



Port of Juneau

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Carl J. Uchytel
From: Carl Uchytel, Port Director

Digitally signed by Carl J. Uchytel
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ou=Docks & Harbors, email=Carl.Uchytel@juneau.org, c=US
Date: 2015.12.30 15:56:31 -09'00'

To: Kim Kiefer, CBJ Manager

Copy: Robert Steedle, CBJ Deputy Manager
Mila Cosgrove, HRRM Director

Date: December 30, 2015

Re: FY17 MARINE PASSENGER FEE REQUEST

1. Attached is a list of potential FY17 Marine Passenger Fee projects for your consideration. This list was approved by the Docks & Harbors Board at its December 10, 2015 regular meeting.

2. Please contact me or Port Engineer, Gary Gillette with any questions.

#

Encl: FY17 Docks & Harbors Marine Passenger Fee Request

CBJ Docks and Harbors Board FY2017 Marine Passenger Fee Request

Area Wide Port Operations

Descriptions: CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the docks enterprise.

The Board has established a number of fees to generate revenues from users of the assets. The Board has calibrated these fees to assure the overall revenue generated by the enterprise equals the overall cost of running the enterprise.

Many of the uplands assets are used by entities which it is not possible, feasible, or acceptable to charge fees. As a result, users paying fees are subsidizing users that do not pay fees. The services provided to these users are area wide in nature benefiting the general public and cruise ship passengers of private docks.

For the past several years, the Board has offset this subsidy with revenues from leases of property along the downtown Juneau waterfront. Faced with crumbling infrastructure in the small boat harbors and the inability to raise harbor fees without profound impacts to its users and the community, the Board has elected to redirect lease revenues of parcels along the waterfront from the Docks Fund to the Harbor Fund. In effect, revenues from these leases had been subsidizing area wide users of the docks enterprise facilities. As part of this initiative, the Board Identified services that are area wide in nature and not specific to users of the CBJ Docks.

Board identified the following services:

1. Year round maintenance and monitoring of Marine Park.
2. Maintenance and operation of year-round public parking at the Columbia Lot and seasonal public parking at the Steamship Wharf Plaza and the Visitor's Center Lot.
3. Maintenance and operation of year-round unrestricted pedestrian access along the waterfront at the public docks.
4. Maintenance of tour operators Vendor Booths.
5. Maintenance and operation of shuttle drop-offs and pick-ups in the CBJ loading zone that are used by all cruise ship terminals in Juneau.
6. Providing area wide port security.
7. Billing and collecting CBJ area wide fees for all docks.

The Board reviewed its FY13 budget and apportioned expenses associated with these services. Based on its review, it estimates that about 9% of the annual docks budget is attributable to area wide services.

**CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request**

Area Wide Port Operations (Continued)

Marine Passenger Fee Funds Requested (FY17): \$154,100

Benefits: This approach is supported by the cruise ship industry since it is more equitable than raising dockage fees. It also avoids the need to raise fees during the economic recession.

This approach meets the intent of the marine passenger fee since the services benefit all cruise ship passengers, not just the passengers at the public docks.

This approach allows the Docks and Harbors Board to direct part of the dock lease revenues to the much needed rebuild effort of the small boat harbors reducing the need for fee increases at the harbors.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request

Port-Customs and Visitor Center Buildings Maintenance Support

Project Descriptions: These two buildings are located on the downtown Juneau waterfront, an area that serves nearly one million cruise ship passengers each year. Docks and Harbors, an enterprise fund, is responsible for costs associated with operating the Port-Customs and Visitor Center Buildings. Expenses include all utilities (water, sewage, electrical, alarm monitoring) and facility support (parking lot, plaza, snow removal, janitorial and general maintenance).

Marine Passenger Fee Funds Requested (FY17): \$133,500

Approximately 4450 sq feet (building area) @ \$2.50/sq feet/month = \$133,500

Project Review: The Port-Customs Building was completed in May 2011 with the Visitor Center completion in June 2012. The project which included the buildings, infill dock construction, covered shelters, landscaping and plaza cost approximately \$9M and was funded with Marine Passenger Fees. The Port-Customs Building is occupied by the US Customs and Border Protection (CBP) year-round and Docks and Harbors staff from April to October. CBP claims to be exempt from any costs associated with their operations within a port. The Visitor Center Building is occupied from April to October by the Juneau Convention and Visitor Bureau, a non-profit organization for the purpose of supporting cruise passenger inquiries. The JCVB budget does not support maintenance of the building. This leaves the Docks enterprise funds fully exposed to the costs of maintaining and servicing these buildings.

Benefits: By establishing a Port-Customs and Visitor Center Buildings maintenance fund Docks & Harbors can better manage and maintain the properties entrusted under their responsibilities. Passenger fees were granted for this purpose in FY2013 through FY2016.

Maintenance and Operation Responsibility: CBJ Docks and Harbors is responsible for all ongoing maintenance and operating expenses of these two buildings and associated upland support facilities.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request

CBJ Parks & Recreation Landscape Maintenance Services

Project Descriptions: Docks & Harbors managed property includes the downtown waterfront from the Taku Dock to Merchant's Wharf. The landscaping has been maintained by CBJ Parks & Recreation seasonal staff for several years out of the CBJ general fund. Flowers, flower pots, trees, shrubs and grass along Marine Park, Cruise Ship Terminal and Alaska Steamship waterfront are meticulously planted and groomed in an admirable fashion. Beginning in FY15, Docks & Harbors was directed to fund this maintenance out of the Docks Enterprise budget.

Cost: \$45,000

Marine Passenger Fee Funds Requested (FY17): \$45,000

Project Review: The requested amount has been developed by a CBJ Parks & Recreation algorithm based on requirements to propagate, plant and maintain the vegetative cover, new seedlings, plants and flowers.

Project Time-Line: This project would be an interdepartmental transfer from Docks & Harbors to CBJ Parks & Recreation.

Maintenance and Operation Responsibility: Commencing in FY15, Docks & Harbors has been assigned sole responsibility for maintaining the greenery along the CBJ owned waterfront, including parking lot facilities.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchtyl, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request**

Downtown Pay Phones

Project Descriptions: To meet telephonic communications demands from cruise ship passengers and cruise ship crew, CBJ established a policy to maintain pay telephones in the downtown area including along the cruise ship docks.

Cost Estimate: \$12,000

Marine Passenger Fee Funds Requested (FY17): \$12,000

Project Review: This requirement has been developed at the request of CBJ Leadership to meet a lack of available telephones. In FY15, Docks & Harbors spent \$11,400 for pay phone maintenance, repair, and operating costs to support this need.

Project Time-Line: This requirement is current and expected to persist indefinitely.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will seek future passenger fee funds for these expenses.

Project Contact: Teena Scovill, Administrative Officer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request**

Flags & Banners

Project Descriptions: Flags and banners along the downtown waterfront have been jointly managed through multiple CBJ Departments. There is also a cost involved in renting scissor or basket lifts.

Cost Estimate: \$7,500

Marine Passenger Fee Funds Requested (FY17): \$7,500

Project Review: Many of the flags and banners are worn requiring replacement; this request would provide funding for purchase new aesthetically pleasing visual hanging devices.

Project Time-Line: Procure would begin upon receipt of funding.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will seek future passenger fee funds for these expenses.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request

Real Time Weather/Current Monitoring System – Phase III

Project Descriptions: This project would provide valuable weather and water current information to mariners that access the downtown Juneau waterfront including the four cruise berths (private and public) and the Taku Dock (serving Taku Fisheries). The project would establish wind and current monitoring sensors at various locations to offer real time information for navigation purposes. The system would be broadcast disseminated via a phone app, internet, or other public media commonly available to mariners in the immediate area.

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 fishermen 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, if fully funded, 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.

Marine Passenger Fee Funds Requested (FY17): \$97,500

Cost Estimate: \$172,500

Funds Previously Secured: \$75,000

Funds Needed but Not yet requested: \$0

Project Review: The new Cruise Ship Berths project generated discussions regarding maritime navigation in the area of the city owned new floating berths, the neighboring privately owned docks, and the city owned Taku Dock. The privately owned facilities indicated a need for real time current and weather information. Docks and Harbors proposed a comprehensive approach to the issue that would result in a system to cover the private and public docks thus resulting in cost savings and avoiding duplication of systems.

Project Time-Line: The first two phases of the project are complete. The third phase would be scheduled for completion by spring 2017 when the new cruise berths are complete.

Maintenance and Operation Responsibility: Maintenance for operational costs (electricity, equipment calibration, etc.) would be the responsibility of Docks and Harbors.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request**

Corrosion Protection for Marine Park Sheet Pile Wall

Project Descriptions: The existing metal sheet pile wall is in need of new coating and impressed current cathodic protection. The work protects the steel components of the wall from corrosion by salt water and would extend the life of the facility.

Cost Estimate: \$500,000

Marine Passenger Fee Funds Requested (FY17): \$500,000

Project Review: An inspection of the wall was performed by Tinnea and Associates, experts in cathodic protection. It was determined that the existing sheet pile wall had lost significant material of its protective coating and that the impressed current system no longer functions. The project is designed and ready for bidding as soon as funds are available.

Project Time-Line: Procurement would begin upon receipt of funding.

Maintenance and Operation Responsibility: CBJ Docks and Harbors is responsible for ongoing general maintenance expenses. The work of this project is beyond normal wear and tear and needs dedicated funding to complete this work.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request

Statter Harbor Passenger for Hire Facility - Design

Project Descriptions: The Statter Harbor Master Plan identified significant facility components that would be phased over time as funding becomes available. The Phase I component (repairs to existing moorage, removal of DeHart's floats and fuel dock, and replacement of moorage and fuel dock) was completed in May 2013. Phase II (construction of a new 2-lane launch ramp and upland parking facility) is currently under construction and scheduled to be complete by July 31, 2016. Given increased use and associated staging activities of the cruise ship related charter operations, a decision was made to move the boatyard function to the Auke Bay Loading Facility. This resulted in a need to update the Master Plan to reflect a new Phase III component. The new concept is to develop a kayak launch ramp, restroom facility, new passenger for hire float, and new uplands bus staging area. Planning for Phase III is underway with intent to be completed by spring. Design of the Phase III component would begin as soon as funding becomes available.

Marine Passenger Fee Funds Requested (FY17): \$800,000

Cost Estimate: \$5.4M

Funds Previously Secured: None

Funds Needed but Not yet requested: \$4.6M

Project Review: This project is part of the Statter Harbor Master Plan. The Passenger for Hire facility includes installation of a boarding float, gangway, dredging, and uplands passenger loading zone to service cruise ship passengers embarking on marine based tourism activities. Staging for these activities currently are conducted at Statter Harbor where the facilities are incapable of providing safe and efficient service. The current situation causes extreme congestion and greatly detracts from the local resident's ability to fully utilize the Don Statter moorage facility. A new kayak launch ramp would be constructed, as well as, new public restrooms to serve the new launch ramp area as well as the passenger for hire area. The funds requested would allow for design and permitting activities to move forward with this project.

Project Time-Line: The schedule for the proposed Passenger for Hire Facility is dependent upon funding.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use Harbor operations funds for these expenses.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request**

Visitor Information Kiosk Replacement - Design

Project Descriptions: The Visitor Information Kiosk serves cruise ship passengers needing information about Juneau. It is located in a strategic location near one of the two city owned docks that support the cruise industry. The current kiosk has exceeded its design life. The facility does not meet ADA standards, has inadequate heating, and does not provide adequate shelter for patrons. This request would provide funding for planning, design, and cost estimate for a new kiosk facility. Once costs are known it is anticipated a future funding request would be made for construction.

Cost Estimate: \$25,000

Marine Passenger Fee Funds Requested (FY17): \$25,000

Project Review: The Juneau Convention and Visitors Bureau requested that a new kiosk be provided which would offer a more user friendly facility and address safety and comfort concerns of volunteers. The current facility was moved from the Marine Park area when the Alaska Steamship Wharf was expanded for bus staging.

Project Time-Line: This project would begin the design phase upon allocation of funding.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will seek future passenger fee funds for these expenses.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request**

Future Cruise Terminal Staging

Project Descriptions: This project would be located in the downtown area near the cruise dock, an area that serves approximately one million cruise ship passengers each year. The project entails identifying and procurement of available Downtown lands necessary to accommodate additional staging areas required to accommodate the larger post-panamax sized cruise ships and greater passenger counts.

Marine Passenger Fee Funds Requested (FY17): \$1,000,000

Project Review: The Cruise Ship Terminal Staging Area, completed in spring 2014, greatly improves the efficiency and safety of the parking and embarkation in support of the cruise industry. However, due to geographic limitations and finite available land, new property must be pursued to ensure facilities are available to support increased passenger loads in the coming decade. The efficient management of future cruise ship land based needs will require securing adjacent uplands to the cruise ship berth.

Project Time-Line: The project would be planned and designed once procurement of lands is accomplished.

Maintenance and Operation Responsibility: This project is to identify and procure land available for future Docks enterprise initiatives.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

**CBJ Docks and Harbors Board
FY2017 Marine Passenger Fee Request**

Downtown Restrooms

Project Descriptions: The project would be located along the downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. The project consists of constructing new restroom facilities on a dock structure located on the recently purchased Archipelago property south of the Library/Parking Garage.

Cost Estimate: \$500,000

Marine Passenger Fee Funds Requested (FY17): \$500,000

Project Review: This project has been brought forward at the request of the Assembly to address the lack of adequate restroom facilities in the downtown waterfront area.

Project Time-Line: This project would begin design phase upon allocation of funding.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will seek future passenger fee funds for these expenses.

Project Contact: Gary Gillette, CBJ Port Engineer or Carl Uchtyl, CBJ Port Director 586-0292.