

MEMORANDUM

CITY/BOROUGH OF JUNEAU

City & Borough Manager's Office
155 S. Seward St., Juneau, Alaska 99801
Rorie.Watt@juneau.org



Voice (907) 586-5240
Fax (907) 586-5385

DATE: May 10, 2016

TO: Jerry Nankervis, Chair
Assembly Finance Committee

FROM: Duncan Rorie Watt
City and Borough Manager

FINAL AS AMENDED
By AFC.

SUBJECT: Amended FY17 Passenger Fee Proceeds Recommendations based on April 6, and May 4, 2016 AFC meetings. Items amended are in *italics*

The projected number of passengers expected to visit Juneau this summer by cruise ship is 985,000. Based on that projection the amount of revenue available in FY17 is anticipated to be \$5,000,000, including \$75,000 from the fund balance. The estimated fund balance at the end of this year, with the draw of \$75,000, will leave the fund balance with slightly more than \$200,000. The target fund balance goal is \$200,000.

OPERATIONS

Identified Government Operations

\$1,400,000

Project Description

On May 10, 2000, the Assembly Finance Committee approved a formula that reflects cruise ship passenger impacts on specific government services and is used to determine an amount of Marine Passenger Fee (MPF) proceeds to be used in support of identified government operations. In 2003, a full cost analysis was reviewed by the North West Cruise Ship Association and evaluated by Elgee, Rehfeld and Mertz, LLC. It was determined that the formula provided a fair and accurate assessment of costs. The formula has not been adjusted since its creation in 2000.

Downtown Foot/Bike Patrol

\$189,700

Project Description

This provides additional foot and bike patrol presence by Juneau Police Department (JPD) officers in the downtown area during the summer. JPD's presence is important to ensure the safety of visiting passengers, provide assistance and direction, and mitigate problems that can occur between some of the regular downtown locals and summertime visitors. This funding will provide for a total of four officers to be assigned to the downtown for the majority of the

Exhibit IG
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summer. Two School Resource Officers will be reassigned to the downtown during the summer school break. In addition retired police officers will be hired as seasonal employees, to patrol the downtown area during the summer. In past years the funding was able to be reduced because of grant-funded positions; that funding is not available at this time hence the increase of \$18,500 over last year's request.

Bartlett Regional Hospital Support

\$131,600
Amended

Project Description

This funding is to cover additional hospital staff hired during the summer. BRH hires a dedicated case manager in the summer to service the logistical and financial needs of cruise ship passengers. In addition, they contract with additional nursing staff and with a passenger liaison to interface with the cruise ship industry and to expedite cruise ship passenger patient care.

Downtown Restroom Maintenance

\$85,500
Amended to reflect updated amount needed

Project Description

This provides contractual services (labor and materials) required to clean the public restrooms in City Hall, Steamship Plaza, and the Downtown Transportation Center, seven days a week, six times per day, for five months during the summer. This also includes a prorated amount for additional restroom cleaning at the Juneau Public Library based on increased summer use by passengers.

Downtown Sidewalk Cleaning

\$109,500

Project Description

Due to heavy summer use by passengers, the downtown sidewalks require extra cleaning and litter/garbage removal to keep them clean and safe. This funding provides for two summer seasonal employees to operate and maintain the sidewalk sweepers and empty downtown garbage containers.

Seasonal BLS/Firefighter Program

\$232,400

Project Description

This funding pays for four seasonal EMTs from May 1 to September 30. Last year the summer season staff responded to 380 cruise ship passenger calls and transported 283 ship passengers. This also funds the safety equipment, uniforms, fuel costs, consumable medical supplies, and training for the seasonal employees.

Docks and Facilities Operations

\$154,100

Project Description

The Docks and Harbors Board has requested funding to offset the costs and impacts of providing area wide services and support to cruise ship passengers. The Board reviewed its budget and apportioned expenses associated with those services and estimated that approximately 9% of the annual docks budget will be attributed to providing area wide service

to cruise ship passengers.

Port Customs and Visitor Center Building **\$133,500**
Maintenance

Project Description

The Port Customs facility and the Visitor Center, located on the waterfront, serve nearly one million passengers each year. CBJ Docks and Harbors is responsible for the year-round maintenance and operation of the facilities, which includes all utilities, alarm monitoring, winter snow removal, janitorial, maintenance of the parking lot, and general maintenance of the facility.

Transit Bus Service **\$300,000**

Project Description

Cruise ship passengers heavily use local bus service during the summer; it provides a safe, clean, and cost-effective way for visitors to travel from the downtown port to the glacier and other areas of Juneau. The additional revenue from summer visitors helps offset the cost of the service; however, Capital Transit is a heavily subsidized service. Total revenues cover only 13% of the operational costs.

Downtown Pay Phones **\$12,700**

Project Description

To meet telephonic communications demands from cruise ship passengers and cruise ship crew, the City and Borough of Juneau maintains pay telephones in the downtown corridor.

OPERATING GRANTS

Tourism Best Management Practices Support
– Juneau Convention and Visitors Bureau **\$15,000**

Project Description

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

Crossing Guards Administered by Juneau **\$180,000**
Convention and Visitors Bureau

Project Description

The purpose of this program 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 will fund crossing guards

during the summer cruise ship season and during peak traffic times. The crossing guards will staff the Cruise Ship Terminal, People's Wharf, Marine Park Plaza, and at Taku Smokeries. This funding also provides for some limited equipment purchases, general training, scheduling, and deployment of the crossing guards.

Juneau Convention and Visitors Bureau **\$160,000**
Visitor Information Program

Project Description

The JCVB provides summer visitors with information, directions, and assistance. Program expenses include administrative support for training and supervision of 130 volunteers, managing the cruise ship terminal visitor center and Marine Park kiosk, two paid seasonal visitor information positions, and printed materials.

Downtown Security Program - Downtown **\$57,000**
Business Association

Project Description

Funding for this program supports two uniformed security officers that patrol the downtown area on foot from May through September. These security officers assist visitors with information, directions, and patrol the downtown area for loitering, panhandling, public intoxication, and other public nuisances potentially impacting passengers and local residents. With regard to public safety issues and infractions of the law, the security officers refer these issues to JPD to handle. This program is provided through a private contract administered by the Downtown Business Association and Juneau Economic Development Council.

Restroom Cleaning and Maintenance – AJ **\$26,000**
Juneau Dock, LLC

Project Description

This provides funding for restroom cleaning and supplies for cruise ship passenger public restrooms located at the AJ Dock.

Juneau Port Security and Short-Range **\$19,600**
Response Boat – AJ Juneau Dock, LLC

Project Description

The Department of Homeland Security awarded the AJ Dock with a port security and short-range response boat that conducts port security patrols, at-sea deliveries to cruise ships in port (some items can not go across the docks for security reasons). It is designed to accommodate medevacs, spill response, salvage operations, and on-scene support for emergency or law enforcement issues when ships are at anchor or at sea. This request is solely to cover the manning, maintenance, and operational expenses related to this vessel.

Port Security Guard, Security Training and **\$93,800**
Exercises – AJ Juneau Dock, LLC

Project Description

This request will fund annual security requirements and enhancements to achieve compliance with the US Coast Guard required/approved facility security plan as well as facility safety, spill response, incident management, drills and exercises.

**Dock Barge Maintenance Phase II - AJ Juneau
Dock, LLC**

\$245,400

Amended

Project Description

This project funds the completion of AJ dock floating barge maintenance for the second of two barges at the facility. This project encompasses standard under hull work, zinc replacements, blasting and painting, towing, removing/replacing piling collars, disconnecting/connecting electrical and plumbing and installation of temporary navigational beacons (required by US Coast Guard). The first barge maintenance was funded last year.

**Restroom Cleaning and Maintenance –
Franklin Dock Enterprises, LLC**

\$25,000

Project Description

This provides funding for restroom cleaning and supplies for cruise ship passenger public restrooms located at the Franklin Dock.

**Security Training – Franklin Dock Enterprises,
LLC**

\$85,000

Project Description

This will provide training for security personnel to ensure compliance with the required Coast Guard security plan and for security costs during the cruise ship season, and build security personnel enclosures to achieve compliance with U.S. Coast Guard required/approved security plans.

**Dock Maintenance and Refurbishment -
Franklin Dock Enterprises, LLC**

\$29,000

Project Description

Replacement of 12' x 12' wooden security and safety bull rails along dock where they have been damaged. This is a continuation of a project which was started last year. Pressure wash, patch, paint and smooth slip/trip hazards on dock surface and re-fill with composite to avoid future cracking, breaking and formation of divots. Repaint surface and apply slip-resistant grout to provide safe and slip-proof pedestrian access. Re-galvanize safety and security barriers. Repair/replace indoor/outdoor carpet on passenger walkways to address same pedestrian access and safety concerns.

**Franklin Dock – TSS Wastewater Monitoring
System Upgrade**

\$6,500

Project Description

The South Franklin Street Cruise Ship Dock graywater discharge flow and total suspended solids (TSS) monitoring and reporting system was constructed last year at the request of the CBJ Public Works Department. The system provides continuous data to the Juneau Douglas Wastewater Treatment Plant through a radio telemetry system installed with the project.

In order to improve the reliability of the TSS monitoring system, allowing data to be transmitted to the wastewater plant as CBJ requires, and to prevent back flow of wastewater into the system control cabinets, a solenoid valve and water trap need to be added to the air line. This will cover the materials and labor for the improvements needed on this system.

AJ Juneau Dock, LLC - TSS Wastewater Monitoring System Upgrade **\$6,500**

Project Description

In order to improve the reliability of the total suspended solids monitoring system, allowing data to be transmitted to the wastewater plant as CBJ requires, and to prevent back flow of wastewater into the system control cabinets, a solenoid valve and water trap need to be added to the air line. This will cover the materials and labor for the improvements needed on this system.

CAPITAL PROJECTS

Waterfront Seawalk – Subport/Whittier to Gold Creek **\$237,200**

\$234,700
Amended, reduced by \$70,000

Project Description

This will provide funding to continue the design, examination of right-of-way issues, pedestrian access and safety, and construction of seawalk in accordance with the Waterfront Development Plan.

Real Weather/Current Monitoring System- Phase III **\$97,500**

Project Description

This project was phased beginning in 2014 with the development of a plan which included personal interviews, a survey, and docking simulations with ship captains, pilots, and fishers to determine the areas of concern. With this information, locations for weather and current sensors were identified. The second phase was to place a weather station and current sensor on the AJ Dock to test the system and develop communications protocols for disseminating the information. The third and final phase would establish two additional weather stations and two additional current sensors in the area of the new city-owned cruise berths and the Franklin Dock.

Tug Assists for the Franklin Dock **\$70,000**
Amended new item, funds removed from Subport/Whittier to Goldcreek Seawalk

Project Description

The new floating docks, (16B) are being constructed adjacent to the Franklin Dock. The new docks may impact vessel approaches and departures from the Franklin Dock under certain weather and traffic conditions. In these cases it may be necessary for the vessel to use a tug in order to preserve the safety and security of the vessel and dock structures in the harbor.

These funds would be used to reimburse if tug assists or stand byes are needed only for the Franklin Dock.

Front and Franklin Streets Reconstruction

\$900,000

Project Description

This request will partially fund Phase I of the Franklin and Front Street Reconstruction project, including reconstruction of Franklin Street from Admiral Way to Front Street. The downtown core streets were last reconstructed in 1985 when cruise ship passenger volumes were under 200,000 visitors/year. Today, with cruise ship visitors numbering close to 1,000,000/year, the 30 year old streetscape needs improvement. Pedestrian issues include sidewalk tripping hazards from 30 years of freeze thaw cycles, drainage problems, non-compliance with current ADA requirements, and narrow sidewalks forcing people to walk in vehicle travel lanes. The proposed reconstruction project will widen sidewalks, improve crosswalks, maintain vehicle travel lanes, and replace storm water utility and some water and wastewater utility infrastructure. An extensive public outreach process over the last year indicated that lighting is a priority for the reconstruction of downtown to improve safety in the area. This will be a key component of the reconstruction effort. To minimize impacts on the businesses and tourism industry, construction will be limited to shoulder seasons and/or require double shifts for working crews that could increase project costs. The total project cost of Phase I is \$2M. It is anticipated that additional Marine Passenger Fees will be requested for future phases in FY18 and FY19.

Total

\$5,000,000

Project Description

The new building (100) is being constructed adjacent to the existing building. The new building will provide additional space for the company's operations and will include a new entrance and parking area. The project is expected to be completed by the end of 2018.

These funds will be used to construct a new building of approximately 100,000 square feet. The project is expected to be completed by the end of 2018.

2017-2018

Project Description

The project will provide additional space for the company's operations and will include a new entrance and parking area. The project is expected to be completed by the end of 2018.