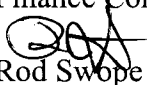


# MEMORANDUM

CITY/BOROUGH OF JUNEAU  
City & Borough Manager's Office  
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DATE: May 1, 2008  
TO: Finance Committee  
FROM:   
Rod Swope  
City & Borough Manager  
SUBJECT: FY08 Passenger Fee Proceeds

Based on our latest projections, the amount of revenue available in FY08 is anticipated to be \$5,115,000. This estimate is based on information provided by the cruise ship industry. I met with cruise industry representatives in March to discuss and review the following list of proposed recommendations. They had no objection to my proposed recommendations for use of the FY08 Passenger Fee Proceeds.

The Airport submitted a late request (request enclosed) after I had finalized my recommendations and met with cruise industry representatives to obtain their review and approval. In the event you choose to fund the Airport's request, I recommend that you use funds allocated to either the Waterfront Open Space Land Acquisition or the Waterfront Seawalk rather than reprioritize the current 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 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, audited by the Northwest Cruiseship Association, was done to determine whether or not this formula provided a fair and accurate assessment of costs.

**\$1,500,000**

Exhibit EE  
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### **CCFR Air Medevac Support**

#### ***Project Description***

This funding is an offset for unrecoverable costs incurred by the fire department for the air medevac program in response to medical events involving cruise ship passengers or crew. In 2007, 54% of air medevacs were in response to situations involving cruise ship passengers or crew. On average, we only recover 36% of our costs from patient billings. **\$27,400**

### **Non-Profit Air Medevac Support**

#### ***Project Description***

Airlift Northwest, a non-profit ambulance transport service, was founded in 1983 to provide air ambulance service to Southeast Alaska. During the cruise ship season, 35% of the air medevac flights from Juneau are to transport cruise ship passengers for medical services unavailable at Bartlett Regional Hospital. The amount of unrecoverable costs related to transport of cruise ship passengers or crew from Juneau is \$14,527. In addition, Airlift Northwest added an additional flight nurse at the cost of \$35,473 to facilitate this service during the summer cruise ship season. **\$50,000**

### **Tourism 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**

### **Crossing Guards**

#### ***Project Description***

This funds part-time seasonal crossing guards during the summer visitor season. 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 some limited equipment purchases, general training, scheduling, and deployment of the crossing guards. This program is currently administered by the Juneau Convention and Visitors Bureau. **\$118,000**

### **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. These officers are regular police officers that volunteer for this duty during their off-duty hours. **\$60,000**

### **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. **\$65,000**

### **Downtown Cleaning**

As a result of heavy summer use by visitors, the downtown sidewalks require extra cleaning, litter and garbage removal to keep them clean and safe. This funding provides funds for two temporary summer employees to operate and maintain the newly acquired sidewalk sweepers and to empty downtown garbage containers. **\$82,300**

### **Transit Public 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 accommodate 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. The additional revenue from summer visitors does help offset the cost of providing additional summer bus service to serve visitors. However, our transit system is heavily subsidized and the additional costs are not offset by the revenue received. **\$138,000**

### **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 any information and assistance that visitors may require. **\$100,000**

## **CAPITAL PROJECTS**

### **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 goes 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**

### **Downtown Ambassador Program**

#### ***Project Description***

Funding for this program will support two security officers, wearing uniforms, that will patrol the downtown area on foot from May through September. These security officers will assist visitors with information, directions and generally patrol the downtown area for loitering, panhandling, public intoxication, and other public nuisances potentially impacting summer visitors and local residents. With regard to public safety issues and infractions of the law, the security officers will refer these issues to JPD to handle. This program will be provided through a private contract administered by the Downtown Business Association. **\$56,350**

### **Tourism Economic Impact Study**

#### ***Project Description***

In order for CBJ and the community to make informed planning and policy decisions about Juneau's visitor industry and economic development in general, it's important to have current and accurate data. The proposed study, to be administered by JCVB, would include estimates of direct, indirect and induced impacts resulting from non-Alaska visitor spending in Juneau. The report would include visitor industry spending (summarized by transportation mode); visitor industry employment and income; direct and indirect employment by sector; miscellaneous revenues and fees; and a discussion of indirect impacts. **\$33,000**

### **Seasonal EMS Transport Program**

#### ***Project Description***

CBJ provides ambulance transport service for cruise ship patients that need to be transported from cruise ships and/or Bartlett hospital to the airport for medevac to Anchorage or Seattle. The

demand for patient transport service increases considerably during the summer due to cruise ship patients and does create situations, on a regular basis, in which we do not have available staff to provide transport service when requested. The cruise ship industry has indicated that delays of 15 minutes to an hour and a half are encountered approximately 33% of the time during the summer. This situation causes delays for the medevac flight crews, resulting in costs and complications with regard to personnel, aircraft, weather, scheduling, etc. This program would hire four temporary seasonal EMT's to work twelve hour shifts during the summer (May through September) to cover transports and other EMS calls as needed. **\$108,750**

### **Cruise Ship Dock Maintenance and Improvements**

#### ***Project Description***

Funding for this program will help finance cruise ship dock maintenance and improvements in downtown Juneau. Juneau's port infrastructure is currently inadequate to service the number and types of cruise ships making calls and is in need of structural improvements and repairs. Rather than provide a separate account, I also included an additional \$40,000 to this fund for purchase of a dock vacuum cleaner. This funding will supplement the existing port maintenance fund. **\$964,200**

### **Downtown Parking Garage/Transit Center**

#### ***Project Description***

Included in the design for the downtown parking garage and transit center are a number of improvements to the bus staging area and transit center used by summer visitors. The waiting areas will be covered and much more visible. A small police substation will be incorporated into the design to assist locals and summer visitors. Considerable improvements and safety features will be incorporated into reconstruction of the Main Street sidewalk, a popular avenue for visitors going to the city museum, capital building or Russian Orthodox church.

With virtually every downtown improvement related to growth in tourism, parking spaces have been lost as a result of the construction of pedestrian and transportation facilities. Due to the growth of bus staging areas to support summer cruise ship operations, the Capital Transit terminus was relocated to the Juneau Motors parking lot. Use of the Marine Park parking garage is overbooked during the summer as a result of additional demand by downtown retail businesses and related support activities, and made difficult due to pedestrian and passenger vehicle congestion. A parking space in the new parking garage is estimated to cost approximately \$50,000. More than thirty spaces have been lost as the result of recent downtown projects in support of summer tourism and cruise ship related activities. This one-time funding contribution toward construction of a new downtown parking garage/transit center would support safe and efficient commercial operations in the downtown core, allowing for the continued provision of pedestrian and passenger vehicle amenities while providing additional parking in the downtown area. **\$1,500,000**