

MEMORANDUM

DATE: October 31, 2024
TO: Assembly Lands, Housing and Economic Development Committee
FROM: Alexandra Pierce, Visitor Industry Director
SUBJECT: Huna Totem Dock Public Process

The property on Egan Drive, traditionally known as the Subport, now known as Aak'w Landing, has long been discussed as a potential location for mixed use, community-oriented development. When Norwegian Cruise Lines purchased the property in 2019, Juneau was presented with a tangible project in the form of a cruise ship dock. Since that time, the property has changed hands and followed an iterative process, outlined below. The ultimate fate of the cruise ship dock proposal rests with the Assembly in the form a decision to approve or deny a tidelands lease. This memo endeavors to provide a high-level overview of the process to date and proposed next steps for Assembly input. Links are included throughout the memo for new Assemblymembers and those seeking additional information.

Purpose:

Please review this memo for a refresher on the process to date and provide feedback on the proposed next steps and public process for the tidelands lease.

Background:

2019: The property was purchased by Norwegian Cruise Line (NCL) as part of a competitive bid process.

2019/20: Mayor Weldon launched the [Visitor Industry Task Force](#) (VITF), which made recommendations on a variety of tourism-related topics including recommending constructing a fifth dock subject to a list of criteria:

1. One larger ship per day using one side of the facility;
2. Maximum of five larger ships in port per day; 3. No hot berthing at the new facility;
4. No larger ships allowed to anchor as the sixth ship in town. Larger ships may anchor but the number of larger ships in port would still be limited to five (CBJ to consider legal ramifications of limiting size of ships at anchor);
5. High quality uplands development for community and visitors;
6. Year round development orientation;
7. CBJ manages dock to some extent through a public private partnership or management agreement;
8. Dock is electrified.

2021: Former City Manager Watt submitted a memo (attached) to the Assembly outlining the steps necessary for approval of an additional dock.

2021: The Assembly voted to amend the [Long Range Waterfront Plan](#) (LRWP) to allow an additional dock. The amendment included the addition of the criteria recommended by the VITF.

2022: NCL transferred the property to Huna Totem by quitclaim deed. Huna Totem Corporation (HTC) presented a different site design using different contractors than what was previously presented by NCL. [HTC presented to the Assembly Committee of the Whole](#) on November 7.

2023: Huna Totem applied for a Conditional Use Permit (CUP). The Planning Commission voted to approve the permit, and it was subsequently appealed. The Assembly assigned the appeal to a hearing officer.

2024: [The hearing officer found in favor of the Planning Commission](#) and Huna Totem's Conditional Use Permit was issued

2024: The next step is to consider a tidelands lease. The lease is the Assembly's opportunity to approve or deny the project.

Public Dialogue to date:

This project has been discussed publicly multiple times over its complex history. The below summarizes the public outreach that has been conducted by all parties. While there have been many opportunities for input, the 2021 resident survey is the only outreach to date where the CBJ has directly asked residents if they support a fifth cruise ship dock at the subport.

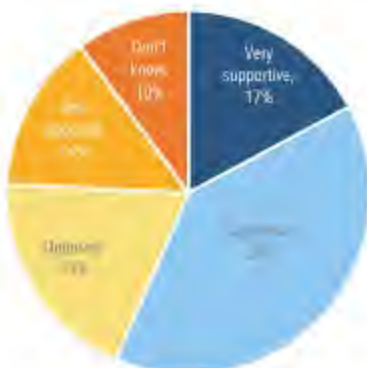
Norwegian Cruise Line meetings: In 2020, NCL held a series of public meetings taking public input on opportunities for the site. These informed NCL's site plans. These plans have substantially changed since Huna Totem took control of the property.

Visitor Industry Task Force: The VITF received extensive [public testimony](#) on a variety of tourism topics, including construction of a fifth cruise ship dock at the Subport.

2021 Public Survey: CBJ's annual random-sample resident [survey](#) asked residents about their support for a fifth cruise ship dock in 2021:

"Over one half of residents (56%) were supportive of NCL constructing a new dock, while 33% were opposed. About equal numbers feel strongly: 17% were very supportive, while 14% were very opposed."

Are you very supportive, supportive, opposed, or very opposed to Norwegian Cruise Line constructing a new cruise ship dock at the subport?



Long Range Waterfront Plan Amendment Adoption: Staff held a public meeting to explain the process via zoom in January 2022. The meeting was not recorded. The Assembly received public comment regarding the LRWP amendment at the February 28, 2022 meeting. The [agenda packet](#) and [minutes](#) reflect the materials and public testimony received.

Huna Totem Meetings: Huna Totem held a series of meetings, mostly in open house format, showing their project plans and fielding public questions.

Port Harmonization: In January 2023, the Assembly considered a port harmonization project that would analyze the broader implications of the HTC and U.S. Coast Guard pursuing major developments on neighboring properties (the cruise ship dock and proposed icebreaker facility). The Assembly ultimately decided not to appropriate funds for this effort, but did take public testimony on the issue where a number of residents turned out to weigh in on the dock project. More information can be found in the [agenda packet](#) and [minutes](#).

Planning Commission: The Planning commission heard the CUP application in July of 2023. The [agenda packet](#) and [minutes](#) reflect the materials and public testimony received. At that meeting, the Planning Commission made the decision to split the dock approval from the uplands approval. The uplands portion of the project was heard by the Planning Commission in August of 2023 ([agenda packet](#), [minutes](#)).

Tidelands Lease Process:

There are two different tidelands leases required for a dock to be constructed. CBJ owns the tidelands directly adjacent to the waterfront. The state owns the adjoining tidelands and either party can apply to the Alaska Department of Natural Resources (AKDNR) for a tidelands lease. Typically, in these situations, CBJ applies to the state on behalf of the lessee and the lessee ultimately has one lease with CBJ. Regardless of how the lease is structured. The tidelands lease discussion is the Assembly's opportunity to add conditions to the project and to ultimately approve or deny the development.

CBJ Tidelands application: Huna tottem applied for a tidelands lease from CBJ on September 29,2022. It was heard by the Lands, Housing and Economic Development Committee in November 2022 ([agenda packet](#), [minutes](#)). This application did not move forward to other committees or the full Assembly.

State Tidelands application: Following approval of the CUP, Director Uchtyl submitted an application for state tidelands to the Alaska Department of Natural Resources (AKDNR). Similar processes have taken up to four years for AKDNR to complete, regardless of the applicant (HTC or CBJ).

CBJ Concerns:

The discussion at the Planning Commission centered around overall approval or denial of the project and a number of the comments submitted by CBJ departments (Docks & Harbors, Parks & Rec, and Tourism) were not addressed. Some of these items will be addressed through design, and Huna Totem will submit a letter to the Assembly describing how they will be resolved. Other items may need to become lease conditions. It is in the best interest of CBJ to keep the lease as concise as possible. This process is unique in that City leases are not typically used to address a complicated mix of policy and operational concerns. The outcome of the public process should be an agreement with HTC on the lease provisions and amenities that the Assembly and community need to ensure that the project, if approved, mitigates community concerns and maximizes community benefit within the realistic constraints of the development to the greatest extent possible. This final agreement will then be put to a vote of the Assembly to approve or deny the lease.

Other Agency Approvals needed:

The Aak'w Landing project is subject to review and approval from the following agencies:

- Alaska Department of Transportation and Public Facilities: Traffic Impact Analysis
- Alaska Department of Environmental Conservation: Clean Water Act section 401 certification
- US Army Corps of Engineers: Coordination with federal agencies including USCG and NMFS

Huna Totem is also coordinating with adjacent property owners, including the United States Coast Guard, concerning facility design, construction, and operations to ensure compatible operations and navigability.

CBJ staff have requested more detail about the scope of these reviews in an effort to avoid overlapping requirements with other agencies.

Proposed Public Process:

The Assembly is aware of CBJ staff's ongoing efforts to reinvent public process to ensure that the broader community is both aware of and able to provide input on the decisions that impact residents. For this development, this needs to be balanced with staff time and recognition of the feedback received to date. Below is a proposed public process, the first step of which is currently before the body and informed by this memo:

Input from Assembly on process: Staff is seeking input from the Assembly on the process and initial feedback on the important elements of a potential support development. Important elements could include, but are not limited to, the following:

- Elements from VITF criteria (see page 1 of this memo)
- Seawalk connection
- Cultural center with year-round orientation
- Housing
- Meeting space
- Downtown passenger shuttle
- Public space
- Water access

The Assembly should consider the elements for staff to include as options in public process.

Public survey: In an effort to gauge general public opinion, staff is including a question in CBJ's annual random sample public tourism survey about support for a fifth dock, as well as the elements that are most important to include in the development. Survey data will be available to inform the public meeting. This is a unique opportunity to gauge broader community perception beyond those who typically engage in CBJ public process. The survey will be presented to the Assembly at a COW in the new year.

Public Meeting: Following the survey, CBJ staff will present the compile input from the Assembly and the results of a survey to be presented at an open house with additional opportunities for input. Following this meeting, staff would work with HTC to develop a draft set of lease criteria to be presented online prior to the Assembly listening session.

Listening session: Assembly public hearing at COW or special meeting to discuss and receive Assembly and public input on the proposed lease criteria before the final lease is submitted to the Assembly for a decision.

Final Lease submitted to Assembly for approval: This is the Assembly's ultimate approval or denial of the lease.

Recommended Action:

Informational. Provide staff feedback on the proposed tidelands lease process for consideration by the full body at a Committee of the Whole.

Attachments

2021 Rorie Watt Memo