

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING AGENDA
For Tuesday, December 10th, 2013

- I. Call to Order** (5:00 p.m. to 7:00 p.m.) in the **Room 224, City Hall.**
- II. Roll Call** (Greg Busch, Kevin Jardell, Mike Peterson, Scott Spickler, and Tom Donek).
- III. Approval of Agenda.**

MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED.

- IV. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total).
- V. Approval of October 29th, 2013 Finance Committee Meeting Minutes.**
- VI. Items for Action.**

- 1. Mt. Roberts Tram Update
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

- 2. CBJ Marine Passenger Fee Priority List
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DEVELOPED AT MEETING

- VII. Items for Information/Discussion.**

- 1. CBJ Cruise Ship Port Charges.
Presentation by the Port Director

- VIII. Staff & Member Reports.**

CBJ DOCKS & HARBORS BOARD
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IX. Committee Administrative Matters.

1. Next Finance Committee Meeting January 28th, 2014

X. Adjournment.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, October 29th, 2013

I. Call to Order

Mr. Donek called the Finance Committee meeting to order at 4:58pm in CBJ room 224.

II. Roll Call

The following Finance Committee members were present: Greg Busch, Kevin Jardell, Mike Peterson, Scott Spickler, and Tom Donek.

Also in attendance were the following: Carl Uchytel - Port Director; Christopher Orman - Assistant City Attorney; Budd Simpson – Harbor Board Member; Bob Janes – Harbor Board member; Derek Duncan - Goldbelt; Robert Loiselle – Goldbelt; Charles Horan – Horan & Company; Per Bjorn-Roli – Reliant Advisory Services.

III. Approval of Agenda.

MOTION BY MR. SPICKLER TO APPROVE THE AGENDA AS PRESENTED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items – None.

V. Approval of September 24th, 2013 Finance Committee Meeting Minutes.

MOTION BY MR. SPICKLER TO APPROVE THE SEPTEMBER 24, 2013 FINANCE MEETING MINUTES AS PRESENTED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

VI. Items for Action.

1. Mt. Roberts Tram Appraisal Process & Invoice Status

Presentation by the Port Director

Mr. Uchytel addressed the approved motion from the full board meeting in September to accept the appraisal methodology as outlined in section 6 of the lease with setting the base rent of the Mt Roberts aerial tram lease with the lease payment set at the 10% of the appraised market value plus royalty rent and invoice Goldbelt.

Mr. Uchytel stated we received another appraisal from Goldbelt that was performed by Per Bjorn-Roli from Reliant Advisory Services. Mr. Uchytel recommended holding off on invoicing so the board can use new appraisal to negotiate with Goldbelt.

Committee Questions

Mr. Jardell asked Mr. Orman, CBJ attorney, if we can recommend an action and can Mr. Orman help draft a technical motion for the full board.

Mr. Orman answered yes.

Public Comment – None

CBJ DOCKS & HARBORS BOARD
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Committee Discussion/Action

MOTION BY MR. JARDELL TO RECOMMEND TO THE FULL BOARD TO AMEND OR HOLD OFF ON THE PRIOR APPROVED MOTION TO INVOICE GOLDBELT UNTIL WE CAN MOVE FORWARD UNDER THE PROCESS OF THE LEASE BASED ON RECEIVING THE NEW APPRAISAL AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

VII. Items for Information/Discussion.

1. Mt. Roberts Tram Appraisal Summary by Reliant Advisory Services

Presentation by Mr. Per Bjorn-Roli

Mr. Bjorn-Roli presented an overview of his site appraisal of the Mt. Roberts Tram based on unrestricted use and asked the members for any questions.

Mr. Peterson asked Mr. Bjorn-Roli to address the costs to bring the land to build-ready, the use of the vacant land area by Taku Smokeries, and the parcel of property known as Archipelago.

Mr. Busch asked to address the unrestricted use value based on the highest and best use of the land.

Mr. Peterson added to address the air rights.

Mr. Bjorn-Roli addressed the property values in relation to the tourism industry and referred to charts in his appraisal report. The lease instructions state for the value to be based on unimproved land only without any buildings or improvements made. This is to protect the leasee from being charged twice; once for the unimproved land and second for the value of the improvements the leasee may make. Mr. Bjorn-Roli estimated the original land was 40% tidelands at the time of lease. He addressed the four areas of improvements for the site was street access, topography and site filling, soil conditions, and the sewer and water access. Mr. Bjorn-Roli stated the property at its highest and best use would be retail on an unrestricted basis. He did use the extraordinary assumption the site would have access. Mr. Bjorn-Roli used six different downtown sites as sales comparisons.

He presented his technical differences between his appraisal and the Horan appraisal. He stated he did not believe the Horan appraisal valued the land at its as-is condition per the lease and over-stated market rent. He disagreed with Horan appraisal with the lack of land sale comparisons and the air rights considerations.

CBJ DOCKS & HARBORS BOARD
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2. Mt. Roberts Tram Appraisal Summary by Horan & Company
Presentation by Charles Horan

Mr. Charles Horan presented an overview of his site appraisal of the Mt. Roberts Tram. The Horan appraisal was based on the lease is valued with unimproved land at its highest and best use with the air rights. Mr. Horan addressed the market comparisons he used that Mr. Bjorn-Roli disagreed with and defended there are no identical comparisons to use and he chose the best comparisons available in relation to the unique tram property. Mr. Horan addressed the highest best use as retail as well and gave retail comparisons.

Mr. Simpson asked since the lease is clear about the value as unimproved land yet it is mentioned several times about the structures.

Mr. Horan answered the values are based on unimproved land only that was ready to develop.

Mr. Spickler asked about the guarantee of street access from D.O.T.

Mr. Horan answered the city would not do a lease and then not give street access.

Mr. Jardell asked could you value the highest and best use combined as retail and a tram.

Mr. Horan answered you could and compare it to a Ketchikan facility that has both.

Mr. Janes asked how can we use the highest and best use as retail even though the lease does not allow retail.

Mr. Horan stated the lease protects the leaser to make sure it gets the fair value of the land therefore; stating highest and best use even if not allowed.

Mr. Busch requested the board members to e-mail him if they are interested in being on the sub-committee to work with Goldbelt and Carl Uchytel to determine the base rent lease using both appraisals and making any amendments to the lease.

VIII. Staff & Member Reports.

Mr. Uchytel reported the Goldbelt lease for the Seadrome building is set to expire and we will need to determine the new base rent for this as well. The recent appraisal set the value at \$713,000 so the new rent at 10% of the value would be \$71,300 a year which would be double. The property was also valued by the assessor at \$680,000.00 therefore; rent would be \$68,000 a year. Mr. Uchytel will work Bob Bartholomew, City Finance Director to determine the rent increase.

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Mr. Uchytel also reported related to the 16B project that Mr. Bartholomew is working on the Harbor debt service and bond revenue. Mr. Uchytel also went over the attached budget reports and project revenue related to Bond purchases. Mr. Bartholomew may need to go to the assembly for approval to purchase more bonds.

Mr. Peterson asked about the Alaska Glacier Seafood status of wanting access to our ABLF parking facility.

Mr. Uchytel answered he will be contact Greg Fisk to address the access issue.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting November 19th, 2013

IX. Adjournment.

The Finance Committee adjourned at 7:01pm.



Port of Juneau

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From: *Carl Uchytel*
Carl Uchytel, Port Director
To: Docks & Harbors Board
Via: Dock & Harbors Finance Committee
Date: December 6th, 2013
Re: FY15 CBJ MARINE PASSENGER FEE PROPOSAL

Each year, the CBJ Manager solicits requests from CBJ Departments and local industry for CBJ Marine Passenger Fee proceeds. Approximately \$5M is collected through a local Marine Passenger Fee for each passenger arriving in Juneau. Using a formula, the CBJ Manager allocates approximately \$1.4M to the general funds of CBJ to offset the costs associated with the cruise industry. The remaining amount is distributed by the CBJ Manager on competitive basis to CBJ Departments and local industry.

For FY14, Docks & Harbors received the following Marine Passenger Fees:

- \$154,100 Docks & Facilities Operations
- \$133,500 Port-Customs Building & Visitor's Center Maintenance
- \$75,000 Real Time Monitoring & Communications System (meteorological data for cruise ship berths)
- \$7,700 Downtown Payphones
- \$60,000 Electrical Winches – Cruise Ship Terminal

Enclosure (1) is the proposed Docks & Harbors list for FY15 in prioritized order. Enclosure (2) was the CBJ Manager's recommended FY14 Passenger Fee Proceed list.

#

Docks and Harbors Board FY2015 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.

**Docks and Harbors Board
FY2015 Marine Passenger Fee Request**

Area Wide Port Operations (Continued)

Marine Passenger Fee Funds Requested (FY15): \$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.

**Docks and Harbors Board
FY2015 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 (FY15): \$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 and FY2014.

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 Uchtyl, CBJ Port Director 586-0292.

**Docks and Harbors Board
FY2015 Marine Passenger Fee Request**

Statter Harbor Passenger For Hire Facility

Project Descriptions: The Statter Harbor Master plan identifies four significant components that would be phased over time as funding is available. These components are as follows: Phase I - repairs to existing moorage, removal of DeHart's floats and fuel dock, and replacement of moorage and fuel dock; Phase II - construction of a new 2-lane launch ramp and upland parking facility; Phase III - replace existing launch ramp with new boat haul-out and kayak launch ramp; Phase IV - construction of a new passenger for hire float and uplands bus staging area to serve cruise ship related whale watching and fish chartering operators. Phase I was completed in May 2013; Phase II is in the final design process and scheduled for construction in fall 2014; Phase III would begin once Phase II is completed. Phases II is fully funded based on current cost estimates and Phase III is partially funded with expectation for full funding by construction in 2016.

Phase IV has no funding in place thus the construction schedule is dependent upon funding availability. 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. The funds requested would allow for design and permitting activities to move forward.

Marine Passenger Fee Funds Requested (FY15): \$800,000

Cost Estimate: \$5.4M

Funds Previously Secured: None

Funds Needed but Not yet requested: \$4.6M

Project Review: The project is part of the Docks and Harbor Board's approved Statter Harbor Master Plan which has been supported by the voters in three special sales tax ballots (2005, 2007, 2012).

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 Uchtyl, CBJ Port Director 586-0292.

**Docks and Harbors Board
FY2015 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 (FY15): \$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 Uchytel, CBJ Port Director 586-0292.

**Docks and Harbors Board
FY2015 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 (FY15): \$1,000,000

Project Review: The Cruise Ship Terminal Staging Area, scheduled for completion 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. A strategic approach to the management of future cruise ship requirement will require securing adjacent lands to the cruise ship berth.

Project Time-Line: This project has not been fully developed.

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.

**Docks and Harbors Board
FY2015 Marine Passenger Fee Request**

Downtown Pay Phones

Project Descriptions: To meet telephonic communications demands from cruise ship passengers and cruise ship crew, CBJ has established a requirement to maintain pay telephones in the downtown corridor.

Cost Estimate: \$7700

Marine Passenger Fee Funds Requested (FY15): \$7700

Project Review: This requirement has been developed at the request of CBJ Leadership to meet a lack of available telephones. In FY12, Docks & Harbors spent \$7755 from Docks operating funds 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 Assistant or Carl Uchytel, CBJ Port Director 586-0292.

**Docks and Harbors Board
FY2015 Marine Passenger Fee Request**

Visitor Information Kiosk Replacement

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.

Cost Estimate: \$150,000

Marine Passenger Fee Funds Requested (FY15): \$150,000

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.

MEMORANDUM

CITY/BOROUGH OF JUNEAU
City & Borough Manager's Office
155 S. Seward St., Juneau, Alaska 99801
Kim_Kiefer@ci.juneau.ak.us



Voice (907) 586-5240
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DATE: March 4, 2013
TO: Assembly Finance Committee
FROM: Kimberly Kiefer *KAK*
City and Borough Manager
SUBJECT: FY14 Passenger Fee Proceeds Recommendations

Based on our latest projection of 975,000 passengers expected to visit this summer, the amount of revenue available in FY14 is anticipated to be \$4,800,000. Attached is the only comment received during the public comment period. I am recommending that the proceeds be divided between operations and capital projects as follows:

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, reviewed by the NorthWest CruiseShip Association and evaluated by Elgee, Rehfield and Mertz, LLC, determined this formula provided a fair and accurate assessment of costs. The formula has not been adjusted since its initial creation.

Capital City Fire/Rescue (CCFR) Air Medevac Support

\$25,000

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, there were 27 medical transports by helicopter in response to situations involving cruise ship passengers or crew. On average, CCFR only recovers 36% of the total costs from patient billings.

Bartlett Regional Hospital Support

\$54,460

Project Description

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

Non-Profit Air Medevac Support

\$50,000

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.

Tourism Best Management Practices Support

\$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 funding provided by Marine Passenger Fee proceeds.

Crossing Guards

\$128,000

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.

Downtown Foot/Bike Patrol

\$87,000

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 and retired police officers, as

seasonal employees, to patrol the downtown area during the summer. Downtown patrol is currently supplemented with additional, time limited, grant funded positions. This allows the requested funding to be reduced. When the grant funds end the cost for this service will increase.

Downtown Restroom Maintenance

\$75,000

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.

Restroom Cleaning and Maintenance – AJ Juneau Dock, LLC (does not include landscaping)

\$15,000

Project Description

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

Restroom Cleaning and Maintenance – Franklin Dock Enterprises, LLC

\$15,000

Project Description

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

Juneau Port Security and Short-Range Response Boat – AJ Juneau Dock, LLC

\$19,600

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.

Port Security Guard, Security Training and Exercises – AJ Juneau Dock, LLC

\$26,000

Project Description

This is a request to fund a number of port security related expenses and projects. The training and exercise funding will benefit all regulated Juneau cruise ship passenger facilities. The AJ dock has been host to two large maritime security exercises. The AJ dock and other local facilities participate in annual security training. The annual request is usually \$44,000, however this year it has been reduced due to revisions in the annual requirements, thus reducing costs.

Downtown Cleaning

\$95,000

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 summer employees to operate and maintain the sidewalk sweepers and empty downtown garbage containers.

Transit Public Bus Service

\$300,000

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 other areas of Juneau beyond downtown. Our transit system is heavily subsidized.

Juneau Convention and Visitors Bureau (JCVB)

\$142,000

Project Description

The JCVB provides summer visitors with information, directions, and assistance. Program expenses include administrative support for training and supervision of 120 volunteers, managing the cruise ship terminal kiosk, and Centennial Hall information centers, a paid seasonal visitor information position, and printed materials.

Accessible Training and Trip Coordination (SAIL)

\$48,000

Project Description

SAIL will provide training addressing the safety and participation of people with disabilities. In addition they will provide information on accessibility, deliver appropriate equipment, and coordinate with local operators to provide safe and accessible experiences.

Seasonal EMS Transport Program

\$166,100

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 two years ago and has proven 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, other EMS calls as needed, and to participate in fire suppression

as an ancillary duty. It also pays for the replacement of consumable medical supplies used on board the ambulance and fuel costs directly related to cruise industry medical transports.

Downtown Ambassador Program

\$56,300

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.

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 areawide service to cruise ship passengers.

Port-Customs Building Maintenance

\$133,500

Project Description

The Port-Customs building will be occupied by the Department of Homeland Security-Customs Border Protection year-round and Docks and Harbors staff from April through October. Funding for this project also includes support for the new Visitors Center, which will be managed by the Juneau Convention and Visitors Bureau. Docks and Harbors will be responsible for the year-round maintenance and operation of the facility, which includes all utilities, alarm monitoring, winter snow removal, janitorial, maintenance of the parking lot, and general maintenance of the facility.

CAPITAL PROJECTS

Waterfront Seawalk

\$983,140

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 was one of the top FY11 priorities of the Assembly.

Real Time Monitoring and Communications System

\$75,000

Project Description

This project would provide wind and current monitoring sensors at the various dock locations allowing for real time information for navigation purposes. The system would be broadcast over radio, internet, or other public media to be available to all cruise ships navigating in the immediate area.

Dock Entrance Atrium – AJ Juneau Dock, LLC

\$145,000*

Project Description

This project would provide funding for the design and partial construction of a permanent covered area for cruise ship passengers, providing a focal gateway to the facility where passengers and workers would be sheltered from inclement weather. The covered area would have a historical mining theme and an outdoor warming fireplace and provide a specific location to meet traveling companions or groups as well as receive local and tour information. Currently, this area is covered by an inadequate canvas tent that is due for replacement this year. The concept is to create an aesthetic park-type atmosphere outside the restricted dock area for interpretive and historical information with features that complement the AJ/Juneau mining heritage and Juneau's natural beauty. This area will remain open for community use year-round. * \$170,190 was funded last year, requesting an additional \$145,000 this year to complete the project

Security Lighting – Franklin Dock Enterprises, LLC

\$15,000

Project Description

Provide funding to install security lighting on the approach dock awning (covered area) to provide a continuous fully-lit section of passenger/pedestrian walkway along the secure and restricted area.

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Construction of a new tour information booth for excursion personnel to utilize to answer passenger questions and work with local tour operators out of the rain and weather on a daily basis. (much like what was approved/constructed for AJ Dock with Marine Passenger Fee funds in 2011)

MEMORANDUM

CITY/BOROUGH OF JUNEAU
City & Borough Manager's Office
155 S. Seward St., Juneau, Alaska 99801
Kim_Kiefer@ci.juneau.ak.us



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

DATE: March 4, 2013
TO: Assembly Finance Committee
FROM: Kimberly Kiefer *KAK*
City and Borough Manager
SUBJECT: FY14 Passenger Fee Proceeds Recommendations

Based on our latest projection of 975,000 passengers expected to visit this summer, the amount of revenue available in FY14 is anticipated to be \$4,800,000. Attached is the only comment received during the public comment period. I am recommending that the proceeds be divided between operations and capital projects as follows:

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, reviewed by the NorthWest CruiseShip Association and evaluated by Elgee, Rehfield and Mertz, LLC, determined this formula provided a fair and accurate assessment of costs. The formula has not been adjusted since its initial creation.

Capital City Fire/Rescue (CCFR) Air Medevac Support

\$25,000

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, there were 27 medical transports by helicopter in response to situations involving cruise ship passengers or crew. On average, CCFR only recovers 36% of the total costs from patient billings.

Bartlett Regional Hospital Support

\$54,460

Project Description

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

Non-Profit Air Medevac Support

\$50,000

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.

Tourism Best Management Practices Support

\$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 funding provided by Marine Passenger Fee proceeds.

Crossing Guards

\$128,000

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.

Downtown Foot/Bike Patrol

\$87,000

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 and retired police officers, as

seasonal employees, to patrol the downtown area during the summer. Downtown patrol is currently supplemented with additional, time limited, grant funded positions. This allows the requested funding to be reduced. When the grant funds end the cost for this service will increase.

Downtown Restroom Maintenance

\$75,000

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.

Restroom Cleaning and Maintenance – AJ Juneau Dock, LLC (does not include landscaping)

\$15,000

Project Description

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

Restroom Cleaning and Maintenance – Franklin Dock Enterprises, LLC

\$15,000

Project Description

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

Juneau Port Security and Short-Range Response Boat – AJ Juneau Dock, LLC

\$19,600

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.

Port Security Guard, Security Training and Exercises – AJ Juneau Dock, LLC

\$26,000

Project Description

This is a request to fund a number of port security related expenses and projects. The training and exercise funding will benefit all regulated Juneau cruise ship passenger facilities. The AJ dock has been host to two large maritime security exercises. The AJ dock and other local facilities participate in annual security training. The annual request is usually \$44,000, however this year it has been reduced due to revisions in the annual requirements, thus reducing costs.

Downtown Cleaning

\$95,000

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 summer employees to operate and maintain the sidewalk sweepers and empty downtown garbage containers.

Transit Public Bus Service

\$300,000

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 other areas of Juneau beyond downtown. Our transit system is heavily subsidized.

Juneau Convention and Visitors Bureau (JCVB)

\$142,000

Project Description

The JCVB provides summer visitors with information, directions, and assistance. Program expenses include administrative support for training and supervision of 120 volunteers, managing the cruise ship terminal kiosk, and Centennial Hall information centers, a paid seasonal visitor information position, and printed materials.

Accessible Training and Trip Coordination (SAIL)

\$48,000

Project Description

SAIL will provide training addressing the safety and participation of people with disabilities. In addition they will provide information on accessibility, deliver appropriate equipment, and coordinate with local operators to provide safe and accessible experiences.

Seasonal EMS Transport Program

\$166,100

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 two years ago and has proven 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, other EMS calls as needed, and to participate in fire suppression

as an ancillary duty. It also pays for the replacement of consumable medical supplies used on board the ambulance and fuel costs directly related to cruise industry medical transports.

Downtown Ambassador Program

\$56,300

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.

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 areawide service to cruise ship passengers.

Port-Customs Building Maintenance

\$133,500

Project Description

The Port-Customs building will be occupied by the Department of Homeland Security-Customs Border Protection year-round and Docks and Harbors staff from April through October. Funding for this project also includes support for the new Visitors Center, which will be managed by the Juneau Convention and Visitors Bureau. Docks and Harbors will be responsible for the year-round maintenance and operation of the facility, which includes all utilities, alarm monitoring, winter snow removal, janitorial, maintenance of the parking lot, and general maintenance of the facility.

CAPITAL PROJECTS

Waterfront Seawalk

\$983,140

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 was one of the top FY11 priorities of the Assembly.

Real Time Monitoring and Communications System

\$75,000

Project Description

This project would provide wind and current monitoring sensors at the various dock locations allowing for real time information for navigation purposes. The system would be broadcast over radio, internet, or other public media to be available to all cruise ships navigating in the immediate area.

Dock Entrance Atrium – AJ Juneau Dock, LLC

\$145,000*

Project Description

This project would provide funding for the design and partial construction of a permanent covered area for cruise ship passengers, providing a focal gateway to the facility where passengers and workers would be sheltered from inclement weather. The covered area would have a historical mining theme and an outdoor warming fireplace and provide a specific location to meet traveling companions or groups as well as receive local and tour information. Currently, this area is covered by an inadequate canvas tent that is due for replacement this year. The concept is to create an aesthetic park-type atmosphere outside the restricted dock area for interpretive and historical information with features that complement the AJ/Juneau mining heritage and Juneau's natural beauty. This area will remain open for community use year-round. * \$170,190 was funded last year, requesting an additional \$145,000 this year to complete the project

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Port of Juneau

155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

From: Carl Uchytel, Port Director
To: Kirby Day, Princess Cruises
Drew Green, Cruise Line Agency of Alaska
Date: November 13, 2013
Re: 2014 City and Borough of Juneau Port Charges

As requested, the charges applicable to cruise ships visiting Juneau are listed below.

More detailed information is available:

http://library.municode.com/HTML/13307/level3/PTIVADCORE_TIT05DOHA_CH15FECH.html

http://www.juneau.org/clerk/Notices/documents/Ord2012-27_Final_Marine_Passenger_Fee.pdf

1. Dockage Charges (05 CBJAC 15.030) - \$3 per foot per day
2. Port Maintenance Fee (05 CBJAC 15.040 - \$0.055 per net ton/lightering operations less than 3 hours at \$0.0225 per net ton
3. Potable Water Fee (05 CBJAC 15.050) - \$4.67 per thousand gallons
4. Vessel Lightering Fee (05 CBJAC 15.060) - \$600 per day
5. Marine Passenger Fee (CBJ Ordinance 69.20, applies at private and public docks) - \$5 per arriving passenger
6. Port Development Fee (CBJ Resolution 2552, applies at public and private docks) - \$3 per arriving passenger.

Please contact me or Ms. Teena Scovill if you have questions at 586-0292.

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