel, Port Director



## MEMORANDUM

TO: CBJ City Manager/City Tourism Manager  
City and Borough of Juneau Assembly

FROM: Drew Green, AJ Juneau Dock LLC

SUBJECT: FY25 Marine Passenger Fee Proceeds Project List

DATE: 1-2-2024

The AJ dock is a cruise ship facility in the port of Juneau receiving cruise ship passengers contributing to the Marine Passenger Fee, State Excise Tax and Port Development Fee. Below are projects appropriate for Marine Passenger Fee proceeds funding.

### BACKGROUND

In 2023 the AJ dock received **462,021** “revenue” passengers. CBJ has collected and will receive Marine Passenger (MPF), Port Development Fees (PDF) and State Commercial Passenger Vessel Excise Tax (CPE) from vessels calling this facility. Below is a summary of funds collected by CBJ from AJ Dock vessels in 2023 and to date:

**Marine Passenger Fee** (MPF - \$5/passenger) in 2023: **\$2,310,105**  
**Port Development Fee** (PDF - \$3/passenger) in 2023: **\$1,386,063**  
**State Excise Tax** (CPE - \$5/passenger) for 2023: **\$2,310,105**  
**Total** estimated per passenger fees collected in 2023: **\$6,006,273**

Total since 2004:

**MPF: \$27,187,915**

**PDF: \$15,070,571**

**CPE: \$18,214,765** (Total CPE since 2011 - state appropriation formula change)

Total per passenger fees collected by CBJ from AJ Dock vessels to date: **\$60,473,251**

Thank you for consideration of this annual request with FY2024 projects listed below:

## AJ Dock CBJ MPF PROJECT REQUESTS FY25

### **AJ Dock Port Facility Security**

This project includes training; maintenance and supplies related to security, safety equipment. Items included are CCTV monitoring system maintenance; signage; credentialing; exercises and operations related to the safety and security of passengers, crew, public and the local workforce at the cruise ship facility. US Coast Guard regulatory determinations have recently increased Access Control screening requirements. To perform these additional identification screening requirements (similar to TSA) three times the security force of 2019 are mandatory in 2023 depending on the passenger volume of a given port call.

**\$282,000**

### **AJ Restroom Cleaning, Sanitization and Maintenance**

Cleaning, upkeep, and maintenance of facilities servicing passengers, public and workers at the facility.

**\$30,000**

### **Juneau Port Security Patrol and Short-Range Response Boat Operations**

The Department of Homeland Security Port Security Grant Program awarded the AJ dock with a port security boat that conducts port security patrols, vessel interceptions, at-sea deliveries to cruise ships in port (many items cannot be transferred over cruise ship docks for security reasons), spill response, salvage response, on-scene coordinator/command and CBP/law enforcement boarding when ships are at anchor or at sea. This request is solely to cover the manning, maintenance and operational expenses related to this vessel.

**\$19,600**

### **Barge Maintenance**

Every 5 years the AJ Dock floating barge components need to be towed and dry-docked for anti-fouling, painting, and zinc anode replacement. This maintenance project is due in 2024 winter for re-installation completed by March 20245 (the south barge has undergone maintenance in winter 2022/23). The project scope includes raising the access bridge, towing the barge to a shipyard drydock; dry dock labor, equipment and supplies; zinc anodes replacement; derrick crane barge to remove/replace mooring collars and the shore bridge; electrical decommissioning/reconnection, plumbing and wastewater disconnection/reconnection.

**\$750,000**

### **AJ Dock safety barrier fence replacement**

The AJ dock has fences around the perimeter of the barges that make up the dock. These fences over the last 20 years have been bent, damaged and are nearly unusable. A new barrier system like that of the new CBJ docks is preferred for safety and operations. This project is to design and build a stouter version of safety barrier fencing for the AJ dock with fork pockets for removal by forklift. This project was previously approved but these funds were reallocated into 2021 and 2022 CY security operations as per CBJ agreement due to Covid.

**\$87,000**

### **AJ Terminal, Security and Screening Facility**

Since the AJ Dock was originally constructed a footprint and plan for a future Terminal building has been in place. New security regulations in effect since 2019 (and implemented in the 2021 and 2022 seasons) require additional shoreside screening at facilities and ships for ports of call and for ships “turning” at a terminal. Having an indoor screening area is very advantageous for not only ship and facility security but for efficiencies in passenger and crew movement to and from the ship. Ships required to follow stringent security guidelines for “turning” a ship (passengers disembark and embark in Juneau) have been scheduled at the AJ dock as there is more ample space and a more robust makeshift terminal security program for these events. However, new federal regulations require measures not currently available in Juneau. A structure to house screening of persons, baggage, effects, check-in procedures, US Custom’s inspections and as well as secure baggage handling would greatly enhance our ability as a community to accommodate turning vessels. This request is to begin the architectural and engineering work required for this project.

**\$350,000**

### **AJ Uplands Modifications for Passenger Safety, Movement and Vehicle Staging**

The AJ Dock uplands was originally designed 20 years ago with a much different class and size of vessel than is experienced today. The movement of people through the facility uplands has become overcrowded and confusing for passengers going ashore making their way to experience Juneau. Of utmost concern is widening areas for pedestrian movement so that passengers are not walking in the roadways with a clear distinction or separation of shuttle and tour operations. Planners and architects along with tour operators have been involved in the design process to create a more conducive and safer operational site for current (and future) volumes of passengers. This project is designed and ready for permitting/construction during the fall/spring of 2024/2025 with an April 15th, 2025 completion date.

**\$379,000**

**From:** [Bruce Denton](#)  
**To:** [Alexandra Pierce](#); [Katie Koester](#)  
**Subject:** MPF funded project  
**Date:** Wednesday, January 3, 2024 2:00:47 PM

---

Hi Alex,

I don't know if there is a master plan to do something about replacing this temporary tent with a more suitable permanent structure. Harbor board member, Jim Becker, said he was not aware of anything in the works. It is an embarrassment for this to be the best Juneau can offer as a gathering place for ship passengers disembarking at the 16B Alaska Steamship dock during inclement weather while they wait to board buses for shore excursions. I think Juneau should consider replacing this tent with a permanent architecturally pleasing pavilion type structure off the north side of the Marine Park Garage. Ideally, it should be big enough to house the kiosks on the dock that offer no protection from the weather to the tourists purchasing shore excursions. Quite often, the existing tent isn't even big enough to accommodate all the ship passengers that would like to use it, so many of them take refuge in the parking garage stairway which, unfortunately, is frequently a hangout area for disorderly homeless individuals.

Building a permanent structure for ship passengers is an appropriate use of Marine Passenger Fees. I would like to request that it be included for consideration for MPF funding.

Please contact me if you would like to discuss this further.

Thank you,  
Bruce Denton  
(907) 723-2259



**From:** [Catherine Don](#)  
**To:** [Alexandra Pierce](#)  
**Subject:** Cruise Ship Tax proposal  
**Date:** Thursday, December 14, 2023 10:51:43 AM

---

Good Day,

Has the city considered using the money to repair or purchase a new city incinerator? The topic of garbage disposal is a hot topic in the community, and it impacts cruise ships as well. Currently, without an incinerator that handles APHIS garbage (see link below), ships hold onto their garbage throughout SE Alaska and dispose of it in Seattle or Vancouver. If the city purchased an incinerator with the money, they could offer ships the option to dispose of their garbage here (and charge more for it since APHIS garbage can only be handled by an incinerator) and also offer cheaper garbage services to city residents.

[USDA APHIS | Regulated Garbage](#)

Thanks

Cat

# Marine Passenger Fee Funding Proposal: Additional Capital Transit Bus Service

Capital Transit is requesting \$975,000 from the Marine Passenger Fee program to provide additional bus service during the FY25 cruise ship season:

- A new Mendenhall Express route between downtown and the Mendenhall Valley that would run every 15 minutes, seven days per week, from approximately 8:30 AM to 5:30 PM.
- Extended Service Hours:
  - Saturday-level bus service on Sundays throughout the cruise ship season.
  - Saturday-level bus service on the Memorial Day and Labor Day holidays.

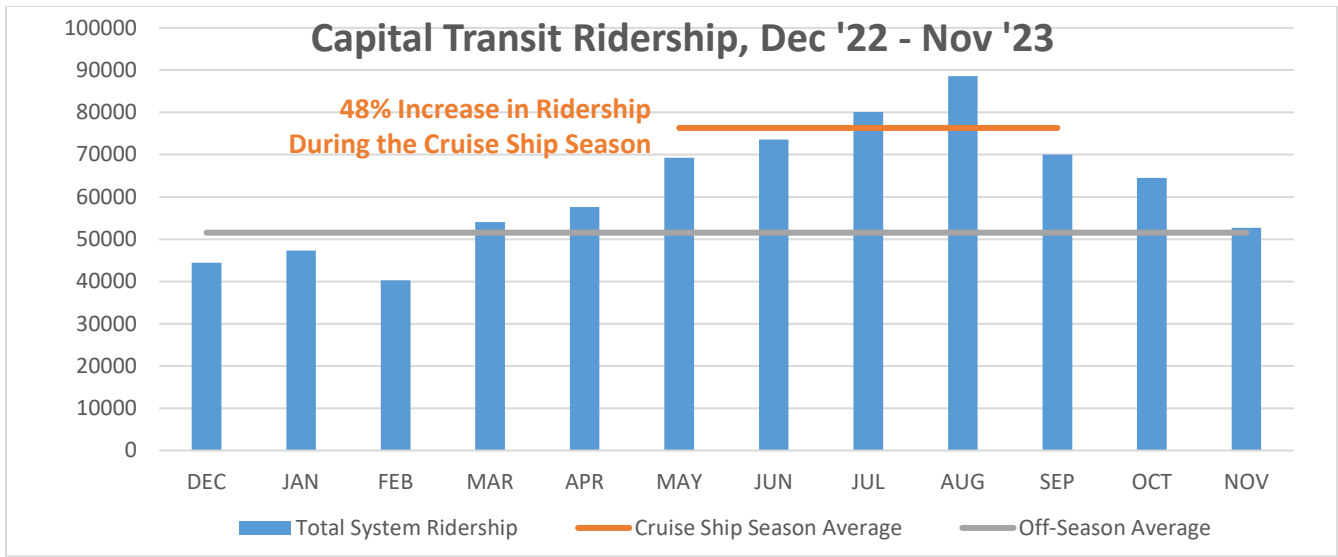
This additional service would run during the busiest 22 weeks of the cruise ship season, from approximately the beginning of May to the end of September.

The following sections provide a summary of the proposed new route and extended service hours, details about how each would benefit cruise ship passengers, and details about how each could help to mitigate some the impacts on our community caused by the cruise ships.

A separate sheet is attached, which provides a breakdown of the cost for the additional service.

## Mendenhall Express Service Summary

Cruise ship passengers and crew members frequently use Capital Transit buses to travel to the Mendenhall Glacier and other locations around town. This leads to overcrowding on the buses on our current routes, and passengers being left behind due to this overcrowding. As shown below, Capital Transit ridership during the 2023 cruise ship season was 48% higher on average than during the off-season. Adding more daily service during the busy cruise ship season would help mitigate the impacts of overcrowded buses for local passengers and provide more convenient bus service to the cruise ship passengers.



We are proposing to add a new high-frequency Mendenhall Express route that would run every 15 minutes during the day, seven days per week, from approximately 8:30 AM to 5:30 PM. This route would provide direct, non-stop service between the Downtown Transit Center and the Valley Transit

Center. The buses would then continue down Mendenhall Loop Road to a stop near the Mendenhall Glacier Visitor Center Park Entrance and provide service to existing bus stops along this segment. The buses would then return to the Downtown Transit Center via the Valley Transit Center.

**Extended Service Hours Summary**

With the proposed extended service hours, Capital Transit would run Saturday-level service on Sunday and the Memorial Day and Labor Day holidays.

Saturday-level service means that Capital Transit would operate Core Service routes on Saturday schedules, in addition to the new Mendenhall Express route. The current Commuter routes that normally operate Monday – Friday would not run on the weekend or on holidays.

Capital Transit bus service on Sunday currently ends 5 hours earlier than Monday – Saturday bus service. On Sunday, the last buses of the evening start their runs around 5:30 PM, compared to 10:30 PM on the other days of the week.

We are proposing to increase Sunday service hours to be consistent with Saturday hours on our Core Service routes during the cruise ship season. This would help better match our bus service to the Sunday cruise ship schedules, where cruise ships are scheduled to be in port until at least 10:00 PM on every Sunday of this 22-week period in 2024.

Capital Transit does not currently operate any bus service on the Memorial Day or Labor Day holidays. Since both holidays fall during the busy cruise ship season, we are proposing to offer Saturday-level service on these two holidays as well.

**How the Additional Service Would Benefit Cruise Ship Passengers**

**Mendenhall Express: Benefits for Cruise Ship Passengers**

The proposed Mendenhall Express service would provide much more convenient access to the Mendenhall Glacier Visitor Center Park Entrance, which is the most common destination for cruise ship passengers who ride Capital Transit buses. This new service would provide a one-way travel time from the Downtown Transit Center to the stop for the Mendenhall Glacier Visitor Center Park Entrance of about 22 minutes, compared to the 31 – 45 minutes required using our existing routes. This high-frequency service would also reduce the wait time between buses to 15 minutes, compared to the 30-minute wait with our existing service. This added service would also greatly reduce congestion on local routes, as discussed in the section below on mitigating impacts on the community.

**Extended Service Hours: Benefits for Cruise Ship Passengers**

Making our service more consistent on the weekends and holidays would make our service easier to understand and use for visitors and locals alike.

During the summer, it is common to turn away some cruise ship passengers that are trying to get to the Glacier or other destinations on Sunday afternoon, since they will not be able to make it back for the last bus of the evening to return downtown. Extending service on Sunday would allow these passengers to use transit.



The 2024 cruise ship schedule shows that there are ships in port until 10:00 PM or later on nearly every Sunday during the season. Being able to offer bus service beyond 5:30 PM would be a big benefit for cruise ship passengers that would like to use our service later in the day.

Capital Transit currently does not offer any bus service on the Memorial Day or Labor Day holidays. Providing bus service on these days would give cruise ship passengers more transportation options.

## **How the Additional Service Would Help Mitigate Impacts to The Community**

### **Mendenhall Express: Mitigating Overcrowded Buses**

It is not uncommon during the cruise ship season for buses to leave the Downtown Transit Center at or near full capacity with cruise ship passengers heading to the Mendenhall Glacier. Buses can also be overcrowded in the opposite direction when cruise ship passengers are returning downtown from the glacier. These overcrowded buses negatively impact local riders who are trying to ride the buses at those times. Passengers are sometimes left behind due to overcrowding, and then typically have to wait 30 minutes for the next bus, which might also be overcrowded.

The new Mendenhall Express route would move most cruise ship passengers off our other routes, preventing overcrowding on those buses, and mitigating the negative impacts cruise ship passengers cause for our local riders.

### **Mendenhall Express: Potential to Help Mitigate Traffic Congestion Downtown**

Given the expected patterns of use by cruise ship passengers, the Mendenhall Express service also provides a convenient option for locals to travel quickly between downtown and the valley.

For example, during the morning, most cruise ship passengers would be heading from downtown towards the valley, so there would be ample capacity for local riders on these buses heading in the opposite direction. The new service would provide access to some of the most frequently used stops in our system for local riders traveling between downtown and the valley.

As a comparison to existing service for local riders, the Mendenhall Express would only take 15 minutes to travel between transit centers, compared to 25 – 35 minutes on existing routes. The new service would also run twice as frequently as existing routes.

By promoting this new service to local residents in combination with the proposed Downtown Circulator route (submitted as a separate funding proposal) and the existing Park-and-Ride lot at the Valley Transit Center, there is the potential to reduce the number of personal vehicles downtown. This could help mitigate traffic congestion issues in the downtown area during the cruise ship season.

### **Extended Service Hours: Potential to Help Mitigating Traffic Congestion Downtown**

It is likely that extending service on Sunday evening and these two holidays would also help mitigate traffic congestion and parking issues downtown on these days. People that would normally ride the bus are forced to find other means of transportation when buses are not running, likely resulting in more personal vehicles in the downtown area.

**Capital Transit Marine Passenger Fee Request for Additional Summer Service: \$974,021.31**

**For summer season lasting: 22 weeks**

**Capital Transit Driver Costs**

Avg. new driver wage, \$/hr:	\$30.34
Average driver wage, \$/hr :	\$35.10
Average driver benefits, \$/hr :	\$19.94
Evening Differential, \$/hr:	\$2.00
Overtime Evening Differential, \$/hr:	\$3.00
Weekend Differential, \$/hr:	\$2.50

**Total Avg. driver cost (wage+benefits), \$/hr: \$55.04**

**Total Avg. driver cost for added Holidays, \$/hr: \$72.59**

**Capital AKcess Operating Costs**

Total Current Annual Budget:	\$978,000.00
Current hours of operation per day, Mon-Sat:	18
Current hours of operation per day, Sun:	11
Current hours of operation per week:	119
Avg. hours of operation per day:	17
Approximate hours of operation per year (365 days):	6205
<b>Avg. Capital AKcess operating cost, \$/hr:</b>	<b>\$157.61</b>

**Capital Transit Bus Operating Costs**

Depreciation & maintenance, \$/hr:	\$39.08	(	\$1.87	/mile at	20.9	mile/operator-hr)
Fuel cost, \$/hr:	\$13.57	(	\$3.60	/gal at	3.77	gal/hr)
<b>Total bus operating cost, \$/hr:</b>	<b>\$52.66</b>					

**Mendenhall Express Route, Daily Service, Mon-Sun**

48.5	Driver hours/day for	7 days =	339.5 hours, at	\$55.04 /hour =	\$18,686.08
48.5	Bus operation hours	7 days =	339.5 hours, at	\$52.66 /hour =	\$17,876.37
12	Eve. Diff. hours/day for	5 days =	60 hours, at	\$2.00 /hour =	\$120.00
48.5	Wknd. Diff. hours/day for	2 days =	97 hours, at	\$2.50 /hour =	\$242.50

**Total cost per week: \$36,924.95**

**Total cost for Mendenhall Express Route daily service: 22 weeks: \$812,348.96**

**Driver Training for 4 new seasonal drivers & new route training for existing drivers**

120 hours (3 weeks) training for	4 drivers =	480 hours, at	\$30.34 /hour =	\$14,563.39
1 hour training per driver for	25 drivers =	25 hours, at	\$35.10 /hour =	\$877.50

**Extended Sunday Service hours**

37.75	Driver hours/day for	1 days =	37.75 hours, at	\$55.04 /hour =	\$2,077.76
34.75	Bus operation hours for	1 days =	34.75 hours, at	\$52.66 /hour =	\$1,829.76
37.75	Wknd. Diff. hours/day for	1 days =	37.75 hours, at	\$2.50 /hour =	\$94.38
7	Add. Capital AKcess hours for	1 days =	7 hours, at	\$157.61 /hour =	\$1,103.30

**Total cost per week: \$5,105.20**

**Total cost for Extended Sunday Service Hours: 22 weeks: \$112,314.40**

**Saturday Level Holiday Service for Labor Day & Memorial Day**

**New Express Service**

48.5	Driver hours/day for	1 days =	48.5 hours, at	\$72.59 /hour =	\$3,520.62
48.5	Bus operation hours	1 days =	48.5 hours, at	\$52.66 /hour =	\$2,553.77
12	Overtime Eve. Diff hr/day for	1 days =	12 hours, at	\$3.00 /hour =	\$36.00

**Saturday Level Core Service**

113.25	Driver hours/day for	1 days =	113.25 hours, at	\$72.59 /hour =	\$8,220.82
113.25	Bus operation hours	1 days =	113.25 hours, at	\$52.66 /hour =	\$5,963.18
43	Overtime Eve. Diff hr/day for	1 days =	43 hours, at	\$3.00 /hour =	\$129.00

**Capital AKcess Holiday Service**

18	Add. Cap. AKcess hours for	1 days =	18 hours, at	\$236.42 /hour =	\$4,255.60
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**Total cost per holiday: \$24,678.98**

**Total cost for Holiday Service on: 2 holidays: \$49,357.96**

**Total Cost for Expanded Service for 22 weeks & 2 holidays \$974,021.31**

# Marine Passenger Fee Funding Proposal: Downtown Circulator Service

Capital Transit is requesting \$671,900 from the Marine Passenger Fee program to provide Downtown Circulator bus service during the cruise ship season.

This Downtown Circulator service would run every 10 – 20 minutes, seven days per week, from approximately 9:00 AM – 9:00 PM. The proposed service would run during the busiest 22 weeks of the cruise ship season, from approximately the beginning of May to the end of September.

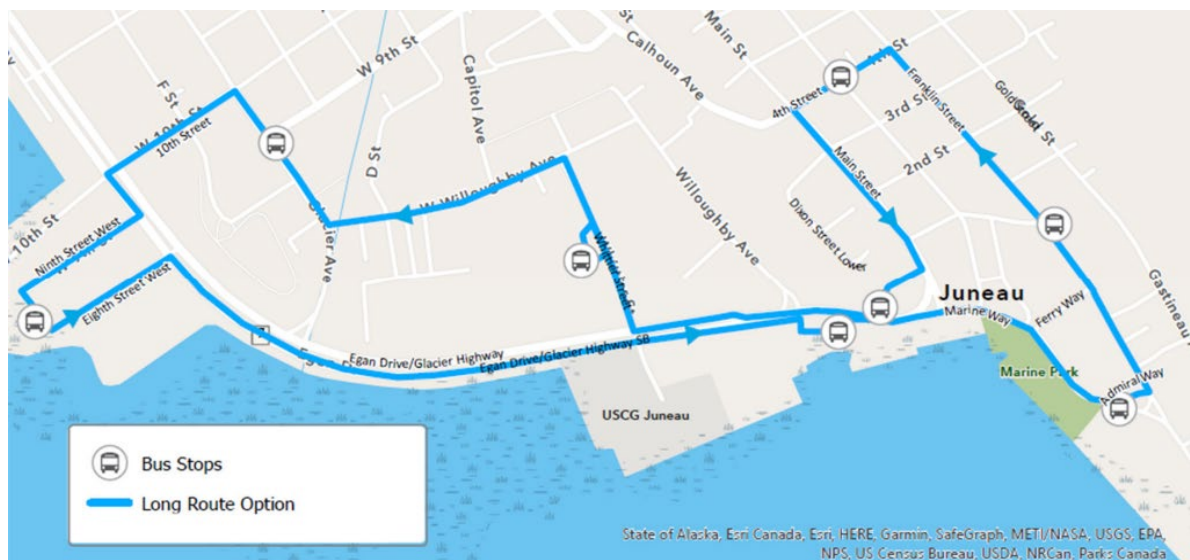
A summary of the service is provided below, followed by sections describing how this service would benefit cruise ship passengers, and how it could also help to mitigate some of the impacts on our community caused by the cruise ships. The final section provides information on the cost of the service.

## Downtown Circulator Summary

From the *Juneau Visitor Circulator Study, Technical Memorandum 3 (2023)*:

“The general concept of a downtown circulator is to provide a short, simple, high-frequency transit service connecting the dock areas with nearby visitor-oriented activities. The goals for this service would be to better distribute visitors around the area to expand visitor spending, reduce pedestrian congestion in the areas immediately around the docks, and enhance the visitor experience while in Juneau by improving access to other cultural and historic sites. While it would focus on serving visitors, it would also help residents and downtown workers to move around the area without adding to traffic and parking problems.”

We are proposing to add the “Long Route Option” from the *Juneau Visitor Circulator Study*, which would run seven days a week from 9 am – 9 pm, with service every 10 – 20 minutes.



Downtown Circulator, Long Route Option from *Juneau Visitor Circulator Study*.

## **How the Downtown Circulator Would Benefit Cruise Ship Passengers**

The Downtown Circulator would provide a convenient way for cruise ship passengers to travel around the downtown area to access various visitor-oriented locations such as the Alaska State Museum and Overstreet Park. It would also help reduce pedestrian congestion in the downtown area.

## **How the Downtown Circulator Would Help Mitigate Impacts to The Community**

The Downtown Circulator service could help mitigate parking issues and pedestrian and traffic congestion issues downtown by providing a convenient way for both visitors and locals to travel around the downtown area during the busy cruise ship season.

## **Additional Mitigation Impacts When Combined With Additional Summer Bus Service**

Capital Transit has also submitted a separate proposal for additional summer bus service, which includes a new Mendenhall Express route that would run every 15 mins, seven days per week, from approximately 8:30 AM to 5:30 PM during the same 22 week cruise ship season. This Mendenhall Express route would run non-stop between the Valley Transit Center and the Downtown Transit Center, taking only 15 minutes for the trip, compared to 25 – 35 minutes with existing routes. The Mendenhall Express would also provide service to stops along Mendenhall Loop Road which are among the bus stops most used by local residents.

This combination of high-frequency service on both the Downtown Circulator and the new Mendenhall Express route, along with the existing Park-and-Ride lot at the Valley Transit Center, could be heavily promoted to local residents as a quick and convenient new transportation option between downtown and the valley during the summer. This could reduce the number of personal vehicles in the downtown area, which would help mitigate traffic and parking congestion issues during the cruise ship season.

## **Downtown Circulator Cost**

The *Juneau Visitor Circulator Study, Technical Memorandum 3 (2023)* calculated the cost of the proposed service to be \$471,900, but this did not include vehicle depreciation costs.

This service would require 3 buses at a cost of \$800,000 each, for a total of \$2,400,000. Given a 12-year life span for the buses, this gives a cost of \$200,000 per year.

This results in the total cost per season of \$671,900.

**SENATE BUILDING MALL**  
**175 South Franklin St. Juneau, Alaska 99801**

January 2, 2024

Alexandra Pierce  
 CBJ Tourism Manager  
 155 S. Heritage Way  
 Juneau, Alaska  
 99801

submitted via email [Alexandra.pierce@juneau.org](mailto:Alexandra.pierce@juneau.org)

Re: Marine Passenger Fee allocation request

Dear Ms. Pierce,

I am submitting a Marine Passenger Fee (MPF) request of \$1.2 million (as outlined in the 2023 Juneau Visitor Circulator Study) for a downtown circulator to cover the initial 2 years of operating, advertising and managerial costs using leased vehicles. Additionally, I strongly encourage the CBJ to pursue grant funding through the US DOT 5339 (c) Low/No Emissions bus grant program. While leased vehicles would expedite initiating service, ownership of the buses should be the ultimate goal. CBJ is uniquely qualified to successfully apply for and receive this grant funding for new buses. This federal program is administered through the State DOT. I plan on speaking directly with Commissioner Ryan Anderson in support of this grant application if the CBJ chooses to allocate MPF proceeds for a downtown circulator.

#### Purpose and Need

Lease/Purchase and operate multiple circulator buses for a regular and reliable downtown loop to interconnect the AJ Dock, Franklin Dock, 16B docks, Overstreet Park, and the potential future Huna NCL dock. A downtown circulator will provide better crowd disbursement and will greatly decrease pedestrian traffic crossing downtown streets. It will also afford cruise ship passengers a reliable and much safer means of commuting to and from the ships to enjoy downtown shopping and other off ship attractions.

#### Background

CBJ has conducted downtown transit studies for over 2 decades, all of which have addressed the need for a downtown circulator. The "Juneau Visitor Circulator Study" released last March states that, "a circulator for our downtown residents and tourists would assist less mobile tourists and citizens alike to move around downtown and obtain the services from merchants in all sector of downtown." Among other benefits the study lists: improved visitor experience; increased likelihood of ship passengers adding a second outing while in port; and increased visitor spending. It is no surprise that the Downtown Business Association has supported a circulator for decades as well.

Marine Passenger Fees provide appropriate funding for matching federal grant funds, thereby wisely leveraging the value of MPF to the cruise industry and CBJ taxpayers. Many cruise ship passengers do not leave the vessels due to disabilities and/or age. A circulator which is accessible at each of the dock

facilities would be a direct benefit to all cruise ship passengers and therefore a completely justifiable use of Marine Passenger Fees.

30 foot buses with their short turning radius which have low floors and two doors to expedite ingress and egress provide common sense efficiencies and safety that do not require further studies or delays.

In the 2022 Tourism survey 42% of respondents indicated that “Developing a Public Transit Option for Visitors” was a high priority. 29% identified it as a medium priority, and 21% a low priority leaving only 8% that did not consider it a priority. The commonsense takeaway from this recent survey demonstrates clear public support for a downtown circulator.

#### Summary of Request

Allocate 1.2 million dollars of marine passenger fees to operate multiple electric downtown circulator buses for two years and submit a US DOT 5339 (c) Low/No bus emissions grant application.

<https://www.transit.dot.gov/bus-program>

Respectfully submitted,

Bruce C. Denton  
Senate Properties, LLC.

cc. CBJ City Manager,  
CBJ Assembly  
Juneau Commission on Sustainability  
Downtown Business Association

**From:** [DOUGLAS MERTZ](#)  
**To:** [Alexandra Pierce](#)  
**Subject:** Marine Passenger Fees  
**Date:** Tuesday, January 2, 2024 10:18:59 AM

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These are my comments and recommendations related to usage of the Marine Passenger Fees.

1. The MPF should be used for **additional dock electrification**, Electrifying all large ship use of the port will significantly benefit the public from reduced air pollution, and would make Juneau a leader in the effort to keep our waterfront free of the kind of detriment that is a negative for both locals and visitors. A corresponding requirement that vessels use electrical hookups when they are available is essential as a component of an upgraded system.

(As a side note, I recommend that the fee be **adjusted upward** to take inflation into account, and that a permanent mechanism be developed to automatically increase the fee to adjust for inflation.

2. We should devote a portion of the MPF to **maintenance of the park and walkway in the area of the whale**. When MPF fees were proposed for this purpose during construction, the cruise industry claimed, in litigation, that there was no benefit to cruise passengers from the Whale Park. This assertion was also then and is demonstrably false now, when tour vehicles regular take passengers to the park. Cruise passengers should bear a significant part of this amenity.

Thank you.

Douglas Mertz  
11380 North Douglas Hwy  
Juneau 99801



# TOURISM BEST MANAGEMENT PRACTICES

## *Making tourism work for Juneau!*

December 15, 2023

Alexandra Pierce  
Tourism Manager, City & Borough of Juneau  
155 S Seward St  
Juneau, AK 99801

Dear Ms. Pierce:

Tourism Best Management Practices (TBMP), through Travel Juneau, requests funding from Marine Passenger Fees to continue two cruise passenger and community service programs in FY25:

1) Crossing Guard Program - \$358,825: To be included in the FY25 TBMP budget, only staffing costs up to \$312,022 plus applicable CBJ sales tax (approximately \$15,601) will be invoiced against the passenger fee request; Travel Juneau will retain a 10% fee (\$31,202) to administer the program on behalf of CBJ. The request is based upon the estimated number of staff hours to accommodate the ship schedules for the fiscal, and billed at \$41.72/hr (holiday rate \$60.75/hr). The Crossing Guard Program encourages cruise passenger safety by addressing vehicular and pedestrian congestion along South Franklin Street and the Marine Park Plaza area. Primary crossing areas are at the Cruise Ship Terminal, People's Wharf, Marine Park, and at the Goldbelt Tram staging area.

Goldbelt Security's FY25 estimates are based upon the 2024 and preliminary 2025 cruise calendars. Considering the expected number of cruise passengers for these seasons, Goldbelt Security conservatively estimates that a minimum of 7448 hours will be required for this program for FY25, with their billing rate set at \$41.72 (\$60.75 for holiday) per staff hour. (Holiday rate is new for fiscal 25.)

Goldbelt Security will continue to employ supervisors to closely monitor needs and activity at the designated crosswalks. Further, the company will update TBMP regarding the program and is aware of the need to keep costs within the grant amount.

2) Tourism Best Management Practices (TBMP) - \$44,150: This request supports:

- HR costs for the administrator
- maintenance of the database module for the program
- maintenance of the program's microsite and URL
- program communications and PR
- modest community event support
- member collateral


Please refer to the attached documents for estimated expense details on these two programs. Note that the Crossing Guard Program request is part of the TBMP budget for FY25 (moved from the Travel Juneau budget). We appreciate CBJ's support of these efforts to make Juneau a safe and hospitable visitor destination. If you need further information about these programs, please don't hesitate to contact me.

Sincerely,

Elizabeth Arnett  
Administrator  
Tourism Best Management Practices

cc: Angie Flick, Director of Finance, CBJ  
Liz Perry, President/CEO, Travel Juneau



		
<b>TBMP and Crossing Guard Program</b> <b>Proposed MPF Grant Budget for FY25</b>		
<b>PROGRAM EXPENSES</b>		<b>Notes</b>
<b>Administration</b>		
Contracted administrator	\$ 20,500	Based on 600 hrs over 12 mos @\$30/hr plus payroll expenses
Personal phone use	\$ 300	@25/month
Database maintenance	\$ 750	Through Simpleview
Microsite maintenance	\$ 550	Through Simpleview
URL subscription	\$ 330	traveljuneau.com/tbmp URL
Guidelines publication	\$ 1,470	Guidelines will be available on the microsite; approx 150 printed for limited distribution
TBMP operator instruction videos	\$ 3,000	update, create new TBMP training videos for operators' use
<b>Community outreach</b>		
Local print & radio ads	\$ 15,000	Ads to promote the program to locals & to thank members/public: cruise ship report, hotline, crossing guards, add KTOO sponsorship to reach new audience
Public meetings	\$ 1,200	Pre- and post-season meetings for members to review guidelines and operations: space rental, coffee service for 3 meetings
Community event support	\$ 600	Modest sponsorships to local events that bring in additional visitors: Salmon Derby, Litter Free, Safe Graduation
Crossing Guard Gift Certificates from TBMP	\$ 300	\$30 ea for 10 guards (Aug)
<b>Crossing Guard Program</b>	\$ 358,825	7448 hrs @ \$41.72/hr (\$60.75/hr holiday rate), includes 5% CBJ sales tax and 10% admin fee for Travel Juneau
<b>Supplies</b>		
Membership certificates	\$ 150	230 members: cost for envelopes, stickers, postage
<b>TOTAL EXPENSES FOR FY25</b>	<b>\$ 402,975</b>	



Goldbelt Security LLC  
3025 Clinton Dr.  
Juneau, Alaska 99801

December 14, 2023  
Liz Perry / President & CEO  
Travel Juneau  
(907) 586-1761  
800 Glacier Ave Ste 201 Juneau, AK 99801

Dear Ms. Perry

Thank you for requesting a quote for fiscal 2025 Crossing guard services for the upcoming tour season. The Crossing guard Program for April 2024 through October 2024 with estimate for April through June 2025.

The noted costs are based on staffing needs on eight-hour shifts. One of the officers will be a lead officer who will rotate through the staffing positions daily to ensure the Crossing guards are safe and courteous to all individuals using the crosswalks, covering each location for lunch and rest periods. Staffing goals remain at 10 Crossing guards to complete the upcoming tourist season schedule.

The fiscal 2025 billing rate includes an increase of 3%, July 1, 2024, as well as the holiday hour billing rate is now included in this proposal.

The remaining Fiscal 2024 hourly rate billing is \$37.80 per hour, per officer.

April 2024 through June 30, 2024, Cost estimated,	<u>\$115,970.40</u>
Effective July 1, 2024, fiscal 2025 hourly billing rate per man hour is	<u>\$ 41.72</u>
Billing rate for holiday per man hour is	<u>\$ 60.75</u>
July 2024 through October 2024, Cost estimate,	<u>\$183,872.48</u>
April 2025 through June 2025 3,068 hours. Estimated cost is	<u>\$128,140.20</u>
Total fiscal 2025 estimated request to provide crossing guards service to the CBJ	<u>\$312,021.68</u>



Goldbelt Security LLC  
3025 Clinton Dr.  
Juneau, Alaska 99801

Crossing Guard priority locations are as follows:

1. Marine Way at CBJ library
2. South Franklin at People's wharf
3. Marine Way at Ferry Way
4. Elizabeth Peratrovich Plaza, South Franklin St.
5. Marine Way at South Franklin Street.

Estimated monthly hours for fiscal 24 ending June 30, 2024, Through June 30, 2025.

July 2024 1,504 1 holiday

August 2024 1,468 no holidays

September 2024 1,192 1 holiday

October 2024 216 no holidays.

April 2025 296, no holidays

May 2025 1,348 1 holiday

June 2025 1,424 no holidays

Respectfully

A handwritten signature in black ink, appearing to read 'Michael G. Tagaban', is written over a horizontal line.

Michael G. Tagaban  
General Manager  
Office 907-790-1436  
Cell 907-321-8800  
Fax 907-790-4999

December 29, 2023

Alexandra Pierce  
Tourism Manager  
[Alexandra.pierce@juneau.gov](mailto:Alexandra.pierce@juneau.gov)

**Subject:** Proposal for Implementing Cushman Electric Shuttles

Dear Ms. Pierce,

The International Longshore and Warehouse Union (ILWU) presents a proposal for the integration of Cushman electric shuttles from Pacific Golf & Turf as a sustainable and efficient alternative to traditional cars within our organization. The adoption of electric shuttles aligns with our commitment to environmental responsibility, safety, cost-effectiveness, and employee well-being.

### **Background**

The rising concerns over environmental impact, increasing fuel costs, and the need for efficient intra-campus transportation have prompted us to explore alternative mobility solutions.

### **Product: Cushman electric shuttles**

Cushman electric shuttles offer a compelling solution, providing zero-emission, cost-effective, and convenient transportation.

### **Benefits of Cushman Electric Shuttles**

- **Environmental Impact:** Zero emissions contribute to our corporate social responsibility goals. Reduction in air and noise pollution for a healthier workplace environment.
- **Cost Savings:** The use of the electric shuttles may lighten the workload (manhours) on current port staff because they would spend less time directing dock traffic.
- **Employee Well-being:** Convenient and timely transportation between locations, improving overall work-life balance. Positive impact on employee morale due to the organization's commitment to sustainability and productivity.
- **Familiarity:** Juneau Docks and Harbors have purchased an electronic shuttle from Pacific Golf & Turf and have a working relationship with them.

### **Implementation Plan**

- **Pilot Program:** Begin with a small-scale pilot program (two shuttles) to assess the feasibility and user acceptance of electric shuttles.
- **Charging Infrastructure:** Charging infrastructure is already in place on city-owned and privately-owned docks and no additional charging infrastructure will be required.
- **Employee Training:** Conduct training sessions to familiarize employees with the new shuttle system, emphasizing safety and sustainability.

- **Monitoring and Evaluation:** Implement a system for monitoring shuttle usage, environmental impact, and cost savings to assess the success of the initiative.
- **Maintenance:** It is our recommendation that Southeast Stevedoring will own, operate, insure, and conduct maintenance on the electric shuttles.

### Conclusion

The adoption of Cushman electric shuttles aligns with ILWU's values, contributing to a sustainable and efficient future. This initiative not only showcases our commitment to environmental responsibility but also provides tangible benefits in terms of cost savings, employee satisfaction, and safety of passengers and employees.

Thank you for considering this proposal. We look forward to the positive impact this initiative can have on our organization and the community at large.

Sincerely,  
Kerry Crocker  
President  
ILWU Unit 16 Alaska Longshore Division  
907-209-2499  
[kerrykcrocker@gmail.com](mailto:kerrykcrocker@gmail.com)

Enc: Quotes from Pacific Golf & Turf for Cushman Shuttle



Snohomish  
1818 BICKFORD AVENUE  
SNOHOMISH, WA 98290  
(360) 568-7798

Sales Order S Section D, Item 6.

EST COMP 12/15/2023  
SALESPERSON Thomas Ficklin  
tficklin@pacificgolfturf.com

**BILL TO (☐ AUTO-SEND)**

City and Borough of Juneau  
155 South Seward Street  
Juneau, AK 99801  
(907) 586-5258

**SHIP TO**

HARBORS-ADMINISTRATION  
155 S SEWARD ST  
Juneau, AK 99801  
(907) 586-5255

**CUST PO**

**CONTACT** Kerry Crocker Kerrycrocker@gmail.com (907) 209-2499

**SHIP OUT** Will Call

**DROP SHIP** No

#	PART	DESCRIPTION	QTY	B/O	FILLED	RATE	DISC	NET	EXT
1	SHUTTLE 2 ELITE	(Cus) 2024 Cushman Shuttle 2 Elite.	1.00			17,522.00		17,522.00	17,522.00
2	PF11712	(EZG) MIRROR, CONVEX, 180 DEG REAR VIEW (Bin: 01/01/006/002)	1.00			25.14		25.14	25.14

**PAYMENT****DETAILS****AMT****COMMENTS**

2024 Cushman Shuttle 2 Elite 4.2 with standard options plus 116" long top, folding windshield, drop side rails, tail, brake lights and turn signals. Delivery to Alaska Marine Lines included.

**REMIT TO**

PO Box 16758  
Portland, OR 97292

**SUBTOTAL**

17,547.14

**TOTAL**

17,547.14

**PAYMENTS**

0.00

**BALANCE DUE**

17,547.14

**ACCEPTANCE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

Items returned within 30 days of purchase with original invoice are subject to a 20-70% restocking fee. Part must be returned with original box in excellent condition for manufacturers to take it back. Special order items are only returnable with factory "ok", plus a 30% restocking fee and return freight. Special order items not picked up after 30 days will be placed back in inventory, a 30% restocking fee and inbound shipping are charged. No returns on electrical parts. Signers warrant authority to execute this sales order on behalf of customer. Quotes are only valid for 2 weeks.

December 29, 2023

Alexandra Pierce  
Tourism Manager  
[Alexandra.pierce@juneau.gov](mailto:Alexandra.pierce@juneau.gov)

**Subject:** Proposal for Procurement of [Wesco Cobra Pro Senior Powered Hand Trucks](#) for Ship Loading Operations

Dear Ms. Pierce,

The International Longshore and Warehouse Union (ILWU) is reaching out to present a proposal for the acquisition of four Wesco Cobra Pro Senior Powered Hand Trucks to enhance and streamline our ship loading operations. The ILWU loads hundreds of thousands of pounds of locally purchased cargo such as fish, beverages, supplies, and food during the cruise ship season. The hand trucks will be particularly useful on non-floating docks (such as the Franklin Dock) where items are often loaded at extreme tides, making it challenging due to the fact the use of mechanics are not possible therefore cargo must be loaded by hand which results in fatigue and could result in injury.

#### **Background**

As the ILWU continues to optimize our logistics and cargo handling processes, it has become apparent that investing in advanced equipment can significantly improve efficiency, reduce operational costs, and enhance overall safety. The Wesco Cobra Pro Senior Powered Hand Trucks have garnered a reputation for their durability, maneuverability, and effectiveness in material handling tasks, making them an ideal choice for ship loading activities.

#### **Product: Wesco Cobra Pro Senior Powered Hand Trucks**

These powered hand trucks are designed to handle heavy loads with ease, providing a substantial increase in productivity during ship loading operations. Their ergonomic design ensures operator comfort which minimizes fatigue, contributing to a safer working environment.

#### **Benefits:**

- **Increased Efficiency:** The powerful motor and intuitive controls of the Wesco Cobra Pro Senior will enable our team to load and unload cargo with greater speed, precision, and safety.
- **Versatility:** The hand trucks are adaptable to various cargo types and sizes, making them suitable for a wide range of ship loading scenarios.
- **Safety Features:** The built-in safety features, such as anti-slip surfaces and emergency braking systems, prioritize the well-being of our operators and protect the integrity of the cargo.

#### **Training and Support:**

Our proposal includes a comprehensive training program for our longshoremen to ensure they are proficient in operating the Wesco Cobra Pro Senior Powered Hand Trucks safely and effectively. Wesco offers excellent customer support, providing assistance with any technical issues and ensuring the continuous smooth operation of the equipment.



**Maintenance:** It is our recommendation that Southeast Stevedoring will own, operate, and conduct maintenance on the electric handcarts.

**Warranty:**

The Wesco Cobra Pro Senior comes with a manufacturer's warranty, offering peace of mind and protection against unforeseen issues.

**Next Steps:**

We propose scheduling a meeting at your earliest convenience to discuss this proposal in further detail, address any questions or concerns, and determine the best course of action for moving forward with the procurement process.

Thank you for considering our proposal. We believe that the integration of Wesco Cobra Pro Senior Powered Hand Trucks into our ship loading operations will have a positive impact on our overall efficiency and contribute to the success of our logistics endeavors.

We look forward to the opportunity to discuss this proposal with you further.

Best Regards,

Kerry Crocker  
President  
ILWU Unit 16 Alaska Longshore Division  
907-209-2499  
[kerrykcrocker@gmail.com](mailto:kerrykcrocker@gmail.com)

To view Wesco Cobra Pro Senior Powered Hand Trucks, visit this link:

<https://www.webstaurantstore.com/wesco-industrial-products-220653-cobrapro-jr-motorized-hand-truck-with-10-pneumatic-wheels-and-dual-hand-grips-24v/934220653.html>

**From:** [Emily Kane](#)  
**To:** [Alexandra Pierce](#)  
**Cc:** [George Schaaf](#); [Michele Elfers](#)  
**Subject:** Tourism passenger fees  
**Date:** Thursday, December 7, 2023 12:23:50 AM  
**Attachments:** [JCOA Position Paper Fall 2023 Draft Oc 24.pdf](#)

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Hello Alix

Thank you for compiling citizens input on how to spend passenger fees to benefit both the tourism industry and the locals.

Five dollars per head is way too low. Juneau is a valuable destination. I strongly recommend phasing in an increase to \$85 - \$100 per head over the next 5 years. It's a max min equation. Fewer tourists paying more is much better for the locals.

The Juneau Commission on Aging fully endorses commissioner Kathleen Salamon's recommendation for exercise stations along the sea walk. Other commissioners may chime in with specific ideas and photos to help CBJ move forward on this project. Senior fitness and recreational opportunities was one of the top three priorities from JCOA advising the Assembly in 2023.

I attach our end of year report to the Assembly.

Sincerely

Emily Kane, JCOA Chair

**[www.DrEmilyKane.com](http://www.DrEmilyKane.com)**

Be good to yourself :)

# JUNEAU COMMISSION ON AGING FALL 2023 PRIORITIES



The mandate of the JCOA is to advise the CBJ assembly on actions and policies needed to maintain and improve the quality of life for seniors within CBJ. We are committed to providing CBJ with proactive, coordinated, culturally sensitive and holistic strategies to solve the issue of services for an aging population. The JCOA has several subcommittees to allow focus in key areas, including building senior-appropriate housing, eldercare workforce development, and senior focused recreation/social engagement.

**Emily Kane, Chair**

The senior population in Southeast Alaska continues to grow faster than any other cohort. In 2010, only 11% of our population was aged 65 and over. By 2022, this had more than doubled and seniors now represents a 25% of our regional population (AKDOLWD 2022). Juneau seniors bring an array of benefits to our community: retirement income, home ownership and property tax payment, and a willingness to volunteer and contribute to the community on many levels. CBJ stated in its current 10-year fiscal plan that a top priority is to “grow the senior economy” and the Juneau Commission on Aging asks for CBJ support of Juneau seniors’ unique needs as we age in this community that we call home.

**Housing Sub Committee, Kathleen Samalon and Carole Ende****Focus: Influence the development of senior friendly housing in our community.**

**Background:** In 2020, the JCOA with the financial and technical support of CBJ conducted a survey of residents 55 and older. It clearly identified affordable, senior-friendly housing as a dominant concern that was inextricably connected with health care and cost of living concerns. Housing is defined not just as a roof overhead, but also as a home that meets the physical, social and financial needs of the elders living within it. Our goal is to have governing agencies, developers and individuals work to make Juneau have well-designed, age-friendly housing that allows elders to continue to spend their remaining years in Juneau.

**Priorities/Recommendations**

- CBJ needs to work with local developers and contractor to create programs that will encourage development of more senior-friendly housing using incentives, not regulations.
- CBJ must recognize that the senior population needs in Juneau includes all economic levels of home ownership. We ask that CBJ support housing diversity at all price-points, including rentals, condos, as well as more new and innovative smaller homes that are appropriate for seniors as well as younger individuals buying their first home (workforce housing).
- We urge CBJ to explore new ideas for senior housing that could diversify options for all elders and the community in general: co-housing, Tiny Homes and micro-housing, college dorm-sharing with seniors, senior “village-to-village” organizations, multigenerational housing, cottage style housing and more. CBJ needs to support these new approaches by removing regulatory obstacles to their development.
- The CBJ needs to have the overriding view that all housing approved in Juneau, whether starter homes for members of the workforce or seniors who want to downsize to age in place, meets the basic requirements for anyone regardless of a person’s age or physical ability. This concept is the basis of universal design which should be considered best practice for CBJ going forward. This also means integrating age-friendly features into the design, regardless of the age of the targeted buyer today. Small single level homes are ideal for some, but the 2020 Survey also indicated a strong desire for single level condos and/or multiplex housing with elevators.
- Whatever the CBJ’ employee’s role is in government, actively look for ways to facilitate age friendly housing, homes that are attractive to 1st time buyers as well as those residents who need to downsize. JCOA hopes that universal design will become the goal for the CDD, PC and Assembly, and that all city employees involved in permitting and development will keep this question in the forefront: “What kind of housing do you imagine needing and wanting for your well-being as you move towards being an elder?”

**CBJ Support: The JCOA seeks CBJ support in 1) ensuring that senior housing needs are encompassed in community planning and 2) creating a formal position within the CBJ that focuses specifically on Senior and Eldercare issues to better serve this formidable segment of our community.**

**Recreation and Social Engagement Sub Committee, Linda Kruger**  
**Focus: Age Friendly Domains of Outdoor Spaces and Buildings, Social Participation, Respect and Social Inclusion, and Civic Engagement.**

**Background:** In 2023 Juneau joined the *AARP Age Friendly States and Communities Network*. Age Friendly Communities encourage active participation by older residents and promote neighborhood cohesion and maximizing opportunities for residents to be active and engaged with their neighbors, family, and friends. As the population grows older, community design that supports the participation of older people will play a larger role in the fiscal health of the entire community. In an *Age Friendly Community*, all residents can meet their essential needs in a safe, healthy environment. Opportunities for social and civic participation make people feel they are part of the fabric of the community. The more connected and engaged people are, the more likely they are to contribute their skills and time to make the community a better place for all ages. Age Friendly initiatives contribute to improved economic performance and a more vibrant, desirable, and competitive environment for housing and commercial investment. Age Friendly initiatives bring public and private entities together to invest in and work on programs and projects. They make the community a better place to live for people of all ages by advocating for Age Friendly policies and making changes to the built, social, and service environments.

In honor of National Older Americans Month (May), and in response to the Surgeon General's warning of "an epidemic of loneliness and isolation across the country" suggesting that experiencing loneliness is worse than obesity, physical inactivity or smoking up to 15 cigarettes per day, AARP and JCOA hosted listening sessions at the three Juneau libraries to learn from residents what services and facilities are valued and what changes or additions are desired. The supplemental information that was gathered updated what we knew from the 2020 Senior Needs Survey.

**Priorities:** One high priority identified is the need for an independent senior center offering meals, social and recreational activities, a fitness center, information resources, computers, IT help and classes, and a navigator to help seniors find services and information. The 2020 Senior Needs Survey found over 80% of seniors 55-74 are active, exercising or recreating at least once a week and 72% of those 75 and over exercise or recreate at least once a week. The survey also found that 40-48% of Juneau seniors who responded participate in Community Schools, UAS and online classes. We envision a "Zack Gordon Youth Center" concept dedicated to seniors, providing a focus for recreation, social and educational opportunities for our older community members.

Transportation related needs include improved snow removal from sidewalks and dry, safe places to walk in the winter. Walking was the most popular activity identified in the 2020 Senior Needs Survey, followed closely by hiking, but we heard that winter walking can be problematic and at times unsafe. Transportation associated with a meal program to address food security and isolation was also a priority. Better information and communication about senior services and opportunities were also identified as needs.

**CBJ Support:** The JCOA seeks CBJ support in 1) ensuring that seniors have a voice regarding recreational activities via a formal position within the CBJ that focuses specifically on senior and eldercare issues to better serve this growing segment of our community. Additionally, 2) the establishment of a community supported Senior Center.

**Workforce Sub Committee, Deborah Craig**

**Focus: Support workforce needs identified as critically needed and not being met in our community by other organizations.**

**Background:** Senior needs are frequently first felt in **medical and health care facilities**: a need for more medical services results in a need for all levels of medical providers from certificated to licensed medical professionals.

National, state and local surveys concur that older adults want to age out in their own homes and communities. This translates into a need for a workforce able to provide **home health care**: direct services providers, nursing staff and medical staff who are able to make home visits to make it possible for seniors to age at home.

Lastly, the skills needed to help seniors meet their needs are not intuitive. Thus, it is important to have **institutional assistance** in place to help seniors *navigate* the medical and home care services needed. While we have an array of services in Juneau to serve seniors, those services frequently operate in silos and are not well coordinated.

In response to all of our recognized needs, the JCOA helped form the Southeast Regional Eldercare Coalition (SREC) in early 2022 as a mechanism to bring regional providers together to better coordinate services. A JCOA led grant writing team proposed a SREC Project that was ultimately funded by a philanthropic group in the amount of \$2.5million to provides services across Southeast Alaska with a distinct focus on systems change.

The SREC Project, currently housed under the non-profit Juneau Economic Development Council, proposes to fund four positions dedicated to eldercare services: *Navigator, Trainer, Recruiter and a Program Director*. This project also intends to provide a \$1Million Wage Supplement for Direct Service Providers, as well as be a coalescing mechanism for providers to collaborate more effectively on recruitment, training and retention of staff. This project is intended to facilitate systems change in which eldercare providers will find economy of scale by collaborating and coordinating on key issues of recruitment, training and retention.

**Priorities:** Our priority is to strengthen the Direct Service Provider workforce by supporting the work of the SREC Project Navigator, Trainer, Recruiter led by the Program Director. Four of the founding members of the SREC serve on the JCOA and two currently serve on the SREC Steering Committee.

Additionally, the growth of the senior population whilst other age groups are diminishing, is a call to action to the CBJ to acknowledge the formidable resource of this group by ensuring adequate representation within the city structure by creating a position that can provide oversight and coordination of senior activities. Currently the CBJ provides support for senior services (Bartlett Regional Hospital, SAIL, Catholic Community Service, St. Vincent de Paul, Glory Hall, SERRC, UAS and our regional AHEC) and these activities could be more effective if coordinated more proactively.

**CBJ Support:** The JCOA seeks CBJ support in 1) ensuring that the \$2.5 million SREC Project comes to fruition providing the array of services proposed and 2) implementation of a formal position within the CBJ focused specifically on Senior and Eldercare issues to better serve this formidable segment of our community.



***JEDC.org***  
**612 West Willoughby Avenue**  
**Juneau, AK 99801**  
**Phone: (907) 523-2300**  
**Fax: (907) 463-3929**

January 2, 2024

City Manager's Office  
 Attn: Alexandra Pierce  
 155 South Seward Street  
 Juneau, Alaska 99801

Re: JEDC FY25 Marine Passenger Fee Funding request of \$100,000 for ***Mobility Data for Juneau (and Southeast) to Provide Enhanced Tourism Services.***

Dear Ms. Pierce,

The Juneau Economic Development Council (JEDC) is requesting FY25 Marine Passenger Fees to purchase "Mobility Data" to enhance our ability to research all aspects of the tourism sector of our economy and provide insights to the public and private sector on improvements and strategies that will optimize the tourism economy for Juneau and Southeast Alaska.

JEDC's mission is to foster a healthy and sustainable economic climate in Juneau and throughout Southeast Alaska. Mobility Data will help us advance our goals to make Juneau a great capital city, strengthen key regional industry, and deliver core economic development services. Mobility Data will improve all aspects of how we understand and research the visitor industry by allowing us unique insight into the travel habits of all visitors to the region. While this data will be beneficial to all aspects of our economy, the cruise industry will particularly benefit by gaining an invaluable understanding of where their passengers choose to visit upon reaching the ports they serve.

A summary of the components and total amount of this request is as follows:

- \$25,000 - Raw Data Purchase: anonymized and aggregated phone data from cell providers
  - \$25,000 - Data Cleaning: necessary to produce usable, relevant, and accurate datasets
  - \$25,000 - GIS Mapping: building study areas
  - \$25,000 - Dashboard Creation & Management: building tableau for current and future needs
- \$100,000 - Total Cost**

## **MOBILITY DATA OVERVIEW**

Mobility Data is quickly emerging as the fastest, most powerful, and most efficient way to understand visitors and their behavior. By harnessing the power of mobile data and analyzing how people move through a destination/location, we can learn: Who is visiting and where are they from? How long are they staying? What are they doing and what places of interest are they visiting? How does that traffic flow within your destination? What are your visitor demographics? What are the peak days and times for visitors and traffic? [Credit: RRC Associates](#)



Mobility data is completely anonymized. Personally Identifiable Information (PII) is never collected.

- Mobile phone apps record users' location data. Nearly all apps can use location services. Common categories are maps, weather, exercise, and travel.
- Data is simple: anonymous device ID, coordinates, and timestamp. It is essentially a breadcrumb trail of GPS pings.
- Data is collected from everywhere, including no reception areas.
- Cell phone providers anonymize the pings and sell them in aggregate form to warehouse and research firms.
- Firms then clean the data to ensure it is accurate and relevant.
- Data is displayed spatially via GIS software with geo-fences drawn to plot study areas, which can be as small as a picnic table or as large as the Tongass National Forest.
- Data can show a heat map of movement and trends.
- Data does not provide an accurate total count of people. However, totals can be estimated by calibrating against real world counts.

## MOBILITY DATA APPLICATIONS

With the purchase of Mobility Data, JEDC will know where our visitors are coming from, when they are in Juneau and for how long, what attractions and facilities they visit, how far they walk on the sea walk from each of the downtown docks, where they overlap with residents, where they spend the night (no deeper than U.S Census Block), and so much more.

Mobility Data has many practical applications that are relevant for understanding and informing our tourism economy, recreation and land management, infrastructure, and housing.

### Visitor Profiles

Mobility Data can be paired with U.S. Census Block demographic information. JEDC could create visitor profiles that answer questions like: Where are visitors coming from? What is their average household income? How long do they stay? What languages do they speak? What attractions are they visiting? How many are overnight vs. day visitors? Where do people park? How far do cruise passengers walk downtown? From a special events perspective, one question could be: what percentage July 3 Fireworks attendees were visitors, seasonal workers, and year-round residents?

### Recreation Economy

Mobility data will show what recreation areas are used the most, when the peak times are, and transportation methods used. These insights can help inform Capital Transit and other providers on usage and demand for the Mendenhall Glacier Recreation Area. Mobility data will show the usage of all public hiking trails, as well as demographic information of those who use them. This would show which trails should be focused on for improvements, either due to having the most tourist use, or due to having less use and needing to be made more accessible.

### Infrastructure & Land Management

Mobility data shows how residents and visitors travel and use infrastructure, such as docks, trails, roads, bathrooms, and public transportation. Knowing use patterns, peak times, and flow can effectively inform a

variety of infrastructure and land management plans, including how to structure bus routes, what trails deserve more investment, and where restrooms should be located.

## Housing

Mobility data can show where overnight visitors are staying within Juneau, as well as how far workers in the tourism industry are commuting for work. For example, knowing where the greatest number of employees who work downtown are housed could be used to optimize bus routes. Likewise, visitors who spend the night can be analyzed to determine what areas of Juneau they visit vs where they stay. This could show if the hotel locations are optimized or if there is demand for hotels in new locations.

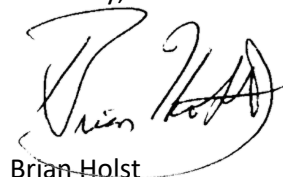
## EXAMPLE MOBILITY DATA DASHBOARD

- Data from 2019, 2021, 2023
- Study Area includes Juneau and the rest of Southeast Alaska
- Land Areas designations for Federal, State, Municipal, Tribal, Private
- Can query seasons and other custom time periods
- Can distinguish residents, visitors, and seasonal workers
- [Census block demographics](#) – population, age, sex, race, family arrangement, internet use, education, disability status, and household income
- Example from Northern Colorado: [Workbook: NoCo 2050 Dashboard \(tableau.com\)](#)

By purchasing mobility data, JEDC will be able to provide valuable insights about the economy of Juneau and Southeast Alaska. Mobility Data will particularly benefit cruise ship passengers directly because the insights gained will allow Juneau business, agencies, and authorities to better serve them and their interests.

Thank you for your continued support.

Sincerely,



Brian Holst  
Executive Director

**From:** [Katy Ritter](#)  
**To:** [Alexandra Pierce](#)  
**Subject:** Proposal to spend cruise ship passenger fees  
**Date:** Wednesday, December 6, 2023 7:25:22 PM

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Thank you for reading my email! I hope that if my suggestion does not fit the parameters of the spending allowances, you or someone else can explain the reasoning why. Our landfill is overflowing, and it will not last much longer. I found out from a friend of mine who works as a longshoreman in the summer time that cruise ship trash is unloaded at our docks and sent to our landfill. I propose that we use the cruise ship passenger fees to fund (or partially fund) an incinerator. It is unconscionable that we accept trash from sources outside our community without using the cruise ship fees to help fund a solution. It benefits the passengers because they can continue to visit beautiful Juneau and we can continue to ethically host the increasing numbers of passengers each year. Thank you again for considering my suggestion, or explaining why it doesn't meet the criteria.

Katy Ritter

Sent from my iPhone

**From:** [Laurie Craig](#)  
**To:** [Borough Assembly](#)  
**Subject:** Passenger fee money  
**Date:** Tuesday, January 2, 2024 6:05:30 PM

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My suggestion for passenger fee funds:

I'd like to see ALL the downtown BEAR RESISTANT TRASH CANS replaced.

They are shabby and dirty. Beyond repainting.

Please buy new ones, make them attractive and identifiable with "vinyl wraps" using bear photos. Make instructions easily readable and show tourists how to use them.

Laurie Craig  
907 789-2768

Sent from my iPhone

**From:** [LaCreatia Wilson](#)  
**To:** [Alexandra Pierce](#)  
**Subject:** Passenger Fees  
**Date:** Tuesday, January 2, 2024 6:47:41 PM

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Alexandra,

Please find a few ideas for the cruise ship passenger fees below:

1. Hire a panel of lawyers to see if the city can look at amending how and what the passenger fees are spent on. At this point the city is pigeonholed to make Juneau a "better playground" for the cruise ship passengers without taking into account the damage done yearly on our roads, amenities like restrooms, libraries and all of the littering. These fees could be used to increase the local city wages possibly.
  2. Purchasing Franklin and AJ Dock, so we as a city have more control over what size, and how many vessels can come to Juneau.
  3. Purchasing the old AELP building across from Franklin Dock to create affordable housing for the poorly paid dock reps, the van and bus drivers and any other seasonal workers coming up for the season. And possible Legislative housing as well. This would hopefully open up more full time housing for the locals that live in Juneau year round. If this location is not zoned for housing, it could also be turned into a parking lot allowing locals to enjoy the downtown area.
  3. Buy up some of the shops downtown diversifying the type of shops in the area. Making one a native art gallery.
- I appreciate your time and consideration.

Kind regards,  
LaCreatia Wilson  
[LaCreatia.Wilson@gmail.com](mailto:LaCreatia.Wilson@gmail.com)  
626.419.2036

**From:** [Michael Hekkers](#)  
**To:** [Alexandra Pierce](#)  
**Subject:** Passengers fee uses  
**Date:** Monday, December 11, 2023 4:01:11 PM

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It's not very sexy but I think we should start a emissions testing program for motor coaches. It's really important because most of these HAP and ACT coaches are rejects that don't comply with air quality tests in Anchorage or Fairbanks. We should not be getting these bad motor coaches just because we don't have a testing system.

I hope you are well.

Mike Hekkers

he/him

Get your congress persons to support a price on carbon pollution and carbon cashback to Americans!

Sent from my phone.



# Port of Juneau

155 Heritage Way • Juneau, AK 99801  
(907) 586-0292 Phone • (907) 586-0295 Fax

**From:** *Carl Uchytel*  
Carl Uchytel, P.E.  
Port Director

**To:** Alexandra Pierce  
Tourism Manager

**Via:** (1) Docks & Harbors Operations-Planning **reviewed 12/20**  
(2) Docks & Harbors Board **approved 12/28**

**Date:** December 29<sup>th</sup>, 2023

**Re:** FY 2025 Marine Passenger Fee (MPF) Request

- 
1. Attached for your consideration is a list of FY25 Marine Passenger Fee requests from Docks & Harbors. This list was discussed by the Docks & Harbors Operations-Planning Committee at its December 20<sup>th</sup> meeting and approved at its December 28<sup>th</sup>, 2023 regular board meeting.
  2. Docks & Harbors is very appreciative of the financial support received thorough this process. Please know that the MPF generously provided to the Docks Enterprise provides approximately one-third of all revenue collected. In November, the Assembly approved a 9% Docks Enterprise fee increase in 2024. Broadly speaking, this is the first fee increase since 2007; however, MPF will remain an important revenue source to the financial health of this Enterprise.
  3. Please contact me should you have questions at 586-0282.

#

Encl: (1) FY25 Docks & Harbors Marine Passenger Fee Request

Copy: City Manager  
Parks & Recreation  
Finance Department



**CBJ Docks and Harbors Board**  
**FY2025 Marine Passenger Fee Request**

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Section D, Item 6.

**Statter Harbor Phase IIID**  
(Curb, gutter, paving & Baywalk)

**Descriptions:** Docks & Harbors has been diligently and methodically building out the Statter Harbor infrastructure since 2011. Statter Phase III is specifically designated to provide services to assist in passengers embarking on charter vessel excursions. Phase IIID would provide curb, gutter, paving and Baywalk amenities to complete the improvements for the charter operators. The November 2022 estimate for this work was \$3.5M and the existing CIP has \$1.5M available.

**Marine Passenger Fee Funds Requested (FY25):** \$2,500,000 (Total estimated project cost \$4M)

**Benefits:** This project would provide a clean and finished appearance at Statter Harbor, including the continuation of the Baywalk through the various Statter Harbor facilities (launch ramp, bus staging, bathroom and Harbor Office) .

**Maintenance and Operation Responsibility:** Docks & Harbors is responsible for all ongoing maintenance and operating expenses and will use Enterprise funds for these expenses.

Project Contact: Matthew Sill, Port Engineer, or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board**  
**FY2025 Marine Passenger Fee Request**

Section D, Item 6.

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**Area Wide Port Operations**

**Descriptions:** CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the Docks Enterprise. The Board has established a number of fees to generate revenues from users of the assets. The Board has calibrated these fees to assure the overall revenue generated by the enterprise equals the overall cost of running the enterprise.

Many of the uplands assets are used by entities which it is not possible, feasible, or acceptable to charge fees. As a result, users paying fees are subsidizing users that do not pay fees. The services provided to these users are area wide in nature benefiting the general public and cruise ship passengers of private docks. As part of this fee request, the Board identified services that are area wide in nature.

**Board identified the following services:**

1. Year round maintenance and monitoring of Marine Park.
2. Maintenance and operation of public parking at the Columbia Lot and seasonal public parking at the Steamship Wharf Plaza and the Visitor's Center Lot.
3. Maintenance and operation of unrestricted pedestrian access along the waterfront at the public docks.
4. Year round maintenance and monitoring of Peratrovich Plaza.
5. Costs associated with landscape maintenance services throughout the Downtown Waterfront.
6. Providing area wide port security. Of note are new Coast Guard requirements to validate credentials of passengers and crew returning to the cruise ships. New security structures have provided greater efficiencies but the resultant is greater staff responsibilities to meet the Facility Security Plan. [Note an additional \$300K MPF request for "Port of Call" access control is included in this year's request.]
7. Billing and collecting CBJ area wide fees for all docks.
8. Maintenance & repairs of Visitor's Kiosk.

The Board reviewed its FY22 budget and apportioned expenses associated with these services. Based on its review, it estimates that about 20% of the annual docks budget is attributable to area wide services.

**Marine Passenger Fee Funds Requested (FY25): \$275,000**

**Benefits:** This approach is supported by the cruise ship industry since it is more equitable than raising dockage fees, although Docks & Harbors is considering fee increases. This approach meets the intent of the marine passenger fee since the services benefit all cruise ship passengers, not just the passengers at the public docks. This approach allows the Docks and Harbors Board to direct part of the dock lease revenues to the much needed rebuild effort of the small boat harbors reducing the need for fee increases at the harbors.

**Maintenance and Operation Responsibility:** CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Teena Larson, Admin Officer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board**  
**FY2025 Marine Passenger Fee Request**

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Section D, Item 6.

**Port-Customs and Visitor Center Buildings Maintenance Support**

**Project Descriptions:** The Port-Customs and Visitor Center buildings are located on the downtown Juneau waterfront, an area that serves in excess of one and a half million cruise ship passengers each year. Docks and Harbors, an enterprise operation, is responsible for costs associated with operating the Port-Customs and Visitor Center Buildings. Expenses include all utilities (water, sewage, electrical, alarm monitoring) and facility support (parking lot, plaza, snow removal, janitorial and general maintenance). The two buildings comprise approximately 4450 square feet in area. Maintenance costs are estimated at \$2.66 per square foot per month equaling \$142,000.

**Marine Passenger Fee Funds Requested (FY25):** \$142,000

**Project Review:** The Port-Customs Building was completed in May 2011 with the Visitor Center completion in June 2012. The project which included the buildings, infill dock construction, covered shelters, landscaping and plaza cost approximately \$9M and was funded with Marine Passenger Fees. The Port-Customs Building is occupied by the US Customs and Border Protection (CBP) and Docks and Harbors staff. CBP claims to be exempt from any costs associated with their operations within a port. The Visitor Center Building is occupied by the Travel Juneau, a non-profit organization for the purpose of supporting cruise passenger inquiries. The Travel Juneau budget does not support maintenance of the building. This leaves the Docks enterprise funds fully exposed to the costs of maintaining and servicing these buildings.

**Benefits:** By establishing a Port-Customs and Visitor Center Buildings maintenance fund Docks & Harbors can effectively manage and maintain the properties entrusted under their responsibilities. Passenger fees have been granted for this purpose since FY2013.

**Maintenance and Operation Responsibility:** CBJ Docks and Harbors is responsible for all ongoing maintenance and operating expenses of these two buildings and associated upland support facilities.

**Project Contact:** Matthew Sill, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board**  
**FY2025 Marine Passenger Fee Request**

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Section D, Item 6.

**Safety Rail along Dock Face**

**Project Descriptions:** The project would be located along the downtown Juneau waterfront, an area that services over one and a half million cruise ship passengers each year. The project consists of constructing a new guardrail along the face of the existing dock.

**Marine Passenger Fee Funds Requested (FY25):** \$1,500,000

**Project Review:** This project would construct a new pedestrian guardrail along the existing dock face from Marine Park to the South Berth approach dock. The existing dock face only features an eighteen inch bullrail at the edge. For pedestrian safety a forty two inch high guard rail would be constructed. The proposed guardrail would be designed in the same character as other guardrails along the Seawalk.

**Project Time-Line:** This project would begin as soon as funding is allocated. The first step would be to design the guardrail and prepare construction bid documents. Upon award of a contract to the lowest qualified bidder construction would begin. The plan would be to have the guardrail installed by the end of the 2024 season, provided full funding is obtained.

**Maintenance and Operation Responsibility:** CBJ is responsible for all ongoing maintenance and operating expenses. Maintenance and operations expenses for the guardrail would be minimal.

**Project Contact:** Matthew Sill, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board**  
**FY2025 Marine Passenger Fee Request**

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Section D, Item 6.

**Dock Electrification**

**Descriptions:** Docks & Harbors has been pursuing funding for cruise ship dock electrification for many years. Efforts for RAISE and PIDP grants have not realized success. On December 1<sup>st</sup>, a \$1.5M EPA DERA grant was submitted and we anticipate submission of an EPA Clean Port grant in the spring. The latest update to the Assembly was provided in a [memo dated August 31<sup>st</sup>, 2023](#). The purpose of this request is to augment the existing CIP with funds to construct a shoreside electrical system allowing cruise ship to connect to clean renewable power while moored.

**Marine Passenger Fee Funds Requested (FY25):** \$5M. In the EPA DERA grant application, the total project estimate to electrify both the AS & CT Docks is \$53M. Of which, \$5.3M is currently in a CIP. The project can be scaled to separate the construction into providing power to only one berth, as funding allows.

**Benefits:** This project seeks to reduce carbon emissions/greenhouse gases and has been a priority since the completion of the 16B project in 2017.

**Maintenance and Operation Responsibility:** Docks & Harbors has been working in concert with AELP to develop planning and design efforts to move forward in an efficient manner. Most likely, Docks & Harbors will be responsible for maintenance and operations of the constructed system via future Marine Passenger Fees. Docks & Harbors is hopeful to have a MOA crafted with AELP early in 2024 outlining design responsibilities and funding commitments.

**Project Contact:** Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board**  
**FY2025 Marine Passenger Fee Request**

Section D, Item 6.

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**Additional Personnel for “Port of Call” Access Control**

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**Description:**

After two years of cruise ship inactivity due to the pandemic, CY23 rebounded with 1.65M arriving passengers which was a record number. The CY24 schedule calls for an equally busy season for the AS/CT Docks and at the PFO lightering dock. The 2020 Coast Guard requirements described below is a non-funded federal mandate that must met to remain compliant with our approved Federal Security Plan. Docks & Harbors has provided briefings to determining the financial resources necessary to meet this requirement.

On December 18<sup>th</sup>, 2020 Coast Guard Sector Juneau released a Marine Safety Information Bulletin clarifying the regulatory requirements for Maritime Transportation Security Act (MTSA) regulated facilities which receive large foreign passenger vessels (i.e. cruise ships). The Consolidated Cruise Ship Security final rule, published on March 19<sup>th</sup>, 2018 defined the differences between a “cruise ship terminal” and a “port of call”. The final rule also prompted a conversation between USCG Sector Juneau and SEAK industry stakeholders, including the Port of Juneau. Previously, SEAK industry stakeholders (including the Port of Juneau) interpreted Title 33, Code of Federal Regulations (CFR), Section 105.255(d)(4) as a list of documents which could serve as personal identification irrespective of criteria in 33 CFR 101.515. As such, facility security personnel (including the Port of Juneau) were allowing individuals with only a vessel boarding pass or room key to gain access to the secure area adjacent to the cruise vessel.

The resultant clarification in the MSIB is that, effective April 1<sup>st</sup>, 2021, facility security personnel must use a two-prong approach to ensure proper identification and valid purpose:

1. Check the personal identification meeting the criteria in 33 CFR 101.515; and,
2. Confirm the purpose for access by examining at least one document listed in 33 CFR 105.255(d)(4).

Although this may seem like a minor additional task to validate an ID with a boarding pass, we believe the impact will greatly impede the flow of passengers returning to their vessel. The above mentioned two-prong requirement will be similar to what one experiences at an airport TSA checkpoint. The extra time required to ensure each boarding pass matches the government issued ID has the potential to create delays when excess of 1000 passengers/hour attempt to embark their vessels during the waning time in Juneau. Additionally, passengers who do not have government issued ID will need to be escorted by port facility security to the vessel security officer which will only exasperate those waiting in the queuing line.

**Marine Passenger Fee Funds Requested (FY25):** \$300,000 (17 Part Time Limited Harbor Technicians)

**Benefits:** By funding an additional 17 PTL Harbor Technicians positions, Docks & Harbors will recruit seasonal employees who will augment the standing Docks security force enabling greater redundancy for properly checking credential in accordance with Coast Guard guidance.

**Maintenance and Operation Responsibility:** CBJ Docks & Harbors, as the facility manager for the AS and CT Docks, has uplands security requirements required under MTSA regulations.

**Project Contact:** Matt Creswell, CBJ Harbormaster or Carl Uchtyl, CBJ Port Director 586-0292.

### **Purchase of Archipelago Property, LLC Uplands**

**Description:** Purchase the upland property in private ownership adjoining Peratrovich Plaza. This 0.777 acre parcel is owned by Archipelago Property, LLC is assessed at \$9.5M. Docks & Harbors completed the [Marine Park to Taku Dock Urban Design Plan in 2018](#) which provided direction for expanding the use of the along the Juneau waterfront. This plan lead to a sophisticated land swap/sale with the private owner to achieve beneficial use.



**Board identified the following:** The Marine Park to Taku Dock Urban Design Plan envisioned the *terra firma* property to be developed with private capital for retail purchase. The plan was also a catalyst for identifying a future, undefined waterfront attraction on the wooden deck. The CBJ Manager has identified a project to relocate the Juneau-Douglas City Museum to the waterfront.

**Marine Passenger Fee Funds Requested (FY25):** \$10M

**Benefits:** Docks & Harbors believes the best use of the waterfront would be to purchase the uplands and develop the museum along Franklin Street. This would leave Peratrovich Plaza, including the Peratrovich mural, to have view planes protected along the Seawalk and to Juneau Harbor.

**Maintenance and Operation Responsibility:** As this is request is for property transaction only there is no maintenance and operational costs.

**Project Contact:** Carl Uchytel, CBJ Port Director 586-0292.



**CBJ Docks and Harbors Board  
FY2025 Marine Passenger Fee Request**

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**Lone Sailor Statue**

**Description:** Alaska Pioneers (Igloo 6) are in the initial planning stages to erect a [Lone Sailor Statue](#) in Juneau. There are currently 17 Lone Sailor Statues around the world. Discussion with the Navy Memorial, which oversee the program, indicates that a sponsor would need to fundraise \$350,000 and provide a suitable location for display. The sailor is 7' 4" tall and made of bronze.



**Marine Passenger Fee Funds Requested (FY25):** \$100K

**Benefits:** This is a non-profit civic organization's efforts to bring art and vitality to Juneau. There is a connection to the USS JUNEAU and the Lone Sailor mission. The Lone Sailor is an iconic symbol of the Navy Memorial's mission to *Honor, Recognize, and Celebrate* the men and women of the Sea Services, past, present, and future; and to Inform the public about their service.

**Maintenance and Operation Responsibility:** Should a suitable location be found on CBJ property, the appropriate CBJ department could maintain the bronze statue. Else, the sponsoring organization could retain this responsibility.

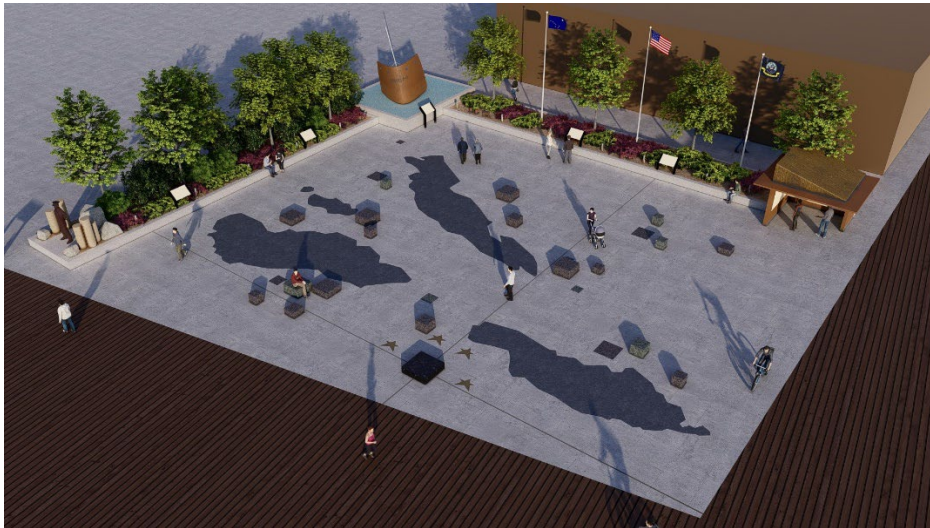
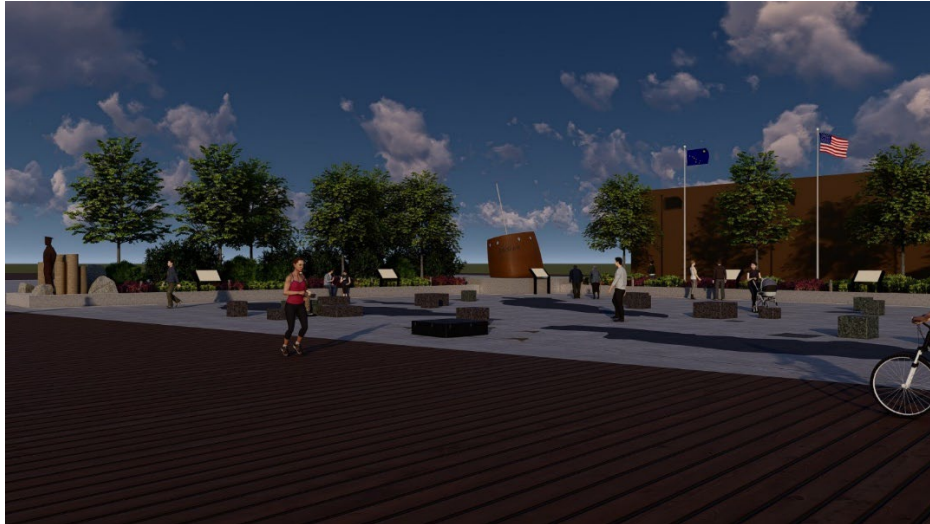
**Project Contact:** Carl Uchtyl, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board  
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**USS JUNEAU MEMORIAL - EXPANSION**

**Description:** In the [Marine Park to Taku Dock Urban Design Plan in 2018](#) an option was explored to create a larger and more significant USS JUNEAU memorial along the Seawalk. The USS JUNEAU memorial is currently revered at its location; however, it lacks interpretive information on the Battle of Guadalcanal and the five Sullivan brothers. A well designed memorial could enhance the visitor experience and honor a local namesake.



**Marine Passenger Fee Funds Requested (FY25):** \$6M

**Benefits:** This project could expand the useable width of the Seawalk, provide an historical educational display and honor those in the sea going services.

**Maintenance and Operation Responsibility:** CBJ is responsible for all ongoing maintenance and operating expenses of CBJ owned facilities and will use local Docks enterprise funds or future Marine Passengers Fees for these expenses.

**Project Contact:** Carl Uchtyl, CBJ Port Director 586-0292.

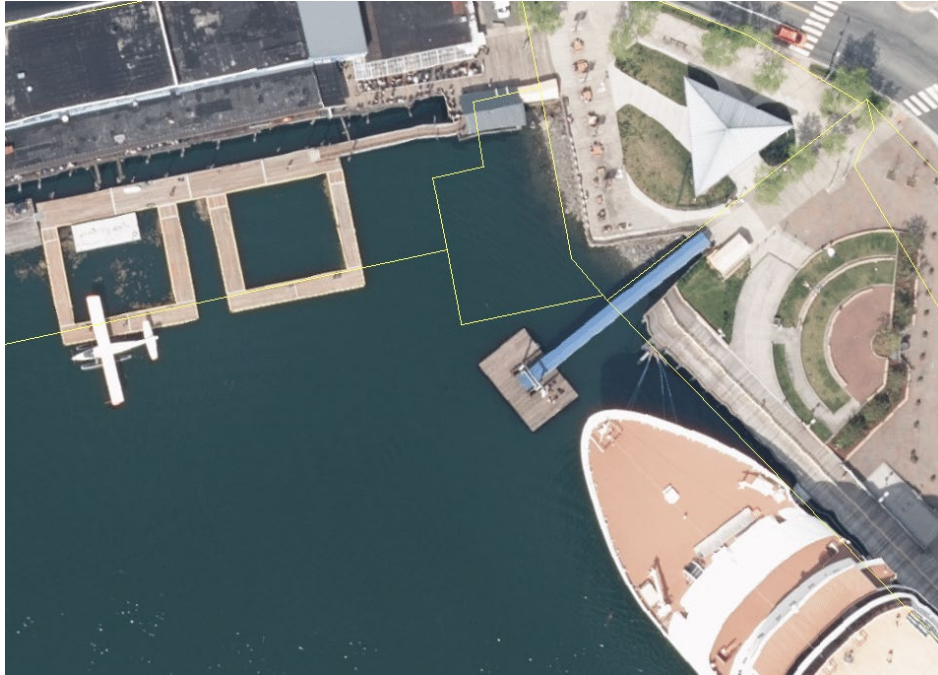
**CBJ Docks and Harbors Board**  
**FY2025 Marine Passenger Fee Request**

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**Reestablishment of Emergency Vessel Loading Float**

**Description:** With the construction of the new downtown cruise ship docks, the former lightering float became a risk to the float planes and was removed.



**Marine Passenger Fee Funds Requested (FY25):** \$1M

**Benefits:** This project, at a yet to be determined location, would contribute to providing a secondary emergency vessel mooring location to offload cruise ship passenger in the result of a mishap.

**Maintenance and Operation Responsibility:** Docks & Harbors would be responsible for all ongoing maintenance and operating expenses for this CBJ owned facility and will use local Docks enterprise funds or future Marine Passengers Fees for expenses.

**Project Contact:** Carl Uchtyl, CBJ Port Director 586-0292.

**From:** [Nathan Teal](#)  
**To:** [Alexandra Pierce](#)  
**Cc:** [Stephanie Warpinski](#)  
**Subject:** Eaglecrest road - passenger fees project  
**Date:** Thursday, December 28, 2023 1:47:00 PM

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Hi Alexandra,

I'm wondering if, once the gondola is installed and operational, EagleCrest road renovations might qualify for head tax fees funding. The road has gotten pretty bad and once we have a city operated tourist centric destination running busses up there it's going to need to be added to the shortlist for a facelift. It might be a long shot but I figured I would ask if it could be considered, just in case.

Thanks,  
Nathan

**From:** [porterv35@gmail.com](mailto:porterv35@gmail.com)  
**To:** [Alexandra Pierce](#)  
**Subject:** Fwd: City (cruise ship) excess money idea  
**Date:** Thursday, December 14, 2023 10:50:53 PM

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Sent from my iPhone

**Subject: City (cruise ship) excess money idea**

Hi Alexandra, I hope the window for suggestions is still open as I would like to offer one.

My suggestion would be for the city of Juneau to offer free childcare. Parents; especially women would be able to attend school or be employed earlier to become a part of Alaska's workforce and Juneau would have a better chance of attracting and hiring qualified candidates.

Children would also benefit by attending pre-school as they usually want to be with others about age 2.

Really it's an economic issue that would give Juneau yet another edge as a great place to live.

Thank you

Victoria Porter

503.739.5657

Sent from my iPhone

**From:** [weighty@ptialaska.net](mailto:weighty@ptialaska.net)  
**To:** [Alexandra Pierce](#)  
**Subject:** Marine Passenger Fee : Support for Dock Electrification  
**Date:** Sunday, December 10, 2023 11:52:23 AM

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Hello Alex,  
Adding my support for Dock Electrification with the Marine Passenger Fees/ Budget.  
Many thanks for your thoughtful work in our community.  
Nancy Waterman



**From:** [Renewable Juneau](#)  
**To:** [Alexandra Pierce](#)  
**Cc:** [Katie Koester](#); [Borough Assembly](#); [Dianna Robinson](#); [Carl Uchytel](#); [Gretchen Keiser](#)  
**Subject:** MPF for Dock Electrification  
**Date:** Tuesday, January 2, 2024 6:39:33 AM  
**Attachments:** [RJ comments\\_Dock Electrification Draft Study\\_1.16.22.pdf](#)

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Dear Alex,

The Board of Renewable Juneau strongly supports using marine passenger fees (MPF) to complete shore power for the CBJ's two cruise ship docks. We recommend appropriating \$10 million for this purpose in the FY25 budget.

The CBJ has been talking about dock electrification for more than a decade, without much to show for it. We have two recommendations for reducing further delays and for making real progress:

The City Manager and the Assembly should provide strong, ongoing leadership and oversight to complete CBJ dock electrification and require regular updates and deliverables on the pending contract for design and engineering work and the other steps needed to complete dock electrification..

The Assembly should adopt a formal "Clean Port" initiative, as proposed last year by the Juneau Commission on Sustainability. This would provide a focal point for implementing the recommendations of the Visitor Industry Task Force, give ongoing visibility to efforts to reduce climate and other types of pollution by the CBJ, the cruise industry, and local tourism businesses, and strengthen Juneau's case for federal funding for shore power and related activities.

Over 20 years ago Juneau led the world in providing clean, renewable energy to cruise ships while in port. Since then our community has continued to make progress in reducing greenhouse gasses by developing a climate action plan and renewable energy strategy, building out electric vehicle charging infrastructure, and providing resources and incentives for homeowners to replace fossil fuel heating systems with efficient air source heat pumps. Dock electrification is an integral part of our community vision of a clean energy future that improves public health, provides economic benefits, and enhances environmental quality.

Here is a short timeline that helps explain our concern about further delays:

In 2000 Princess Cruises, AELP and the CBJ began collaborating to provide shore power at the Franklin Dock. In about a year's time they completed and began operating the world's first cruise ship shore power facility.

In 2014-2015 CBJ's 16B docks were constructed: conduit was installed for future shore power. By that time almost half of the cruise ships visiting Juneau were electrification ready.

In 2016, the CBJ conducted a feasibility analysis for shore power for 16B docks. Renewable Juneau began annually supporting use of MPF to complete design and engineering for the necessary infrastructure.

In 2019 Renewable Juneau submitted a petition with 900 signatures to the Assembly requesting that MPF be used to complete shore power design and engineering for the 16B docks. The Assembly provided funding and direction to conduct engineering and design work (\*see Assembly language below). But instead the CBJ began another feasibility study.

In 2023 after the CBJ learned that there was a 2-3 year backlog for critical electrical infrastructure the Assembly appropriated \$5 million in the FY24 budget. But then the CBJ learned that not enough engineering/design work has been done to allow ordering the needed equipment;

In 2024, most cruise ships visiting Juneau are shore power ready. We understand that the CBJ hopes to develop a scope of work and a contract for design and engineering early this year.

Better late than never, but this history leaves us with little confidence in timely completion of the project. Each of the major steps of design, financing, obtaining specialized electric equipment, and construction involve significant risks of delay, and sets Juneau further behind other West Coast ports in minimizing the impacts of the cruise industry and reducing greenhouse gas emissions.

We understand that the CBJ is now turning to AELP to manage a 2024 design/engineering contract for the 16B docks. So far AEL&P has been a reluctant partner in developing shore power for the CBJ cruise ship docks. As we detailed in our 2022 report (see note below), AELP played a significant role in delaying progress on CBJ dock electrification by helping persuade Docks & Harbors to shift from the engineering and design work funded by the Assembly in 2019 to conducting another feasibility study.

By providing clear expectations, deadlines and oversight, the City Manager and Assembly can help reduce the risks of further delays.

We believe that using MPF for dock electrification will greatly improve downtown air quality, enhancing both the visitor experience and creating a cleaner environment in which we all live and work. We appreciate your consideration of our recommendations and comments.

\*Note. As detailed in “A Broken Study” Renewable Juneau’s 1/16/2022 report to the Assembly (<https://renewablejuneau.org/2022/01/18/a-flawed-study/>), also attached:

"In response to broad public support for dock electrification, the CBJ Assembly in 2019 funded a study to “...accomplish the Assembly goal of figuring out the necessary steps to connect more ships to shore power” by preparing “... a preliminary design and cost estimate for adding shore power...” (minutes, Assembly Finance, 5/8/2019).

“As discussed below (Section 3b & Appendix), Docks and Harbors (D&H) invited and allowed AEL&P to dictate the scope and details of the RFP for the study. We objected from the beginning that the D&H approach would waste CBJ money and result in a flawed product (see Section 3a).”

Sincerely,

Allison

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Allison Bidlack, Vice President  
For the Board of Directors  
Renewable Juneau | Alaska Carbon Reduction Fund









RENEWABLE  
JUNEAU

Section D, Item 6.

# A Broken Study:

RENEWABLE JUNEAU'S COMMENTS ON THE CBJ DOCKS & HARBORS  
DEPARTMENT [FLAWED] DRAFT DOCK ELECTRIFICATION STUDY 1.16.22

DRAFT

CRUISE SHIP DOCK ELECTRIFICATION STUDY



ENGINEERS, INC.



Formerly McDowell Group



## Introduction and Overview

Renewable Juneau ([www.renewablejuneau.org](http://www.renewablejuneau.org)) is an Alaska non-profit organization with a mission to help Juneau move toward its sustainability goals, with a focus on use of renewable energy. We offer the following specific comments and recommendations with the expectation that improving the study will improve the community's chances of successfully securing funding and providing dock electrification for the CBJ's cruise ship docks.

Providing cruise ships with access to shore power is crucial to meeting the sustainability goals adopted by the CBJ assembly. Using clean power generated at hydroelectric dams to replace power generated by burning petroleum onboard ships:

- improves air quality and public health
- creates jobs,
- reduces greenhouse gas (GHG) emissions,
- helps keep Juneau's visitor industry competitive
- mitigates negative aspects of tourism growth, and
- supports renewable energy development.

In response to broad public support for dock electrification the CBJ Assembly in 2019 funded a study to "...accomplish the Assembly goal of figuring out the necessary steps to connect more ships to shore power" by preparing "... a preliminary design and cost estimate for adding shore power..." and to advise them on the "...implications of the policy choice of requesting firm or interruptible power for new shore power, the potential implications for changes to ship docking and the potential effect on supply of power to other interruptible customers and on utility rates." (minutes, Assembly Finance, 5/8/2019).

However, the study got off to a biased and incomplete beginning, due to changes Docks and Harbors made to the Request for Proposals (RFP), changes that subverted the Assembly's intentions and direction by converting the study from an independent analysis to one that was based on a collaboration with AEL&P (see Appendix for details).

The Assembly clearly intended the study should deliver unbiased options for the CBJ to use in getting the project underway by designing and obtaining funding for cruise ship shore power. As discussed below (Section 3b & Appendix), Docks and Harbors (D&H) invited and allowed AEL&P to dictate the scope and details of the RFP for the study. We objected from the beginning that the D&H approach would waste CBJ money and result in a flawed product (see Section 3a).

When D&H re-crafted the RFP study design at AEL&P's request, they effectively sabotaged CBJ's effort to receive full and complete analysis of options to achieve CBJ goals, and to successfully compete for RAISE grant funding.

The result is a draft study with significant flaws in four areas. These flaws must be addressed and corrected before the draft can be accepted as final:

1. The draft defines the reasons for CBJ dock electrification too narrowly – project support is about much more than GHG emission reduction.



2. The study doesn't adequately address the key issue of how to efficiently connect and disconnect cruise ships.
3. The entire consideration of power availability is misleading and biased.
4. The economic analysis is misdirected, incomplete and biased.

Each of these deficiencies is discussed in these comments, followed by a set of recommendations for correcting these problems in the draft report.

## **1. It's more than GHG emissions. The draft takes too narrow a view of the reasons for CBJ dock electrification.**

The draft focuses on an important, but overly narrow, project purpose. The only objective it identifies is to reduce greenhouse gas (GHG) emissions, citing the 2010 Juneau Climate Action and Implementation Plan (JCAIP – misspelled “CCAIP” on p. 6 and elsewhere). While this is important, it ignores the other significant community values and benefits that have been identified as reasons for dock electrification, including improved air quality; reduced noise pollution; health benefits to downtown residents, workers and visitors; managing the impacts of tourism growth; supporting a transition to renewable energy; helping the cruise industry address its carbon footprint; and enhancing Juneau's role in the regional and world-wide tourism industry and its competitive position as a cruise destination.

These other values and benefits are documented in numerous studies and planning efforts, such as the Visitor Industry Task Force and Blueprint Downtown. They are evidenced by strong Assembly support and by cruise line support, action and plans, including Holland America's recent contract with AEL&P to use shore power at the Franklin St. dock, and Norwegian Cruise Line's promises to incorporate electrification into its proposed dock project. None of these benefits are identified in the draft.

We are particularly concerned that, despite the study's emphasis on energy supplies, the draft completely ignores CBJ energy policies. The study fails to even mention the main policy document guiding the use and development of energy in the community, the Juneau Renewable Energy Strategy (JRES), adopted by the Assembly in 2018. Dock electrification is noted in the JRES, and provides one of the pathways toward the JRES goals. However, there is no discussion in the draft of the role that dock electrification plays in meeting this community value. This omission particularly weakens the section on power availability as discussed in item 3 below. While the report includes a short description of possible future projects that would require electricity (p.18), there is no discussion about their relationships to broader community energy goals or how dock electrification can help accelerate or achieve these goals.

The study also omits any consideration of the increasing significance of dock electrification to the world-wide cruise industry and the Southeast Alaska (SE) region. It is common knowledge—as reported in industry publications—that environmental and cost considerations are increasingly driving world-wide and regional trends toward dock electrification. However, the report is silent on these important trends. For example, there is no mention of the fact that the community of Skagway is working on plans for dock electrification. As more Southeast Alaska and West Coast ports develop shore power, the practice becomes more valuable to cruise lines, to climate mitigation,

and to cementing Alaska's—and particularly Juneau's—position as sustainable and environmentally responsible, and, therefore, as more competitive and desirable destinations.

The study's overly narrow view of its guiding objectives bleeds over into confusion and conflation of local air quality issues with climate impacts (pp.6, 40). JCOS identified this conflation as a significant weakness in the 2021 RAISE grant application, but Docks & Harbors dismissed this suggested improvement.

## **2. Making connections. The draft fails to adequately analyze shore power connection issues or to offer alternative solutions.**

The study presumes that it takes one hour, or more, to connect and another hour to disconnect cruise ships. World-wide shore power connection times are significantly lower. The report fails to provide the data needed to understand these differences, or to offer concrete solutions.

Minimizing operation of ship generators in port depends on maximizing the time that ships are connected to shore power. The number of hours that ships plug in to shore power affects air quality, GHG emissions, and economics. AEL&P is reportedly concerned about the burden on the utility to connect and disconnect each ship, and about impacts to system stability under its existing contract with Princess. But the study fails to provide adequate information or offer alternative solutions.

The study used the existing Franklin Dock system as a model because data was easily available, but the Franklin Dock is the oldest and most outdated system in the world for dock electrification. Dock electrification technology and management experience have seen several generations of improvement in the last 20 years. The draft fails to examine the limitations of AEL&P's connection procedures and systems that burden the utility during ship connection, or how these would be magnified if multiple ships connect. The study describes some of the factors affecting this problem, including the location and configuration of different ships' shore charging ports. But this section of the study lacks adequate information or any proactive discussion about how AEL&P could provide faster and more consistent connect or disconnect times through operational or policy changes, state-of-the-art connection technology to ramp up and ramp down faster, or any other approaches that would meet international standards.

The study also restricts the boundaries of the connection issues too narrowly. There is little or no discussion of the potential need to update the Franklin St. dock's connection systems, and how this might interact with electrification of the CBJ's docks. Similarly, there is little or no mention of possible electrification of the private AJ dock or the proposed Norwegian dock. All or each of these possibilities could either exacerbate the types of problems identified in the study, or contribute to solutions by spreading the costs of the needed infrastructure over more parties, however, the draft fails to consider them. Further, no consideration is given to how investments in more automated and advanced grid control systems could help alleviate current power outages, surges that damage household appliances and electronics, and other grid stabilization problems that directly impact Juneau ratepayers. Again, this is a failure to consider how dock electrification relates to the CBJ's broader sustainability and renewable energy goals.

The draft mentions, but doesn't analyze, the ways that management of berthing schedules could help increase the number of ships and length of time that they could be connected. This scheduling could have spin-off benefits for the community, reducing the amount of air emissions involved with ship's maneuvering while arriving and departing, for example, or increasing the length of time that passengers can shop at downtown stores or take advantage of local tours. Given evolving industry standards, it seems reasonable to expect that within a few years' time, only ships using shore power will berth at the city docks—maximizing use and cost-recovery for the shore power infrastructure. These options are not adequately considered in the economic analysis.

The D&H study's use of assumptions that result in projected low utilization at the Cruise Terminal dock reduces the project's values. A final version should re-examine more specifically whether these values should be increased. A final version should also consider a scenario in which only the Alaska Steamship dock is electrified.

The RFP for dock electrification called for a 35% design for the project. The problems identified above and the failure to offer solutions that could speed up connections raise a question of whether this standard has been met.

### **3. The draft's consideration of power availability is inadequate and misleading.**

The story of how much electricity Juneau will have available to do the work the community wants to do is complicated. But the D&H study uses biased assumptions, draws a simple, misleading conclusion, doesn't consider alternative approaches, and doesn't identify possible solutions to the problems it identifies.

The study reports that "based on availability of 4 of 9 years and a cruise season that extends 5 of 12 months of the year, the conclusion is energy will be available for the cruise ships approximately 25 percent of the time from the present hydroelectric power plants" (p.26). While it is not clear how this was calculated, the assumption is apparently based on a rough estimate and judgment call by AEL&P (pp. 37, 44), combined with the study's assumption that CBJ's docks should not only be "interruptible" customers, but that they should be last in line among other interruptible customers.

Under RCA regulations, "firm" users, those that AEL&P is legally obligated to provide electricity for, have the first claim on available power, while "interruptible" customers, those who have signed up for special deals with AEL&P, get electricity only when there is enough hydroelectricity available. These "interruptible" customers typically get a break on rates, in return for agreeing to shift over to other sources of power when AEL&P decides it needs to conserve hydro resources due to projected shortfalls in available water supply. "Interruptible" customers include Princess Cruise Lines, the Greens Creek Mine and now the Holland America Line. The federal building and some Juneau schools are also interruptible customers for heating. Each of these interruptible customers has varying degrees of priority, depending on the specifics of their contracts with AEL&P. The draft's conclusions are based on the assumption that all interruptible customers would have priority over the CBJ's docks. The study fails to inform the Assembly and the public that the CBJ has the regulatory right to require firm power, fails to provide information about firm power costs and fails to provide a comparative analysis

of interruptible vs. firm power and how each approach could lead to maximizing CBJ and federal grant investments.

### **3(a) Future availability of sufficient power.**

This component of the study was misdirected. How utilities meet customers' needs is an issue for regulated utilities and the RCA, since regulated utilities are required to meet customers' power demands. The study was supposed to focus on dock electrification. Renewable Juneau was concerned from the beginning that including the issue of power availability in the scope of work would detract from the project's goal of figuring out how to electrify the city docks and, instead, become a series of inadequately studied or supported claims.

As we recommended in our Feb. 24, 2020 e-mail to the CBJ:

"Docks and Harbors will soon be releasing an RFP for studies related to dock electrification that appears to be significantly flawed, and seems likely to result in wasting city money. One major problem is that it proposes to determine the cost and impacts of dock electrification to AEL&P and ratepayers. This is a task that is AEL&P's responsibility, not CBJ's. The CBJ should determine how much electricity will be needed under different scenarios of dock electrification, but as a regulated utility it is AEL&P's job to determine how to meet those demands. They should do any analysis needed to get the public input that an Integrated Resource Plan requires and that the Regulatory Commission of Alaska (RCA) requires for tariff changes. It is outside the expertise of Docks and Harbors to oversee such a study."

The CBJ never responded to, or addressed, our concerns. Renewable Juneau believes that this dismissal wasted CBJ public funds and created a misleading conclusion that makes it appear that there is no reasonably adequate supply of power to electrify Juneau's public and other private docks.

We believe that CBJ should act as any other utility customer, not as a market maker or as an energy market coordinator. The CBJ needs to identify how it would build the project, and how much electricity the project needs. Identifying where the electricity will come from is the utility's legal responsibility, as is calculating the costs of adding service (3 AAC 52.455). Among other problems with the CBJ doing the utility's work is the fact that much of the critical data is unavailable to any party other than the privately owned utility. The draft shows the weaknesses of this "customer-do-it-yourself" approach. Key information is missing, while other information is fragmented and undocumented, including information about AEL&P's future plans to appropriately and properly serve 16B, Norwegian or AJ dock electrification consistent with the CBJ's energy goals identified in the JCAIP and JRES.

### **3(b) The study should have included consideration of "firm" power.**

As noted in the Introduction, the Assembly directed that the study should include examination of options for firm and interruptible power. The RFP for the study originally included consideration of firm power but this topic was dropped at the request of AEL&P, resulting in a biased, incomplete analysis that was inconsistent with Assembly direction (see Appendix). Apparently, the Juneau Commission on Sustainability was not consulted about these changes in the RFP, which is surprising

considering JCOS's role in supporting funding for the project and their charge to represent the public interest and advise the CBJ on sustainability issues. RJ's takeaway is that the D&H and CBJ paid more attention to a private business than it did to an advisory body appointed by the Assembly, and that in doing so it ignored specific direction from the Assembly.

Many of the supply availability and utilization issues raised in the study would not exist if CBJ's docks had parity with, or a priority over, interruptible users. The study should explore a firm or near firm power agreement scenario for comparison to the study's assumed "last-in-line" interruptible agreement for the CBJ.

If the CBJ inadvisably takes on the responsibility and cost of identifying the future of Juneau's power availability, it should do it completely. The first step would be to consider what it would mean to request firm power for dock electrification. This approach would have been consistent with the CBJ viewing itself, at least as an initial matter, as a customer for electricity. The study fails to provide basic information about the option of requesting firm power, the regulatory requirements for AEL&P, or to lay out pros and cons. The study omits the fact that AEL&P, as a regulated monopoly, must deliver firm and reliable power when requested by a customer. The draft states that this is a complicated issue, then unaccountably proceeds to ignore the option altogether. The study can't have it both ways – to claim to address power availability, but look at only the smallest, easiest, and least useful part of the issue.

The CBJ and the community should understand the option of firm power and its pros and cons. This would provide the basis for understanding the relative advantages to the CBJ, to the utility, and to various classes of customers. For example, the study notes (p.15) that if it is necessary to support the cruise ships with power from the diesel plants to meet firm power requirements, an additional 69 KV line will have to be constructed from the Lemon Creek power plant to the Salmon Creek Substation. However, there is no data supporting this statement and there are no cost estimates associated with this option. Again, there is no discussion about how this might fit with other future infrastructure needs, such as the proposed Aaw'k Village District Heating System.

Analyzing how to optimize dock electrification and summer loads requires more detailed information regarding the timing and amount of spilled water at our existing dams and at any future supply additions.

### **3(c) Options for “interruptible” supply are inadequately and incompletely considered.**

The study failed to consider or fully analyze alternatives to last-in-line interruptible power. A range of possibilities exist for interruptible arrangements that could provide hydroelectricity for cruise ships most of the time. But without a full and comparative analysis, no one can determine the relative effects and benefits of firm and various interruptible arrangements. The interruptible rate established for Princess provides a starting point for analysis. Currently, the Hecla Greens Creek power sales agreement and interruptible power priority limits power for CBJ publicly owned docks, but this could be changed in a number of ways. The study should address the CBJ's options for seeking changes in priorities for power.



Starting in 2010 Juneau customers saw an unprecedented 22% increase in rates to pay off construction of Lake Dorothy. Hecla appears to have been the main direct beneficiary of this change in rates. Greens Creek got a series of beneficial deals – an upfront reimbursement of connection costs, including a submarine transmission line, a period of free power, and locking in a \$.10/kwh rate that was below the cost of service for the first 7 years of the power sales agreement. The combination of cost overruns for the Lake Dorothy project and the Hecla agreements, resulted in costs of power that were substantially more than \$.10/kwh, which appears to be why firm customers saw the 22% increase. The record of RCA approval of this increase is complicated, but the Dept. of Law reportedly argued at the time that AEL&P should get only a 6% increase, rather than 22% approved by the RCA.

AEL&P asserts that all Juneau customers benefit from a Cost of Power Adjustment (COPA) to rates resulting from sales of interruptible power to Greens Creek. The study does not show that since the most recent AEL&P rate increase in 2018 Juneau firm customers have paid over \$9 million dollars in COPA surcharges. In order to thoroughly address power availability under the assumption of an interruptible power agreement, the study should address this history of the relative benefits of interruptible electricity rates to Green Creek and to Juneau's firm ratepayers, including a detailed analysis of how COPA surcharges result in rate volatility that has recently cost Juneau ratepayers millions of dollars in their firm rate fees.

### **3(d) The rest of the story – when will there be enough hydroelectricity to meet Juneau's future needs?**

“Based upon historical precipitation, existing hydroelectric generating capacity, and electrical demand, AEL&P projects they will be capable of offering electrical energy to the CBJ cruise ship docks only 25% of the time it is requested. It is expected this will improve over time as the firm load increases, requiring the construction of additional hydroelectric power plants. Such construction will likely facilitate additional capacity for interruptible loads.” (p.44).

The draft study focuses only on the short-term. Since the CBJ and its contractors chose to study and address power availability (the inadvisability of which we discussed previously) the draft should include scenarios of new supply meeting new demand rather than assuming static supply—and unmet demand for power. The rest of the story, and the far more important policy issue the report should have addressed, is buried in the quote above, and in the conclusion at the end of the report:

AEL&P's forecast with one percent growth graphically indicates that without the addition of consumption by the CBJ docks, the community's (including the Greens Creek interruptible load) energy consumption will exceed the identified average year capacity by 2023 or 2024. (p. 43).

While AEL&P has not experienced 1% load growth in recent years, local and national trends toward the “electrification of everything” make it likely that this will soon change. Rates of uptake of EV's over the next decade are predicted to rapidly increase and Juneau is experiencing rapid growth in heating systems that rely on electricity, including both electric boilers and heat pumps. Additional future energy consumers identified in the draft would add significantly to electricity demand (p. 18).

Significant expansion of hydroelectric supplies will be needed to accomplish the goals of the Juneau Renewable Strategy in shifting from the present 20-25% reliance on renewable energy to powering the community with 80% renewable energy sources by 2045.

Despite this potential shortfall, AEL&P has indicated to the Regulatory Commission of Alaska that it has no plans to increase supplies over the next 10 years (p.38, but the associated footnote #2 is missing from the draft).

This is a chicken and egg problem. CBJ needs to know that power will be available before committing to dock electrification, but AEL&P has no incentive to arrange for new hydroelectric supplies until they have customers to buy the electricity. This is a common problem with new and shifting power demands.

Given the study's stated purpose of identifying the availability of power, the draft report should have examined how dock electrification, in combination with Juneau's energy trends and plans can contribute to solving this longer-term problem of inadequate hydroelectric supplies and transmission systems.

Recent statements by AEL&P support the view that an examination of longer-term solutions is needed:

We would need to see sustained load growth from firm (non-interruptible) customers or certainty of revenues from large interruptible customers before building additional generation capacity ..., (AEL&P spokesman Alec Mesdag – <https://www.juneauempire.com/news/grant-process-leaves-city-high-and-dry-but-electrification-plans-still-on-deck/>).

As noted above, the study fails to address this larger picture, ignoring Juneau's renewable energy goals as expressed in the JRES, and the longer-term trends and community plans that will require substantially more power in coming decades as the community migrates from using imported fossil fuels for industrial, heating and transportation purposes to using locally produced renewable energy sources.

The study lacks real data or serious analysis of possible new renewable energy supplies. It mentions three potential sources of new supplies, offering little information about them, and appears to include inaccuracies. For example, the draft study presents incomplete and incorrect information about the Sweetheart Lake project's capacity and permitting status. It also fails to describe the relative timeframes or pros and cons of the various options to provide reliable power for dock electrification, or how these relate to electrification trends or community energy goals as expressed in the Comprehensive Plan or the Juneau Renewable energy Strategy.

In conclusion, the study should either do a full job of addressing future electricity demand and supply, or it should assume that the local utility will meet demonstrated demands. A regulated utility, such as AEL&P, is responsible for meeting the electricity needs of its customers. AEL&P has been aware of CBJ's intentions to provide shore power for cruise ships for a number of years, yet has told the Regulatory Commission of Alaska that it needs no new supplies in the next 10 years.

## 4. The economics section is misdirected and incomplete.

The study draft's failures to adequately address ship connections and power availability, described above, result in a flawed economic assessment. The study draft says that the economics of the project are poor because too few ships will be hooked up for long enough to make full use of shore power infrastructure, and because hydroelectricity may not be available in some years. But these conclusions are based on unrealistically narrow and limiting assumptions based on the history of the 20 year old Franklin Dock, with its outdated technology and absence of active management of the docks for the benefit of the community.

The study fails to address the full relative costs/benefits of shore power. A comparison of the cost of utility power and self-generated power should include all relevant costs: energy, operating and maintenance costs, capital costs and profits. Ratepayers pay all those costs, plus distribution, for our utility's power. The cruise ships pay all those costs to self-generate.

The draft fails to provide even basic data about fuel costs for cruise lines and how they affect the relative value of self-generation and shore power. In terms of pricing assumptions the most relevant is Marine Gas Oil (MGO) which is currently \$784 per metric ton in Los Angeles. Generally, the vessels will bunker in Seattle/Vancouver and likely pay a small premium to LA/Long Beach (see World Bunker Prices). However, in recent years many ships have used a cleaner fuel mix to reduce visible air emissions as they near Juneau so their fuel costs while in port are higher than in open seas. This information should be available from the cruise lines but was missing from the study.

The study draft provides little or no analysis of the economic significance of dock electrification to the cruise lines or their future interests, or their marketing for Alaska and specifically, Juneau. The draft points out that dock electrification would result in avoidance of substantial quantities of fuel being burned and associated air pollutants and GHG emissions. Depending on connection times and management, dock electrification at two CBJ docks would result in the avoidance of burning between 358,000 gallons and 557,000 gallons per year.

The study draft fails to discuss industry trends in use of shore power in the west coast market or worldwide, or of the role that dock electrification will play as the cruise industry addresses air quality and carbon reduction in the future. It is clear that cruise lines are turning away from stack scrubbers as a solution to air quality problems and toward shore power. What will carbon reduction be worth to cruise lines in coming years? What will costs for self-generation look like under rising fuel costs, or if fuel taxes or a carbon tax are imposed? What are the costs if the CBJ does not electrify its docks? Would this create a competitive disadvantage for Juneau in coming decades? Would cruise lines prefer stops at electrified ports and avoid those that do not have shore power?

The report's assumption that emissions at Greens Creek are equivalent to emissions downtown is suspect. Shifting emissions out of downtown can have health benefits even if the community's net carbon emissions are unchanged. Federal grants place a high value on reductions in local air pollutants. The study does not examine or compare the relative levels of emissions between Greens Creek self-generation, cruise ship self-generation, and diesel generation by AEL&P.

Finally, the economic analysis makes a faulty and biased assumption that the project should pay for

itself. It concludes “that neither private or local public investment pass benefit/cost testing under any reasonable sales or fuel price assumptions” (p.35). But since it provides no analysis of the costs of firm versus interruptible power, this is clearly a subjective, unsupported assertion. More fundamentally, this cost recovery analysis is inapplicable to dock electrification, like most public infrastructure that has public benefits.

The study’s tone is superficially positive on dock electrification but this economics section focuses on reasons why dock electrification will not work rather than seeking known and constructive alternatives that will make dock electrification work for Juneau. The report assumes the CBJ is the provider of electricity to docks but fails to discuss how the CBJ would “sell” power to cruise ships given the provision in AEL&P’s tariff that prohibits reselling of power. The report fails to examine the special status and adequacy of the Marine Passenger Fees, which are intended to cover the extra costs to communities of accommodating cruise ships and which seem perfectly suited to contributing to the costs of dock electrification. At the public presentation of the draft at the Nov. 1, 2021 Committee of the Whole, the Assembly recognized this gap and directed the city manager to identify additional options for financing the project. The CBJ should consult with a qualified municipal advisor to assist in this task.

## Recommendations

- **Expand the discussion of benefits beyond just Greenhouse Gas (GHG) emission to include the full range of direct and secondary benefits resulting from dock electrification.** The study should address the full range of direct and secondary benefits (including clean air, health, jobs, competitiveness, meeting community energy goals, etc.) resulting from dock electrification, not just GHG emission reduction.
- **Update and expand the analysis of optimal ways to electrify docks and connect cruise ships to provide options/solutions.** The study needs more information about, and a focus on determining, the optimal way to electrify the docks and connect cruise ships. Such an optimization should include a comprehensive analysis of existing problems and consideration of state of the art grid control systems and ship connections, as well as potential solutions such as battery storage integration. It should include benefits and cost estimates, address AEL&P's concerns about electrical system stability, and offer options for mitigating those concerns to increase Juneau's grid resiliency.
- **Ask AEL&P to identify options for providing adequate power for dock electrification and to meet the Juneau Renewable Energy Strategy (JRES) goals.** The study draft should assume that AEL&P will address the question of power availability, and the CBJ should ask them to identify their plans for providing the power the community needs for dock electrification and meeting the goals of the Juneau Renewable Energy Strategy. Like a new tenant of the Walmart building, or a new fish processing business, the CBJ can request firm power as a customer and let AEL&P provide an engineering detail and cost of accomplishing the customer request.
- **Request expert, independent assistance to conduct an analysis that compares options and rate structures for firm/interruptible power for dock electrification.** If the study addresses power availability, it needs to correct two major omissions.
  1. First, rather than addressing the future of power availability in the abstract, it should start by exploring a firm or near firm power agreement scenario for comparison to a CBJ last-in-line interruptible agreement. The CBJ should request assistance from the RCA, or experienced utility advisors, and contract with appropriate independent experts to conduct an analysis that compares options and rate structures for firm and interruptible power for dock electrification. Referencing 3 AAC48.390-3AAC52.500, it appears that as a firm customer the docks could be served without impacting the rates of Juneau's firm ratepayers, that is, the costs of providing service would be borne by the cruise lines themselves.
  2. Second, the study needs to look at power availability for dock electrification in the context of full community needs and plans for electrification, including advancing the goals of the Juneau Renewable Energy Strategy.
- **Use the expertise of the Juneau Commission on Sustainability (JCOS) prior to finalizing and approving the study report.** The report is incomplete and inadequate. It is not a finished product and the CBJ should not accept it until the flaws and weaknesses identified here are corrected. Given the significance of this project to community sustainability goals and the

failure of the study draft to address them adequately, the Assembly should direct the Juneau Commission on Sustainability to advise the CBJ in finalizing the report.

- **Identify and discuss options for working with the cruise industry on their use and financing of dock electrification.** The study should include more information on cruise industry trends and the specific interests of the cruise lines in dock electrification, and should identify options for working more closely with them to develop a mutually beneficial path toward financing dock electrification.
- **Consult with an independent and qualified municipal advisor about financing options.**
- **Work with an experienced dock electrification contractor to outline efficient and effective connect/disconnect times of ships to shore power.** The next steps in design should be conducted by a contractor with specific experience in dock electrification, grid optimization and advanced controls, and other options for shortening connect and disconnect times.

## Summary

The dock electrification study was funded by the CBJ Assembly in 2019 to begin design and construction of dock electrification infrastructure. The Assembly intended the study to deliver objective information and options. Docks and Harbors allowed AEL&P to dictate the scope and details of the RFP for the study. When D&H re-crafted the RFP study design, they effectively sabotaged CBJ's effort to receive full and complete analysis of options to achieve CBJ goals and to compete effectively for federal funding. The study needs major revisions, with strong direction from the CBJ Assembly.

For more information, contact Renewable Juneau, [renewablejuneau@gmail.com](mailto:renewablejuneau@gmail.com)

## Appendix: How a flawed RFP for the dock electrification study resulted in a biased and inadequate study.

In trying to understand why the study included such limiting and misleading assumptions about power availability, and failed to evaluate the option of firm power, as directed by the Assembly, Renewable Juneau requested that the CBJ provide related public records (Renewable Juneau Public Records request to the CBJ, August 28, 2021).

While we still have not received all of the records we requested, the documents we received reveal a series of email and document exchanges between Port Director Carl Uchytel and AEL&P President and CEO Connie Hulbert that resulted in substantial changes to the intent and details of the Dock Electrification Study RFP (see email and document timeline, and AEL&P suggested edits, below).

At AEL&P's request, Docks and Harbors dropped the firm power analysis and a comprehensive analysis of options from other power supply sources originally called for in the study scope. They also changed the focus of the study from its original (and Assembly directed) intent to move toward design and construction to one of "consideration", while at the same time shifting it from an independent review to one of consultation with AEL&P.

AEL&P's edits were completely adopted by the CBJ in the final RFP. We understand that there was no other review by interested and involved parties, such as the Juneau Commission on Sustainability. As noted above, we received no response to our concerns about the RFP expressed to the Port Director in our Feb. 24, 2019 e-mail. We fail to understand why a private company, with strong economic interest in the project, was given the chance to comment and significantly influence the RFP, while our comments, coming from a non-profit public interest group, were ignored, and the Juneau Commission on Sustainability, as an Assembly-appointed public body, with specific duties to advise the CBJ, was not consulted.

\*\*\*\*\*

### Email and document timeline:

10:35 AM February 20, 2020.

Port Director Carl Uchytel sent AEL&P President Connie Hulbert email containing draft RFP.

5:16 PM on February 25, 2020.

Ms. Hulbert sent Mr. Uchytel a return email with AEL&P suggested edits in file: RFP Electrification\_20FEB20 2-25-2020

5:24 PM February 25, 2020.

Mr. Uchytel responded to Ms. Hulbert with a confirmation email accepting AEL&P modifications of the CBJ Dock Electrification Study RFP.

RFP signed and approved by CBH Port Director on Feb. 27, 2020 and issued on Feb.28, 2020 verbatim of AEL&P modifications



-----Original Message-----

**From:** Carl Uchytel <Carl.Uchytel@juneau.org>  
**Sent:** Thursday, February 20, 2020 10:35 AM  
**To:** Connie Hulbert <Connie.Hulbert@aelp.com>  
**Cc:** Alec Mesdag <Alec.Mesdag@aelp.com>  
**Subject:** \*\* EXTERNAL \*\* Dock Electrification Study - RFP

Connie -

Attached is the RFP, I intend to post in the coming days. As you know, the RFP is used to select the consultant to answer the question outlined in the Scope of Services (1.4). Once selected, there will be a similar detailed contract with the successful proposers for the work.

Sincerely,

Carl

Carl J. Uchytel, P.E.  
 Port Director  
 City & Borough of Juneau  
 (907)586-0294  
<http://www.juneau.org/harbors>

---

**From:** Connie Hulbert <Connie.Hulbert@aelp.com>  
**Sent:** Tuesday, February 25, 2020 5:16 PM  
**To:** Carl Uchytel <Carl.Uchytel@juneau.org>  
**Cc:** Alec Mesdag <Alec.Mesdag@aelp.com>  
**Subject:** RE: \*\* EXTERNAL \*\* Dock Electrification Study - RFP  
 EXTERNAL EMAIL: BE CAUTIOUS WHEN OPENING FILES OR FOLLOWING LINKS

Hi Carl,

Suggested edits incorporated in the attached version.

Connie

---

**From:** Carl Uchytel  
**Sent:** Tuesday, February 25, 2020 5:24 PM  
**To:** 'Connie.Hulbert@aelp.com'  
**Cc:** Erich Schaal; Alec Mesdag <Alec.Mesdag@aelp.com> (Alec.Mesdag@aelp.com)  
**Subject:** FW: \*\* EXTERNAL \*\* Dock Electrification Study - RFP  
 Attachments: RFP Electrification\_20FEB20 2-25-2020.docx

Connie –



I'll have Erich double check but your changes look fine to me. Thanks for taking the time to engage.

Kind regards,

Carl

Carl J. Uchytel, P.E.  
Port Director  
City & Borough of Juneau  
(907)586-0294  
www.juneau.org/harbors

The following underlined excerpts and strike-throughs are the changes requested by AEL&P on 2.25.20, to the original draft RFP that Docks and Harbors shared with them on 2.20.20. Our numbered comments point out some of the implications of these changes for the intent and conduct of the study.

#### 1.4 SCOPE OF SERVICES

The Consultant shall provide professional services to study, evaluate and design facilities for consideration by Docks & Harbors. D&H may, at its own discretion, extend the master planning effort to include additional design level efforts, permitting, cost estimating, construction documents, as well as scheduling and construction phasing recommendations.

It is anticipated that D&H will negotiate fees with the selected consultant to develop elements to assist D&H in the following:

- Confirmation of electrical plans established in the 2016 *Shore Tie Power Feasibility Study Report* and review of as-builts drawings of New Cruise Ship Berth Project.
- Detailed engineering analysis of cruise ship vessels, regularly calling on Juneau, to determine the most versatile shore-side power connections to meet the suite of vessel options.
- Cost estimates for construction ~~and delivery~~ of electrical infrastructure necessary to deliver power to the Alaska Steamship and/or Cruise Ship Terminal Docks.
- Consultation with the design team of the Sub-Port Lot development to ascertain impacts of respective electrification projects ~~being constructed~~ under consideration.

1. Changed wording from the proactive, forward moving term “being constructed” to “under consideration” (implying that docks are merely being considered for electrification).

- Development of conceptual drawings, up to 35% Design efforts, ~~to install electrical~~ of electrical infrastructure necessary to deliver power to Alaska Steamship and/or Cruise Ship Terminal Docks.

2. Changed from active direction “to install” to the weaker, more passive “necessary to deliver.”

- ~~Coordinate with the electric utility to Evaluate/estimate impacts on Juneau ratepayers, under various scenarios, of electrification to one or more cruise ship docks to Juneau rate payers under a condition in which a dock is an interruptible customer and under a condition in which a dock is a firm customer.~~

3. Replaced the independent analysis standard for the CBJ to “evaluate/estimate” with “Coordinate with the utility...”, making this a joint AEL&P and CBJ evaluation.

4. Eliminated a firm power analysis. Originally: “under a condition of which a dock is an interruptible customer and under a condition of which a dock is a firm customer” (emphasis added). \*\*\* Accepting this AEL&P modification narrowed CBJ’s information and options, despite the Assembly specifically directing that this option be considered.

- ~~Evaluation of future power through the existing electrical utility or other new power provider(s) to increase energy availability to the Port of Juneau.~~

5. Removed the original language calling for a full, neutral analysis of future power supplies: “Evaluation of future power through the existing utility or either new power provider(s) to increase energy availability to the Port of Juneau.”

- ~~Coordinate with the electric utility to Evaluate and recommendation of a rate structure which D&H can impose on cruise ships connecting to shore power using publicly provided infrastructure, consistent with RCA guidance if D&H is the electric customer.~~

6. Replaced an independent analysis that would be consistent with Regulatory Commission of Alaska (RCA) guidance with a coordinated D&H-AEL&P analysis, again making the CBJ a partner with AEL&P instead of providing neutral information for public review and Assembly policy development. Replaced “Evaluate and recommend...a rate structure” (independent) with “Coordinate with the electric utility to recommend a rate structure...”.

- ~~Evaluate or approximate the cost savings impact to cruise lines for when using shore side provided electrification over self-generated power while moored in Juneau.~~

7. Removed the expectation of “savings”, replacing it with the more negative implication of “impact”.

Copy of the Scope of Services excerpt with AEL&P requested modifications supplied to Mr. Uchytel on February 25, 2020. These were accepted verbatim and became the RFP Scope of Services language for the dock electrification study.

#### 1.4 SCOPE OF SERVICES

The Consultant shall provide professional services to study, evaluate and design facilities for consideration by Docks & Harbors. D&H may, at its own discretion, extend the master planning effort to include additional design level efforts, permitting, cost estimating, construction documents, as well as scheduling and construction phasing recommendations.

It is anticipated that D&H will negotiate fees with the selected consultant to develop elements to assist D&H in the following:

- Confirmation of electrical plans established in the 2016 *Shore Tie Power Feasibility Study Report* and review of as-builts drawings of New Cruise Ship Berth Project.
- Detailed engineering analysis of cruise ship vessels, regularly calling on Juneau, to determine the most versatile shore-side power connections to meet the suite of vessel options.
- Cost estimates for construction ~~and delivery of~~ electrical infrastructure necessary to deliver power to the Alaska Steamship and/or Cruise Ship Terminal Docks.
- Consultation with the design team of the Sub-Port Lot development to ascertain impacts of respective electrification projects ~~being constructed under consideration.~~
- Development of conceptual drawings, up to 35% Design efforts, ~~to install electrical of~~ electrical infrastructure necessary to deliver power to Alaska Steamship and/or Cruise Ship Terminal Docks.
- ~~Coordinate with the electric utility to evaluate/estimate impacts on Juneau ratepayers, under various scenarios, of electrifications to one or more cruise ship docks to Juneau rate payers under a condition in which a dock is an interruptible customer and under a condition in which a dock is a firm customer.~~
- ~~Evaluation of future power through the existing electrical utility or other new power provider(s) to increase energy availability to the Port of Juneau.~~
- ~~Coordinate with the electric utility to evaluate and recommendation of a~~

Professional Design Services for  
Cruise Ship Dock Electrification Study  
DH20-037

Page 8 of 18

rate structure which D&H can impose on cruise ships connecting to shore power using publicly provided infrastructure, ~~consistent with RGA guidance if D&H is the electric customer.~~

- Evaluate or approximate the cost ~~savings impact~~ to cruise lines ~~for when~~ using shore side provided electrification over self-generated power while moored in Juneau.
- Evaluate or approximate air quality improvement anticipated in the Juneau downtown vicinity, if Alaska Steamship or Cruise Ship Terminal Docks were provided with shore power opportunities.

The scope of services is anticipated will include but not limited to the following milestones/deliverables:

- Meeting with Docks & Harbors Staff
- Meeting with cruise ship operators, coordinated by D&H Staff
- Meeting with local electric utility, coordinated by D&H Staff
- Meeting with Sub-Port Lot design & planning team, coordinated by D&H Staff
- Meetings with up to three potential ~~electrical providers, including micro grid electrical providers~~ independent power producers, coordinated by D&H Staff
- Presentation to Docks & Harbors Board
- Presentation to CBJ Assembly

The product of the Consultant's work will be phased and managed as specific milestones/deliverables are achieved. Future design elements, bidding assistance, construction administration, and inspection services may be amended to the contract if desired by the Port Director as result of final deliverables.





**Travel Juneau  
Visitor Information**

Income	FY25 Projected	Notes	Internal Notes
<b>TOTAL REQUEST:</b>	<b><u>\$ 171,000</u></b>		
<b>Expenses</b>			
60% of base salaries + 3% increase, increased \$2,200 from FY24	\$ 72,000	60% of full-time expense: 2 FTE, year-round	To keep up with inflation rate of 3%
Increase by \$2,120	\$ 29,000	100% of seasonal expense: 2 FTE, seasonal only \$20/hr with \$1/hour worked end of season bonus	To keep up with inflation and rising industry rate, 168 cruise ship days (2024) x 8 hours a day x \$21 an hour (including \$1 hr worked end of season bonus)
Same as FY24	\$ 1,500	Volunteer Scheduling and Management Software	
Same as FY24	\$ 6,000	Volunteer Recruitment and Training	
Same as FY24	\$ 6,750	Volunteer Recognition	
Same as FY24	\$ 2,750	Visitor Site Supplies	
Same as FY24	\$ 24,000	DT Walking Maps & Translations: for 75,000 copies and translation, resizing and restructuring map	Volunteer & visitor feedback have prompted the decision to revamp the map
Reduced from FY24	\$ 2,500	Telephone & Internet	
Increase by \$500	\$ 25,500	Postage: Regular and journal Graphics Fulfillment (bulk mail)	Incease in postage price & running more mailings through fulfillment house
	\$ 1,000	Parking for volunteers in Marine Parking Garage while volunteering in Kiosk	2 parking spots for 5 months in the Marine Parking Garage
<b>TOTAL</b>	<b><u>\$ 171,000</u></b>		

Note: This department's FY24 budget was \$319,470

The remaining expenses are funded by Travel Juneau-generated revenue and the hotel bed tax grant.



## Travel Juneau

### Visitor Information

	FY25		
Income	Projected	Notes	Internal Notes
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Expenses			
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TOTAL	<u>\$ 171,000</u>		

Note: This department's FY24 budget was \$319,470  
The remaining expenses are funded by Travel Juneau-generated revenue and the hotel bed tax grant.



December 18, 2023

Alexandra Pierce  
Tourism Manager, City & Borough of Juneau  
155 S Seward St  
Juneau, AK 99801

Dear Ms. Pierce,

Travel Juneau requests funding from Marine Passenger fees to continue Visitor Information Services programming in FY25. As note of reference, you will receive a separate request from Elizabeth Arnett, TBMP Administrator, for the FY25 request for both TBMP and the Crossing Guard programs.

Travel Juneau Visitor Information Services program - \$171,000: The Visitor Information Services (VIS) program assists cruise passengers by providing local directions, excursion referrals, and information about medical resources, community services and local activities. During the season, two dockside visitor information services centers are staffed with volunteers and two paid seasonal staff.

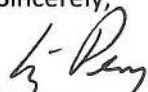
During the 2023 season, Travel Juneau's VIS assisted 160,950 visitors at its downtown sites, approximately 10% of total cruise visitation; 71 volunteers provided over 2,163 service hours. Travel Juneau anticipates that 2024 season will end higher as the overall visitor industry rebounds. The requested funding will support:

- 60% of base salary for 2 full-time TJ staff to recruit, train, and supervise approximately 75 Juneau volunteers, manage all visitor centers, and develop/maintain inventories of up-to-date visitor and volunteer informational materials. Travel Juneau provides regular communications to volunteers.
- 100 % of two seasonal staff for the Cruise Ship Terminal Visitor Center (CST) and Marine Park kiosk.
- volunteer recruiting efforts, including ad placement
- a minimum of 3 required full-group trainings and additional small group trainings – costs include materials and venues
- volunteer recognition to keep volunteers engaged and retained
- visitor materials, including informational handouts and approximately 75,000 walking maps and for distribution primarily at the dock visitor information centers
- supplies for the visitor centers
- postage for visitor guides
- subscription to online volunteer scheduling calendar

The program continues to work through inflation-driven increases to payroll, supplies, postage, and printing costs. A budget outlining the use of MPFs for this program accompanies this request.

Travel Juneau is proud to be associated with visitor information programs for our cruise visitors and residents, and we appreciate the CBJ's support of these efforts to make Juneau a safe and hospitable visitor destination. If you need further information about these programs, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Liz Perry".

Liz Perry  
President/CEO  
Travel Juneau

cc: Angie Flick, Director of Finance, CBJ



**From:** [Brian McGuire](#)  
**To:** [Alexandra Pierce](#)  
**Cc:** [Denise Koch](#); [Breckan Hendricks](#)  
**Subject:** Fwd: Utility MPF Requests  
**Date:** Wednesday, January 3, 2024 3:04:59 PM

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Hi Alix-

Here are our MPF requests from the Utility. Please let me and Breckan know if we need to get it to you in a better format.

Thanks,  
Brian

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**From:** Brian McGuire <Brian.McGuire@juneau.gov>  
**Sent:** Wednesday, January 3, 2024 12:59 PM  
**To:** Denise Koch <Denise.Koch@juneau.gov>  
**Cc:** Alan Steffert <Alan.Steffert@juneau.gov>; Breckan Hendricks <Breckan.Hendricks@juneau.gov>; Ty Yamaoka <Ty.Yamaoka@juneau.gov>; Chad Gubala <Chad.Gubala@juneau.gov>  
**Subject:** Utility MPF Requests

Hi Denise -

Here is the Utility's MPF request for FY24.

Wastewater - we request funds for the construction of a waste surge tank located at the Juneau Douglas WWTP to ensure the cruise ships can manage their unload as needed and plant can introduce the waste to the treatment process at an optimal rate and time. Estimated funding request is at \$5MM.

Water Utility - we request funds for the activation and enclosure of new wellhead for pump #2 at Last Chance Basin. This would include installing a new pump, variable frequency drive, associated piping, enclosure and programming.

Please let us know if you need any follow up detail.

Thanks,  
Brian

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**From:** [Margo Waring](#)  
**To:** [Alexandra Pierce](#)  
**Subject:** Marine Passenger fees  
**Date:** Monday, December 18, 2023 9:18:14 AM

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I write to express my priorities for expenditures of the Marine Passenger Fees for the coming fiscal year(s), as well as general comments.

Comment 1: I urge and will continue to urge that CBJ not grant a tideland permit to Huna Totem's request to build an additional dock. As we have seen, limiting dock space still allows growth in tourism. But surely additional docks, even with ship limits, will increase visitors. Huna Totem's design is absolutely bare bones. And not the attractive community asset of NCL. If, however, a tidelands permit is given, it should be conditioned on providing shore power.

Comment 2. It is time we put a revision to the current head tax for a public vote on an increase. I believe that the current \$5 is inadequate. A revised version could, for example, double the amount to catch up with inflation and could have a provision for biannual inflation adjustments.

Priorities for MPF expenditures:

A. Dock Electrification. Not only will electrifying the docks and requiring ships to "plug in" within a short time frame save money for companies, but it will protect health by improving air quality for passengers and residents. Further, it will help CBJ meet its carbon reduction goals. Each year ships release 40,000 metric tons of CO<sub>2</sub>, the equivalent of the annual emissions of 10,000 additional cars, according to the Marine Exchange. The only way to keep our downtown and Douglas areas healthy, while meeting CBJ goals, is to electrify the docks.

B. Cruise lines rejected the idea of MPF going to support Whale Park because, they said, ship visitors were too far from the area to go and see it. As we know nothing could be further from the reality—cruise ship passengers walk and, more often, take buses to the Park in order to take photos of themselves in front of the whale. Once shore power is fully addressed, maintenance of our public parks should have a high priority.



December 22, 2023

City Manager's Office  
Attn: Alexandra Pierce  
City & Borough of Juneau  
155 South Seward Street  
Juneau, AK 99801

RE: Passenger Fee Request for the Downtown Ambassador Program for FY25

Honorable Mayor Weldon, Ms. Pierce, and esteemed members of the CBJ Assembly:

The Downtown Business Association (DBA) hereby requests funding for the Downtown Ambassador Program for FY25 of \$90,000. With this funding, the DBA can continue to deliver this high-quality service to the hundreds of thousands of visitors projected to visit Downtown Juneau between July 1, 2024 and June 30, 2025; per the 2024 CLIA Cruise Ship Calendar, a full schedule awaits with the anticipated arrival of 4-5 ships in port each day as early as April 9 and as late as October 24 and use of marine passenger fee funds through June 30, 2024 was previously approved by the CBJ Assembly. The grant request includes 15% administrative overhead for the DBA.

Through the practice of hiring direct employees, the DBA will continue its excellent track record of enhancing the experience of cruise ship passengers visiting Downtown Juneau through these on-foot mobile concierge services, a common nationwide best practice for major tourist destinations. Through the dedicated deployment of friendly uniformed locals willing to share their knowledge of Juneau and standing ready to assist with all types of questions, visitors can quickly and easily get directions for shopping, dining, and sightseeing, as well as obtain information on a variety of topics such as walking distances, travel time projections, urgent care services, internet connectivity, Juneau's history, and the many points of interest around the downtown core. This ready access is key given the severe drag on internet services when many cruise ships are in town, as well as the need for older visitors – a typical demographic of cruise ship passengers – to minimize physical strain and optimize their time while in port.

While some visitor services have been delivered each summer season since 2014, the focus has shifted from being oriented more toward security monitoring to a specific mission of providing passengers with personalized hospitality. These ambassadors are also available to assist ships' shore excursion personnel, offer a visible safety presence, assist locals, and contact appropriate authorities, as needed. Here is some visitor feedback from summer 2023:

- *"You have been so helpful! Thank you for being a great ambassador for Juneau."*
- *"This information is awesome. We would have never known these special events were happening today!"*
- *"Wow! Thank you for the inside scoop on town!"*
- *"You sound like a local. You are so much more helpful than anyone on that ship!"*
- *"We are so glad you're here! All our questions answered in one spot!"*

A strong and vibrant downtown helps everyone from visitors for the day to year-round residents who live and operate businesses in the area. Downtown Juneau is truly the heart of our community. The Juneau Downtown Business Association exists to support these ideals for all Juneauites; see addendum for key highlights from last summer.

Thank you for your continued support.








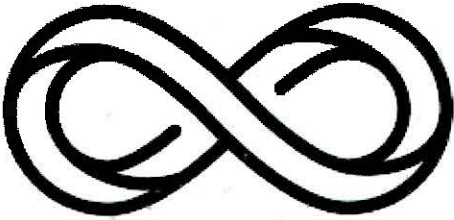
Sincerely,

Venietia "V" Bingham  
Venietia "V" Bingham (Jan 2, 2024 12:55 AKST)

V. Bingham  
President, Downtown Business Association



Summer by the Numbers  
April 17, 2023 – October 25, 2023

 <p>Number of Dedicated Downtown Ambassadors</p>	 <p>Total Downtown Ambassador Manhours</p>
 <p>Number of Downtown Map Distribution Points</p>	 <p>Total Number of Downtown Maps Distributed</p>
 <p>Number of Ships in Port</p>	 <p>Ratio of Arriving Guests per Downtown Ambassador</p>
 <p>Reports of Public Nuisance</p>	 <p>Amount of Goodwill and Happy Passengers</p>









# FY25 DBA Marine Passenger Fee Request for Ambassador Program, signature

Final Audit Report

2024-01-02

Created:	2024-01-02
By:	Brian Holst (bholst@jedc.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAP8b-DpR0lhpu9opDjRmpzdxYroMYnd-2

## "FY25 DBA Marine Passenger Fee Request for Ambassador Program, signature" History

-  Document created by Brian Holst (bholst@jedc.org)  
2024-01-02 - 9:54:49 PM GMT- IP address: 66.230.114.200
-  Document emailed to Venetia "V" Bingham (owner@vscellardoor.com) for signature  
2024-01-02 - 9:54:53 PM GMT
-  Email viewed by Venetia "V" Bingham (owner@vscellardoor.com)  
2024-01-02 - 9:55:15 PM GMT- IP address: 139.60.224.139
-  Signer Venetia "V" Bingham (owner@vscellardoor.com) entered name at signing as Venietia "V" Bingham  
2024-01-02 - 9:55:42 PM GMT- IP address: 139.60.224.139
-  Document e-signed by Venietia "V" Bingham (owner@vscellardoor.com)  
Signature Date: 2024-01-02 - 9:55:44 PM GMT - Time Source: server- IP address: 139.60.224.139
-  Agreement completed.  
2024-01-02 - 9:55:44 PM GMT





**MEMORANDUM**

**TO:** City and Borough of Juneau Assembly

**FROM:** City and Borough of Juneau School District

**DATE:** February 7, 2024

**SUBJECT:** Juneau School District Shared Services Request

At the joint City and Borough of Juneau Assembly and Board of Education meeting on January 30, 2024, a conversation was held on non-instructional, shared services in the areas of maintenance, utilities, property insurance, and operational/custodial costs. There is a shared interest in safeguarding and maintaining the asset value of the facilities owned by the City and Borough of Juneau (CBJ) and operated by the Juneau School District (JSD), and there is a commitment by the district to manage and provide community services and programs that offer critical and valued service to the community.

JSD proposes a shared services agreement with CBJ to provide for non-instructional costs attributed to the maintenance, utilities, and insurance on public facilities owned by CBJ and to provide for non-instructional costs for operations related to community-sponsored events, activities, and facility rentals.

The JSD Board of Education requests the City and Borough of Juneau Assembly consider supporting non-instructional maintenance and operational service costs for FY24 and FY25 at the following percentages: 75% for maintenance, 66% for utilities, 75% for property insurance, and 10% for operations/custodial.

This request includes contract services provided by current JSD employees. Due to binding collective bargaining agreements with maintenance and operations personnel, JSD is neither proposing district personnel transfer to employment with CBJ nor able to discuss that possibility with CBJ. The district, per the collective bargaining agreement, shall not negotiate, confer, or handle grievances with any employee organization other than JESS or its designee on items concerning Bargaining Unit Members.

JSD FY24 Maintenance/Operations Program Budgets					
Maintenance				% Attributed	
\$1,650,405				to CBJ	
	\$1,355,605	Salary & Benefits	75%	\$1,016,704	
	\$149,500	Repairs/Purch Serv	75%	\$112,125	
	\$135,300	Supplies	75%	\$101,475	
	\$10,000	Equipment	75%	\$7,500	
					\$1,237,804
Utilities				% Attributed	
\$2,062,000				to CBJ	
	\$2,062,000	Utilities	66%	\$1,360,920	
					\$1,360,920
Property Insurance				% Attributed	
\$1,315,050				to CBJ	
	\$1,315,050	Property Insurance - AMLJIA	75%	\$986,288	
					\$986,288
Operations/Custodial				% Attributed	
\$4,023,497				to CBJ	
	\$3,898,259	Salary & Benefits	10%	\$389,826	
	\$15,000	Repairs/Purch Serv	10%	\$1,500	
	\$94,000	Supplies	10%	\$9,400	
	\$16,238	Equipment	10%	\$1,624	
					\$402,350
					\$3,987,361

JSD is currently facing a combined projected deficit of \$7,895,073. In addition to a shared services agreement with CBJ for non-instructional maintenance and operational expenses, the district also requests assistance in acquiring a zero percent (0%) interest loan in the amount of remaining, combined FY23 and projected FY24 deficit.

<u>FY24 Budget Revision - Draft</u>					
<u>FY24 Revenue</u>	<u>Baseline</u>	\$ 69,248,260.86			Projected FY24 Revenue - 1.9.24 Draft Revision
Adjusted Foundation Revenue	\$ -	DEED	3/15/24 recon anticipated		
		<b>\$ 69,248,260.86</b>			
<u>FY24 Expense</u>	<u>Baseline</u>	\$ 76,845,911.65			Projected FY24 Expense - 1.9.24 Draft Revision
Operations Savings	\$ (350,000)				
Homebridge allocations	\$ (300,000)				
Health Insurance Line Item	\$ (1,000,000)				
	\$ 75,195,912				
Maintenance Salary & Benefits	\$ (1,237,804)	CBJ	75%		
Utilities	\$ (1,360,920)	CBJ	66%		
Property Coverage - AMLJIA	\$ (986,288)	CBJ	75%		
Operations Salary & Benefits	\$ (402,350)	CBJ	10%		
	\$ 71,208,551				
<u>FY24 Expense to Balance Budget</u>		<b>\$ 69,248,260.86</b>			<b>Difference: \$ 1,960,290</b>
					* Does not include FY23 deficit of \$1.94M
Operational Loan	<b>\$3,907,713</b>	TBD			





City and Borough of Juneau  
City & Borough Manager's Office  
155 Heritage Way  
Juneau, Alaska 99801  
Telephone: 586-5240 | Facsimile: 586-5385

TO: City and Borough Assembly  
FROM: Katie Koester, City Manager  
Robert Barr, Deputy City Manager  
Angie Flick, Finance Director  
DATE: February 7, 2024  
RE: Recommendation in Response to Juneau School District's FY24 and FY25 Ask

This memo is in response to the Juneau School District (JSD) letter dated 2-7-2024 regarding their financial ask due to their funding crisis. The request is similar to the hypothetical cost sharing scenario presented by Superintendent Hauser in the joint Assembly/School Board meeting held on 1-30-2024.

The community needs a successful school district. The School Board has complex decisions to make to ensure success of the school district and its students. JSD is working to gather community, teacher and student input as well as finalized enrollment predictions for the upcoming years. The magnitude of the decisions facing the School Board is beyond those faced during normal times.

**Summary of 1-30-24 Meeting**

Below is a quick outline of the CBJ recommendation from last week's joint meeting and JSD's ask.

CBJ Manager Recommendation	JSD School Board Formal Request
<ul style="list-style-type: none"><li>Loan, Amount to cover balance, payment starting in year 3 of 5-year loan<ul style="list-style-type: none"><li>Condition of Financial Awareness</li><li>Condition of JSD plan to pay back</li></ul></li></ul>	<ul style="list-style-type: none"><li>Loan, Amount to cover balance (\$3.9M), 0% interest, payment starting in year 3 of 5 year loan</li></ul>
<ul style="list-style-type: none"><li>Facility Maintenance provided by CBJ</li><li>Community School administration provided by CBJ</li></ul>	<ul style="list-style-type: none"><li>JSD retains all control, scope and staff</li><li>CBJ pay the majority of costs deemed non-instructional</li></ul>

**Request from JSD for direct support in FY 24 and FY25 = \$7.94M**

Category	Maximum Amount based on forecast	% Request from JSD	Amount Paid by CBJ
Facilities Maintenance	\$1,650,405	75%	\$1,237,804
Utilities	\$2,062,000	66%	\$1,360,920
Property Insurance	\$1,291,700	75%	\$968,775
Operations/Custodial	\$4,023,497	10%	\$402,349
TOTAL			\$3,969,848

**Manager's Office Proposal**

The Manager's Office recommends only assisting JSD with a loan and Facility Maintenance in FY24, FY25 and beyond. Utilities, property insurance and operations/custodial costs have been considered part of the instructional costs historically by JSD, CBJ and DEED. The current financial crisis does not change the nature

of these costs. CBJ has zero control of these items. CBJ owns the facilities utilized by JSD and therefore maintenance of the facilities seems appropriate for CBJ owned property. Furthermore, I am concerned that after FY25 it will be difficult for these costs (utilities, insurance, operations) to revert to the district which puts pressure on CBJs operating budget and will necessitate a cut in CBJ services, mill rate increase, or some combination of the two. The \$4M ask from JSD represents .65 mills.

#### Manager's Proposal

Category	FY2024	FY2025	FY2026
Facilities Maintenance JSD Operated/offset for FY24&25	\$1,650,405	\$1,650,405	\$1,650,405 (expenditure JSD will not have to come up with in FY26 and beyond)
Facilities Maintenance CBJ Operated			\$3,500,000
Utilities	0	0	0
Property Insurance	0	0	0
Operations/Custodial	0	0	0
Full time CBJ Finance Staff		\$130,000	\$130,000
Loan	\$6.3M		JSD begins repayment of loan (\$2.63M annually for 3 years)

#### Expectations of JSD during FY25

- The Maintenance Supervisor is not covered by the JESS bargaining agreement. During the first half of FY25; this position will transition to be under the supervision of CBJ Facilities Maintenance.
- JSD will provide full access to relevant facility maintenance data, contracts, files and details as requested by CBJ.
- Community Schools will begin a transition to CBJ resulting in a CBJ program to be fully in place by July 1, 2025 (FY26) and included in the Manager's Recommended budget for FY26.
- None of the committed FY25 funding will be provided to JSD before Oct 15, 2024 and the following conditions must be met or substantially accomplished:
  - Presentation of a structurally balance budget for FY26 and beyond
  - Resolution of the Facility Maintenance issue

#### If the Assembly wants to do more than the Manager's recommendation

If the Assembly wants a path to provide as much cash relief as possible to JSD, the below is the best staff could do to formulate justifications. It is important to note that the Assembly, the School Board and DEED must all agree with and approve the funding support.

#### FY24 & FY25 JSD Financial Support

CBJ pay the following from fund balance for JSD actual expenditures for FY24 & FY25:

Category	Maximum Amount based on forecast	Percent Paid by CBJ	Amount Paid by CBJ
Facilities Maintenance	\$1,650,405	100%	\$1,650,405
Utilities	\$2,062,000	78.9%	\$1,626,532
Property Insurance	\$1,291,700	50%	\$645,850
Operations/Custodial	\$4,023,497	0%	\$0
<b>TOTAL</b>			<b>\$3,922,787</b>

## Justification for Non-Instructional Support:

**Facilities Maintenance:** while respecting the school district's limitations and timing restrictions from fully engaging in a plan to shift responsibility of maintaining the facilities owned by CBJ; CBJ's intentions are made clear by covering all the facility maintenance costs as currently forecasted by JSD.

**Utilities:** in order to justify the costs of utilities that are consumed during non-instructional time, CBJ has utilized the JSD academic calendar. The School Year 2023-24 calendar notes there are 185 Teacher Days (173 student days and 180 contract days). Working on an assumption that 10 hours of each Teacher Day results in utility usage at the schools, we can assume for those 185 days, that 41.67% of the utility costs are related to free public education. The remainder of those days and the rest of the calendar days are therefore non-instructional which brings us to a feasible amount of \$1,626,532 of the FY24 expected utilities being paid by CBJ. The full calculation is included at the end of this memo.

**Property Insurance:** rates for property insurance are based on a blended rate: 97% based on square footage and 3% based on experience. The School Board has control over the square footage. Experience reflects the claims which are tied directly to human behavior, maintenance and upkeep. The official ask of the School Board is requesting CBJ to bear 100% of the cost of which CBJ has 0% control or influence. As CBJ assumes maintenance for all the facilities it owns, taking on costs related to property insurance makes more sense. At most, CBJ staff finds it plausible to share this cost with JSD at 50%.

**Operations/Custodial:** These costs predominantly represent daily costs to JSD addressing needs while students are at the facilities or because students have been in the facilities. CBJ staff do not feel paying any costs in this category would be appropriate.

### What about Beyond FY2025?

JSD's request is silent on CBJ continued assistance beyond FY25. The Manager's proposal recommends relieving JSD of Facilities Maintenance which will result in an operational savings for JSD of \$1.6M for FY26 and beyond. However, that will increase CBJ operating budget by \$3.5M. Based on square footage alone, CBJ anticipates the need for a far greater investment in routine facility maintenance than the school district has been able to provide within their operating budget.

### How to Pay for Direct Cash Relief

-Increase in the mill rate. The full ask from JSD is \$4M annually and represents .65 mills.

-Decrease the debt service mill rate. The debt service mill rate is 1.2 mills. Consensus at the retreat was to maintain this for the large amount of capital needs CBJ has, paramount among them is investment in schools.

-Fund as one-time expenditures from unrestricted general fund (UGF) balance. The argument to fund FY24 from UGF is solid, most of the expenditures have already happened. However, moving forward the Manager's recommendation is that Facility Maintenance be rolled into the CBJ operating budget to the tune of approximately \$3.5M. Furthermore, if the Assembly funds additional FY24 and FY25 cash relief (utilities, property insurance), it will be difficult to reverse that trend.

Keep in mind we are hoping for an increase to the base student allocation which will increase the local contribution required to fund to the cap in FY25 and beyond.

### **Loan for JSD's FY24 projected deficit**

Assuming full recognition of the anticipated FY24 revenue and expenditure, along with JSD's prior year deficit, a loan in the amount of \$3.9M to \$6.3M is needed for JSD to be structurally balanced in FY24. Staff recommends a zero percent interest loan with a not to exceed amount based on the Assembly's direction. The loan will be issued in FY24, and no payments are required in FY25.

As part of the loan conditions, CBJ will hire a finance professional to work in the JSD Finance and Budget portion of administration and will report to the CBJ Finance Director. This partnership will allow both financial awareness for CBJ and assistance and expertise for JSD as both parties navigate the JSD financial crisis. This will result in a \$130K increase to CBJ's operating budget.

As part of bringing forward a FY26 balanced budget, JSD will be required to present their loan payback schedule for the remaining three years (FY26, FY27 and FY28).

CBJ can use funds for the loan from unrestricted general fund balance or the Restricted Budget Reserve. The guidelines for the Restricted Budget Reserve are established in Resolution 2629 and require the expenditure to be an emergency with a plan to pay it back, both of which are met with the loan plan as outlined.

### **Recommendations**

The Assembly will need to direct staff to introduce three separate ordinances. The ordinances will be introduced at a special meeting before the Committee of the Whole on 2-26-2024. The School Board will need to agree to the terms and pass necessary reciprocating actions; and DEED will need to approve all appropriate actions.

1. **FY 2024.** Discuss Assembly comfort in paying for operational costs JSD has deemed non-instructional (Facilities Maintenance, utilities, insurance) for FY24 and direct staff to draft ordinance for introduction at a special meeting on 2-26-2024.

Managers recommendation one-time funding from unrestricted general fund balance for an amount in the amount of \$1,650,405.

2. **FY 2025.** Discuss Assembly comfort in paying for operational costs JSD has deemed non-instructional (Facilities Maintenance, utilities, insurance) for FY25 and direct staff to draft ordinance for introduction at a special meeting on 2-26-2024.
3. **Loan.** Discuss terms and conditions of a loan.
  - a. Amount is the remainder not covered in direct assistance (\$3.9M-\$6.3M)
  - b. Interest rate 0%
  - c. 5-year term with the first year of payback in FY26 and equal payments for FY27-FY28
  - d. Paid from unrestricted general fund balance or restricted budget reserve?

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**Utility Instruction vs. Non Instruction Calculation**

Teacher Days = 185

Hours per day = 10 hours

Instructional Hour Percent = 41.67%

Total Utility Cost = \$2,062,000

Calendar Days = 365

Average Daily Utility Amount = \$5,649

Total utilities for instructional (Teacher Days) =  $185 \times \$5,649 \times 41.67\% = \$435,468$

Remaining amount of utilities for instructional days =  $(185 \times \$5,649) - \$435,468 = \$609,655$

Full days of non-instructional utility cost =  $(365-185) \times \$5,649 = \$1,016,877$

Total utilities related to non-instructional =  $\$609,655 + \$1,016,877 = \$1,626,532$

Percent of utilities that are non-instructional =  $\$1,626,532 / \$2,062,000 = 78.9\%$