



Port of Juneau

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From: Carl Uchytel, P.E.
Port Director

To: Alexandra Pierce
Tourism Manager

Via: (1) Docks & Harbors Operations-Planning
(2) Docks & Harbors Board

Date: December 29th, 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 20th meeting and approved at its December 28th, 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.

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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

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, Port Admin Officer or Carl Uchtyl, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2025 Marine Passenger Fee Request

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 Uchtyl, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2025 Marine Passenger Fee Request

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 Uchtyl, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2025 Marine Passenger Fee Request

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 1st, 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 31st, 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**

Additional Personnel for “Port of Call” Access Control

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 18th, 2020 Coast Guard Sector Juneau released a Marine Safety Information Bulletin clarifying the regulatory requirements for Maritime Transportation Security Act (MSTA) regulated facilities which receive large foreign passenger vessels (i.e. cruise ships). The Consolidated Cruise Ship Security final rule, published on March 19th, 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 1st, 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.

CBJ Docks and Harbors Board FY2025 Marine Passenger Fee Request

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**

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.

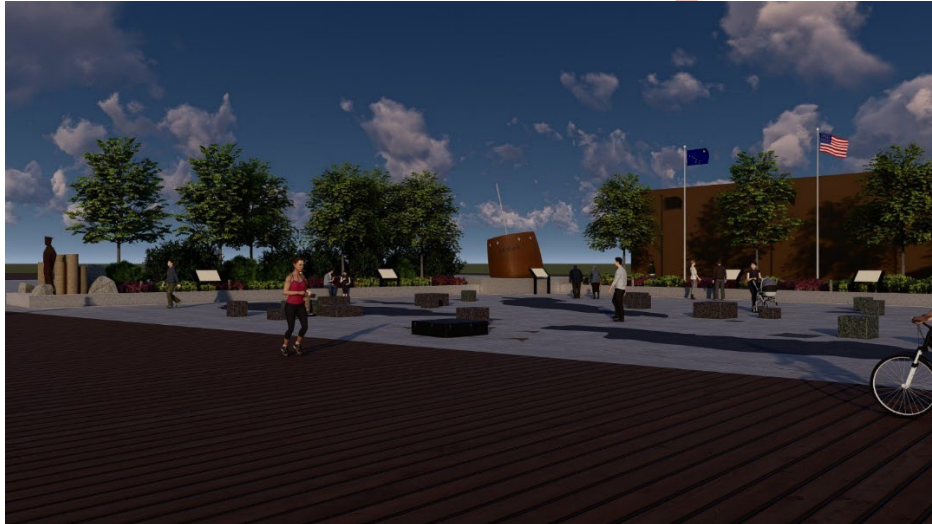
Maintenance and Operation Responsibility: Should a suitable location be found on CBJ property, the appropriate CBJ department could maintain the bronze statue. Else, the sponsoring organization could retain this responsibility.

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

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

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.

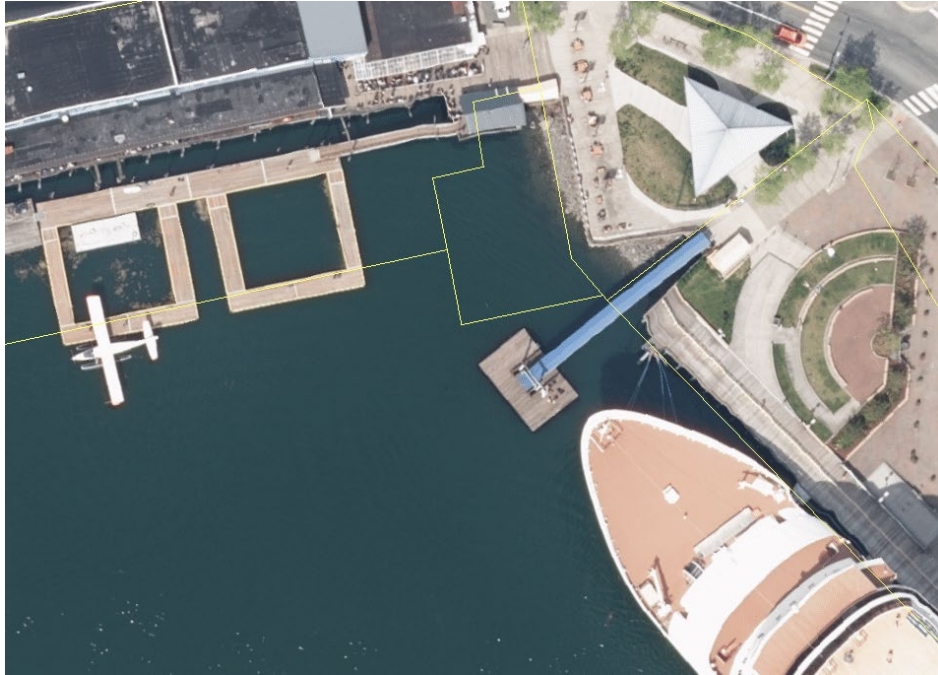
Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses of CBJ owned facilities and will use local Docks enterprise funds or future Marine Passengers Fees for these expenses.

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

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

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 Uchytel, CBJ Port Director 586-0292.