

MEMORANDUM

CITY/BOROUGH OF JUNEAU
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DATE: January 15, 2011
TO: Assembly Finance Committee
FROM: Rod Swope
City & Borough Manager
SUBJECT: FY12 Passenger Fee Proceeds Recommendations

Based on our latest projections, the amount of revenue available in FY12 is anticipated to be \$4,639,000. 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 impacts on 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 this formula provided a fair and accurate assessment of costs. **\$1,400,000**

Capital City Fire/Rescue (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. This past year, 50% of air medevacs were in response to situations involving cruise ship passengers or crew. On average, CCFR only recovers 36% of the total costs from patient billings. **\$25,000**

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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. According to Airlift Northwest, the requested amount is to offset unrecoverable costs related to transport of cruise ship passengers and crew from Juneau this past year. **\$50,000**

Bartlett Regional Hospital Support

Project Description

For the past three fiscal years, cruise ship passengers have accounted for an annual average 4.5% of Bartlett Regional Hospital's patients (inpatients and outpatients). The hospital bad debt incurred from cruise ship passengers and crew for this past year was \$29,428. **\$29,428**

Tourism Best Management Practices Support

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 funding provided by Marine Passenger Fee proceeds. **\$12,000**

Crossing Guards

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 part-time seasonal crossing guards during the summer visitor season. 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. **\$125,000**

Downtown Foot/Bike Patrol

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 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. In addition, we have assigned one additional full-time patrol officer, dedicated to downtown year-round. This supports funding that position's salary during the summer months. Further, we are continuing the program using retired police officers, as seasonal employees, to patrol the downtown area during the summer. **\$181,000**

Downtown Restroom Maintenance

Project Description

This provides contractual services (labor and materials) required to clean the public restrooms in City Hall, Steamship Plaza, and the new Downtown Transportation Center seven days a week, six times per day, for five months during the summer. **\$75,000**

Downtown Cleaning

Project Description

Due to heavy summer use by visitors, the downtown sidewalks require extra cleaning and litter/garbage removal to keep them clean and safe. This funding provides for two temporary summer employees to operate and maintain the newly acquired sidewalk sweepers and empty downtown garbage containers. This year, there is also some funding to replace cigarette butt receptacles and a few garbage cans. **\$98,800**

Transit Public Bus Service

Project Description

Visitors heavily use local bus service during the summer, making it necessary to increase services in order to accommodate locals adequately 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 services; however, our transit system is heavily subsidized and the additional costs are not completely offset by the revenue received. This summer we will provide increased bus service in the mornings and evenings. **\$278,000**

Juneau Convention and Visitors Bureau (JCVB)

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 kiosk and Centennial Hall information centers, a paid seasonal visitor information position, and printed materials. **\$127,000**

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. Two years ago, the cruise ship industry reported delays of 15 minutes to an hour and a half being encountered approximately 33% of the time during the summer. This causes delays for the medevac flight crews, resulting in costs and complications with regard to personnel, aircraft, weather, scheduling, etc. This program was implemented last summer and proved to be very effective in resolving this problem. This funding pays for four temporary seasonal EMTs to work 12-hour shifts during the summer (May through September) to cover transports and other EMS calls as needed. **\$132,000**

Downtown Ambassador Program

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 summer visitors 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. **\$56,300**

Docks and Harbors General Operations

Project Description

The Docks and Harbors Board has requested general operations 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, approximately \$1,711,677 in FY12, will be attributed to providing areawide service to cruise ship passengers. **\$154,000**

Airport General Operations

Project Description

In FY10, the Finance Committee approved the use of a portion of Marine Passenger Fee proceeds for general airport operations to offset impacts for services provided to the cruise ship industry and for support to the cruise ship passengers and crew. The current request conforms to the same formula that was used for the last cycle. **\$159,100**

CAPITAL PROJECTS

Waterfront Seawalk

Project Description

This project 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. Funding for construction of additional seawalk was a recommendation of the Planning Commission and is one of the top FY11 priorities of the Assembly. **\$536,372**

Dock Barge Maintenance - AJ Juneau Dock, LLC

Project Description

This project is a reimbursement of major dock maintenance to the AJ dock bridge and two dock barges. The major maintenance project included repairs/modifications to the internal structure of the floating barges and painting. Standard under-hull work and painting was completed as well. The bridge had some major modifications to accommodate this maintenance. Many of the maintenance improvements will last the life of the dock. **\$400,000**

Restroom Cleaning and Maintenance – AJ Juneau Dock, LLC

Project Description

Funding for restroom cleaning and maintenance supplies for cruise ship passenger and public restrooms. **\$20,000**

Juneau Port Security and Short-Range 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), 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. **\$19,600**

Cathodic Protection – AJ Juneau Dock, LLC

Project Description

This project is critical to the longevity of the steel infrastructure of the facility and will include the installation of appropriately engineered zinc cathodic protection. **\$160,400**

Dock Resurfacing – Franklin Dock Enterprises, LLC

Project Description

This will fund replacement of the enamel non-skid surface on the dock with Permacrete which also helps to seal the concrete and minimize future cracking in the concrete dock surface. The original coating is past its useful life. **\$40,000**

Corrosion Control – Franklin Dock Enterprises, LLC

Project Description

This will fund cleaning and repainting of areas under the dock which have been subjected to corrosion. It will also be used to take electrolysis measurements on the pilings and add new zinc anodes as necessary to protect the integrity of the pilings. **\$60,000**

Retaining Wall Improvements – Franklin Dock Enterprises, LLC

Project Description

This project will involve rebuilding the retaining wall from the dock entrance south to the edge of the pavement to combat subsidence and slope failure. **\$150,000**

Staging Area Improvements – Franklin Dock Enterprises, LLC

Project Description

This project will replace the canvas top on the covered staging area which has exceeded its useful life. **\$30,000**

Parking Area Improvements – Franklin Dock Enterprises, LLC

Project Description

This project will pave the parking area behind the restrooms. **\$75,000**

Analysis of a New Floating Dock – Franklin Dock Enterprises, LLC

Project Description

This would provide funding for an engineering firm to do an analysis and cost estimate for construction of a new floating dock that would eliminate any hazard to navigation that might be created by construction of the new city dock. **\$100,000**

Security – Franklin Dock Enterprises, LLC

Project Description

Funding to provide training for security personnel to achieve compliance with the Coast Guard required security plan and to construct a new security tent for the approach dock. **\$100,000**

Restrooms – Franklin Dock Enterprises, LLC

Project Description

Funding for restroom cleaning and maintenance supplies for cruise ship passenger and public restrooms. **\$20,000**

Staging Area Improvements – Franklin Dock Enterprises, LLC

Project Description

Funding to provide a cover for the passenger waiting area on the main dock. **\$25,000**