



MEMORANDUM

DATE: July 7, 2023

TO: City and Borough of Juneau Assembly

FROM: Alexandra Pierce, Tourism Manager

SUBJECT: Tourism Update

The Assembly has requested an update on the 2023 visitor season to date and the progress of ongoing tourism management efforts.

TBMP Statistics

The below chart provides a year over year comparison of TBMP calls from April – June 2019-2023. Call volume is similar to last year. I have personally received numerous complaints about ship emissions, specifically from the older Norwegian Cruise Line ships. I am working directly with NCL on these complaints, which are not tracked with TBMP calls.

TBMP Hotline Year Over Year Comparison (April - June) by Call Type					
2019		2022		2023	
Cruise Ship Noise	8	Cruise Ship Noise	15	Cruise Ship Noise	4
Cruise Ship Emissions	2	Cruise Ship Emissions	4	Cruise Ship Emissions	5
Aircraft	5	Aircraft	9	Cruise - Visual	3
Vehicles	15	Vehicles	21	Aircraft	8
Other	5	Other	7	Vehicles	24
Other: Whale Watching	7	Vessel: Whale watching	10	Other	12
Kudos	0	Kudos	2	Vessel: Whale watching	10
Total Calls	42	Total Calls	68	Kudos	1
				Total Calls	67

Whale watching

While TBMP call volume on whale watching has remained steady between this year and last, we also know that the whale watch industry has a volume problem (many boats on the water at a time) and the Assembly has received letters from several frustrated citizens. Anecdotal feedback indicates increasing and potentially intensified friction between whale watching and local recreation. Travel Juneau, NOAA, and CBJ convened a meeting of whale watch owners on June 26 to discuss industry issues and concerns. The group agreed to establish a committee to work on a public outreach campaign and on developing and implementing more stringent management practices with the goal of reducing industry impacts on whales, recreational boaters, and waterfront landowners.

Flightseeing

The below table shows the number of glacier landings (equivalent to the number of helicopter flights) from 2010 to 2022. Flightseeing growth is limited by the number of landing permits available from the US Forest Service. The industry operates under USFS permit limitations established in 2001. CBJ continues to have limited jurisdictional authority over flightseeing but we will continue to work with the USFS on their long-range planning to help manage offsite noise impacts.

Year	Helicopter Landings	Visitation	Avg. Landings/day	Landings as % of Visitation	Total Difference from 2010	Difference Landings/day from 2010
2010	12042	860,878	78.7	1.40%	0	0
2011	13244	866,762	86.6	1.53%	1202	7.9
2012	12907	921,023	84.4	1.40%	865	5.7
2013	14019	971,525	91.6	1.44%	1977	12.9
2014	13445	953,091	87.9	1.41%	1403	9.2
2015	14779	977,157	96.6	1.51%	2737	17.9
2016	14346	1,000,819	93.8	1.43%	2304	15.1
2017	14193	1,055,245	92.8	1.34%	2151	14.1
2018	16021	1,128,626	104.7	1.42%	3979	26.0
2019	17394	1,283,853	113.7	1.35%	5352	35.0
2020	197	0	1.3	0.00%	-11845	-77.4
2021	1658	114,031	10.8	1.45%	-10384	-67.9
2022	12049	1,167,194	78.8	1.03%	7	0.0

Forest Service Permitting

The USFS also issues a set number of permits per year for bus companies visiting the glacier. In recent years, companies have run out of permits before the end of the season. This has meant that the bus companies continue to run pre-booked glacier tours (those already sold online) but are no longer selling tours on the dock or onboard the ships. Several operators are expecting to run out of permits in mid-July. In past years, there has been a redistribution of permits between operators late in the season, and the glacier has the ability to issue a limited number of additional permits. Even if these things happen,

permit supply will not meet demand for the remainder of the season. This will likely impact Capital Transit. Tourism, Law, and Engineering & Public Works staff are currently evaluating our CBJ's options for ensuring that transit service remains available to residents who rely on it. This change is a generalized consequence of visitation growth occurring before the development of new tour opportunities.

Commercial Recreational Use

Most of this update has focused on Juneau's current shore excursion supply and demand problem. The Assembly approved funding for a commercial recreational use study to help inform the locations for future shore excursion development including an update of City-owned trails for commercial use. Staff is planning to issue an RFP for that work in the fall, with public process conducted over the winter. Outcomes may include constructing new trails for commercial use funded by Marine Passenger Fees. Another large-scale shore excursion opportunity is the gondola development with Goldbelt. Due to renegotiation of the gondola agreement, progress has been limited and slow and is expected to ramp up soon.

Regional Engagement

Juneau is part of a regional network and the decisions we make affect our neighbors and vice versa. We are the largest destination in the region for a number of reasons including our geography, size, and amenities. We are in the early stages of working with our neighbors on a regional strategy to identify issues and opportunities in each port, how those issues and opportunities affect the rest of the region and articulate our needs to the industry as a common voice. Below is a short synopsis of each of our regional partners' relationship with cruise tourism. There are other, smaller ports that see calls from luxury ships, but this summary sticks to the ports that regularly receive ships with 1000+ passengers:

Pre-covid, Seattle was looking to construct a fourth cruise berth. That project was scrapped and Seattle continues to be extremely busy on weekends and is offering homeport space to large cruise ships mid-week.

Vancouver also has a development project to construct a fourth homeport berth, but the project faces a number of challenges and is unlikely to be constructed in the next 5-10 years, if ever. Vancouver has bridge clearance issues for the largest ships but is still the region's busiest home port.

Victoria is a required stop for Seattle-based ships. It has three berths and many passenger amenities. It has a robust independent visitor and conference economy. However, because of the distance between Ketchikan and Victoria, both struggle with short and oddly timed port calls. Most ships arrive in Victoria between 5 and 8 pm. Call times have become shorter and later due to reduced ship speeds under International Maritime Organization Carbon Intensity Index regulations and orca protection zones. These factors also affect call times in Juneau.

Prince Rupert has made major investments in its one berth to become a Canadian alternative to Victoria. This has resulted in lost calls, but not volume, for Victoria.

Ketchikan typically sees Victoria-bound ships for short morning port calls. Ketchikan has four berths downtown and two berths at Ward Cove, about 10 miles from downtown. Ward Cove is outside of city limits and the City does not collect passenger fees from Ward Cove but experiences the impacts from

passengers that arrive there and are shuttled into the city. City of Ketchikan is in the process of hiring a tourism position.

Over the years, Sitka has seen sporadic and irregular visitation. With two private cruise berths several miles out of town, it is now on a steady growth track and is launching its own Visitor Industry Task Force to make recommendations on industry management. It was recently reported in the media that Sitka recently had a record day that many community members felt exceeded community capacity.

Most visitors to Hoonah stay at Icy Strait Point, which is also the major local employer. With last summer's rockslides in Skagway, many extra ships were deployed to Sitka and Hoonah, which has two berths. For ships doing a round-trip voyage out of Seattle without Glacier Bay permits, Hoonah is the northernmost port call. Those ships (notably the large Norwegian ships that have historically hot berthed in Juneau) go to Tracy Arm and spend shorter days in Juneau.

Skagway controls two of its four berths as of March 2023 when a long-term lease expired. The city is in the process of improving its port infrastructure and continues to struggle with rockslide issues at its two private berths. The forward berth is closed, and ships currently call (and often hot berth) at the rear berth, where passengers are bussed through the slide zone into town.

Haines has also historically seen sporadic calls and growth and this trend continues. Haines can take one ship and has not developed the shore excursion capacity to manage visitors.

Alaska Railroad and Royal Caribbean are investing in major dock improvements in Seward to turn large ships and transport passengers by rail to Anchorage.

There is currently one berth in Whittier and NCL and Huna Totem are planning to construct a double-sided berth to turn ships.

With so many port issues in the region in flux, predicting impacts on Juneau (and Juneau's impacts on the region) is rather challenging. Juneau has consistently had one of the strongest visitation interest from all of the lines and benefits from geographical location, large suite of tour opportunities, convenient and high quality berthing. Unlike the other ports, virtually all ships visiting the region visit Juneau.

Cruise lines appear to be increasingly experimenting with non-seven day itineraries. This change increases the likelihood that historically non-peak days (Thurs-Sun) could become busier in the coming years.

Survey Point Holdings (Cruise Line Agencies of Alaska) Contract

CBJ and CLAA signed a contract for operating and scheduling the City docks in June. This will increase CBJ staff involvement in scheduling and will help support VITF goals including working toward 'best ship at best dock'. The cost of this contract is \$50,000 annually. Survey Point (CLAA) meets CBJ's sole source requirements. It is important for this contract to have monetary value, so CBJ has recourse if the contractor fails to perform the duties listed. Other communities are very interested in this development and are watching closely. Cruise ship industry leaders are very appreciative of Juneau's efforts to negotiate agreements and develop collaborative models that could be used in other ports.

Action:

No action required at this time, but the Assembly should expect an appropriation of \$50,000 of Marine Passenger Fees for port scheduling and management services.