

MEMORANDUM

CITY/BOROUGH OF JUNEAU
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DATE: March 4, 2004
TO: Finance Committee
FROM: Rod Swope
City & Borough Manager
SUBJECT: FY05 Passenger Fee Proceeds

Based on our latest projections, the amount of revenue that will be available in FY05 is anticipated to be \$4,300,000. This estimate is based on information provided by the cruise ship industry that projects a 5% increase in passengers over FY04. Of that amount, \$375,800 will be used to pay a portion of the bond debt service for the Steamship Wharf/Marine Park project. The remainder has been divided up between operations and capital projects.

The Passenger Fee Committee held its first meeting on February 25th. At that meeting we invited public comment and testimony. A second meeting was held on March 3rd in which the Committee went through the list of proposed projects for funding and offered their comments and recommendations. We did reach consensus at the meeting regarding projects that should be funded and levels of funding for each project.

Ms. Susan Burke, a local attorney representing Northwest Cruise Ship Association, did address the Committee and encourage that we try to ensure that any project considered for funding with Passenger Fee Proceeds meet the criteria contained in the latest federal maritime law (copy enclosed as attachment 1 for your reference). We made every effort to do that. A summary of projects that were proposed and not funded is provided as attachment 2.

The following items are those projects identified by the Committee and approved by the City Manager to be considered for Passenger Fee funding:

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 undesignated marine passenger fee (MPF) proceeds to be used in support of general government operations. As a result of ongoing concerns regarding this approach and the amount of funds being designated for this purpose, I have undertaken a review process to evaluate the impacts

Exhibit HS
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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 extremely important to ensure the safety of visitors, provide assistance and direction, and mitigate problems that frequently occur between some of the regular downtown locals and summertime visitors. Most problems that occur are drug and/or alcohol related. These are usually regular police officers that volunteer for this duty in order to make some additional money during their off-duty hours. \$28,000

Downtown Restroom Maintenance

Project Description

This provides the contractual services (includes all labor and materials) required to clean the public restrooms in City Hall and the new public restrooms at the Steamship Plaza dock 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 increased 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. \$205,000

Downtown Parking Improvements

Project Description

A considerable effort has been made to mitigate traffic congestion and protect the safety of visitors in the downtown area during the summer tourist season. In an effort to address that concern, we have reallocated parking spaces, identified new loading/unloading zones and pedestrian crossing areas, transit zones, handicap parking, and have increased parking fines. Based on this past year's experience, we will be repainting all of the curbs, redesigning the parking zones and crossing areas, and installing new parking information signs. Although the curbs and gutters will have to be repainted each summer, this work will be a one-time expense. \$48,000

JCVB

Project Description

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

City Museum

Project Description

This provides funding to increase staffing at the City Museum which allows for longer hours and to be open seven days a week during the summer months, thus extending the hours for the benefit of visitors and local residents. \$60,000

LEPC

Project Description

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

Capital Projects

Wayfinding Plan

Project Description

This project would appropriate money to be used for consulting services to determine pedestrian traffic flow patterns and develop signage throughout the waterfront area that would be informative, provide for safety of visitors, reduce congestion, and help direct visitors to various destinations. This project would dovetail with the waterfront planning project. \$45,000

Waterfront Land Acquisition

Project Description

A fund has been established that can be used to purchase available space along the waterfront in downtown Juneau for various public uses. As the waterfront plan is fully developed and finalized, numerous opportunities and uses for this money will be identified. This fund currently contains \$1,085,000 as a result of contributions from the past three years. \$400,000

Gunakadeit Restroom/Pocket Park Improvements

Project Description

Preliminary design and engineering work has been completed for Gunakadeit Pocket Park and restroom facilities. This area is located in the center of downtown and would provide much needed restroom service to summer visitors. In addition, it may also serve as a visitor information center and location for the summer JPD bike patrol to use. \$254,800

Quiet Technology and Noise Abatement

Project Description

A fund has been established to make low interest loans available to floatplane companies operating in the downtown area. The money is available to retrofit planes with quieter turbine engines in an effort to reduce floatplane noise and traffic. The new more powerful turbine engines have also proven to be much safer than the existing engines. This fund currently contains \$510,000 as a result of a contribution from last year. \$300,000

Auke Bay Commercial Loading Facility

Project Description

This project will provide for a commercial loading facility to serve commercial fishing charters, commercial whale watching boats, other commercial fishing vessels, and regional freight transporters. When completed, the new loading facility will consist of a drive down float and a fixed moorage float with parking and material storage areas. Commercial use of the existing facilities is impacting local users from gaining access to the limited public dock loading areas. Separating commercial activities from the public access areas would also improve safety to the public users. \$348,400

ADA Passenger Boarding System

Project Description

Last year the Assembly appropriated \$10,000 to have a contractor design and evaluate the feasibility of an ADA accessible gangway for use at the Steamship Wharf cruise ship dock. Assuming the project is feasible, this funding would provide for construction of the gangway. \$300,000

Steamship Wharf Lightering Ramp/Float

Project Description

The existing ramp and float needs to be replaced to accommodate additional use next summer. The current float is too small, the ramp is too steep for passengers, and it is not ADA accessible. A contract for design of an improved ramp and float was issued in mid-October. Design alternatives and cost estimates are currently being completed. Therefore, the amount of funding being recommended is only an estimate. \$350,000

Waterfront Seawalk

Project Description

This will begin the initial design of a waterfront seawalk and establish guidelines for the seawalk project as it is envisioned in the long range Waterfront Plan. This initial design effort will address such issues as themes for each area, phasing of construction, port security, safety considerations for pedestrians, materials requirements, right-of-way issues, and public/private partnerships. \$74,000

Port Security Improvements

Project Description

This project will match a \$94,000 port security grant available from the U.S. Coast Guard to design and construct required security improvements to the public cruise ship docks in the downtown area. The security improvements are necessary to comply with the vehicle and passenger requirements set out in the new port security regulations in 33 CFR Parts 101, 104 and 105. \$56,000

and associated costs of seasonal cruise ship passengers to general government operations. The approach being used is a common and widely accepted method for determining indirect impacts. The methodology and results of the evaluation, at my request, have been reviewed and validated by Max Mertz of Elgee Rehfeld Mertz, LLC, an independent outside accounting firm. The report was finalized last month at which time I made it available to the cruise ship industry and each Committee member. \$1,100,000

Tourism Impact Management

Project Description

This funding is an offset for additional time spent by staff in the Manager's Office on various tourism issues and projects such as flightseeing safety and noise abatement issues, waterfront planning efforts, the steamship wharf improvement project and operational/safety issues, downtown parking safety and congestion issues, citizen complaints/comments, and miscellaneous summer issues with downtown merchants and cruise ship passengers. \$68,000

Best Management Practices Support

Project Description

This provides funding for printing, public notices, advertisements, and a contractual amount for staff to provide support to the Best Management Practices (BMP) effort. BMP 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 Juneau Convention and Visitors Bureau administers the program with funding provided by MPF proceeds. \$9,000

Park Ranger

Project Description

This provides funding for a portion of a position dedicated to commercial trails. This position acts as a liaison with commercial vendors, a point of contact to Trailmix, SAGA, and other volunteer groups involved in commercial trails projects. 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 pleasurable visitor experience, monitors illegal camping, dumping, motorized use, trail conditions, ongoing trail work, trail signs, trash receptacles, and dog use on commercially used trails. \$25,000

Crossing Guards

Project Description

This funds part-time seasonal crossing guards eight hours a day, seven days a week, during the summer. The purpose of the positions is to facilitate safe traffic flow in the downtown area, encourage pedestrians to stay on the sidewalks, increase pedestrian safety, and limit and control the locations in which pedestrians can cross the streets. This funding also provides for general training, scheduling and deploying the crossing guards. In addition, a limited amount of training will be required and provided by the Juneau Police Department to all crossing guards and their supervisors. \$83,000