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CBJ Assembly and Economic Stabilization Task Force
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Honorable Assembly Members & Economic Stabilization Task Force:

Our purpose is to educate citizens on issues of our economy, which is now in crisis. We strongly encourage the Assembly to consider the points offered below and to rethink its entire approach to the covid-19 crisis.

The Problem:

Businesses are shut and people are out of work. Following one month of the stay-at-home strategy (March) one half of small businesses and one third of US renters have failed to pay all their rent¹. Those out of work in Juneau without sufficient cash reserves are enduring hardship, yet they have no option to retreat. The CBJ can expect sales tax revenues to plummet as the entire 2020 tourism season is lost.

Objective:

Facilitate the rapid recovery of the Juneau economy and minimize continuing negative economic impacts by reducing the cost of living.

Citizens at risk:

People out of work without sufficient cash reserves are at immediate risk. We urgently need short-term policies to forestall real life-changing impacts. Workers at greatest risk are largely in small business and secondary industries (e.g., services and hospitality). Clearly a minimum of half of the 2020 tourism year is gone and the remainder is dubious.

The Plan:

CBJ has demanded the private sector shoulder the economic burden by closing businesses and un-employing many of our citizens, yet public employees have been protected. In addition, CBJ leadership is considering asking landowners to shoulder a property tax increase.

¹ <https://www.wsj.com/articles/half-of-small-businesses-havent-paid-full-april-rent-early-poll-suggests-11585945604?mod=searchresults&page=1&pos=2>

First Things First Alaska Foundation (FTFAF) is dedicated to preserving the economic viability and future of Alaska through education. There is a clear need to educate the public on the benefits of responsible economic development and natural resource management.

IMMEDIATE reductions in the cost of living are paramount to avoid foreclosures, evictions, and bankruptcies. With nowhere to go or means to get there, persons so affected will become dependent on government programs and charity. We need to immediately reduce or forgive expenses to these people or be forced to pay for their support through the above means. The CBJ can and should formulate short-term plans to reduce the cost of living, and long-term plans to help grow economic opportunity.

CBJ could immediately waive city fees and tax collections; such as, (1) water & sewer bills, (2) property taxes, (3) sales taxes, and (4) user fees (e.g. bus fares). This would necessitate reductions in CBJ spending, including furloughing without pay, reducing hours, or adjusting pay levels of city employees. The impact on city employees would be severe, but no more so than those citizens who are already impacted.

For the longer-term the CBJ should begin immediate planning on infrastructure projects that will help build future growth opportunities (e.g. Juneau Access Project, multi-modal SE transportation plan) and take aggressive action on any other projects currently planned.

Specific policy proposals could include:

- Stop all non-essential CBJ activities and reduce FTEs accordingly.
- Allow private businesses to reopen with social distance guidance directions. There is no reason for the government to arbitrarily choose winners and losers. Dog groomers, for example, certainly ought to be able to develop protocols preventing person to person contact while performing their service.
- Reduce annual property taxes for businesses based on the percentage of time the business was closed by city mandate or policy
- Move to secure federal funding for significant infrastructure development and modify permitting to allow near-term groundbreaking.
- Begin developing marketing strategies ready to roll out as soon as the general quarantine is lifted.
- Petition the federal government to waive the passenger service act so that Canada cannot control our tourism industry.

With respect,

A handwritten signature in black ink, appearing to read "Frank Kahklen for". The signature is written in a cursive, flowing style.

Joe Kahklen, President