

# ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT MINUTES

August 28, 2023 at 5:00 PM

Assembly Chambers/Zoom Webinar



<https://juneau.zoom.us/j/94215342992> or 1-253-215-8782 Webinar ID: 942 1534 2992

**A. CALL TO ORDER**

**B. LAND ACKNOWLEDGEMENT**

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

**C. ROLL CALL**

**Members Present:** Chair Alicia Hughes-Skandijs, Wade Bryson, Wáahlaal Gídaak

**Other Assembly Members Present:** Mayor Weldon

**Members Absent:** Christine Woll

**Liaisons Present:** Chris Mertl, PRAC

**Liaisons Absent:** Mandy Cole, Planning Commission; Jim Becker, Docks & Harbors Committee

**Staff Present:** Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Alix Pierce, Tourism Manager; Sherri Layne, Assistant Municipal Attorney

**Members of the Public Present:** Liz Perry, President, and CEO Travel Juneau

**D. APPROVAL OF AGENDA** – approved as presented

**E. APPROVAL OF MINUTES** – **1. July 17, 2023 Draft Minutes** – approved as presented

**F. STAFF REPORTS**

**2. Travel Juneau Quarterly Update**

Ms. Perry and Ms. Pierce discussed this topic. Mr. Mertl asked if Travel Juneau has been working with various seaplanes flying back and forth from Canada as getting to Juneau has been difficult. Ms. Perry replied that part of the difficulties is having people on the ground that can handle customs and border protection and having regular staff to meet the demand of people coming in from Canada.

Mr. Bryson commented that people are complaining about this summer being incredibly intense and overwhelmed. These businesses that took decades to grow are going back through growing pains after not being in operation for the past couple of years. Could you speak about how the industry is handling the growth, are there new operations planned for next year, is the number of tourists projected to be flat next year, and if we will have more businesses next year. The next question that we probably get the most comments on is the whale watching industry, could maybe speak to what that industry is doing to address the citizens' concerns. Ms. Perry replied that the five ship limit will be in place in 2024 and will flatten out the number of cruise visitors we have. Travel Juneau's perspective is that we still want to maintain our work to get fully independent travelers (FIT), plus our meetings and groups, because those tend to be higher spenders. That said, in my venture downtown several times, sometimes a week, it feels like the sidewalks are not as crowded but it seems like there's a lot of vehicular traffic backed up downtown. The stanchions seem to be helping to keep people on the sidewalks. From our partner's standpoint, we have to remember that staffing remains a challenge all across the board. We have operators who can't get seasonal staff or their full-time year round management staff for a number of reasons. As these operations are pulling out of the pandemic and trying to get back on solid footing, they are taking a look at how much they really want to claw back. I had some operators tell me for this year they set their sights on maybe 60% of what they did in 2018 or 2019, because one, they didn't want to work that hard, and two, they didn't have the staff. The situation where we find ourselves that there may not be enough to do for some of our crews passengers or FITs, stems from the fact that they don't have staff to provide that and there's no room for them to develop new products. Over time that will

work itself out as we level out some of the numbers one way or the other. I think huge opportunities for creating new products are there, but they're going to have to be able to staff it and promote it. Staffing and housing for staff are going to remain critical issues for at least the short term, if not for the next 2 to 3 seasons.

Wáahlaal Gíidaak brought up the Indigenous Games, which brings in people from Canada, throughout Alaska, and down south. She didn't know if Travel Juneau partners with Juneau's Traditional Games, Kyle Kaayák'w Worl, and his crew, but it's a great event, and it's only growing. Ms. Perry commented that Travel Juneau is very interested in all manners of events, arts, culture, sporting events. We also have to recognize that many of these events will bring thousands of people into the town that Anchorage, and maybe even Fairbanks can handle but sometimes we cannot. We have to set our sights on those events that we can handle pretty easily. If we're looking at events of 500 or so participants, for example, I think Juneau can handle that easily, but certainly working with Kyle Worl and his group, and getting all manner of Indigenous games and events like that into town is top of our list. We work with Sealaska Heritage all the time on, on different events and different marketing pieces as well, it's a good fit.

Ms. Pierce responded to Mr. Bryson's earlier question that was also addressed by Ms. Perry, she commented about this summer volume, our limit will go into place next year, and our numbers with the limit will be level to this year and see about the same number of visitors next year. I'm hopeful that tour companies will be able to add capacity next year. We're working with the Forest Service and the bus operators to solve the glacier issue that happened this year to avoid repeating that situation. The line that I keep using in these meetings is that it's much less impactful on the community to disappoint a few 100 people a day because you're setting a daily limit on the number of people going to the glacier as opposed to running through all the permits in the season and then disappointing thousands of people and kicking them onto Capital Transit. We're also looking at how to keep volume under control in the future as ships get bigger. We are working with other port communities to do some regional soul searching on what a sustainable industry looks like in the future. We're kicking off a series of meetings between the ports and cruise lines to discuss that in September. The Assembly can expect to hear from me a lot about that. I think the Assembly needs to have some conversations, do some soul searching on tourism volume, provide some direction. That's not something that I would be asking this committee to do this evening, but I want to assure the Assembly that that's coming.

Ms. Pierce also addressed Mr. Bryson question about the whale watch meetings we're having and what we're doing with the whale watch community. The operators have formed a focus group and meeting every 2 weeks to discuss further restrictions, kind of tighter TBMP guidelines, and ways to work together to reduce the impacts that they have. They're also tackling the tricky conversation of limited entry and what that might look like. One of the issues is that it's hard to ask an industry to figure out how to limit itself because they don't want to feel like they're pulling up the ladder behind them for new market entrance. That may end up falling to the city with restrictions at Statter Harbor with buy-in from the whale watch industry that would require some assembly action. As that committee wraps up its work, it will report to the Committee of the Whole then we can start having some of those conversations, if that's a direction that the Assembly wants to go but be aware that that's coming. We're also conducting a commercial recreational use study that came from the discussion around iRide and the Pioneer Road, with the idea of identifying areas for commercial opportunity and reopening and reevaluating our commercial use of trails, if they can be used commercially and whether we need new trails for commercial use. That's something we could consider spending passenger fee dollars on. The scope of work is in the memo, we wanted to bring it forward to the LHED committee before moving forward with an RFP and the idea being to identify areas where commercial activity could be supported.

Mr. Bryson commented that he was on the Visitor Industry Task Force (VITF), and the discussion of limiting cruise ship visitors was a topic that was discussed in a few of the meetings. City Attorney Palmer gave a list that was between 12 and 15 reasons why the city cannot set hard limits on tourism. I thought the outcome of the VITF was working with the industry to try and figure out a way through these problems. I don't recall the VITF saying, here's how we're going to do limits because we had gotten clear instructions from the city attorney, to try and start saying we are limiting the number of people ran into legal and liability issues. Could that be the reason why staff has not received official direction, because that wasn't part of the VITF. Ms. Pierce replied that any future discussion about additional volume management for the cruise industry would be through negotiated agreement with the industry and we haven't had that conversation at the assembly level yet because staff hasn't come and asked for that direction. We're having an extremely busy summer. We have a lot of residents who are concerned about runaway growth. We get a lot of feedback from people asking for limits. What we're doing right now is working with the industry and our neighboring communities that are experiencing some of the same issues on what the future looks like in Alaska. It doesn't necessarily look like unmitigated growth, but it needs to be a regional discussion that includes the industry, and there's nothing in my memo or in the conversations that we're starting to have on an extremely feasibility conceptual basis about giving a hard cap on the number of people. I don't think anybody in this community or on this body, although there may be members of the community, but I don't think there's any on this body who is interested in getting out the dartboard and trying to figure out what the right number of passengers for Juneau is, that's legally problematic. Bar Harbor, Maine is in a lawsuit over trying to put that type of restriction in place. It will be interesting to see how that lawsuit settles, expected to in November. It's also expected to be appealed. It will be some time before we have an answer on whether a legal case or something like that is feasible. That's a conversation that communities throughout the country need to have based on the outcome of that case. There's no discussion at this point about setting a hard number or going against Mr. Palmer's memo to the VITF, it's more about okay, we have a 5 ship limit in place that keeps numbers flat, but ships keep getting bigger, what does growth management throughout the region look like. How does a limit of a negotiated agreement affect Juneau, how does did the negotiated agreement in place in Juneau affect other communities, and how do we address this on a regional level so that Southeast communities are working in partnership rather than playing against each other. It's important to me that the communities work together and that we're addressing these issues as a region.

Mr. Bryson followed up to point out that we had just heard from Ms. Perry that the local operators have not had enough time to solve their problems and get their operations back up to speed and we have not even had a season that has the 5 ship limit. So to have a discussion that wants to talk about all the difficulties of the tourism industry, it's a bit premature in my eyes because the industry isn't settled out what's going to be the end result after the pandemic and any harm that we do to the industry before we've even had a chance to see what 5 ships limit is really like is just a little bit short sighted.

Chair Hughes-Skandijis commented that she is heartened to know that you are already starting those conversations, which could seem premature, but because of the nature of trying to do something by collaboration rather than legislation, it takes longer, just starting that process is a is a good thing. I appreciate that you are bringing the scope of work back in front of us. The only thing that I was looking for, or maybe you could comment on, the main reason I wanted to see this was to make sure that we were covering whether the will of the community was to see commercial activity expand or keep it limited. My question is about whale watching, I am glad that they are talking about limited entry with the baby Tango story in the news. We have 3 calves right now, one hit multiple times before getting hit again and then getting killed and another calf getting entangled and having to get cut out by the NOAA entanglement team. I don't mean to put that all on our whale, watching industry, but I worry about what pressure the number of boats might be increasing on that. When do you think we might see

something from them or what do you think that process might look like. I can imagine it would be hard for them to come up with a system themselves, but it would probably be good if they had an idea, even if we had to take some action to put it into reality. You said that they would have something in September, do you think they'll have something that includes limiting the number of boats. Ms. Pierce replied that she thinks they will have an update in September but unknown if they will have hard recommendations about limited entry. They'll probably present the assembly with some suggestions and options. What it might look like from the CBJ side on limiting the number of boats is something that Mr. Uchytel and I need to work on and bring a concept forward to the assembly. We haven't discussed it amongst ourselves, yet the option that the industry group is discussing is Statter Harbor as the controlling mechanism. Given that all the companies, besides Allen Marine, operate from there, it's challenging to find another way to look at limited entry. That is what they're actively talking about now.

Mr. Mertl commented that there's a challenge with 5 ships, that is only part of a formula of something that's quantifiable. The ships have gotten bigger and maybe there's a lesson learned when talking about the glacier. They set caps because they have done a carrying capacity study, traffic analysis, pedestrian studies and they understand their resources and the visitor experience that they want to provide. Instead of crystal balling and saying, let's work with the industry and see what's happening, I'm hearing that we have lots of people, but not enough attractions and we're now going to put more motor coaches on the road, or find ways to get them off of the waterfront, why can't we start doing some of these analysis of vehicular studies, traffic studies, pedestrian studies, and really figure out what is the carrying capacity of Juneau and work with the cruise ship industries and say, hey, guys once we hit this cap your visitors aren't going to be so happy about coming to Juneau. The people in Juneau have kind of gotten to a saturation point. So for me, I think it's great to talk about this, but we need to quantify numbers. I live in Thane and drive through this 4 times a day. I walk it pretty much every day at lunch and the challenge is the ships are getting bigger, but nobody has been required to do a pedestrian or vehicular study as they get bigger. We're all just crystal balling and saying, yeah, it feels bigger, it looks bigger, but let's get some real numbers. Ms. Pierce replied that we are working on pedestrian analysis as part of the Sea Walk project. We've done vehicular studies in the past and even with those studies, destination carrying capacity is a fairly subjective moving target. I think a lot of people in the community would look at our vehicular studies from 2003 and say that we were at carrying capacity then. It's also something we try to quantify through our annual survey. We're working on that analysis and in bits and pieces and also through the commercial recreation use study, trying to identify different locations where we can put activity, there's some analysis there. I think, as ships get bigger and the industry sets their schedule 2 years in advance, trying to keep a handle on growth while we have time to do the analysis and through the limit and working with the industry on trying to improve the schedule as best we can, it buys us a little bit of time to continue the data gathering and analytics that we're working on now and we have planned for the future. I would like to do another transportation study. We've done the circulator study, that will be out soon, that was in the memo. We have a number of different things in the works, and I would like to put that all together with the regional conversations that we're having into something more comprehensive and holistic. In the meantime try to head off any sort of tidal wave of growth that we may see with bigger ships, which I don't think we will see, but making sure that we're aware of what's coming, and we're talking very actively to the industry about adding ships in Alaska and Juneau and what that looks like, whether or not that's a good idea right now.

### **3. Telephone Hill Property Management Update**

Mr. Bleidorn discussed this topic. Mr. Bryson asked if there are any imminent repairs that need to be done so that they can remain habitable during the transition phase, if we need to know about a very bad or major repair that we're able to incorporate into our decision making. Mr. Bleidorn replied that JPR Management is looking at the rate analysis for these properties, they're going through each property

and noting anything that needs repairing in order to keep them occupied. They'll report back to CBJ and let us know if it's something serious. This committee will have to determine if it's worth pursuing to fix or if we need to take alternate action.

Chair Hughes-Skandijs was also wondering about repairs. It sounded like we'd already done an inspection and to make sure, nothing needed to be condemned or wasn't eminently dangerous, have we just not gotten really in depth yet of what might need to be repaired, or we just haven't done that yet. Mr. Bleidorn replied that we will learn more when JPR does a site visit this month. When they took over management they did go through these properties, and they were considering their own liability at stake and they didn't immediately recommend that we vacate any of them, but they'll get a better look at these properties and then we'll use that information as CBJ determines on how to move forward from there.

**4. Second Street and Franklin Street Disposal Verbal Update**

Mr. Bleidorn informed the Committee that the Manager submitted an application to acquire property adjacent to CBJ property. Mr. Mertl asked for clarification on where this property was. Mr. Bleidorn replied that it is located at the Second and Gold Street intersection, the 2-story parking garage with the second story no longer accessible and is adjacent to the City property.

**G. STANDING COMMITTEE TOPICS**

**5. LHED Committee Goals**

Chair Hughes-Skandijs commented that she was interested in having at the next meeting focus on the assembly goals and actions that are related to housing in a work session. Mr. Bleidorn said he would also discuss this with the Housing Coordinator to set up an agenda.

Mr. Mertl asked for clarification regarding the liaisons, they fall in the middle between being on the Assembly and on this committee. Are you looking for liaison participation in developing some of these goals? Chair Hughes-Skandijs replied with the work session that she wanted to keep it staff and assembly, trying to focus on those things that we want to do as an assembly. If you have thoughts or questions related to housing that aren't crazy rabbit holes, it would be great to have another set of ideas.

**H. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS**

Mr. Mertl commented that there is a new Parks and Recreation Advisory Committee (PRAC) with 5 members reappointed and 4 new members.

**I. NEXT MEETING DATE - September 18, 2023**

**J. ADJOURNMENT – 5:47PM**