



Docks & Harbors

The Tide Line

May 2015



Port Directors Corner

In the Sunday, May 3rd Juneau Empire, the lead article discussed the upcoming cruise passenger season <http://juneauempire.com/local/2015-05-03/cruising-toward-million-visitors>. The article was accurate on many accounts but unfortunately Docks & Harbors was not provided an opportunity to comment on important aspects of the new cruise ship berth project prior to publishing. One reading the article could surmise that the “cruise industry” is dead against developing infrastructure supporting large passenger vessels in Juneau. The situation is much more complex than snippets from a Chamber of Commerce luncheon by the President of the Cruise Line International Association (CLIA) - Alaska. The core of the debate is the prudent expenditure of head taxes in expanding infrastructure to meet a dynamic market place. Since 1999, Juneau has implemented a fee imposed to address the costs to the City and Borough for services and infrastructure rendered to cruise ships and cruise ship passengers visiting the City and Borough – also known as CBJ Marine Passenger Fee. In 2006 Ballot Measure 2 was approved by the Alaskan voter and imposed a \$46 Commercial Passenger Vessel (CPV) Excise Tax for each cruise ship passenger plying Alaskan waters. In 2010, as the result of litigation by the Alaska Cruise Association (now CLIA-Alaska), the Governor Parnell administration reduced the CPV Excise to \$34.50 per passenger.

The “cruise industry” is a broad amalgamation of passenger cruise line companies, ship agents, pilots, travel interests, trade organizations and industry groups. One of CLIA - Alaska stated goals is “to keep the public updated about issues that affect the Alaska cruise industry and its economic impact on the state.” CLIA- Alaska is but one of many stakeholders in the business of selling cruises in a competitive world-wide market. Not surprisingly, CLIA - Alaska leads the chorus in advocating the reduction of head taxes and that the \$34.50 state tax plus the \$13 CBJ local taxes places cruise ship market share at risk in Alaska.

What was not represented in the article was the process in selecting the new cruise ship berth project. For the record, there are two CBJ owned cruise ship terminals in the Port of Juneau. Based on the geographic limitations, one berth can support an 800’ vessel and the other a 965’ vessel. Cruise ships now can exceed 1000’ and displace 220K tons. In 1988, by contrast, the largest cruise ship was 880 feet and displaced 73K tons. One driver in the size of passenger vessels is related to the expansion of the Panama Canal Locks which now allows passage of vessels of 1050 feet, this is also known as Post-Panamax Ships.

Clearly there is a bon-a-fide need to improve the Juneau Port facilities. The challenge facing the decision makers was where to place the upgraded facilities. The physical limitation of the Juneau Port requires compromise. The Docks & Harbors Board recommended and the Assembly approved a layout in September 2010 for two floating off-shore berths to be built approximately parallel to the existing CBJ owned facilities. The design provides for more than 2200 linear feet of dock space, sufficient for two Post-Panamax Ships. (Not a 200 foot extension stated in the news article).

Docks & Harbors 2015

Meetings:

Finance

Wednesday May 20th,
at 5:00 pm
CBJ Room 224

Port Fee Review

Wednesday May 20th,
Immediately following
The Finance Meeting
CBJ Room 224

Regular Board

Thursday May 21st,
at 5:30 pm
Assembly Chambers

Operations/Planning

Thursday May 28th,
at 5:00 pm
Assembly Chambers

Harbor Fee Review

Wednesday June 3rd,
at 12:00 pm
CBJ Room 224

Meeting agendas and minutes

can be found at:

<http://www.juneau.org/harbors/board.php>

Go Green with Docks & Harbors. If you are interested in having your statement sent via email, please send an email to

dolly.raster@juneau.org

An alternative cruise ship facility was considered at the Gold Creek Location. This development was proposed as a private venture and supported by CLIA-Alaska. It did not have broad local community support and it is unknown whether permits would have ever been secured as significant fill and uplands would have been necessary. In the end, the decision moving forward with the pending project was both a political and practical one. It married the existing landscape with cruise ship facilities which have served the downtown Franklin Street for many years. Any proposal to move from the Alaska Steamship & Cruise Ship Terminal would have come at a great expense to members of the Downtown Business Association. The decision to place the new berths in the heart of Franklin Street has anchored the business and tourism community for decades to come.

The new floating cruise ship berths will be a great investment to an aging wharf with structural deficiencies. CBJ Docks & Harbors has worked with the SE Pilot Association and operators from cruise ships to ensure the facility meets the needs of the vessels. The floating berths design is a vast improvement over a fixed pier design requiring multiple gangway changes to account for twenty foot tidal ranges and the installation of sewage lines will only improve SEAK water quality. In addition to better egress, enhanced facility security and the removal of the yellow fencing, the new facilities will be electrified when the local power utilities upgrade power capacity.

At the end of the day (or May 2, 2017 to be exact), the new cruise ship berths will be constructed and Juneau will have world class facilities to cater to cruise ships for the foreseeable future. The cost of the project, amortized over 30 years, will be approximately \$2/arriving passenger. If Juneau's geography was different - there could have been other options. The die was cast (with reference to Gastineau Channel and not the Rubicon River) with the selection of the Franklin Street.

CLIA - Alaska is not out of line raising the alarm of inappropriate use of head tax. However, the decision (defrayed by head tax) to place the new facility at Franklin Street was a local decision supporting the best needs of the local community. I am confident our elected officials choose wisely.

**Docks & Harbors
Office Hours:**

Port Office Hours

907-586-0292
Monday - Friday
8:00 am to 4:30 pm

**Port/Field Office
Hours**

907-586-5720
May 1st - Sept 25th
Monday - Sunday
8:00 am to 4:30 pm

Aurora Office Hours

907-586-5255
Monday - Saturday
8:00 am to 4:30 pm

**Statter Harbor (Auke
Bay) Office Hours**

907-789-0819
Monday - Sunday
8:00 am to 4:30 pm
Closed 12:00 to 1:00 for
lunch

*Aurora Harbor
Ribbon Cutting Ceremony
And
CBJ Docks & Harbors
Customer Appreciation Day
at the
Aurora Harbor
Friday, June 5th, 2015
11:30am - 2:00pm*

**Docks & Harbors
Board Openings!**
**3 public seats for full
term.
1 public seat vacancy
for
term expiring
06/30/16.
Applications due May
26th.**

May is National Water Safety Month

Learn how to swim and teach your child how to swim.
Learn to perform CPR on children and adults, and update
those skills regularly.
Understand the basics of life-saving so that you can assist in
a water emergency.

You can buy your launch ramp permit at Statter Harbor,
Aurora Harbor, or online at www.juneauharbors.com. As a reminder, launch ramp permits are issued for the
calendar year and are required at all Docks & Harbors launch facilities.