



City and Borough of Juneau
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To: Deputy Mayor Gladyszewski and Assembly Committee of the Whole
From: Rorie Watt, City Manager
Re: Code Revisions – Tourism and Docks & Harbors Duties

Date: 7/14/2023

At the November 28, 2022 COW meeting, the committee discussed code updates to better align priorities set by the Visitor Industry Task Force (VITF). The VITF recommends centralized management of the visitor industry and associated CBJ policies, projects, and services. To do this, roles and responsibilities within Docks & Harbors and the Manager's Office need to be clarified to ensure consistency in planning, development, industry relations, public use and outreach, and operations on the waterfront. To achieve this, staff recommends establishing the duties of the Tourism office under Title 3, and making corresponding amendments to Title 85, Docks & Harbors.

Currently, there is overlap in services related to industry communication, fee planning, commercial use and development of the waterfront. Authority is given to both the Manager and Port Director for similar tasks on the waterfront and this results in inefficiencies and (confusion to the public) in accomplishing work.

For everyone's sake – the Assembly, Tourism Manager, Port Director, Docks & Harbors Board, industry, and public, we need to bring our code into conformance in a manner that is efficient and aligns with the Assembly's expectations. To resolve these conflicts, structural reorganization of authority related to waterfront and tourism management is needed. The following changes are recommended:

1. **Revising CBJ Title 3 Administration** would codify duties and responsibilities under the City Manager to oversee capital projects, policy decisions, and community relations related to waterfront public spaces which would be executed by the Tourism Manager. These tasks include Seawalk development, ship scheduling, implementing community planning efforts such as the VITF, Tourism Management Plan and the Long Range Waterfront Plan for waterfront development, public outreach and engagement, integration of marketing issues, and coordinating commercial use permitting and strategy. The Tourism Manager would also oversee harmonizing dockage fees across the port in consultation with the Port Director and private docks to meet community tourism management goals. The Tourism Manager's office would continue to be funded by Marine Passenger fees and would be responsible for setting the Passenger Fee budget and lead industry and CBJ relations. A draft of Title 3 amendments is attached and should be forwarded to the Assembly for action.
2. **Revisions to Title 85 Waters and Harbors** are also necessary to complement changes to Title 3. Prior to making these changes, the Assembly should also contemplate the larger organizational question – what role should an empowered board play on cruise ship issues (several notes below on empowered boards). The goal should be to clarify the role of the Port Director and the Board and avoid a situation where CBJ has to essentially negotiate with itself. Currently, the Port Director and the Manager work very well together and make the situation functional – but with a changing of responsibilities (creation of Tourism Manager, Title 3 amendments) and upcoming personnel changes (City Manager), now is the time to update our governance.

A key question for the Assembly is "Do you want advice from Docks & Harbors Board on cruise ship issues?" My assumption is that the Assembly does not want advice from the Board; the Board has

yielded to the Assembly for years on this topic and the reason is that the ramifications of the cruise ship industry extend far beyond the municipal cruise ship infrastructure. The public also understands that the Assembly is the body to receive testimony on topics related to the visitor industry.

Of great importance to the City, Docks & Harbors effectively and efficiently completes many duties for the CBJ and generally does the Assembly the very big favor of hearing and resolving harbor issues. The empowered Docks & Harbors board is comprised of volunteers who typically join the board because they are harbor patrons and have a keen interest in a healthy harbor and small boat infrastructure system. Key tasks performed by the Department include:

- a. Managing small boat harbors, parking lots, boat ramps
- b. Managing and leasing most of CBJ’s marine properties
- c. Port Revenue management (coordinating, billing, collecting passenger fees)
- d. Seasonal Dock Operations (security, maintenance, cleaning, operations coordination)
- e. Bus and van staging management, tour vendor issues
- f. Coordination of employees in Harbors and Docks to maximize year round employment
- g. Capital project planning/development/project management

Currently, the Docks and Harbors Department performs two very different functions, while docks and harbors are obviously both marine related, the policy issues in the harbors largely affect the harbors and dock issues have a much different nexus with broad community issues.

As tourism has grown in Juneau, the Assembly has desired to participate directly in the dock function on decisions related to community tourism goals such as dockage fees, tideland leases, and dock electrification; all parties understand that community tourism goals are an Assembly duty. An unintended internal conflict has been created within Docks & Harbors core mission – managing the port using revenue generated by port activities – and community tourism management goals that contemplate limits, volume management, and strategic management of the waterfront to meet local needs and support the visitor industry. One example is that an increase in whale watching activity is good for harbor revenue, but maybe not so good for the community.

Clarifying roles and responsibilities will promote centralized and consistent management of the waterfront in the best interest of the community and support the clear and direct application of Assembly goals. At root level, the big questions that the creation of the Tourism Manager, Title 3 amendments and consolidation of cruise industry activities under the City Manager cut right to the question about whether Docks & Harbors should remain as an empowered board or if some other governance structure (Harbors becomes an enterprise similar to the utilities, D&H becomes a City Department reporting to the Manager and no change are several possibilities) is more appropriate. The next step should be to gain formal board input on this matter.

Recommendations:

1. Forward Title 3 to the Assembly for public hearing and adoption.
2. Forward Title 85 discussion to the D&H Board for initial comment.

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CBJ has several empowered boards – Bartlett, Docks and Harbors, Eaglecrest and the Airport. In 1984, voters passed a Charter amendment that allowed the Assembly to create an empowered Docks & Harbors board by Ordinance. Upon the creation of empowered boards, the general expectation was that an empowered Board

would set fees and self-fund their programmatic operations and reduce workload on the Assembly and the Manager. Self funding has largely worked for the hospital and the airport (each with occasional financial assistance from the Assembly), and Eaglecrest has more or less settled into a pattern of receiving an annual general fund subsidy (much like the Parks & Recreation programs). CBJ also has self-fund enterprise functions (water & wastewater) that fall under the Manager with the oversight of an advisory board (the UAB).

Docks & Harbors is also entirely operationally funded by user fees from boat harbors, parking lots and ramps and from fees at the cruise ship docks. D&H does not receive general fund support. Funding and fees related to cruise ship dock operation, capital investment and maintenance flows strongly through the decision making of the Manager of the Assembly (unlike the other empowered boards).

For a time, the Aquatics board was quasi-empowered and the Aquatics Director jointly reported to the Aquatics Board and the Parks & Recreation Director. This structure came out an Assembly negotiation between two competing ideas – some Assembly members wanting and some Assembly members **not** wanting to have the AB be empowered. It is this kind of problem that needs to be fixed. Currently the Port Director reports to the Board, but also has to be sophisticated enough to navigate around and with the Assembly, Manager, Tourism Director and other Departments.

Under normal inter-departmental conflicts, Directors report to the Manager and there is one decider. Right now, the Port Director does an admirable job trying to keep many masters happy while efficiently running the Department. But, with regard to cruise ship issues, our governance structure no longer aligns with Assembly direction.