



# Economic Stabilization Task Force

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Appointed by the City & Borough of Juneau's Mayor  
Meeting Minutes from October 22, 2020

## Call to Order

The Economic Stabilization Task Force meeting was called to order at 3:00 p.m. by Mr. Mertz.

Task Force Members Present: Linda Thomas, Max Mertz, Theresa Belton, Bruce Botelho, Eric Forst, Ken Koelsch, Lauren MacVay, Laura Martinson, and Terra Peters

Task Force Members Absent: Susan Bell

Staff Present: CDD Administrative Officer, Brenwynne Grigg; and, CBJ Finance Director, Jeff Rogers

CBJ Assembly Members Present: Mayor Beth Weldon, Loren Jones, and Gregory Smith

Special Guest Speakers: Director of Shore Operations for Princess Cruises, Kirby Day; Executive Director of Juneau Arts and Humanities Council, Nancy DeCherney; Executive Director of Juneau Community Foundation, Amy Skilbred; Government Affairs Consultant for Cruise Lines International Association (CLIA) Alaska, Mike Tibbles; and, Executive Director of Catholic Community Services, Erin Walker-Tolles.

## Approval of Agenda

Mr. Mertz asked for any changes to the agenda, and hearing none, asked for a motion to approve the agenda.

**MOTION:** by Mr. Botelho to approve the agenda.

***Hearing no objections, the motion was approved.***

## Approval of Minutes

**MOTION:** by Mr. Botelho to approve the Economic Stabilization Task Force meeting minutes from October 8, 2020. Mr. Forst seconded the motion.

***Hearing no objections, the motion was approved.***

## CARES Act Funding – Pie Chart & Table

Mr. Rogers presented an updated pie chart and table, sharing an overview of programs that have received CARES Act funding and programs that are still pending. He stated that if all currently pending legislation is

approved, the CBJ will be overcommitted in CARES Act funding by a little less than \$1 million. Legislation that is pending includes:

- FY21 Eaglecrest COVID-19 Related Operations - \$73,100
- Southeast Alaska Food Bank Grant - \$79,300
- St. Vincent de Paul Grant - \$85 thousand
- Shepherd of the Valley Grant - \$70 thousand
- Family Promise Grant - \$300 thousand
- Supplemental Housing Assistance Grants - \$1 million
- Extreme Hardship Grants - \$2.3 million
- Economic Stimulus Grants - \$2 million

The pending legislation will be heard on Monday, October 26 at the Regular Assembly meeting.

Mr. Botelho asked for additional information on the Economic Stimulus Ordinance for \$2 million. Mr. Rogers explained that Assembly Member Hughes-Skandjis is bringing this before this Assembly as a supplement to the existing CBJ Housing Assistance program. The intention of this grant is to assist unemployed or underemployed individuals, where you may have many low-wage workers living together in a roommate situation, who may not qualify for traditional housing assistance. This program is meant to fill that gap and run parallel to the CBJ Housing Assistance Program.

Mr. Botelho thanked Mr. Rogers and asked if the Task Force might see a presentation on program at their next meeting.

### **2021 Cruise Ship Season Update**

Mr. Mertz introduced Mr. Mike Tibbles, Government Affairs Consultant with Cruise Lines International Association (CLIA) Alaska, and Mr. Kirby Day, Director of Shore Operations for Princess Cruises.

Mr. Tibbles shared that CLIA recently announced two major initiatives on September 21, 2020. First, CLIA announced the adoption of core elements for a return to cruising, a program aimed at a limited initial restart of cruising in the Lower 48 of the United States. Components of the core elements includes 100% testing of all passengers and crew, social distancing, mask wearing, improved ventilation, and improved medical capabilities on board, among other things. These protocols are the basis of what may turn into new policies of the entire cruising industry.

Secondly, CLIA announced a plan for a safe return to service, based on 74 recommendations from the Healthy Sail Panel made up of medical professionals and scientists, in partnership with the Royal Caribbean Group and Norwegian Cruise Line. This was submitted to the CDC for approval, and is currently in the public comment period of the process. Timing for this complements the Canadian version of the No Sail Order, which expires at the end of the month.

CLIA addressed concern regarding language in the core elements, and recommendations from the Healthy Sail Panel, related to healthy shore excursions. Mr. Tibbles stated that CLIA has communicated with Mayors, City Managers, and business partners to clarify that the released plans are focused on an initial restart in a controlled environment to demonstrate to the CDC that the cruise industry can safely return to service. Many of the protocols are based on what is currently successful in Europe with their cruise industry, with some ports up to their tenth cruise ship visit, and based upon the recommendations of medical experts. This is preliminary; there may be test cruises out of Florida with CDC ride-a-long and no passengers. It is critical to initiate this restart in these controlled environments to building confidence with the regulators, communities, and potential passengers. Once CLIA receives feedback from the CDC, there will be discussions about expanding the safety net into the communities of port. The cruise industry wants to ensure that guests will have the same level of

protection throughout their entire trips from the moment they board their ship. This means ensuring there are no holes in the safety net at ports, with a solid plan for prevention and response. Globally, the board has adopted a 100% testing provision. There are plans to reach out to communities and work with their EOCs to discuss on-shore safety measures.

Mr. Day added that it is significantly important to ensure a collaborative effort between CLIA and Alaskan communities. Standard protocols and standard expectations of tour operators from the various cruise lines are critical to ensuring success. There have been discussions with Juneau's Tourism Best Management Practices (TBMP) group on a partnership with Travel Juneau's Safe City Initiative. This partnership would serve as a clearinghouse, with which businesses would agree to abide by specific protocols and procedures that incorporate cruise line and CLIA protocols. Mr. Day serves on an ATIA Committee called Return to Cruising with members of Southeast Alaskan, Vancouver, and Seattle communities to formulate ideas and standardize efforts. It is important that ports have standardized protocols for the passengers, but it is also important that the cruise lines have standardized protocols for the ports. Currently, there is no data to understand how the 2021 cruise season might look, but he believes it will be quite different from everything that was projected. Mr. Day encouraged businesses to focus on a financial plan that will get them to 2022. He added that he does not mean there will be no revenue in 2021, but that it may be greatly reduced.

Mr. Botelho asked if there is intent for a working group with representatives from CLIA and Juneau, since Juneau is the premier port on Alaskan cruises. He would like to see an effort to work toward having systems in place for businesses that are not tours to maximize opportunities to interact with tourists.

Mr. Day replied that he has been sending emails to the one hundred plus members of the TBMP businesses, encouraging them to begin exploring how to minimize touchpoints, increased sanitation protocols, and other mitigation measures.

Mr. Tibbles stated that Europe adopted a Healthy Gateways Plan, and that Caribbean countries adopted guidelines for Safe Return to Cruise Line Operations. The biggest unknown currently is the rules the CDC will require of the cruise lines. However, this should become clearer in the coming weeks. Currently, CLIA is tackling big picture processes such as what would happen if a ship needs to offload a COVID-19 positive patient.

Mr. Botelho stated that the sooner we know what level of funding Juneau will need to meet the cruise industries expectations the better, especially if we can know this prior to the expiration of CARES Act funds.

Mr. Mertz stated that thinking long-term, Juneau's strength is the ability for a cruise passengers to exit a ship and experience many different types of tours in and around Juneau. He expressed concern regarding the directed path many of these protocols will require, and their impact on the small tour operations that may be losers under this scenario. In four to five years, what can Juneau do to continue to compete and remain vibrant when large attractions, such as Icy Straight Point, are in a stronger position due to being a larger operation? What can we do to keep Juneau special?

Mr. Tibbles replied that guests love coming to Juneau; it ranks extremely high. He believes that Juneau is only limited by its infrastructure and is optimistic that the future for Juneau is bright because of the customer demand.

Mr. Day stated there are many tour operators in Juneau who are not part of a cruise line program, but have great product. Perhaps TBMP can provide a safety net for its independent tour operator members who show they can follow the same protocols released by CLIA.

Ms. Martinson emphasized the importance of discussing any hints of what is coming in terms of protocols so

that small businesses can be thinking about how to be ready and gathering resources. Mr. Day agreed, adding that through TBMP email distributions, he has highlighted topics businesses should be considering.

Mr. Botelho wondered if the Task Force should try to own this topic a little more, working with Mr. Tibbles and Mr. Kirby. Mr. Koelsch agreed, stating that it is imperative to not only think about the business community, but the community in general. We do not want to find ourselves in a situation where the general community feels inhospitable to tourists because they are unaware of the safety guidelines and precautions that are in place.

**ACTION ITEM:** Mr. Mertz asked Mr. Koelsch and Mr. Botelho to form a fact-finding group to research the summer tourism issue and bring information to the Task Force to inform future actions.

Mr. Day asked the Task Force to remember, during its fact finding, that Travel Juneau is working on a Safe City program for Juneau.

### **Artworks Grant Update**

Mr. Mertz shared that the Juneau Arts and Humanities Council (JAHC) has released a Request for Proposal. There has been a question and answer session, and the JAHC has appointed a team for the proposals. Initial feedback from artists states that the deadline for the completion of the art is very short. There is a tremendous amount of interest, and the program is in good shape.

Ms. DeCherney shared there are 12 applicants so far. The deadline is at 5 p.m. on Monday, October 26. There are approximately \$105 thousand in requests. Overall, the artists seem happy and thankful.

Mr. Botelho asked if all applicants are based in Juneau. Ms. DeCherney answered that they are ensuring Juneau artists complete all aspects of the projects.

Ms. DeCherney shared the application process, which is quite simple. Artists apply online and answer ten questions. The proposals go before a panelist of seven individuals, who review the applications and score them on a scale of one to four.

Ms. Martinson asked if there is discussion of an online platform to purchase artwork that is normally sold at the Public Market, since that event has been canceled this year. Ms. DeCherney replied that the JAHC is already working on a solution for a virtual market. Vendors will log into a website that the JAHC manages, list their items, and ship out purchased items. The JAHC, in turn, distributes proceeds from the sales to the artists.

### **Juneau Lifeline: Funding for Businesses Substantially Harmed by Shutdown**

Mr. Mertz stated that, since the Task Force's recommendation on the Juneau Lifeline program, a team of people have been developing an ordinance to bring before the Task Force. A revised ordinance will be introduced to the Assembly on Monday, October 26 at the Regular Assembly Meeting.

Mr. Rogers shared that the Extreme Hardship Business Grant Ordinance requires grantees to be a year-round business, meaning at least one employee was in Juneau last winter and spring. Additionally, grantees must have experienced a 50% drop in sales. Based on tax data, we anticipate 100-150 businesses will apply. The application period is fixed and awards are determined by a set calculation. The recommended calculation is:

#### Jeff's Recommendation

$$\text{Grant Award} = \frac{\text{Applicant Q3 2019 Taxable Sales} - \text{Applicant Q3 2020 Taxable Sales}}{\text{All Eligible Applicants' Q3 2019 Taxable Sales} - \text{All Eligible Applicants' Q3 2020 Taxable Sales}} \times \text{Appropriation}$$

*Grant awards shall be adjusted accordingly such that no applicant is awarded a grant of more than \$50,000.00 or less than \$500.00*

This calculation allows for the award to match the relative economic harm they have received. It is likely that tourism businesses will qualify if they have year-round operations.

Mr. Mertz likes the idea of basing the award on the decrement between 2019 and 2020. Therefore, someone with a greater proportional loss will receive a larger grant amount. He reiterated the need for this application process to stay simple.

Mr. Botelho noted the range of grant awards ranged from \$5 thousand to \$25 thousand under the old calculation, and \$500 to \$50 thousand under the new calculation. He asked how they arrived at those numbers.

Mr. Rogers stated that the \$500 is not a floor, but a minimum payment for administrative convenience. The ceiling is higher because we have received feedback citing devastating losses. If a business that has experienced a 50% loss in revenue usually collects \$1 million in revenue, then \$25 thousand will not go very far. We are aware of a few restaurants and bars that are in the \$1 – 4 million range in terms of size of revenue.

Mr. Botelho wonders if the formulation will skew awards in a different way than the direction in which the grant was originally intended.

Mr. Mertz answered the number of businesses at the higher revenue levels would be very small. The largest group is that in the middle. Those businesses will receive grant amounts in a similar size of the previous fixed grant amounts. This was discovered by reviewing anonymized sample tax data; he feels good about the distribution and the program's original intent.

**MOTION:** by Ms. Thomas to recommend to the Assembly the Extreme Hardship Business Grant Ordinance as drafted, with an emphasis on application ease and speed due to business needs for purposes of further discussion. Mr. Botelho seconded the motion.

***Hearing no objections, the motion passed.***

#### **Non-Profit Grant Update**

Ms. Skilbred shared the Juneau Community Foundation (JCF) has received 79 applications for the Nonprofit Sustainability Grant program, totaling \$2,068, 093.00. Since there was additional funding, the program was opened for a second round of applications, and received an additional \$667 thousand in requests. JCF is determining eligibility on those requests currently.

Ms. Thomas stated the JCF sent a notification to nonprofits, asking that any food and shelter programs or areas of services be presented to the Task Force. Draft ordinances are being prepared for the requests by Southeast Alaska Food Bank and Safe Space for Schooling. Additional nonprofits that submitted programs for consideration include the youth shelter by Tlingit Haida Regional Housing Authority (THRHA), and Family Promise. A draft ordinance is being prepared for Family Promise, and the CBJ is working on the youth shelter.

Mr. Rogers stated that the City Attorney is working on an ordinance for the October 26 Regular Assembly meeting to convey a parcel of land from Alaska Legacy Partners to the CBJ. There is a private deal where THRHA compensates Alaska Legacy Partners for its investment so far. Then, THRHA will lease the property from the CBJ.

Ms. Thomas added that the Juneau Coalition on Housing and Homelessness has added this youth shelter as its number one priority.

Ms. Skilbred emphasized that moving this project forward with support is important. THRHA plans to request CARES Act funding to furnish the facility. However, the conveyance of the property needs to happen first, and is scheduled to be official near November. The youth shelter needs to be furnished for access of use by December 25 to use the CARES Act funds.

Mr. Forst asked for clarification on whether THRHA is requesting CARES Act money or not. Ms. Skilbred confirmed they are, but not for the roof replacement. Instead, they are requesting it for furnishing the building for immediate use.

Mr. Mertz asked Mr. Rogers if he is satisfied that a program kicked off on December 25 meets the requirement for CARES grants. Mr. Rogers stated there is a measure of risk when spending money that is not clearly defined in the U.S. Treasury Guidance. The worst-case scenario is that the CBJ may have to spend from the general fund if this project is deemed ineligible sometime in the future.

Ms. Thomas added there are two remaining requests from nonprofits for CARES Act funds. St. Vincent de Paul has requested reimbursement for COVID-19 qualified expenses they have incurred. An ordinance for funding this is being drafted by the CBJ for consideration. The Glory Hall is also seeking health insurance for its employees. This reason does not qualify for CARES Act funds, but may be an opportunity to request retroactive expenses that are eligible and have already been incurred.

Ms. Skilbred noted that the amount requested by the Southeast Alaska Food Bank has increased to \$94,300 due to a miscalculation in the backpack program for students to have food over the weekend.

### **Housing Assistance Update**

Ms. Erin Walker-Tolles said advertisements for the Housing Assistance program have started; applications will be accepted on October 27. She will be promoting the program on Juneau Afternoon on October 23 and Capital Chat on October 27. She is in the process of scheduling a Zoom meeting so people can ask questions and attain information. Posters are going up all over town. Libraries will print applications and bring them to the curb for people who do not have access to computers. Applicants may submit their application through a drop box in the parking lot at 1803 Glacier Highway if they choose not to email it.

### **Public Comment Matrix**

Ms. MacVay stated they received one comment for the Extreme Hardship Business Grant and one for nonprofit initiatives in the packet.

### **Good of the Order**

Ms. Martinson suggested that leftover CARES Act funds could be used to purchase rapid testing cartridges. Ms. MacVay reiterated the inquiry about testing, stating it would be a good topic to cover at a future meeting.

Mr. Koelsch asked if a strategy is being discussed for January, when funding is depleted and there may still be a large need. He suggested thinking about what the Task Force's recommendations might be to deal with the issue at that stage.

Mr. Mertz stated the Alaska Manufacturing Extension Partnership contacted the Task Force about helping to support online services for very small businesses. At this point, the Chairs do not feel they can make a recommendation. Ms. Thomas said that given the timing of the request, their program will not make the deadline for CARES Act eligibility. If there is an extension of funds and timelines, this may be reconsidered.

### **Adjourn**

At 4:28 p.m. the meeting was adjourned.

### **Appointed Task Force Members**

Max Mertz, Co-Chair • Linda Thomas, Co-Chair • Susan Bell • Theresa Belton • Bruce Botelho

Eric Forst • Ken Koelsch • Lauren MacVay • Laura Martinson • Terra Peters