



Port of Juneau

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From: Port Director
To: Assembly
Thru: (1) Docks & Harbor Board
 (2) City Manager
Date: November xxth, 2024
Re: FY2024 Review - Docks & Harbors Operations

1. In accordance with 85.02.045, *Docks and Harbors Board shall, no later than November 30th each year, provide the assembly with a written review of docks and harbors department operations during the preceding fiscal year. The review shall include fee schedules, revenues by source, operating expenditures, customers served, and any recommended amendments to the Downtown Waterfront Development Plan.* The Docks & Harbors Board reviewed this letter at its November 30th meeting.
2. The FY24 end-of-year unaudited financial report shows each enterprise operating with positive cash flow.

End of FY24	Harbor Enterprise	Docks Enterprise
Revenue		
Expenditure		
Debt Service		
FY24 Net		
CIP Transfer		
Fund Balance	\$4,429,336	\$3,761,821

Graphic representation of historic Port Enterprise and Harbor Enterprise budgetary information is provided in enclosure (1). As a reference point, Docks & Harbors manages nearly \$400M in capital assets throughout its infrastructure portfolio.

3. The CY24 cruise ship season was a record year with 1,687,830 passengers arriving to Juneau. This was a 2% increase over the prior year.

Cruise ship passenger counts

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Large Ships	940,447	944,239	965,731	992,092	1,046,587	1,118,897	1,273,741	0	114,114	1,167,194	1,638,902	1,677,935
Small Ships	5,459	10,216	11,426	8,727	8,658	9,729	10,112	36	7,263	8,549	7,960	9,905
Total	945,906	954,455	977,157	1,000,819	1,055,245	1,128,626	1,283,857	36	121,377	1,175,743	1,646,862	1,687,830

4. The fee schedule, as required under 85.02.045 for FY25, is attached as enclosure (2). Docks & Harbors proposed, and the Assembly approved a 9% increase to fees on November 6th, 2023. These fees were effective January 2024, except for small boat harbor moorage which will be phased-in 3% (completed in 2024), 3% and 2.8% in calendar years 2025 and 2026, respectively.
5. Docks & Harbors has been engaged in several capital improvement projects in FY24.
 - a. Aurora Phase III. After securing a \$2M matching ADOT Municipal Harbor Grant in 2022, Docks & Harbors completed a \$4.25M contract to Trucano Construction in June 2024. This phase rebuilt “H Float” for sixty-foot vessel slips and transient moorage. Elements which were removed due to funding constraints will be included in Phase IV. They include 48-foot finger floats and the 110-foot T-float at the end of the main float.
 - b. Aurora Phase IV. The 2022 1% Sales Tax Initiative has provided Docks & Harbors with \$5M available in local matching funds to compete for FY25 ADOT Harbor Facility Grant funding. The Governor included \$5M in the FY25 State Capital Budget. In addition to the aforementioned \$10M, Docks & Harbors is budgeting \$1.5M in fund balance to ensure funding sufficiency to complete the rebuild of Aurora Harbor. We anticipate bidding Aurora Phase IV in mid-January 2025.
 - c. Docks & Harbors continues to work closely with AELP to advance Assembly goals to electrify the CBJ owned cruise ship docks. AELP is currently negotiating with an electrical engineering consultant for design efforts for the project. Land surveying and geotechnical test pits were completed in November in support of the project. Funding for design is under a MOA between AELP and CBJ. In May, CBJ submitted a \$55M EPA grant application under the Clean Ports initiative. In October, we were informed that our grant request was unsuccessful.
 - d. Wayside Park Dredging. Docks & Harbors has issued a contract to Rock-N-Road Construction from Petersburg for \$797,000 to dredge this fishing float by December 31st, 2024. Funds for this project were provided by the 2022 1% Sales Tax initiative.
 - e. Taku Harbor Repairs. Docks & Harbors has contracted for the design which should be ready for construction bid advertisement in February 2025. The anticipated construction cost is \$1.6M which Docks & Harbors is pursuing an ADFG Sport Fish Grant. The local match of \$400K has been provided from the 2022 1% Sales Tax initiative.
6. In May 2024, Docks & Harbors submitted a FY24 MARAD (US Maritime Administration) Port Infrastructure Development Program (PIDP) grant for \$11.2M to construct an Aurora Harbor drive down float, similar to the one at the Auke Bay Loading Facility (ABLF). Local match was not required for this grant application; however, the Docks & Harbors Board committed \$2.3M to supplement our submission. Docks & Harbors was notified on November 12th, that we were selected for this grant award and will be pursuing the grant contractual agreement in the coming months.
7. Docks & Harbors has commenced, with direction from the Manager, several actions pertaining to property acquisition, sales and leases along the downtown waterfront. These actions include requests for State of Alaska tide and submerged lands for the Huna-Totem Dock and tidelands along the proposed Seawalk extension; lease with Franklin Dock Enterprise for the National Guard tidelands as part of the Seawalk easement negotiations; and, with Goldbelt to invest in property development at the Seadrome Dock.
8. In June 2023, CBJ completed negotiations with UAS/UA Lands Director to secure the leased waterfront property from UAS between Harris and Aurora Harbors, commonly referred as Juneau Fisheries Terminal. The new lease rent for the 2.8 acre property is \$100,000 annually, which is \$130K below fair market value. In consideration for the lower lease rent, Docks & Harbors has created a student internship with UAS as well as other mutually beneficial opportunities. This includes having the UAS welding program fabricate harbor carts with Docks & Harbors providing the material as well as small building projects completed by the UAS Construction Technology program.

9. At the request of harbor patrons and directed by the Board, Docks & Harbors has installed a security gate into Harris Harbor and added security parking lot lights at Douglas Harbor. Although, these are two relatively small projects, the feedback from most patrons have been very positive.
10. The January 2024 winter snowstorms resulted in nine vessels sinking. Harbor staff worked every day for sixteen days and conservatively saved two dozen other vessels from demise. The costs to salvage vessels which are uninsured, in part, lead to proposed regulations changes to encourage private vessel owners to acquire salvage insurance.

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Encl:

- (1) Budgetary Graphs (Docks Enterprise & Harbors Enterprise)
- (2) FY2024 & FY2025 Fee Schedule