


MEMORANDUM

CITY/BOROUGH OF JUNEAU
City & Borough Manager's Office
155 S. Seward St., Juneau, Alaska 99801
Rod_Swope@ci.juneau.ak.us



Voice (907) 586-5240
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DATE: March 23, 2005
TO: Finance Committee
FROM: 
Rod Swope
City & Borough Manager
SUBJECT: FY06 Marine Passenger Fee Proceeds Allocation

Based on our latest projections, the amount of Marine Passenger Fee Proceeds revenue that will be available in FY06 is anticipated to be \$4,600,000. This estimate is based on information provided by the cruise ship industry that projects a 5% increase in passengers over FY05. Of that amount, \$300,000 will be used to pay a portion of the bond debt service for the Steamship Wharf/Marine Park project. The Passenger Fee Proceeds Committee met on several occasions to discuss and review the list of recommendations. I am recommending that the proceeds be divided between operations and capital projects as follows:

OPERATIONS

General Support

Project Description

On May 10, 2000 the Assembly Finance Committee approved a formula that reflects cruise ship passenger use of general government services and is used to determine an amount of marine passenger fee (MPF) proceeds to be used in support of general government operations. Further, in 2003 a full-cost analysis was done to determine whether or not this formula provided a fair and accurate assessment of costs. \$1,430,000

Capital City Fire & Rescue Air Medevac

Project Description

This funding is an offset for unrecoverable costs incurred by the fire department air medevac program in response to medical events involving cruise ship passengers or crew. In 2004, 47% of all air medevacs were in response to situations involving cruise ship passengers or crew. We have only been able to recover 35% of our costs from patient billings. \$64,000

Exhibit DW

Best Management Practices Support

Project Description

This provides funding for printing, public notices, advertisements, and a contractual amount for Juneau Convention and Visitor Bureau (JCVB) staff to provide support to the Tourism Best Management Practices (TBMP) effort. TBMP is a voluntary industry-managed program designed to provide service to vessel passengers and address impacts, including safety issues, of tourism on local residents. The JCVB administers the program with funding provided by Marine Passenger Fee proceeds. \$12,000

Park Ranger

Project Description

This provides partial funding of a temporary summer position dedicated to commercial trails. This position acts as a liaison with commercial vendors, and as a point of contact for Trailmix, SAGA, and other volunteer groups involved with commercial trails. This position also ensures the safety of visitors using trails designated for commercial use, makes sure the trails are clean and free of hazards to ensure a safe and enjoyable visitor experience, monitors illegal camping, dumping, motorized use, ongoing trail work, trail signs, trash receptacles, and dog use on commercial trails. \$25,000

Crossing Guards

Project Description

This funds part-time seasonal crossing guards during the summer. The purpose of these positions is to facilitate safe traffic flow in the downtown area, encourage pedestrians to stay on the sidewalks, increase pedestrian safety, and control the crossing locations where summer pedestrians can cross the streets. This funding also provides for general training, scheduling, and deployment of the crossing guards. This program is administered by the Docks and Harbors Department. \$75,800

Downtown Foot/Bike Patrol

Project Description

This provides additional foot and bike patrol presence by JPD officers in the downtown area during the summer. Their presence is important to ensure the safety of visitors, provide assistance and direction, and mitigate problems that can occur between some of the regular downtown locals and summertime visitors. Most problems that occur are drug and/or alcohol related. These officers are usually regular police officers that volunteer for this duty during their off-duty hours. \$28,000

Downtown Restroom Maintenance

Project Description

This provides the contractual services (labor and materials) required to clean the restrooms in City Hall and the new public restrooms at Steamship Plaza seven days a week, six times per day, for five months during the summer. \$60,000

Transit Bus Service

Project Description

Our local bus service is heavily used by visitors during the summer, thus making it necessary to increase bus service in order to continue accommodating locals in addition to summer visitors. The bus system provides a safe, efficient, and cost effective way for visitors to visit the Glacier and view other areas of Juneau. In order to do this, it has been necessary to hire additional bus drivers to allow for adequate supervision, training, and to enable employees to take leave and still maintain regular service. The cost to service and maintain the buses also increases with the additional service. The revenue from visitors does help offset the costs of additional bus service, however, our transit system is heavily subsidized and the costs of adding additional buses to accommodate summer visitors is not offset by the additional revenue we receive. \$131,000

Juneau Convention and Visitors Bureau (JCVB)

Project Description

The JCVB provides summer visitors with information, directions, and assistance. They also provide volunteers that staff the information kiosks and provide whatever information and assistance visitors may require. \$100,000

Local Emergency Planning Committee

Project Description

This provides very limited general staff support of emergency management activities such as port security planning and emergency response to both minor and catastrophic incidents involving cruise ships or their passengers. \$10,000

Collaboration Juneau

Project Description

This project supports Collaboration Juneau, a non-profit organization of volunteer citizens whose purpose is to seek consensus solutions to impacts on the community created by tourism. \$30,000

CAPITAL PROJECTS

Wayfinding Plan

Project Description

Last year, a consultant was retained to examine summer pedestrian traffic flows and develop signage throughout the downtown area that would be informative, provide for the safety of visitors, and reduce congestion by helping to direct visitors to various destinations. This project is for the purpose of manufacturing and installing the signage. \$122,000

Waterfront Land Acquisition

Project Description

A fund has been established that can be used to purchase land in the downtown waterfront area for the purpose of implementing various components of the Waterfront Plan. Several locations along the downtown waterfront have been identified for purchase and development consistent with the vision of the Waterfront Plan. \$1,342,200

Sidewalk Sweeper

Project Description

At the request of the Chamber of Commerce, JCVB, and the Downtown Business Association (DBA) we researched the cost and feasibility of purchasing and operating a sidewalk sweeper for the downtown area. As a result of heavy summer use by visitors, the downtown sidewalks require daily cleaning and litter removal to keep them clean and safe. The DBA committed to provide matching funds to help purchase the equipment. The City will purchase the equipment and be responsible for the annual operation, storage, and maintenance costs. This is a similar model of sweeper used by the Municipalities of Ketchikan and Anchorage. \$70,000

Statter Harbor Development

Project Description

The Auke Bay Statter Harbor is a multipurpose harbor facility that supports tourism related activities, fishing activities, and various other commercial and public operations. The public and various users of the harbor have recognized the need to address the congestion and associated safety issues, and relocate the tourism and commercial activities to another location. This funding, along with other funding sources, would be used to purchase DeHart's Marina, which will then be used for a tourism staging area, including a separate float dedicated to tourism. The road entrance to the tourism facility will be in a separate safer location. \$500,000

Shoreside Power Project

Project Description

Princess Cruise Line entered into an agreement with AEL&P that allows Princess Cruise Line to purchase hydroelectric power at the South Franklin Dock. Princess Cruise Line paid for the installation of an AEL&P substation, a distribution line to the dock, and alterations to their vessels. This funding would go into a COPA fund, which reduces the surcharge to utility customers in Juneau for the use of AEL&P's standby diesel generators. \$300,000

TITLE: PASSENGER FEE PROCEEDS COMMITTEE

NO. OF MEMBERS: 5 Appointed Annually DATE OF LIST: January 28, 2005

LENGTH OF TERMS: Ad Hoc Committee SUNSET: Annual, New Committee Every Oct.

<u>MEMBER</u>	<u>APPOINT</u>	<u>REAPPOINT</u>	<u>TERM</u>
Sara "Sally" Willson Res: 1890 Glacier Ave. Mailing: Box 211235 Auke Bay, AK 99821 Work: 465-6418 Home: 586-8292 E-mail: shwillson@hotmail.com Public Member	10/2003	10/2004	9/30/05
Greg Fisk P.O. Box 20628 Juneau, AK 99802 Res: 230 S. Franklin #510 Home 586-4090 email: prawns@gci.net Docks & Harbors Member	01/2005		9/30/05
Andrew "Drew" Green 8183 Thunder Street Juneau, AK 99801 Work: 586-1282 Fax: 463-5011 Home: 586-4663 E-mail: andrewg@claalaska.com Marine Passenger Industry Member	10/2004		9/30/05
E. Budd Simpson 402 Alaska Belle Crt. Douglas, AK 99824 Work: 586-1400 Home: 364-3179 Fax: 586-3065 E-mail: bsimpson@stsl.com Docks & Harbors Member	12/2002	10/2003 10/2004	9/30/05
Joanne Wiita P.O. Box 21985 Juneau, AK 99802 790-1471wk e-mail: joanne.wiita@goldbelt.com Public Member	1/2004	10/2004	09/30/05
Staff Liaison Rod Swope, City Manager 155 S. Seward Street, Juneau, AK 99801 Ph#: 586-5240 Fax#586-5385 E-mail: Rod_Swope@ci.juneau.ak.us			

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Public Requests for Additional Funding



Date: January 11, 2005
To: Rod Swope, City Manager
From: JCVB Board of Directors
Re: Passenger Fee Allocation for JCVB Visitor Information Services

Dear Mr. Swope:

On behalf of the community of Juneau, the JCVB offers a visitor information program to welcome travelers to our city. Over the past decade, cruise passengers have become the primary recipient of visitor center services. Our 180 volunteers greet cruise passengers on-board ship, on the docks and at three information centers (Marine Park plaza kiosk, Cruise Ship Terminal and Centennial Hall.)

The direct benefit to cruise passengers of the visitor information program is to make them feel welcome, assist them with basic travel needs (restrooms, pharmacy, postal services, telephones, etc.) and direct them to community services and businesses. The visitor center services and interaction with Juneau residents add a positive and personal dimension to the cruise passenger's experience.

As stated in the ordinance 69.20.120 (2) fees are applicable to "operating funds for personnel, training, commodities, rentals, services and equipment for services provided, made available to, or required as a result of marine passenger ships and marine passengers."

Marine passenger fees are an appropriate funding source to support this important service to cruise passengers. Program expenses include:

- Staffing and associated expenses to coordinate, train and manage a volunteer corps of 180+ residents (equivalent labor cost of \$64,190)
- Fees associated with operating the visitor centers
- Printing costs for 200,000+ community maps
- Signage, displays and images that provide directions and orient visitors

Juneau's visitor market share is now 92% cruise and 8% non-cruise. (approx. 883,000 cruise passengers¹ vs. 72,000 air/ferry visitors²). The JCVB board of director's request that the \$162,000 expense associated with serving this important consumer market, as indicated on the attached budget, be funded through passenger fees.

Sincerely,

Gwen Rivas, Chair
JCVB Board of Directors

¹ 871,572 foreign-flagged passengers reported by US Customs, plus approximately 12,000 small ship domestic-flagged ship passengers.

² 2003 Alaska Traveler Survey adjusted for air pleasure arrivals to 44,428, plus 27,170 ferry passengers. Exhibit DW

Juneau Convention & Visitors Bureau
 FY06 Request Based on FY05 Budget

	<u>FY 05 Budget</u>
Income	
FY04 Carry forward	\$3,798
Bed tax/Membership Dues	<u>\$76,298</u>
	\$80,096
Passenger Fee Revenue	\$100,000
Sale of labels	<u>\$5,000</u>
	\$105,000
TOTAL	\$185,096

Note: Apportioned according to percentage of
 cruise passengers served.

92% Cruise Market Share

Expenses Relevant to FY06 Program

Personnel	\$87,195 @	92%	\$80,219
Telephone	\$5,500	92%	\$5,060
Postage	\$16,500	92%	\$15,180
Supplies	\$1,500	92%	\$1,380
Dues & Subscription	\$200	92%	\$184
Miscellaneous	\$100	92%	\$92
Storage	\$1,850	92%	\$1,702
Janitorial	\$1,050	100%	\$1,050
Equipment Rental	\$500	92%	\$460
Mileage (Ferry/Airport)	\$400	25%	\$100
Volunteer/Supp/Orientation/Training	\$1,000	92%	\$920
Volunteer Recognition	\$895	92%	\$823
Juneau Maps	\$19,000	92%	\$17,480
Foreign Walking Maps	\$221	92%	\$203
Copy/Printing	\$2,500	92%	\$2,300
Note* Centennial Hall Rent	\$41,905	85%	\$35,619
TOTAL	\$180,316		\$162,773

Note* Centennial Hall Visitor Center serves residents,
 independent visitors, convention and meeting attendees,
 as well as, cruise passengers.



Collaboration Juneau, Inc.

PO Box 22734
Juneau, AK 99802
www.collaborationjuneau.com

January 28, 2005

Rod Swope, City Manager
City and Borough of Juneau
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David Stone, Assembly Liaison
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Dear Mr. Swope:

By this letter, Collaboration Juneau, Inc. (CJI) is requesting continued funding for FY06 in the amount of \$40,000 from the passenger fee receipts. Our total funding need as shown in the attached budget is \$76,950; we will be seeking funding from other sources as we have done in the past. During FY05, CJI received \$50,000 in passenger fee receipts to fund its efforts and appreciates the support of the City and Borough of Juneau in our endeavors.

Collaboration Juneau stakeholders have agreed on 4 concrete goals for the work they have undertaken on tourism, constituting three "phases."
Phase 1

- Develop a community wide, comprehensive understanding of tourism in Juneau
- Forge a shared understanding of possible tourism futures for Juneau

Phase 2

- Find and evaluate tourism opportunities and constructive long-term solutions to pressing tourism problems; and

Phase 3

- Examine a long-term mechanism for managing tourism in Juneau

Status of Collaboration Juneau: Sept. 2003 – Present.

Phase 1. In 2003 and the beginning of 2004, CJI stakeholders learned to work together collaboratively and developed a shared understanding of the current tourism situation. Several stakeholder task forces researched and gathered information that was presented to the stakeholders. CJI stakeholders also began crucial work on developing possible Juneau tourism futures.

Phase 2. Work on Specific Problems and Opportunities. In April 2004, the CJI stakeholders agreed to focus group efforts on two specific issues: downtown congestion and flightseeing noise.

Since September 2004, CJI stakeholders have held 6 meetings, focusing on the issue of downtown congestion. At our January meeting, stakeholders, reflecting the diverse perspectives that make up our community, reached consensus on several recommendations. These

Exhibit DW



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recommendations will be refined at CJI's February 10 meeting and then presented to the CBJ Assembly.

Also, during the January meeting, the stakeholders began discussions of some "big picture" issues, which include a broad focus on possible Juneau tourism futures and, specifically, flightseeing noise. CJI's work on these issues will continue through May 2005 and beyond.

Objectives for FY 06 (July 1, 2005 – June 30, 2006)

- Continued work on specific congestion issues, including parking and the creation of pedestrian zones. The stakeholders decided to defer the discussions and recommendations on these issues until Fall 2005;
- Continued work and drafting consensus recommendations on "big picture" and flightseeing noise issues;
- Commence Phase 3 of Collaboration Juneau to evaluate the possibility and specific design for providing a long-term collaborative mechanism for managing tourism in Juneau, whether this is CJI or a variation thereof.

Short and Long-Term Benefits of CJI's Tourism Collaboration: Although this has been a long process, the CJI Steering Committee believes that it has been of considerable benefit to the City and Juneau citizens.

- CJI stakeholders have reached consensus on specific solutions for several pressing tourism congestion problems;
- Public bodies are more likely to adopt CJI stakeholder recommendations because they are initiated by a broad section of the community with diverse views;
- CJI stakeholders are developing a sustained, creative, and community-responsive method to foster tourism industry growth;
- CJI is building community capacity by teaching stakeholders to work with each other collaboratively. Interestingly, since the inception of Collaboration Juneau, there have been no public confrontations on tourism issues;
- CJI's collaborative approach lessens or eliminates appeals and delays that translate into time and money.

Budget:

The attached budget reflects the expenditures needed to fulfill CJI's objectives.

Between September 2005 and the first months of 2006, CJI proposes to continue work on specific issues. During this time, our present consultants will continue to facilitate meetings & provide collaborative skills training with steering committee members and other stakeholders. This specific skills training has fostered a proactive steering committee with less reliance on the facilitators.

From March -June 2006, the stakeholders will begin Phase 3 work on designing a long-term mechanism for managing tourism in Juneau. During this period, CJI expects to substantially reduce the need for outside facilitation and this is reflected in a substantial decrease in our facilitation costs from FY05.

Thank you for your consideration of our request.

Sincerely,

/s/Paula Terrel, Co-Chair

/s/Todd Saunders, Co-Chair

Attachment

Exhibit DW

Collaboration Juneau Proposed Budget
July 1, 2005-June 30, 2006

	A	B	C	D	E
1	EXPENSES		AMOUNT		
2					
3					
4	Contractual		\$65,050		
5					
6	Travel		\$4,800		
7					
8	Supplies		\$3,000		
9					
10	Rent/Meeting Space		\$3,300		
11					
12	Marketing/Promotion		\$800		
13					
14	TOTAL		\$76,950		
15					
16					
17	Budget Explanation				
18	Contractual:				
19	1/2 time Administrator - 10 months (\$25,450);				
20	Office Support-10 months (website, bookkeeping, mailings (\$3,800)				
21	Tax Preparation(\$800)				
22	Facilitation Fees - 11 meetings of which 3 will be locally facilitated (\$34,500)				
23	Collaboration Training (\$500)				
24	(This training with David Chrislip for those interested in facilitating a collaborative process				
25	will be fee based and has been requested by several stakeholders)				
26					
27	Travel: air, food, lodging for facilitators - 8 meetings(\$4,800)				
28					
29	Supplies: Printing, postage, food for 11 meetings (\$3,000)				
30					
31	Rent/Meeting Space: 11 meetings (3,300)				
32					
33	Marketing/Promotion: paid advertising (\$800)				

**Proposal Submitted by Drew Green
representing
Cruise Line Agencies**

