



# ASSEMBLY COMMITTEE OF THE WHOLE AGENDA

November 3, 2025 at 6:00 PM

Assembly Chambers/Zoom Webinar

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**Assembly Committee of the Whole Worksession - No Public Testimony will be taken.**

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

**A. CALL TO ORDER**

**B. LAND ACKNOWLEDGEMENT**

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

**C. ROLL CALL**

**D. APPROVAL OF AGENDA**

**E. APPROVAL OF MINUTES**

1. **September 8, 2025 Assembly COW Minutes - Draft**

**F. AGENDA TOPICS**

1. **West Douglas Master Planning and Goldbelt Corporation LLC's West Douglas Development Phase I: Port Development and Infrastructure Project**
2. **Tourism Policy**
3. **Visitor Industry Task Force (VTIF) 2**
4. **Telephone Hill Update**

**G. STAFF REPORTS**

**H. NEXT MEETING DATE - DECEMBER 1, 2025**

**I. SUPPLEMENTAL MATERIALS**

1. **2025-11-03 Goldbelt Memo - Correction to Attachment B listing Applicant**

**J. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, e-mail: [city.clerk@juneau.gov](mailto:city.clerk@juneau.gov).



## ASSEMBLY COMMITTEE OF THE WHOLE

**DRAFT- MINUTES**

September 8, 2025, at 6:00 PM  
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### A. CALL TO ORDER

Chair Woll called the Assembly Committee of the Whole to order at 6:03pm.

### B. LAND ACKNOWLEDGEMENT – Led by Ms. Adkison

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

### C. ROLL CALL

**Assemblymembers Present:** Christine Woll, Mayor Beth Weldon (via zoom), Alicia Hughes-Skandijs, Wade Bryson, Paul Kelly, Ella Adkison, Neil Steininger, and Maureen Hall.

**Assemblymembers Absent:** Deputy Mayor Greg Smith

**Staff:** City Manager Katie Koester, Deputy City Manager Robert Barr, Attorney Emily Wright, Municipal Clerk Breckan Hendricks, Visitor Industry Director Alix Pierce, and Meeting Tech Kevin Allen.

### D. APPROVAL OF AGENDA – Approved by unanimous consent.

### E. APPROVAL OF MINUTES – Approved by unanimous consent.

#### 1. 2025-08-04 Assembly Committee of the Whole Minutes – Draft

### F. AGENDA TOPICS

#### 1. Process for Flood Mitigation Next Steps

Manager Koester explained the purpose of her memo was to outline decisions that must be made before the next Glacial Lake Outburst Flood (GLOF) season. She reported that Phase 1 of the project is complete and came in under budget, though some expenses remain unresolved due to pending litigation. The Assembly may still decide whether to exempt certain properties and whether to adjust the Local

Improvement District (LID) assessments to an amount not exceeding \$6,300 per property. She noted that the Tlingit & Haida Central Council received \$880,000 in grant funding and that the Alaska Department of Environmental Conservation (DEC) provided a 50% forgivable loan for the construction portion of the project. These funds could be used to offset either the city's general fund contribution, which was part of the 60/40 split with property owners, or to reduce the property owner assessments. The Assembly must also determine the final assessment roll, decide whether to expand the LID or create a special tax district, and address how ongoing maintenance will be funded for damaged barriers and armoring.

Chair Woll asked whether maintenance costs were included in the LID. Manager Koester confirmed they were not. Attorney Wright explained that an LID can only fund capital projects, not maintenance, meaning future maintenance would require separate funding.

Ms. Adkison asked if the LID was closed, and if funds were remaining, could the funds be used for maintenance. Attorney Wright confirmed that was accurate.

Manager Koester stated that Phase 2 is projected to cost around \$19 million, primarily due to armoring expenses. She emphasized that the Assembly would need to conduct a risk analysis and decide which inundation map and barrier height to use. Because Phase 2 involves fewer but higher-value commercial properties, the same assessment methodology used in Phase 1 may not be applicable. She added that external funding for Phase 2 remains uncertain. Representative Begich's \$3.2 million request has not yet passed Congress, though the DEC has listed the project as eligible for another 50% forgivable loan. She also noted ongoing discussions with the Army Corps of Engineers regarding possible assistance with armoring, HESCO barriers, and technical support, which could reduce overall costs.

Mayor Weldon asked whether the city could apply different assessment structures for residential and commercial properties, and Attorney Wright said she would research that question.

Chair Woll suggested bringing in National Weather Service staff to help visualize potential flood volumes at a future GLOF meeting.

Mr. Kelly asked for a funding timeline, and Manager Koester said she is analyzing assessment values and mill rates to determine whether projected revenue would be sufficient for Phase 2 and maintenance.

Manager Koester also reported that the city is working with the Natural Resource Conservation Service (NRCS) on a voluntary buy-out program for View Drive properties. Guidance from NRCS is expected on November 13. Only two households have agreed so far, and because participation is voluntary, the program cannot move

forward without full neighborhood cooperation. She noted that buy-out offers would be based on assessed property values prior to any disaster declaration. Some homes on View Drive do not have enough space for protective barriers, and that analysis has not yet been completed.

Mr. Bryson asked what would happen if there was no neighborhood consensus on the buy-out, and Manager Koester reiterated that participation must be unanimous for the program to proceed.

Mr. Steininger asked about the two ineligible properties mentioned in the memo, and Chair Woll inquired about how their flood risk compared with homes under Behrends Avenue, another area the Assembly has previously discussed for potential buyouts related to landslide risk. Manager Koester added that the NRCS funding requirement for a 25% non-federal match could potentially be addressed.

Mr. Kelly asked about a mid-term solution, and Manager Koester responded that the Army Corps of Engineers is seeking to develop a solution sooner than the current ten-year timeline. She noted that while the city can currently handle flood levels up to about 14 or 15 feet, the risk continues to increase.

**MOTION** by Mayor Weldon to direct staff to bring forward an appropriation ordinance to redirect the \$5 million funds from the Capitol Civic Center project to flood mitigation. ***Hearing no objection, the motion was adopted by unanimous consent.***

**2. Ordinance 2025-39 An Ordinance Authorizing the Negotiation and Execution of a Purchase of Two Floors of the Michael J. Burns Building and Formation of a Commercial Condominium Association**

Manager Koester outlined the timeline leading to the consideration of renting space in the Burns Building. She discussed issues with the current City Hall and waterfront buildings, including renovation costs, and noted that \$14.6 million remains in the City Hall CIP.

Mr. Kelly inquired about remodel options and whether a sound system would be included. Manager Koester responded that was difficult to answer without additional design work.

Mayor Weldon asked about the cost implications of a reverse layout. Manager Koester said she was unsure and that a space needs analysis would be required.

Ms. Hughes-Skandijs asked for clarification regarding Option 1 and the de-appropriation amount. Manager Koester explained that the estimated costs primarily

cover relocation expenses, such as minor construction, IT setup, and electrical work, but do not include new carpet, paint, or furniture.

Ms. Hughes-Skandijs inquired further about what would constitute the bare minimum setup, particularly regarding cubicle walls and workspace configuration. Manager Koester clarified that such additions would increase costs beyond Option 1. She noted that detailed cost estimates for a “bare minimum” option could be developed if the Assembly wished to pursue that approach.

**MOTION** by Mayor Weldon to move Ordinance 2025-39 to the full Assembly.

OBJECTION by Ms. Hughes-Skandijs stating she dislikes the option but acknowledged that unless the Assembly commits funding to address existing building issues, there is little alternative. She said she would not object further and expressed regret about the previous City Hall vote.

Mr. Bryson said this topic has been discussed for years. While a purpose-built facility would have been ideal, he said moving into the Burns Building allows the City to make progress. He encouraged support for the ordinance.

Mr. Kelly also spoke in support, noting public concern about the City’s lack of maintenance of City Hall. He said maintenance costs would be incorporated into the condo fees at the new location and commented on the inefficiency of the current CBJ layout.

**ROLL CALL VOTE**

Yes: Weldon, Kelly, Hughes-Skandijs, Hall, Bryson, Woll

No: Adkison, Steininger

Motion passed, 6–2.

**MOTION** by Mayor Weldon to move Ordinance 2025-39 An Ordinance Authorizing the Negotiation and Execution of a Purchase of Two Floors of the Michael J. Burns Building and Formation of a Commercial Condominium Association to the full Assembly passes.

**MOTION** by Ms. Hall to direct the Manager to develop designs for Option 3 to bring back to the Assembly.

OBJECTION by Ms. Hughes-Skandijs. She expressed a preference for Option 2 and recommended keeping costs near \$1.5 million.

OBJECTION by Mayor Weldon for the purposes of an amendment.

**AMENDMENT #1** by Mayor Weldon to amend the motion to direct the Manager to proceed with Option 3 and return with more detailed cost estimates for both reverse and non-reverse layouts to the committee.

OBJECTION for the purpose of a question. Mr. Steininger asked whether this amendment requested estimates for both Options 2 and 3. Mayor Weldon confirmed that it did.

***Hearing no further objection, the motion as amended was adopted by unanimous consent.***

***[An at-ease was observed from 7:18PM to 7:30PM.]***

### **3. Seawalk and Big Picture Marine Passenger Fees (MPF) Capital Project Planning**

Ms. Pierce presented an informational update on waterfront capital projects related to the Seawalk and marine passenger fee-funded initiatives. She explained that while no formal action or funding request was before the Assembly, several major projects are in development and will likely require future Assembly direction regarding prioritization and financing.

Ms. Pierce noted that any debt financing under consideration would involve revenue bonds or similar financing mechanisms tied to marine passenger fees or dockage fees, and not general obligation bonds.

She outlined ongoing and potential projects as follows:

Franklin to AJ Dock Seawalk Alignment:

This long-standing Waterfront Master Plan priority is progressing through easement negotiations and land swaps with Franklin Dock and AJ Dock owners. The last estimate was about \$20 million, with \$7.4 million currently in the Seawalk CIP. Staff expect to return to the Assembly for funding direction. Construction is anticipated in 2027, coordinated with Petro Marine work.

Aak'w Landing to Gold Creek Alignment:

Staff recommend starting design for this new segment connecting to the existing Seawalk at Gold Creek. Coordination with nearby development and the Coast Guard facility is expected, with potential to use an inland right-of-way for safety.

Condition Assessment near Alaska Steamship Dock:

A marine passenger fee funded condition assessment will evaluate infrastructure near the parking garage. Findings may lead to significant repair or replacement work.

Shore Power CIP:

The \$13.3 million shore power project is under design through an MOA with AEL&P, with consultants for 35% design. A shovel-ready design will strengthen future funding applications, and public-private partnerships remain an option. Transformers, costing about \$3 million with a 28-month lead time, remain a key project consideration.

Ms. Pierce reiterated that as the Seawalk and shore power projects advance, staff will return with funding options, prioritization recommendations, and potential debt strategies based on marine passenger revenues.

Ms. Hughes-Skandijs asked about the Shore Power CIP and transformer procurement, inquiring whether certain equipment purchases could be made in advance given supply chain delays.

Ms. Pierce responded that while transformers are not entirely custom, specific technical decisions must be finalized as design progresses before ordering equipment.

Ms. Hughes-Skandijs also requested a general cost range for Seawalk segments. Ms. Pierce reiterated that the Franklin-to-AJ estimate was around \$20 million, while other segments would vary depending on complexity and length.

Ms. Hughes-Skandijs asked whether revenue bonds would be an applicable financing mechanism for both the Seawalk and shore power projects.

Ms. Pierce confirmed that revenue bonds or other debt instruments tied to marine passenger or dockage fees could be used and noted that Finance Director Flick would provide more detailed financing options at a later date.

**G. STAFF REPORTS - None**

**H. EXECUTIVE SESSION**

**1. Executive Session - Update on Bauer/Hatch HESCO lawsuit**

The City Manager recommends the Assembly recess into executive session to discuss an update on the Bauer/Hatch lawsuit.

**Suggested Motion:** I move the Assembly into executive session to discuss pending CBJ litigation, specifically a candid discussion of the facts and litigation strategies with the municipal attorney.

**MOTION** by Mr. Bryson that the Assembly enter into Executive Session to discuss pending CBJ litigation, specifically a candid discussion of facts and litigation strategies with the municipal attorney. *Hearing no objection, the motion was adopted by unanimous consent.*

*[Executive Session started at 7:48PM]*

I. NEXT MEETING DATE - SEPTEMBER 29, 2025

J. SUPPLEMENTAL MATERIALS

1. 2025-08-04 Assembly Committee of the Whole Minutes - Draft

K. ADJOURNMENT

*There being no further business, the Committee of the Whole concluded its executive session at 8:30 p.m. and did not reconvene in open session.*



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## **MEMO**

**To: Deputy Mayor Greg Smith, and Assembly Committee of the Whole Members**

**From: Jill Lawhorne, AICP, Director** *Jill Lawhorne*

**Through: Katie Koester, City Manager**

**Date: October 30, 2025**

**Subject: West Douglas Master Planning and Goldbelt Corporation LLC's West Douglas Development Phase I: Port Development and Infrastructure Project**

### **Purpose**

This memo provides:

- A proposed process for the West Douglas Master Plan for Assembly approval.
- An update for the Assembly and the public on Goldbelt Corporation LLC's proposed port development and how it relates to the West Douglas Master Plan process.

### **Requested Motions:**

**Motion:** I move that the Committee of the Whole forward the proposed West Douglas Master Plan process to the full Assembly for support.

**Motion:** I move that the Committee of the Whole direct the manager's office to draft a Memorandum of Understanding for Services between the CBJ and Goldbelt Corporation LLC that addresses areas of critical concern including workforce housing, emergency services, public infrastructure, and transportation. The MOU should consider mitigating the impacts of the development and determine minimum service levels.

### **Overview**

The West Douglas area is identified as a new growth area under CBJ's Land Use Code, Comprehensive Plan, and the 1997 West Douglas Conceptual Plan. Because it is outside the Urban Service Area, development necessitates a master planning process to ensure that public services, transportation, and environmental impacts are properly addressed.

This process is an information and data-gathering effort to create a clear picture of potential impacts before development proceeds. This initial stage of data gathering will be informed by the conditional use application permit process that Goldbelt intends to begin soon. At the time of drafting this memo, a conditional use permit application has not been received.

## Multi-Agency Review

The following agencies will be involved to ensure that all on-site and off-site impacts are identified and addressed:

- **Alaska Department of Transportation (DOT):** Analyze full build-out impacts on North Douglas and Auke Bay, including ferry, bus, and Eaglecrest expansion considerations.
- **U.S. Forest Service (USFS):** Review recreation and visitor impacts on nearby lands, especially the Mendenhall Glacier area.
- **U.S. Army Corps of Engineers (USACE):** Evaluate cumulative environmental impacts as part of permit review.
- **U.S. Coast Guard:** Assess marine navigation, buoy placement, and wake zones related to marine access.
- **CBJ General Engineering:** Review utility and infrastructure needs at full build-out.
- **Capital City Fire & Rescue and Juneau Police Department:** Identify response and safety service requirements.
- **AEL&P:** Determine long-term power needs.
- **Alaska Department of Natural Resources (DNR):** Ensure tidelands use permits align with the master planning outcomes.
- **Alaska Department of Environmental Conservation (DEC):** Review wastewater and septic system considerations.
- **FEMA:** Review for floodplain and hazard permitting.
- **Emergency Management:** Hazard and safety needs.
- **Capital Transit:** Evaluate public transportation and safety needs.

## Goldbelt Development Analysis

Goldbelt's proposed port development on West Douglas is a major component of this process. Key considerations include (for more detail, see Attachment A: Goldbelt West Douglas Meeting Notes October 21, 2025):

- **Transportation and Access:**  
How cruise passengers move to and from the site remains uncertain. Unless the project's Memorandum of Understanding (MOU) includes a clear transportation plan, operations could shift after approval without CBJ input.  
  
The analysis must include North Douglas Highway and Auke Bay, considering that most passengers will likely travel to popular destinations such as the Mendenhall Glacier and downtown Juneau.
- **Onsite Visitor Behavior:**  
Similar ports in Alaska (Ward Cove, Sitka Sound) report that only 10–15% of passengers remain onsite. A 2024 CLIA survey showed that 77% of cruise passengers consider Juneau an important stop. This suggests most visitors will travel beyond the immediate port area.
- **Port Capacity:**  
This proposal would bring the total number of cruise ship berths in Juneau to seven. Even with current visitation limits in place through 2027, additional berths signal future growth. Infrastructure capacity must be evaluated to match potential increases in visitors.

## **Public Process**

CBJ staff will coordinate with the Assembly and Planning Commission to determine the level and scope of public engagement.

The West Douglas Master Plan will:

- Focus on land use and development impacts, not tourism policy.
- Include engagement with affected neighborhoods—especially North Douglas and Auke Bay—to discuss transportation and local impacts.
- Ensure compliance with CBJ code and be designed as a repeatable process for future new growth areas.

Separately, the Visitor Industry Task Force (VITF) will lead a community discussion on tourism growth, developing 10-year goals and recommending criteria for managing visitor numbers citywide.

## **Next Steps**

CBJ staff will return to the Lands, Housing and Economic Development Committee (LHEDC) and the Planning Commission to discuss:

- Project scope
- Timeline
- Public engagement plan

## **Attachments**

**Attachment A:** DRAFT CUP Application Narrative - W. Douglas Port Infrastructure Project

**Attachment B:** Goldbelt West Douglas Meeting Notes October 21, 2025

Date: \_\_ October 2025  
 To: City and Borough of Juneau  
 From: Port of Tomorrow Management Group  
**Subject: Conditional Use Permit Application – West Douglas Port Infrastructure Project**

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### Attachments:

Appendix A – Project Location and New Growth Areas

A-1 Map R - 2013 Comprehensive Plan

A-2 Plate 1, Chapter 6, 1997 West Douglas Conceptual Plan

Appendix B – CBJ Permit Application Form

1. Development Permit Application
2. Allowable/Conditional Use Permit Application
3. Sign Permit Application
4. Floodplain Development Permit Application
5. Subdivision & Development Plan Application

Appendix C – Concept Site Plan

Appendix D – Project Table of Uses (TPU)

Appendix E – Environmental Authorizations & Permits

Appendix F - PAC25-37 Pre-application conference report

Appendix G - USACE Permit Application

## 1. Introduction

Goldbelt, Incorporated (“**Goldbelt**”) is an Alaska Native Urban Corporation formed under the 1971 Alaska Native Claims Settlement Act, 43 U.S.C. 1601 *et seq.* (“**ANCSA**”). In partial settlement of its aboriginal land claims under ANCSA, Goldbelt selected land on the west side of Douglas Island in the City and Borough of Juneau (the “**Borough**”).

Goldbelt and Port of Tomorrow Management Group (“**Port of Tomorrow**” or “**PTMG**”) submit this application for a conditional use permit to develop a portion of Goldbelt’s Douglas Island ANCSA lands as a marine port facility (as further described herein, the “**Project**”). The Project involves extending and improving core utilities and construction of roads, parking area, onshore terminal building, a wastewater treatment plant, small boat harbor, and two (2) cruise ship berths.

The Project and this application are limited to infrastructure to support the port. Any development beyond this would be subject to a new permitting and planning process.

As private land, the Project area is subject to the same permitting process as any private property.

As ANCSA land, this area has a special meaning and purpose to Goldbelt.

Part of Goldbelt’s mission under ANCSA is “to hold, invest, manage and/or distribute lands, property, funds, and other rights and assets for and on behalf of members of an urban community of Natives”.<sup>1</sup> The intent of ANCSA is that land settlement be accomplished with self-determination, autonomy and “with maximum participation by Natives in decisions affecting their rights and property”.<sup>2</sup> This Project furthers Goldbelt’s achievement of its ANCSA mission.

After engagement with its shareholders and approval of its Board of Directors, Goldbelt, through Port of Tomorrow, submits this application for its first major ANCSA land development in its 53-year history.

## 2. Permitting Pathway

This application is for a conditional use permit under § 49.15.330 of the Code.

At the outset, we note that in PAC25-37 Conference Report from the Borough dated August 13, 2025, the Borough designated the Project as a ‘New Growth Area’ under § 49.70.110-190 of the Code, requiring a master plan before the Project can proceed. This designation as a New Growth is due – in part – to erroneous communication. The Project is not a New Growth Area requiring a master plan for at least two reasons.

First, New Growth Areas are, by definition, residential. As stated in § 49.70.120(2) New Growth Areas “should be mixed-type residential communities”.<sup>3</sup> This residential requirement is confirmed

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<sup>1</sup> 43 U.S.C. § 1602(o).

<sup>2</sup> 43 U.S.C. § 1601(b).

<sup>3</sup> See Code § 49.70.120(2) “Uses. Except as otherwise specified in the comprehensive plan, new growth areas should be mixed-type residential communities supported by an adequate level of recreational, public, industrial and commercial services, and should be capable of other support uses.”

by numerous New Growth Area subsections setting forth residential design and planning standards<sup>4</sup> and is reinforced by the 2013 Comprehensive Plan which describes New Growth Areas as “remote areas potentially suitable for mixed use with predominantly residential development”.<sup>5</sup> The West Douglas Conceptual also describes identified New Growth Areas as residential.<sup>6</sup>

While future development by CBJ, Goldbelt, or others could result in new housing on West Douglas, the proposed Project contains no residential development.

Second, the Project area is not within defined New Growth Area boundaries. The Code is clear that New Growth Areas are: “specific new growth area as designated in the comprehensive plan”.<sup>7</sup> The 2013 Comprehensive Plan and Chapter 6 of the 1997 West Douglas Plan (incorporated by reference into the 2013 Plan) identify New Growth Area boundaries by maps. The Project area is not within any mapped New Growth Area. See Appendix A-1 and A-2.

Because the Project is not a New Growth Area, a master plan would not be required. Given Project size and scope however, a CUP clearly would be required and the application subject to the permitting process in § 49.15.330.

The Project area is zoned ‘rural reserve’ under § 49.25.200. This mixed-use designation provides for conservation, natural resource development and “future community growth”.

As summarized in Appendix D, all Project uses are expressly permitted with a conditional use permit under the Table of Permitted Uses at § 49.25.300. While Port of Tomorrow and Goldbelt anticipate that conditions will be imposed, no rezoning, waivers, or variances are requested. The proposed activities are squarely permitted with a CUP under § 49.15.330.

Goldbelt has shared its long-term vision for its West Douglas ANCSA lands with the Borough Assembly and the public. A version can be found here: <https://goldbeltaani.com/>. While Goldbelt is committed to stewardship and development of its aboriginal lands, any activity beyond the Project would be subject to a separate planning and approval process.

### **3. Project Conformity with Officially Adopted Plans**

The Project conforms with the 2013 Comprehensive Plan and other Borough planning documents.

West Douglas Island has been the subject of extensive planning by the Borough and Goldbelt in both the 2013 Comprehensive Plan and the 1997 West Douglas Conceptual Plan. As noted above,

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<sup>4</sup> See for example Code § 49.70.120(3): “A new growth area project should include at least the number of residential units demonstrated by the developer as sufficient to create a viable community.” See also Code § 49.70.120(3): “The department will calculate the minimum acreage requirement for the project using a minimum density of four dwellings per acre.” See also Code § 49.70.250(1)(B) “The width of a section of residential roadway may be narrowed if . . .”, etc.

<sup>5</sup> 2013 Comprehensive Plan, Chapter 3, New Growth Area Development, page 21.

<sup>6</sup> See 1997 West Douglas Conceptual Plan, Chapter 6, Section A. “West Douglas Development Concepts”, pp. 6.2-6.5.

<sup>7</sup> See Code § 49.70.110.

Chapter 6 of the 1997 West Douglas Conceptual Plan has been incorporated by reference into the 2013 Comprehensive Plan.<sup>8</sup>

Both plans identify West Douglas as an area of future growth. In at least four (4) places the 2013 Comprehensive Plan specifically names West Douglas as desired port location. Chapter 5 of the Plan discussing Port Facilities states:

*“In the long term, development of new port facilities that would be more accessible to marine traffic of Southeast Alaska should be located along the western shore of Douglas Island, if deep water ports, breakwater facilities, adequate roads, and a channel crossing were made available to support this development.”<sup>9</sup>*

This is just an example of numerous references to West Douglas as a proposed port location.<sup>10</sup>

The Project also meets broader 2013 Comprehensive Plan’s goals of economic development, infrastructure investment, and extension of utilities. The Project’s extension and enhancement of critical infrastructure to West Douglas – in particular water, wastewater management, and electric power upgrades – could be a foundation for future investment in West Douglas Island that meets other Borough planning goals such as housing and enhanced tourism and recreation opportunities. However, these elements are not part of the Project.

As noted above, a key plan conformity question is whether a master plan is required before development on West Douglas.

Chapter 6 of the 1997 West Douglas Plan states:

*“Before any significant development in the West Douglas study area can occur (of more than a minor nature), a Master Plan must be prepared and approved by the CBJ Assembly, in accordance with the guidelines for New Growth Areas provided in the Comprehensive Plan and Land Use Code.”*

We note this language requires a master plan be **“in accordance with the guidelines for New Growth Areas in the Comprehensive Plan and the Code.”** (Emphasis added). The only place in Title 49 Land Use Code which contains a master plan procedure is New Growth Area development under Code § 49.70.110-190. Again, the master plan requirement turns on the issue of whether the Project is a New Growth Area.

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<sup>8</sup> See 2013 CBJ Comprehensive Pla Update, Chapter 3, New Growth Area Development, page 21.

<sup>9</sup> See 2013 Comprehensive Plan, Chapter 5 Port Facilities, page 56.

<sup>10</sup> See 2013 Comprehensive Plan, Policy 5.3 & Implementing Action 5.3-IA2, page 46: “Continue to work on extending North Douglas Highway to a deep water port on the west coast of Douglas Island”; Policy 8.3 & Implementing Action 8.3-IA2, page 107: “Promote continued study and planning of West Douglas as a deep water port to meet Juneau’s marine transportation needs”; and Chapter 11, Guidelines and Considerations for Subarea 8, page 192: “The unroaded shoreline on the west side of Douglas Island has development potential, both for urban residential use and for port development . . . This plan encourages and facilitates the development of a New Growth Area when water, sewer and road infrastructure are available and adequate to serve the new development.”

As discussed above, the Project is not a New Growth Area because the Project has no residential development and the Project area is outside designated New Growth Areas. Because the Project is not New Growth Area, a master plan would “not be in accordance with the guidelines for New Growth Areas provided in the Comprehensive Plan and Land Use Code.”

We also note that the 2013 Comprehensive Plan sheds light on the relationship between permitted development and New Growth Areas. In at least two places, the Plan envisions permitted development before a New Growth Area master plan:

- **Chapter 3, New Growth Area Development:** “The land within each New Growth Area can be expected to be developed with short-term uses that are permitted by the underlying zoning district designation until the infrastructure needed to safely and effectively access these remote area is provided.” (emphasis added). See page 21 of 2013 Comprehensive Plan.
- **Chapter 11, Guidelines and Considerations for Subarea 8 (See Attachment A-1):** “This plan encourages and facilitates the development of a New Growth Area when water, sewer and road infrastructure are available and adequate to serve the new development.” (emphasis added). See page 192 of 2013 Comprehensive Plan.

These comments illustrate that Borough planners anticipated proposals like this Project – a development permitted by the underlying zoning district ahead of more substantial, master-planned development.

Finally, we note that Borough planning documents are subject to Title 49 Land Use Code. Under § 49.05.200(b), “where there is a conflict between the comprehensive plan and any ordinance adopted under or pursuant to this title, such ordinance shall take precedence over the comprehensive plan.” Under § 49.05.200(c), the policies in the plans “are aspirational in nature and are not intended to commit the City and Borough to a particular action, schedule, or methodology.” We raise this point not to dismiss Borough planning, but to highlight primary role of the Code.

#### 4. Project Benefits

##### 4.1 Capital Improvements & Economic Development:

- **Infrastructure Improvements and Reduced Financial Burden:** Extending Borough water to the Project area, making upgrades to the electrical system and construction of a wastewater treatment plant offsets potential, future CBJ capital costs to extend municipal utilities. Infrastructure improvements make CBJ goals of improving housing, transportation and adding local jobs viable. Utilities and infrastructure will be adequately improved to accommodate the Project and potential future growth.<sup>11</sup>
- **\$500M+ Private Investment:** Major financial commitment from private industry will boost the local economy and create jobs through project design and construction.
- **Earlier Tax Revenue Generation:** Terminal operation beginning Spring 2028 will generate new property and sales tax revenue to support Borough budget.

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<sup>11</sup> See 2013 Comprehensive Plan, Chapter 10, Policy 10.4-DG2.

- **Broadly Support 2026 Legislative Capital Priorities and 2025 Assembly Goals:** The large, proposed investment in West Douglas Island is consistent with the current Borough goals and could be a catalyst for future investment in roads, infrastructure, and housing.<sup>12</sup>

#### 4.2 Addressing Public Safety Concerns:

- **Downtown Decongestion:** Reduces cruise congestion in downtown core while boosting economic activity, safety and efficiency.
- **Improved Downtown Traffic Flow:** Reduces pedestrian, vehicle, and bus congestion in downtown Juneau.
- **Northwest Douglas Fire Station:** Presents an opportunity for PTMG and Goldbelt to partner in developing a new fire station to serve north and west Douglas.
- **West Douglas Highway Safety:** Presents an opportunity for PTMG and Goldbelt to partner with CBJ to address the community’s request for highway safety improvements such as sidewalks and turnouts.

### 5. Stakeholder Team

Port of Tomorrow has established a dedicated Stakeholder Team, comprised of representatives from leading organizations throughout Alaska, who contribute valuable expertise to the Goldbelt Aani Cruise Destination project. Collectively, these stakeholders constitute a well-rounded team that leverages specialized skills and local insight to facilitate the successful Project development.

**Project Owner – Goldbelt, Inc., Juneau, Alaska:** As the landowner, Goldbelt serves as the Project Owner.

**Infrastructure Developer – Port of Tomorrow, Juneau, Alaska:** PTMG acts as the Project Developer, responsible for planning and overseeing the cruise terminal infrastructure’s construction program.

**Design-Build Contractor – Turnagain Marine Construction Company, Anchorage, Alaska:** Turnagain Marine Construction Company (“**Turnagain**”) is engaged as the design-build contractor, tasked with executing both the Project design and construction.

**Local Planning & Coordination – Northwind Architects, Juneau, Alaska:** Northwind Architects offers independent consulting services, emphasizing extensive local expertise and informed perspectives.

**Federal & State Permitting – Solstice Alaska Consulting, Inc., Anchorage, Alaska:** Solstice Alaska Consulting, Inc. leads the federal and state permitting processes, navigating the necessary approvals for Project execution.

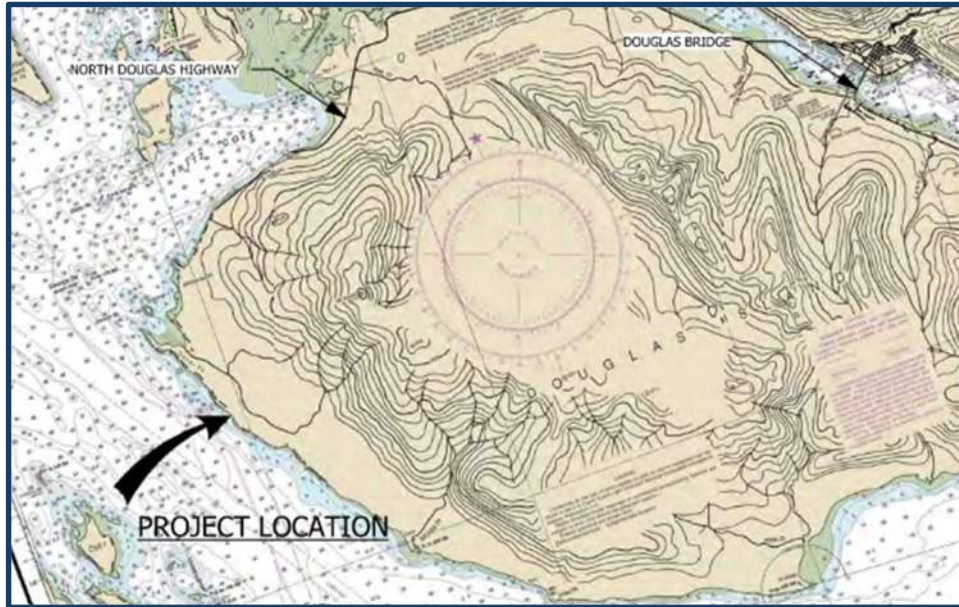
**Geotechnical & Environmental Services – Shannon & Wilson, Anchorage, Alaska:** Shannon & Willson has been retained to conduct geotechnical and geological site characterization as well as site environmental assessments.

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<sup>12</sup> See CBJ 2026 Legislative Capital Priorities (Adopted March 2025) and 2025 Assembly Goals (Issued April 2025)

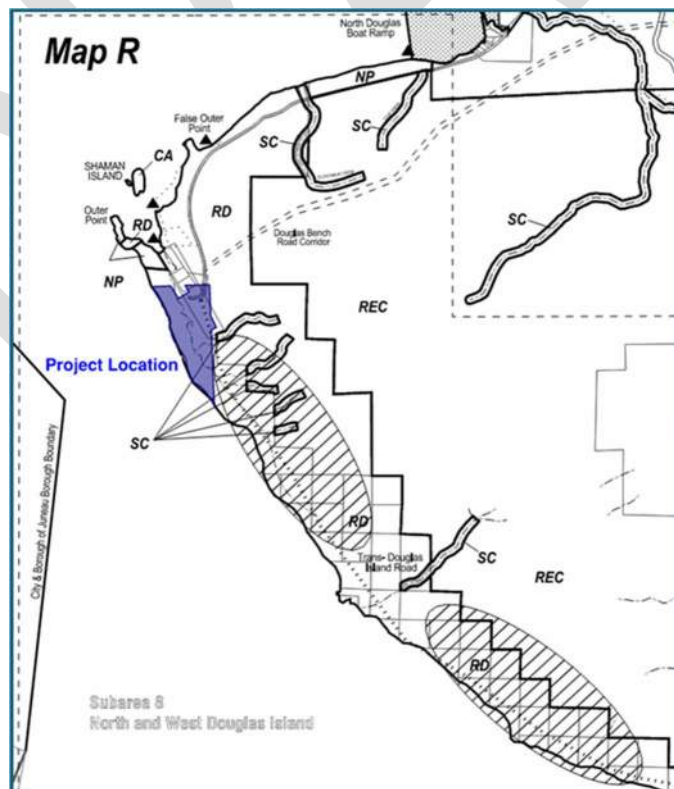
## 6. Project Location

The Project is located on the northwest side of Douglas Island within Stephens Passage in Southeast Alaska, approximately 15 km (9.3 miles) northwest of downtown Juneau (Township



041S, Range 66E, Sections 29 - 32; Copper River Meridian; U.S. Geological Survey Quadrangle Juneau A-2; latitude 58.290° and longitude -134.678°.

As shown on Subarea 8 – Map R of the Comprehensive Plan:





### 7.1.3 Construction Management

Onsite construction activities will be overseen and primarily executed by the operations team at Turnagain. The Project prioritizes the use of local businesses and resources whenever possible, supporting the community and promoting local economic development.

### 7.1.4 Terminal Operation & Maintenance

Operational details for the terminal will be developed as the Project progresses to align with stakeholder requirements. Once specific elements are completed, Goldbelt will take over their operation and maintenance, and implement a long-term program for ongoing infrastructure management.

## **7.2 Primary Components:**

### 7.2.1 Marine Infrastructure

- Construction of **two floating cruise ship berths**, providing docking capacity for large vessels and enhancing passenger accessibility.
- **Tour vessel docks** at the cruise berths let guests board tours directly from the ship, reducing bus use and enhancing their experience.
- A separate **small boat harbor** with floatplane moorage, a launch for small vessels, and tour boat berths to accommodate various maritime activities.

### 7.2.2 Architectural Infrastructure

- Establishment of a **Cruise Terminal Welcome Center** to serve as a focal point for arriving passengers and visitors. Designed as a transient space the welcome center will funnel travelers through the building to the bus pickup/drop-off area and on to their respective tourism destinations

### 7.2.3 Civil Infrastructure

- Construction of **new roads** to connect the cruise terminal to the existing West Douglas Highway, improving accessibility and traffic management.
- Development of onsite **access roads and bridges** to ensure seamless internal circulation within the terminal area.
- Provision of **onsite parking and bus staging areas** to accommodate transportation needs for guests and staff.

### 7.2.4 Utility Infrastructure

- Construction of a new **wastewater treatment facility** to meet operational and environmental needs; scalable for the Cruise Terminal or future large housing development.
- Enhance the current **on-site electrical infrastructure** by constructing a new substation that ensures reliable power supply and ship-to-shore electricity for cruise ships at the dock. The design can be scaled to handle greater loads and expanded distribution if needed in the future.
- Extend Borough **public water** from North Douglas boat ramp to Project area or, in the alternative, a standalone desalination plant is planned.

### 7.3 Project Schedule

Utilizing the RR-CUP process, the facility will be opened for the 2028 cruise season. Achieving this schedule is critical to secure the private investment and viability of the Project.



### 8. Codes and Standards

All physical components of the Project will be developed according to the relevant current code at the time of application.

Summary Listing of general Codes and Standards to govern design & construction of the Projects Physical Components.	INFRASTRUCTURE			
	Marine	Civil	Buildings	Utility
<b>UNIVERSAL GOVERNING CODE</b>				
Alaska DOT&PF Standard Specifications				
CBJ Standard Specifications				
CBJ Code of Ordinances, Title 49				
CBJ Juneau Zoning Map, 2025				
Environmental Rules and Guidelines (See Appendix C, Environmental Authorizations Table)				
International Building Code, 2024				
ASCE 7 Minimum Design Loads for Buildings & other Structures				
American Wood Council National Design Specifications				
AISC Steel Construction Manual				
AWS D1.1 Structural Welding Code				
American Concrete Institute ACI 318				
<b>SPECIAL GOVERNING CODE</b>				
ASCE 61 Seismic Design of Piers and Wharves				
UFC 4-152-01 Design: Piers & Wharves				
UFC 4-152-03 Design: Moorings				
USACE EM 1110-2-2906 Design of Pile Foundations				
PIANC Guidelines for the Design of Fender Systems				
2020 DOT&PF Standard Specifications for Highway Construction (roads and embankments)				
AASHTO LRFD Guide Specifications for the Design of Pedestrian Bridges				
AASHTO LRFD Bridge Design 8 <sup>th</sup> Edition (bridges and retaining structures)				
18 AAC 80 Drinking Water				
International Fire Code, 2021				
National Fire Protection Association 13				

## 9. PAC25-37 Conference Report - Discussion Items

Although the intention is for this Project to be Permitted per the RR-CUP pathway, PTMG acknowledges that the PAC25-37 Conference Meeting discussion items continue to be pertinent to the ongoing dialogue. The subsequent sections address each PAC25-37 Discussion Item individually.

### SECTION 1 - Planning Divisions

Planning and design of the development as a whole, and of its constituent components, is and will be in accordance with Title 49 and other related standards and requirements of the City, State and Federal Authorities as addressed below:

#### 1. Zoning

PAC25-37 Comment: RR – Rural Reserve

Discussion: PTMG agrees that the Project land is currently zoned RR and that the Project is pursuing permitting as allowable per Juneau AK Code of Ordinances

- Chapter 49.15.330 – Conditional use Permit
- Chapter 49.25.200 – RR, Rural Reserve Districts

#### 2. Table of Permissible Uses

PAC25-37 Comment:

- a. Multi-family housing is not permissible in RR zoning districts. Staff accommodation would be limited to specific types of housing listed under TPU 1.610 and require Conditional Use Permit.
- b. Hotels are allowed with a Conditional Use Permit
- c. Commercial Sales are not permitted in RR zoning districts unless covered under TPU 19.000.

Discussion: PTMG acknowledges the TPU interpretation and confirms that this Project does not include components related to housing, hotels, or commercial sales.

#### 3. Subdivision

PAC25-37 Comment: Subdivision will likely be required after the rezoning process in order to maximize the land use for different zoning districts.

Discussion: Rezoning is not required for the Project. The Parties anticipate subdividing the parcel to the Project area.

#### 4. Setbacks

PAC25-37 Comment: For Rural Reserve

Yard	Setback minimum in feet
Front	25
Rear	25*
Side	15*
Street side	17
Shoreline	0

Discussion: PTMG confirms that design elements comply with Setback requirements as summarized below.

Minimum Lot Size: 36,000 SF	Complies
Minimum Lot Width: 150'	Complies
Maximum Lot Coverage Permissible Uses: 10%	Complies
Maximum Lot Coverage Conditional Uses: 20%	Complies
Maximum Height Permissible Uses: 45'	Complies
Minimum Front Yard Setback: 25'	Complies
Minimum Street Side Yard Setback: 17'	Complies
Minimum Rear Yard Setback: 25'	Complies (Note: 60' non-residential/residential, no industrial or extractive uses)

#### 5. Height

PAC25-37 Comment: 45 feet maximum

Discussion: PTMG confirms that design elements comply with the maximum height requirements.

#### 6. Access

PAC25-37 Comment: N Douglas Hwy

Discussion: Studies show the increase in traffic does not meet levels that would require a full traffic study. However, to help supply additional proactive information PTMG has elected to conduct a full traffic study. Results can be made available upon request.

#### 7. Parking & Circulation

PAC25-37 Comment: Parking Calculations are often determined based on square footage of each specific use. More information will be needed in order to determine the exact amount of parking required.

Discussion: Quantity of stalls and associated circulation will be based on requirements of Title 49, Chapter 49.40.

#### 8. Lot Coverage

PAC25-37 Comment: 10% permissible; 20% conditional

Discussion: PTMG states that the design elements are consistent with the 10% permissible lot coverage requirement.

**9. Vegetative Coverage**

PAC25-37 Comment: Not Applicable

**10. Lighting**

PAC25-37 Comment: Exterior lighting may not shed light or glare above the roofline of the building or beyond the property line of the site. Industrial and exterior lighting shall not be used in a manner that produces glare on public highways or neighboring property.

Prior to issuance of a building permit, the applicant shall submit a lighting plan illustrating the location and type of exterior lighting proposed for development. Exterior lighting shall be designed and located to minimize offsite glare. Approval of the plan shall be at the discretion of the Community Development Department, according to the requirements at §49.40.230(d).

Discussion: Lighting design will be based on requirements of Title 49, 49.40.235(d).

**11. Noise**

PAC25-37 Comment: Due to the remote nature of this property, noise is not expected to be an issue unless there are active eagle nests in the area. Check with U.S. Fish and Wildlife for any possible restrictions.

Discussion: No issues expected considering remote location of property.

**12. Flood & Tidelands**

PAC25-37 Comment: Floating docks will be installed within a Flood Zone V. A Floodplain Development Permit will be required. A tidelands lease through CBJ will likely be required.

Discussion:

A Hydrologic and Hydraulic study has been conducted, and a Floodplain Development permit is in progress. See Appendix E.

An application for lease has been submitted to the Alaska Department of Natural Resources Division of Lands. See Appendix E.

**13. Hazard/Mass Wasting/Avalanche/Hillside Endorsement**

PAC25-37 Comment: “None Mapped. Hazard mapping will be required as part of the NGA site development planning process.”

Discussion: Following the PAC comment, PTMG plans to ask Shannon & Willson to broaden their geotechnical investigation services to include hazard mapping for the Project. This information will be added to the final geotechnical report.

**14. Habitat/Wetlands**

PAC25-37 Comment: Check with the U.S. Fish and Wildlife on the presence of eagle nests in the area. The presence of eagle nests may impact construction scheduling. Peterson Creek is an anadromous waterbody and requires a 50 foot no-development setback and a 25 foot no-disturbance setback. Exceptions to these setbacks can be found under CBJ 49.70.330(c). Each bridge over Peterson Creek will require individual permitting.

Discussion:

Solstice Alaska Consulting (Solstice has been contracted to secure environmental permits for the project. Initial efforts included wetlands delineation, cultural resource surveys, and bald eagle nest assessments, along with review of anadromous fish stream mapping to guide design constraints. Multiple layout alternatives were developed, and Goldbelt selected a preferred option in late 2024 based on feasibility and environmental considerations.

Subsequent studies—hydrology and onshore geotechnical investigations—supported stream crossing, road, and pad design for permit applications. A Clean Water Act Section 404/Rivers and Harbors Act Section 10 permit application was submitted to the U.S. Army Corps of Engineers in May 2025. Additional approvals are in progress, including ESA consultation, NHPA Section 106 review, EFH assessment, and state and local permits. Ongoing studies aim to finalize design, address public input, and develop mitigation measures. A full list of permits and studies is provided in [Appendix E](#).

### **15. Plat or Covenant Restrictions**

PAC25-37 Comment: Yes. Patents from 1988. See attached.

2. Pursuant to Section II, Subsection E, of the Exchange Agreement dated April 11, 1979, between Goldbelt, Incorporated, Sealaska Corporation, the Secretary of the Interior, and the Secretary of Agriculture, the following interests are reserved to the United States for the uses and purposes listed below:

f. In addition to the above uses, trail reservation Nos. 9, 10, and 11 are for access to the public for lawful recreation purposes.

Reservation No. 9: Sundum B-5 (25' R-O-W) A trail beginning at the 1-acre site easement located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ , Section 15, through that quarter-quarter, thence through the SW $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ , Section 14, thence through the NW $\frac{1}{4}$ SW $\frac{1}{4}$ , through the SW $\frac{1}{4}$ NW $\frac{1}{4}$  terminating at the 1-acre site easement north of the creek in NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 13, all in T. 51 S., R. 75 E., Copper River Meridian, Alaska.

Reservation No. 10: Sundum B-5 (25' R-O-W) An existing trail crossing through the SW $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ , and the NE $\frac{1}{4}$ SW $\frac{1}{4}$ , Section 2, all in T. 51 S., R. 74 E., Copper River Meridian, Alaska.

Reservation No. 11: Sundum B-5 (25' R-O-W) A trail located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ , Section 19 through that quarter-quarter to the boundary, all in T. 52 S., R. 75 E., Copper River Meridian, Alaska, beginning with the 1-acre site reservation.

Discussion: The identified Rights of Way and associated restrictions are located in the Hobart Bay area, which is situated approximately 72 miles from the Project Area. No impact on existing patents is anticipated.

### **15(b). Traffic**

PAC25-37 Comment: Need more information from applicant.

ADOT&PF is requesting we refer applicants to them if:

- A project directly accesses ADOT&PF infrastructure, OR
- If indirect access will increase trips on ADOT&PF infrastructure by more than 100 trips.

Discussion: DOWL Engineering was engaged to conduct a traffic study for the proposed development. The purpose of the study was to model site dispersion and assess traffic flow to and from the location. DOWL carried out traffic counts of existing cruise ship dockings in Juneau, utilizing these data to generate passenger movement statistics throughout the development and the broader Juneau area. Adopting a highly conservative methodology, the study determined that the projected number of daily trips would remain below 100 trips per hour during peak periods. Consequently, a Traffic Impact Analysis is not required under both City and Borough of Juneau (CBJ) policy and State of Alaska regulations.

#### **16. Street Names**

PAC25-37 Comment: In accordance with CJB 49.35.220(a), new street names must be unique in order to avoid confusion. Goldbelt Ave. and Village St. already exist within CBJ.

Discussion: Proposed street names that are redundant with existing street names within the City and Borough of Juneau will be modified to make them unique.

#### **17. Nonconforming Situations**

PAC25-37 Comment: None

Discussion: PTMG confirms that no nonconforming situations are currently identified.

### **SECTION 2 – Building Division**

#### **18. Building**

PAC25-37 Comment: Alaska licensed design professionals for all trades.

Discussion: PTMG confirms that all trades associated with this Project will have the required AK licenses.

#### **19. Outstanding Permits**

PAC25-37 Comment: BLD2004-00335 Grading for Greens Creek / Hoonah intertie project.

Discussion: PTMG notes that these outstanding permits are linked to other ongoing projects on Douglas Island, which do not affect this Project and have no related restrictions or obligations.

### **SECTION 3 - General Engineering/Public Works Departments**

#### **20. Engineering**

PAC25-37 Comment: During the [PAC] meeting, Chief Engineer, Bridget LaPenter, indicated that more information would be necessary to make any determinations regarding drainage and possible utilities as only the coversheet of the Key Map was provided out of the ~50 page plan that the applicant has already developed.

Discussion: Onshore components will be limited initially to infrastructure supporting the offshore components. All site civil design inclusive of drainage and utilities will be developed by registered civil engineers and submitted through the normal permitting process to the CBJ as required.

## SECTION 4 - Fire Department

### 21. Fire Items / Access

PAC25-37 Comment: This area is located outside of the Urban Service Area, so all buildings will need to be sprinklered.

Discussion: See Discussion for Item 22.

### 22. Suppression System

PAC25-37 Comment: Suppression system plans must be submitted with the building permit application. Suppression system design cannot be deferred.

Discussion: It is understood that the entirety of the proposed development is located outside the Urban Service Area. All buildings will be provided with fire detection, alarm and suppression systems in accordance with the IBC, IFC and NFPA. Suppression system design will be executed during the design phase and submitted with the construction documents for permit.

## SECTION 5 – Other Applicable Agency Review

### 23. CBJ Land and Resources

PAC25-37 Comment: CBJ Lands and Resources Manager, Dan Bleidorn, has indicated the desire of CBJ to work with the applicant on certain infrastructure projects (i.e. providing up-slope land for installation of a Wireless Communication Facility).

Discussion: PTMG will engage with CBJ regarding the design and development for communication infrastructure that could potentially coincide with Project development.

24. PAC25-37 Comment: *During the [PAC] meeting, the applicant's representative indicated that they have already been in contact with multiple other agencies. i.e. DOT&PF / Army Corps / DEC (wastewater) / DNR / USF&W / F&G / FAA.*

Discussion: PTMG has begun discussions with appropriate agencies to progress permitting and development goals as indicated in Appendix E.

## SECTION 6 – List of Required Applications

PAC25-37 Comment: Based upon the information submitted for pre-application review, the following list of applications must be submitted in order for the project to receive a thorough and speedy review.

The New Growth Area application will be processed as an Amendment case (AME), as the adopted NGA will trigger a change in the CBJ zoning maps.

25. After the site development plan has been approved and adopted as part of the CBJ Comprehensive Plan, the applicant will need to go through several processes:

- a. Rezoning
- b. Subdivision
- c. Conditional Use Permitting (CUP)- CUP for dock infrastructure can be applied for concurrently with the submission of the NGA Plan.

Discussion: PTMG is requesting permit approval per the RR-CUP pathway, unencumbered by requirements related to New Growth Area (NGA) designation or the Master Planning Process.

Project: Goldbelt West Douglas Development Phase I: Port Project

Applicant: Royal Caribbean, represented by Sarah Porter, Port of Tomorrow, and Jason Davis, Turnagain

Owner: Goldbelt Corp. LLC

Check-in Meeting: Tuesday, October 21, 2025, at CDD, Marine View Building

Present: Sarah Porter, Jason Davis; CBJ – Jill Lawhorne, CDD Director and Rob Domouchel, Special Planning Project Manager

Application Submittal Date: anticipated Friday, October 24 or the week of October 27, 2025

Port Project Phase I includes marine-based and land-based development (Appendix C Concept Site Plan):

Marine-based:

- Two cruise ship docks (each 50 ft x 500 ft)
  - One 860 ft approach trestle
  - One 620 ft approach trestle
- One tour boat dock (5 boats)
- Fuel dock
- Small boat harbor
- Seaplane base

Land-based:

- Interior site access – roads, vehicular and pedestrian bridges, trails
- Water – Wastewater treatment plant
- Electric Substation (100 ft x 100 ft)
- Gravel pad and surface parking area
- Bus staging
- Warehouse gravel pad
- Welcome Center
- Totem Garden

Meeting Notes:

Port of Tomorrow (PoT) draft materials for discussion covers the New Growth Area. Director Lawhorne clarified that the Comp Plan is conceptual, high level document that provides a guide for policy and development. The New Growth Areas are also conceptual and not hard boundaries. CBJ is willing to work with Goldbelt understanding that the initial phase development may proceed under the conditional use permit process as a phased development.

## Goldbelt West Douglas Phase I Meeting Notes October 21, 2025

The phased development approach could allow the developer to proceed with the docks and Phase I infrastructure providing that analysis is provided for the buildout of the entire site that identifies impacts and mitigation. Analysis and buildout must include:

- N. Douglas Hwy extension & development to provide legal frontage and access
- Transit
- Traffic (TIA)
- Water
- Waste-water / treatment plant
- Waste management
- Electrical / Power (needed)
- Emergency services

### Conditional Use Permit Process (CBJ 49.15.330)

*Purpose. A conditional use is a use that may or may not be appropriate in a particular zoning district according to the character, intensity, or size of that or surrounding uses. The conditional use permit procedure is intended to afford the commission the flexibility necessary to make determinations appropriate to individual sites. The commission may attach to the permit those conditions listed in subsection (g) of this section as well as any further conditions necessary to mitigate external adverse impacts. If the commission determines that these impacts cannot be satisfactorily overcome, the permit shall be denied.*

Decision-maker: Planning Commission (public hearing)

Agency Review may include:

- CBJ Planning, Building; General Engineering, Streets, Transit, Water, Wastewater, Engineering; Capital City Fire & Rescue; Juneau Police Department; Emergency Management; Tourism; Docks & Harbors; Juneau International Airport
- Docks and Harbors; Juneau International Airport
- AKDOT; AEL&P; USFS; AK Fish and Game
- US Coast Guard; Army Corps of Engineers
- Others as needed

### Other Items Noted for Discussion in Application Submittal:

- Staffing numbers?
  - No staff housing planned for Phase I – Where is staff living? Will staff commute?
- Glacier tourism?
  - 500,000 Royal Caribbean guests to Glacier, but removed from downtown to decrease impacts on Tenth & Egan
  - Use small boats to bring guests to Statter Harbor and bus to Glacier (applicant stated Statter Harbor would not be used but changed answer to Yes, using Statter Harbor)

- Staff noted concerns about guests using Capital Transit and negatively impacting locals that depend on the service
- Traffic Impact Analysis for Phase I and future phased uses
- Provide numbers for guests buying complete tours and not using Capital Transit and numbers for those using Capital Transit or “traveling independently”
- Discuss emergency services
  - What is the emergency plan?
    - A number of cruise ships require an ambulance or other emergency services; an ambulance coming from downtown to W. Douglas, and back to Bartlett Hospital, may take emergency resources offline for hours (resources are both equipment and people and may include ambulance, fire engine, and paramedics, EMTs, firefighters)
    - One bridge – how does this impact emergency response?
    - Plans show a helicopter pad; applicant stated no helicopter tours at this time; a gravel pad would be constructed for emergency use
    - If using helicopters, how do the flights impact the regular flights and scheduling at JIA? Have you spoken to JIA? Flight path would seem to directly cross JIA air traffic
    - Applicant stated that a public safety building could be part of the project in future phases; staff provided general information on the already strained staffing situation at CCFR and JPD
- City & Borough of Juneau has a 5-Ship Limit – How does this impact the docks? Applicant was not aware of the limit; staff referred applicant to follow up with Tourism Director
- Floodplain development permitting needed
- Hillside Endorsement if needed
- What is the construction schedule for Phase I? Application should discuss:
  - Timeframe for construction and development
    - Building roads
    - Building docks
    - Blasting
    - On-site gravel extraction (applicant stated approx. 90% rock material coming from on-site); staff noted that materials cannot be sold off-site and must be used on-site
    - Shipping of materials and routes
    - Trucking of materials and routes
- Staff encouraged the applicant to reach out to AKDOT and other outside agencies early

Applicant and staff also discussed whether analysis of information could be a condition of approval. Staff explained that enough data must be provided to make the city and commission confident that the development will not negatively impact the community and city services. An example would be 30% design for development rather than 100% design – enough detail and

## **Goldbelt West Douglas Phase I Meeting Notes October 21, 2025**

information to make an informed decision with informed conditions that care for the development and impacts on community and city services.

Staff noted that a Memorandum of Understanding (MOU) or similar document may be a condition of the Commission's decision (a condition of approval). The MOU would be drafted and approved by the Assembly and Goldbelt.

### Conditional Use Permit Appeal Process:

Appeal process was briefly discussed. Staff explained that it is not a new hearing; it is a legal appeal process. An appeal may take anywhere from six to nine months or longer. Generally, Planning Commission decisions are appealed to the Assembly. The Assembly may use a Public Hearing Officer.



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**TO:** Assembly Committee of the Whole  
**FROM:** Alexandra Pierce, Visitor Industry Director  
**DATE:** November 3, 2025  
**RE:** Tourism Policy Update

Goldbelt's proposed development has significant implications for the City and Borough of Juneau's (CBJ) overall tourism policy. The Assembly's current direction to staff, which is supported by several years of community survey data, is to maintain visitor volume at a steady level. This policy is reflected in the three Memorandums of Agreement (MOAs) between CBJ and the cruise industry, which collectively establish a framework for managing cruise visitation levels.

The proposal to add two additional cruise ship berths, bringing the total to seven, would substantially increase the community's visitor capacity. Current operational limits of approximately five ships and 16,000 passengers per day / 12,000 passengers on Saturday would be exceeded. To responsibly consider this level of potential growth, CBJ must evaluate both the offsite impacts and the capacity of Juneau's infrastructure to accommodate increased visitation. Much of this review will occur through the land use permitting and Master Planning process. However, two additional actions can further support the community's ability to assess and manage growth: (1) formalizing berthing agreements with cruise lines, and (2) examining the potential for legislating passenger limits.

### **Berthing Agreements**

CBJ is currently working with its existing cruise line customers to develop formal berthing agreements. These agreements would formalize the dates and times that cruise lines currently hold through the priority berthing system managed by Cruise Line Agencies of Alaska. While scheduling is a staff-level decision, it is important that the Assembly is aware of this process and its outcomes. Establishing such agreements would bring greater predictability and transparency to dock use while reinforcing both CBJ's existing visitor management framework and providing surety to the community and to the cruise lines currently using the CBJ docks. This helps meet the Assembly's current stated goals of predictability and stability in the cruise market.

## Terms:

- Five-year agreements with automatic renewal provisions.
- Inclusion of existing MOA terms between CBJ and the cruise industry.
- Formal recognition of current historical priority berthing arrangements, ensuring regional stability.
- Assembly oversight authority, allowing the Assembly to release a cruise line from an agreement if another dock is fully approved, permitted and constructed elsewhere in the Borough.

These agreements will provide a tool for maintaining orderly operations under the current capacity framework and for aligning future development with Assembly policy.

## Legislating Limits

During prior discussions of the Visitor Industry Task Force (VITF), the concept of legislating limits on the number of daily cruise passengers was discussed as legally untested. For several years, municipalities have awaited the outcome of litigation in Bar Harbor, Maine, regarding a ballot initiative to limit cruise visitation. The [recent ruling](#), issued in August, provides some guidance but remains complex. A summary and interpretation from the Alaska Municipal League (AML) is attached for reference.

In essence, the court's decision indicates that ports have the authority to set cruise visitation limits, provided those limits are supported by data-driven analysis. CBJ and its agency partners, particularly the USFS, have already collected a great deal of data, including Mendenhall Glacier visitation, several years of resident surveys and two MOAs with the cruise industry that reflect agreed-upon passenger limits. However, if CBJ chooses to pursue legislation, it will be the first municipality in the country to do so. Juneau can either be a model for other communities or a cautionary tale. One of the most important considerations in this process will be parameters for growth.

Staff recommends tasking the upcoming VITF 2.0 process to develop 10-year tourism goals for Juneau, including data-supported parameters for sustainable growth. This process should identify:

- The data needed to evaluate visitor impacts and infrastructure capacity; and
- The methods for collecting and analyzing that data; and
- How such data can be used to guide policy decisions regarding visitor volume and industry growth.

While legislating limits on cruise capacity still carries legal risk, CBJ can gain clarity on community goals through a transparent public process that prioritizes data collection and analysis. This approach will not only ensure that decisions are grounded in evidence and community values but will also establish a clear framework to guide future staff and Assembly actions as Juneau continues to balance visitor growth with community wellbeing.

**No action needed.** Staff will continue to provide updates on berthing agreements and has included a discussion on parameters for growth into the VITF scope.

**Attachment:** Alaska Municipal League Bar Harbor Analysis

# Legal and Economic Implications of Bar Harbor Ruling for Alaska's Cruise Ship Port Communities

## Introduction and Background

On August 11, 2025, the U.S. Court of Appeals for the First Circuit issued a significant decision in *Association to Preserve and Protect Local Livelihoods, et al. v. Town of Bar Harbor*. This case centers on Bar Harbor, Maine's voter-approved ordinance capping cruise ship disembarkations at 1,000 passengers per day. Local residents enacted the cap in 2022 to address congestion and tourism impacts in their town of ~5,000 people, a gateway to Acadia National Park. A coalition of businesses, a pilots' association, and others sued, arguing the cap unlawfully hindered commerce and conflicted with higher laws. The federal First Circuit's ruling – largely upholding Bar Harbor's authority but requiring further review of economic burdens – provides insight into how such measures withstand legal scrutiny.

This memo summarizes the court's findings and reasoning (including Dormant Commerce Clause and preemption analysis, and the Pike balancing test application) and compares Bar Harbor's approach to cruise tourism management efforts in Alaska port communities. It concludes with key considerations for Alaska municipal governments that rely on cruise ship tourism, focusing on legal risks, community impacts, capacity management strategies, and coordination with federal regulations.

## First Circuit Ruling: Key Findings and Reasoning

Local Authority and Preemption: The First Circuit affirmed that Bar Harbor acted within its general "home rule" police powers to protect residents' welfare by regulating cruise tourism. The town's goal – reducing downtown crowding, traffic, and strains on public services from large cruise influxes – was deemed a legitimate local purpose. Crucially, the court rejected broad federal preemption claims. Plaintiffs had argued that federal law occupied the field of maritime commerce and entry of vessels/foreign passengers, precluding local limits.

The First Circuit disagreed, finding no direct conflict with any federal statute or international commerce regulation: Bar Harbor's ordinance restricts only the number of people coming ashore, not the ships' access to navigable waters or ports. For example, the town is not barring vessels from entering port; it is imposing conditions on disembarkation, which the court said does *not* intrude on federal authority over entry or navigation. One narrow exception involved maritime security regulations ensuring seafarers (crew members) have shore access at U.S. ports – the ordinance as written could have impeded crew disembarkation. The District Court found that portion preempted by federal law (U.S. Coast Guard regulations requiring free crew shore access). However, Bar Harbor resolved that issue by pledging to accommodate crew separately, rendering the preemption dispute over crew access moot on appeal. Aside from that fixable point, no federal or state statute was found to expressly or implicitly forbid a local passenger cap.

Maine's state laws did not preempt the ordinance either; Maine's home rule statute in fact protects local regulatory authority absent a clear prohibition. In sum, the First Circuit confirmed that municipalities can impose reasonable, non-conflicting regulations on cruise tourism under their local powers, so long as they do not directly contravene federal law or an explicit state limitation.

Dormant Commerce Clause – Discrimination: The challengers argued Bar Harbor's cap violated the Dormant Commerce Clause of the U.S. Constitution, which prohibits state or local laws from unduly burdening interstate commerce. One theory was that the ordinance *discriminated* against out-of-state or foreign commerce – for instance, by targeting cruise lines (mostly out-of-state companies and

passengers) while local land-based tourism (hotels, etc.) faced no such cap. The First Circuit rejected any claim of intentional or facial discrimination. The 1,000-person cap applied uniformly to all cruise ships irrespective of origin; it did not favor in-state businesses at the expense of out-of-state interests in a way that would trigger per se invalidity under Dormant Commerce Clause precedent.

In the court's view, the ordinance is neutral on its face – it limits passenger numbers from cruise vessels, a class that has no in-state equivalent since Maine has no “local” cruise lines or ships to benefit. Thus, strict scrutiny of discriminatory effect was not warranted. Notably, plaintiffs cited cases like *Bacchus Imports* and others, but the court found those inapposite, since Bar Harbor's law was not designed to protect a local economic interest over a directly competing out-of-state interest. The upshot is that Bar Harbor's cap was analyzed as a non-discriminatory regulation with only incidental effects on interstate commerce.

Dormant Commerce Clause – Pike Balancing Test: For non-discriminatory laws, courts apply the *Pike* balancing test: a law violates the Dormant Commerce Clause only if the burdens it imposes on interstate commerce are “clearly excessive in relation to the putative local benefits”. In this case, the central question became whether the benefit of congestion relief in Bar Harbor clearly outweighed the heavy burden on the cruise industry and interstate commerce.

The evidence showed the 1,000-person cap would drastically cut cruise tourism: large cruise ships cannot unload all their passengers under the cap, so most would avoid the port, reducing cruise visitation to Bar Harbor by an estimated 80–90% in the short term. This not only impacts Bar Harbor's local tour operators and businesses, but also has ripple effects across the region's cruise itinerary.

The First Circuit highlighted that Bar Harbor is part of a network of New England and Atlantic Canada cruise stops; a strict cap at one port could disrupt multi-port cruise schedules and shift business to other ports. Judge David Barron, writing for the panel, noted that the “substantial magnitude” of the economic burden (suppressing 80–90% of prior cruise visits) and the “potentially marginal” local benefits needed closer examination. The District Court had upheld the ordinance under *Pike*, finding the impact on commerce was uncertain and that the town's welfare benefits were legitimate. However, the First Circuit found the lower court underestimated the burden and did not fully quantify the benefits. Importantly, the appeals court pointed out that Bar Harbor already had a voluntary agreement with cruise lines capping daily passengers around 3,800 prior to the ordinance. Therefore, the incremental benefit of tightening the cap to 1,000 (versus 3,800) might be modest in solving congestion, even as it imposes a far greater economic cost.

The *Pike* test analysis was remanded to the District Court for a more rigorous balancing: the judge must weigh how well the 1,000-person cap actually alleviates public problems like crowding, against the ordinance's broad economic fallout on interstate commerce (cruise lines, tourists, and other ports). The First Circuit did not declare the law invalid under *Pike* at this stage – it sent the issue back for further fact-finding on whether the burdens are “clearly excessive” relative to benefits. This leaves the door open: if evidence shows minimal added local benefit but massive commerce disruption, the cap could be struck down under the Dormant Commerce Clause; if the town demonstrates substantial local gains justifying the impact, the cap could ultimately survive.

Current Status of the Ordinance: Despite the partial remand, Bar Harbor's daily passenger cap remains in effect and enforceable while the litigation continues. The First Circuit “largely affirmed” the town's position – notably approving the concept that managing tourist volumes is within local authority – and only *vacated* the one portion of the judgment dealing with *Pike* balancing for further review. Town officials have expressed confidence that the congestion relief benefits will justify the ordinance when properly measured, and they plan to defend it vigorously on remand. In the meantime, the ruling stands

as an important precedent recognizing that quality-of-life regulations in a tourism-dependent town can be compatible with the U.S. Constitution, so long as they are even-handed and proportional in their impact. It also serves as a caution that local governments must build a strong record of local benefits if their regulations significantly curtail interstate economic activity.

### **Comparison to Alaska’s Cruise Tourism Management Approaches**

Bar Harbor’s hard cap policy and its legal journey invite comparison to how Alaska’s port communities are addressing cruise tourism impacts. Alaska’s coastal cities like Juneau, Ketchikan, Sitka, and others have experienced similar tensions between economic reliance on cruise visitors and community concerns about overcrowding, infrastructure strain, and environmental impacts. Several Alaska municipalities have explored tools to manage cruise tourism, though to date their approaches differ from Bar Harbor’s ordinance in key ways.

Home Rule vs. General Law - One important distinction for Alaska is that the Bar Harbor decision rested heavily on the town’s home rule authority, which grants municipalities broad police powers unless specifically limited by the state. In Alaska, however, not all municipalities enjoy home rule status. Many boroughs and cities are general law municipalities (for example, second class cities and boroughs), which only possess those powers that the State of Alaska has expressly delegated by statute. This means that while a home rule city such as Juneau might plausibly argue it has inherent authority to regulate cruise passenger volumes under its general welfare powers, a second class city or borough may not have that latitude unless the state legislature has granted it explicitly. As a result, a local ordinance in a general law municipality capping cruise visitors could face not just Commerce Clause scrutiny, but also an initial challenge over whether the municipality had the power to enact such a regulation at all. For general law governments, state preemption questions are not just about whether state law conflicts with local law, but whether the local law exceeds the scope of authority provided by statute in the first place. This narrower grant of authority could lead to a different interpretation in court, and suggests that general law municipalities in Alaska would need to carefully ground any tourism management measures in specific statutory powers (such as land use, public health, or port facility regulation) to withstand legal challenge.

Voluntary Agreements in Juneau: The City and Borough of Juneau, Alaska’s capital, has *not* enacted a law capping cruise passengers via ordinance or initiative. Instead, Juneau pursued a collaborative solution with the cruise industry. In 2023, Juneau negotiated a Memorandum of Agreement (MOA) with major cruise lines to limit port calls to *no more than 5 large ships per day*. Building on that, in 2024 the Juneau Assembly approved moving from a ship limit to an explicit passenger limit effective 2026. Under the MOA, cruise lines agreed to cap total daily “*lower berth*” capacity (i.e. potential passengers) at 16,000 per day (Sunday–Friday), with a lower cap of 12,000 on Saturdays. This roughly equates to about 4–5 ships per day, depending on vessel size.

The agreement was framed as a “win-win partnership”: it aims to preserve resident quality of life and visitor experience by preventing extreme high-volume days, while also providing predictability for local businesses that depend on cruise tourism. Notably, the MOA is a *voluntary, non-regulatory* approach – an important distinction from Bar Harbor’s binding ordinance. By securing industry buy-in, Juneau has avoided direct legal confrontation over the cap. Cruise Lines International Association (CLIA) representatives praised the cooperation, stating the industry’s commitment to work with the community on sustainable tourism and “deliver win-win partnerships” that improve residents’ experience while sustaining economic benefits.

The voluntary cap in Juneau is also far more permissive than Bar Harbor’s strict limit – 16,000 passengers is the approximate upper range of *current* high-season daily visitation (Juneau hosted ~1.65 million

cruise visitors in 2023, averaging around 9,000 per day, with peaks well above 10,000). In effect, Juneau’s policy seeks to prevent further growth beyond agreed thresholds rather than sharply cut back existing tourism. This cooperative model has so far averted lawsuits: the agreement doesn’t carry the force of law on cruise lines, but it fosters goodwill and, if adhered to, achieves de facto capacity management.

Community Initiatives and Debate in Sitka: Sitka, a smaller Alaska community, provides a contrasting case where residents recently considered a binding cap more akin to Bar Harbor’s approach. A local advocacy group in Sitka (Small Town SOUL) gathered enough signatures to put a ballot initiative to a vote in May 2025, proposing to limit cruise tourism by ordinance. The Sitka initiative would have set a daily cap of 4,500 passengers disembarking and an annual maximum of 300,000 passengers, and would have prohibited cruise ships from visiting more than 6 days per week (mandating at least one “cruise-free” day each week).

This citizen-proposed ordinance closely mirrored Bar Harbor’s strategy in using local law to impose hard limits, although the numbers were higher than Bar Harbor’s (4,500 vs. 1,000 daily) to reflect Sitka’s larger typical visitor counts. The stated aims were similar – “to improve safety, reduce nuisances and protect the health and well-being of Sitka residents by reducing cruise-related overcrowding” while preserving Sitka’s character as a quality destination. However, in a special election on May 30, 2025, Sitka’s voters decisively rejected the cruise cap proposal. Approximately 73% voted “No,” defeating the measure by a wide margin. Voter turnout was high, indicating strong community engagement on both sides of the issue. The outcome suggests that a large majority of Sitkans, at least for now, prefer to avoid strict regulatory limits that might jeopardize economic benefits – or they trust other methods to manage the impacts.

It’s worth noting that Sitka’s tourism industry and local officials advocated against the ballot measure in favor of alternative solutions. In fact, Sitka’s city government and cruise operators had earlier entered into a Memorandum of Understanding (MOU) (similar to Juneau’s approach) that set a *voluntary* 7,000 passenger-per-day guideline for cruise visits. Opponents of the ballot initiative argued that this voluntary cap and ongoing dialogue were better tools than a law that could prompt unintended economic fallout. The referendum’s defeat leaves Sitka with the MOU (an unenforceable promise, but backed by the main private dock operator) and the task of continuing community conversations on acceptable tourism levels.

In sum, Sitka’s experience highlights that public opinion can be split: many residents value cruise tourism’s jobs and revenue and may fear that strict caps are “not the right answer at this time”, whereas a concerned minority (27% who voted “Yes”) still seek firmer limits. Unlike in Bar Harbor, the restrictive policy did not win enduring public mandate, and thus Sitka avoided, for now, both the benefits and legal battles that a binding cap would entail.

Ketchikan and Other Ports: Ketchikan, one of the busiest cruise ports in Alaska, and other communities (Skagway, Haines, etc.) have not enacted any formal passenger caps to date. Ketchikan has instead focused on accommodating the growing cruise demand – for example, a private partnership opened an additional cruise dock (Ward Cove) to increase berth capacity in recent years. The emphasis has been on managing logistics and expanding infrastructure (docks, pedestrian facilities, excursion capacity) to handle peak crowds, rather than limiting arrivals.

That said, local concerns about congestion and environmental impact are present, and Ketchikan’s city government has worked on scheduling and distributing ship arrivals throughout the week. *No legal challenges* analogous to Bar Harbor’s have arisen in Ketchikan, likely because no restrictive ordinance has been passed. The community has relied on the economic boom from record-high passenger volumes (exceeding 1.2 million in 2019, with even higher numbers in 2023–2024) and has leveraged passenger

head taxes (both a local port fee and the statewide \$34.50 per person Alaska head tax) to fund improvements.

One legal episode to note: Juneau's use of local head tax funds was challenged in 2016 by CLIA, which argued the fees must be spent in a manner closely tied to vessels' direct benefit (under the U.S. Tonnage Clause). That lawsuit settled in 2018, with Juneau agreeing to direct passenger fee revenues to port-related services. This illustrates that while Alaska cities haven't been sued for *capping* passengers, they have faced legal scrutiny on other regulatory measures (taxation), reinforcing the need for care in crafting tourism management policies.

Overall Comparison: Bar Harbor's aggressive cap (1,000/day) reflects one end of the policy spectrum – a strict, locally initiated regulation aiming to substantially downsize cruise tourism to protect community character. In contrast, Alaska's port cities so far have gravitated toward collaborative and moderate strategies: negotiated caps that still permit large volumes (Juneau), or rejecting caps in favor of voluntary limits and incremental adjustments (Sitka).

This difference is partly context – Alaskan towns generally have a longer and deeper economic dependence on cruise ships, making outright cuts more economically painful. For example, a 80–90% reduction in cruise visitors (as Bar Harbor's ordinance would cause in Maine) would be economically devastating in places like Ketchikan or Juneau, which have whole sectors built around serving those visitors. Bar Harbor, by comparison, has a more diversified tourism base (drive-in visitors to Acadia, etc.) and a community that was willing to sacrifice cruise volume for quality-of-life concerns.

Additionally, the political climate differs: Maine's state government did not interfere with Bar Harbor's local decision, whereas other jurisdictions have actively preempted local cruise limits – notably Florida. In 2021, after Key West voters approved tight limits on cruise ships (capping at 1,500 passengers/day and banning large ships), Florida's legislature passed a law prohibiting any local regulations of maritime commerce including limits on vessel size or passenger numbers. That law nullified Key West's effort. Alaska has *not* taken such a step; state law here generally allows municipalities broad home-rule authority in absence of conflict (much like Maine). Going forward, however, if local measures in Alaska were perceived as threatening a key state industry, there is a political possibility (even if remote) that state officials could consider intervention.

In summary, Alaska's cruise towns are observing Bar Harbor's test case closely. Bar Harbor's policy demonstrates the most assertive local stance to rein in cruise tourism and is now navigating constitutional hurdles. Alaska communities have so far chosen more cooperative or incremental paths – pursuing capacity management through agreements, scheduling, and infrastructure improvements rather than blunt legal caps. The outcome of the Bar Harbor litigation could influence whether Alaskan municipalities feel emboldened to enact their own binding limits or, conversely, validate their caution by highlighting the legal complexities of such measures.

### **Considerations for Alaska Municipal Governments**

For local officials in Alaska responsible for cruise passenger services, economic development, and community planning, the First Circuit's ruling and the broader experiences above lead to several key considerations. These are factors to weigh – not specific policy prescriptions – as local governments balance community well-being with the benefits of cruise tourism.

Legal Risk and Regulatory Authority: Any move to formally limit cruise ship arrivals or passengers via local law carries legal risks under the U.S. Constitution's Commerce Clause. Municipal leaders should consider the likelihood of a Dormant Commerce Clause challenge if a cap substantially curtails interstate commerce (as it would directly affect out-of-state cruise lines and tourists). The Bar Harbor case

illustrates that while outright discrimination is unlawful, even neutral caps must survive the *Pike* test. This means evidence-based justification is crucial.

Before enacting any binding limits, a city would need to build a strong record showing why a given cap is necessary to prevent concrete harms (e.g. public safety issues or infrastructure overload) and why less-restrictive alternatives would be inadequate. If the local benefits are speculative or minor, and the economic burdens on interstate commerce are enormous, the ordinance could be struck down as an undue restraint. By contrast, measured steps or pilot programs might fare better in court.

Additionally, consider state law authority. Alaska's home rule provisions generally empower cities to regulate for public welfare, but it's wise to ensure no state statutes (or future state political actions) constrain local control over port operations. The contrast with Florida's preemption of cruise limits in Key West is instructive – while Alaska has no such law now, maintaining communication with state officials about local intentions may prevent surprises.

Finally, be mindful of federal preemption issues: any local rules must not conflict with federal requirements on navigation, immigration, maritime safety, or security. For instance, if a policy inadvertently prevented ship crew members or foreign passengers from going ashore when legally they have the right to entry, that portion would be preempted. Close coordination with the U.S. Coast Guard, U.S. Customs and Border Protection, and other relevant agencies can help ensure local measures comply with all federal laws and maritime treaties. In short, municipal attorneys should vet proposed regulations carefully against federal statutes (e.g. maritime transportation security, vessel inspection regulations, immigration entry rules) to avoid legal invalidation on preemption grounds.

Community Impact and Public Engagement: Local officials must gauge the community's tolerance for tourism volume and the degree of impact on residents' daily life. This involves considering not just economic gains, but also quality-of-life factors like crowding of downtown streets, strain on public services (traffic, first responders, bathrooms, trails), environmental impacts (air emissions, wastewater), and cultural character of the town.

The Bar Harbor ordinance was born from resident complaints about being "overrun" on peak days. In Alaska, communities have voiced similar concerns – for example, Juneau residents have long debated how many ships are "too many," and Sitka's failed initiative showed that a significant minority wanted a tighter lid on tourism. Conducting impact studies and community surveys can provide data: What are the peak-day congestion levels? At what point do locals find the congestion intolerable? What infrastructure improvements could mitigate these problems? It's important to recognize that communities are rarely monolithic. As seen in Sitka, many residents appreciate the business and revenue cruise tourism brings (from seasonal jobs to municipal sales tax) and may view strict caps as a threat to livelihoods. Others prioritize preserving the "tranquility" and environmental quality of their hometown.

Officials should ensure robust public engagement – through town halls, surveys, and stakeholder meetings – to transparently weigh these trade-offs. Even if a legal limit is not pursued, clearly articulating community impact concerns can guide softer measures (like scheduling changes or infrastructure management). If considering a ballot initiative route (as happened in Bar Harbor and was attempted in Alaska), be prepared that this can be divisive. Education on the issues is key so voters understand the potential economic costs of limits alongside the benefits. Community buy-in and understanding are essential whichever path is taken.

A policy seen as broadly legitimate by the public is less likely to face political backlash or repeal efforts. In summary, focus on balancing community well-being with economic dependency, and explore whether intermediate solutions (e.g. limiting *types* of activities, encouraging longer stays by fewer ships, etc.) can address resident concerns without extreme measures.

Restricted vs. Unrestricted Revenues: Another dimension for Alaska communities to weigh is the question of revenue use and fiscal fairness. In Juneau’s 2016 litigation with the cruise industry, the court clarified that local passenger fees and head taxes must be spent in ways that provide a direct service or benefit to cruise ships or their passengers, such as port infrastructure, docks, or emergency response directly tied to ship operations. This restriction means that while cruise ships bring millions of dollars in passenger revenues to city coffers, those dollars cannot be broadly applied to community-wide needs like schools, public safety, or general infrastructure. As a result, the wider community may not see proportional fiscal benefits, even as residents bear the weight of increased congestion, pressure on roads, and demands on public services. The revenue system therefore creates an imbalance: the economic costs of hosting cruise ships are spread across the whole community, while the revenues generated must be narrowly reinvested in cruise-related facilities. Municipal officials should be mindful of this structural mismatch when evaluating the overall net benefit of cruise tourism. It underscores the importance of not only negotiating passenger volumes but also ensuring that the funding and regulatory framework adequately accounts for community impacts beyond the dock.

In contrast, sales tax revenues and related visitor spending flow into a municipality’s general fund, where they can be used for the full spectrum of community services. This includes schools, police, fire protection, parks, and other infrastructure that benefit both residents and visitors. Cruise passengers contribute to these revenues indirectly through local purchases—restaurants, tours, retail, lodging, and other taxable activities. Unlike passenger head taxes, these revenues are not restricted to cruise-related uses, which makes them an important counterbalance to the limitations imposed by litigation on dedicated port fees. However, sales tax benefits are more diffuse and dependent on passengers’ spending patterns, which can vary by port, by the proportion of visitors who stay ashore, and by the availability of local businesses to capture that spending. Taken together, these revenue streams highlight a tension in municipal finance: while head taxes must be reinvested into cruise-serving infrastructure, general sales taxes from visitor spending provide the primary way that the broader community shares in the economic benefit. The degree to which each community can leverage sales tax revenues—through tax rates, breadth of taxable activity, and local spending capture—will directly shape how equitably the financial gains of cruise tourism are distributed relative to the burdens borne.

Tourism Capacity Management Strategies: There is a spectrum of strategies to manage visitor volume short of (or in addition to) a blunt daily cap. Alaska municipalities should consider a toolkit of capacity management options:

- *Voluntary Limits and Scheduling Agreements:* The Juneau MOA demonstrates that working in partnership with cruise lines can yield mutually acceptable limits. While voluntary agreements lack legal enforceability, they can be effective if the major industry players are cooperative (and they may prefer this over unpredictable ordinances). Regular meetings to coordinate schedules, as Juneau has instituted, allow adjustment of ship itineraries to avoid too many large vessels on the same day. Smaller communities might negotiate for “ship-free days” each week or caps on ship size on certain days. These collaborative approaches can achieve much of the benefit of caps with less confrontation.
- *Passenger Fees and Infrastructure Investment:* Using passenger head taxes or port fees to fund infrastructure improvements can increase the carrying capacity of the community. For example, investing in better transportation (shuttle buses, pedestrian pathways), restrooms, signage, and dispersing visitor flows to less crowded sites can alleviate pressure on the town center even if passenger numbers remain high. Juneau officials have noted the need to “improve infrastructure and grow tour capacity” to handle visitors while reducing impacts on residents. Enhancing capacity might involve expanding docks (to avoid multiple ships tendering and disgorging passengers all at

once), staggering ship arrival/departure times, or managing tour bus traffic routes. While these measures require funding and planning, they can make higher volumes more sustainable and negate the need for drastic caps.

- *Regulating Specific Impacts:* Instead of (or alongside) a blanket passenger cap, cities can target particular nuisances or bottlenecks. For instance, limiting the hours during which cruise ships can debark passengers (to avoid late-night noise or early-morning congestion), setting quotas on tour buses or permits for popular trails/attractions per day, or zoning provisions that manage where large groups can gather. Tailored regulations like these might be less susceptible to Commerce Clause challenge because they often address health and safety directly and do not outright exclude a class of commerce (they regulate how tourism occurs, not just how many come). They must still be reasonable and not a disguised ban, but they can spread out or reduce peak impacts.
- *Monitoring and Adaptive Management:* Establish a system to continuously monitor tourism impacts (traffic counts, environmental measurements, resident complaints, etc.). With data, local governments can adopt adaptive management – for example, if certain thresholds are exceeded (crowd size, air quality metrics), temporary limits or additional mitigation steps kick in. This flexible approach can be more nuanced than a fixed cap. It also provides evidence if ever a legal defense is needed by showing the policy adjusts to actual conditions.
- *Regional Coordination:* Because cruise itineraries are regional (ships typically stop at multiple Alaska ports on one trip), one port’s policies can displace issues to another. Consider engaging in multi-port dialogues – such as the Port Communities of Alaska established in association with the Alaska Municipal League – to share strategies and avoid simply shifting overcrowding from one town to the next. The First Circuit noted that Bar Harbor’s cap had implications for other New England and Canadian ports due to the interconnected cruise schedule. Alaskan ports likewise might benefit from coordinating on managing total regional capacity. For example, if one town contemplates a strict cap, others might need to plan for increased ship visits or jointly negotiate schedule adjustments with cruise lines. A unified or at least communicative front can also strengthen the case that the industry must operate within community-agreed limits across the board, not play one port off against another.

Compliance with Federal Regulations and Environmental Standards: Any local strategies should be developed in concert with federal agencies and regulations that govern cruise operations. Coordination with federal authorities ensures that local measures complement rather than conflict with national rules:

- *Maritime Safety and Security:* Work with the U.S. Coast Guard on any plan affecting cruise ship docking, tendering, or passenger disembarkation procedures. Federal rules (33 C.F.R. §105, etc.) require port facilities to grant crew members the right to come ashore safely – local caps should explicitly account for this by exempting crew or otherwise ensuring compliance. Likewise, security plans for handling cruise passengers (screening, customs if international) must remain intact; consulting with Homeland Security/CBP can clarify what is permissible. In Bar Harbor’s case, clarifying that “the Ordinance does not prohibit or prevent entry to the United States” for any vessel or person was key to defeating the immigration-related preemption claim. Alaska ports that are ports-of-entry (like Juneau, Ketchikan) should similarly ensure any new rules don’t impede Customs and Border Protection processes.
- *Environmental Regulations:* Cruise ships are subject to federal and international environmental standards (wastewater discharge limits, air emission standards, etc.), and Alaska has additional state oversight (e.g. the Ocean Ranger program in the past, and permits for wastewater). If local communities seek to impose environmental conditions (such as requiring shoreside power use when

at dock, or banning ships that haven't adopted certain emissions technology), these could raise preemption questions or be challenged under federal law (*United States v. Locke* (2000) struck down some state-imposed tanker rules, for example, where Coast Guard rules dominated). It's advisable to coordinate with the Alaska Department of Environmental Conservation and federal EPA/Coast Guard to align any local environmental requirements with existing law or to seek waivers where possible.

- *Navigational Freedom and Harbor Usage:* Generally, under federal law, vessels have the right to innocent passage and use of navigable waters; local port authorities can regulate docking through permits and fees but cannot close waters to navigation except for safety. A passenger cap like Bar Harbor's cleverly targets who may disembark rather than attempting to deny ships entry to the harbor, which helped it avoid being deemed an interference with maritime navigation rights. Alaskan cities should be similarly careful: for instance, you might limit the number of people coming off the ship, but not attempt to say "X type of ship may not enter our port" unless there's a clear safety justification. (One exception: ports *can* deny a berth if they lack capacity or for safety—e.g., Skagway at times limited large ships due to dock rockslide risks. Such safety-based limits are generally defensible.)
- *Federal Funding and Agreements:* Consider whether the municipality has accepted federal grants or entered agreements that might obligate the port to certain open access. For example, some port improvements are funded by federal dollars contingent on nondiscrimination in port access. While this typically applies to treating all vessel operators equally (and Bar Harbor's rule arguably does so), it is another angle to check with legal counsel.

In all these areas, proactive coordination with federal regulators can also yield support and expertise. For example, the National Park Service enforces a strict daily cap on cruise ships in Glacier Bay National Park for environmental protection – an example of a federal capacity limit in Alaska. While a town is different from a national park, discussing with agencies the carrying capacity of local ecosystems (harbors, air shed, wildlife disturbances from cruise traffic) could bolster the case that certain limits are in line with broader environmental management goals.

Alaska's port communities stand at a juncture where balancing booming cruise tourism with local quality of life is paramount. The First Circuit's Bar Harbor decision underscores that municipalities do have tools to shape tourism growth, but those tools come with legal and practical considerations. An Alaska city contemplating a cap or similar restriction should carefully weigh legal exposure, build a solid factual justification, engage its community, and consider cooperative strategies as a first resort. While this memo does not recommend any particular course, it highlights the factors and trends officials should consider. By learning from Bar Harbor's experience and our own local contexts, Alaska's coastal towns can work toward solutions that sustain both the economic vitality that cruise ships bring and the community values and environment that make these places worth visiting in the first place.

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TO: Deputy Mayor Smith and Committee of the Whole  
FROM: Katie Koester, City Manager  
DATE: November 3, 2025  
RE: Telephone Hill Update

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At the October 27 Regular Assembly Meeting the Assembly requested an update on Telephone Hill. The attached FAQ attempts to answer the questions members of the public have had on the project and provide a central location for factual information on the process. This will be posted on the Telephone Hill project website. <https://juneau.org/engineering-public-works/telephone-hill>

### **How we got here**

Since 2019 when Telephone Hill was identified by the State as under-utilized property until October 2026, Telephone Hill has been on the agenda of 15 Committee or Assembly meetings. In July 2023 and in October 2023 there were public meetings on the redevelopment study and initial design concepts were presented to the public for public comment.

There was a Telephone Hill Development Public Online Survey from 12/13/23 to 1/9/24. The survey received over 2,300 responses from members of the community. Four design concepts were presented showing differing levels of development density which asked residents to select their preferred concept. The results of the survey were that option C mid-rise apartments (100-200 units) and Option D – Mixed + Existing Homes (56 units) both received a similar vote count. The Assembly COW provided direction by passing a motion at the 2/12/24 meeting “to proceed with refining design concept C as presented in the survey”.

### **Where we are**

Tenants on Telephone Hill were delivered legal notice to leave the dwellings by November 1, 2025. This was after discovering the property management company did not give proper legal notice (delivered in person or posted on the door with a picture for proof) for the previous date of October 1, 2025.

As of Thursday, October 30 there are four units out of thirteen that are occupied.

As dwellings are vacated, each are inventoried for hazardous materials. This is necessary before demolition to properly categorize and dispose of the waste. The dwellings must be vacant when this invasive testing is done, as it often stirs up hazardous materials.

### **What is the plan?**

Plan sets and specifications for demolition will be finalized once all dwellings are vacant with bids going out no sooner than one month after vacancy to allow time for testing. Bids will be awarded in December 2025/January 2026. Pending favorable weather (icy streets and significant snow load

complicate the work) demolition could be complete in March 2026 with blasting and site prep in spring 2026.

In the meantime, CBJ will continue working with Leland Consulting Group on identifying and contacting Pacific Northwest developers interested in a project in Downtown Juneau or open to sharing insight based upon years of private sector experience. This is in addition to our Alaskan contacts.

The City Manager will meet with as many developers as possible to develop interest and to inform the project, including the future solicitation package. An informational packet on Telephone Hill, the strengths of Juneau, and the opportunities in the housing market to inform those meeting is in the works.

CBJ will issue a solicitation for development informed by feedback from developers. The solicitation can be written so the Assembly can award the project to a developer (versus the Request for Information process we used a few years ago that generated one letter of interest). While the solicitation will include Assembly goals, such as high density and 20% affordable housing, it is acknowledged that we may not find a developer able to deliver without additional municipal support. The tradeoff between cost and affordability will be something the Assembly will need to address.

#### **A note on geotechnical, buildability, and subdivision**

The current dwellings restrict the drill rigs' access to some of the critical testing areas, particularly the west slope of the hill. However, much of the geotechnical information can be obtained from visual and field testing, decreasing the need for core samples.

It is a misconception that a comprehensive geotechnical report will explicitly say whether a project is buildable. Rather, geotechnical reports provide engineers with information and recommendations to guide blasting strategy and foundation design. The purpose of a foundation is to distribute the weight of a building safely to the native soils beneath, which is why engineers work in terms of "bearing pressure" rather than total weight. If the exerted pressure of a building would exceed the recommended bearing pressure, engineers can overcome this by designing deeper foundations, additional pilings, or expanding the building footprint. This is why it is not necessary to have full and complete building design prior to a geotechnical investigation.

RESPEC sent a Geotech engineer to Telephone Hill in August 2025 for a site visit. While this site visit did not produce any official report, RESPEC relayed back that they did not observe any major stability issues that would bring the project's feasibility into question. RESPEC also has a mass rock expert on staff that is assisting in determining the level of geotechnical investigation needed for building design.

**Recommendation:** Informational Only

**Enc:** Telephone Hill FAQ



# Telephone Hill FAQ

October 30, 2025

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## **Why is CBJ moving forward with evictions and building demolition without a developer in place?**

Housing has long been a top priority for CBJ and this project has the potential to seriously move the needle on housing availability and affordability in Juneau.

During the redevelopment study, initial developer interviews were conducted by Leland Consulting Group in order to gauge interest from potential development partners. While many developers showed interest in the project, the high cost of development in Juneau meant developers would need CBJ assistance to provide affordable units. Developers are also hesitant to move forward while properties are occupied, as that may lead project to stall. This construction feasibility gap is well-documented in Juneau ([Northwest Douglas Subarea Study Housing Needs and Residential Financial Feasibility Findings](#)).

The Assembly acknowledges that investment will be required to meaningfully increase housing to address Juneau's ongoing housing crisis. While some risk is unavoidable, Telephone Hill redevelopment been carefully analyzed through the [Market Analysis](#) and the Assembly has chosen to develop the property. By proceeding with demolition and site development, CBJ will provide ready-to-build land to maximize developer interest and competition while also reducing design and disposal costs.

CBJ is moving forward with developer outreach with the goal of selecting a development partner in early 2026.

## **What is the number and condition of the existing structures Telephone Hill?**

There are seven structures with 13 housing units on Telephone Hill. Per the [Existing Structures Conditions Report](#), the condition of the structures range from "fair for [their] age" to significantly deteriorated and even hazardous. While the inspection did not exhaustively test for mold or hazardous materials, both are anticipated upon future testing given the age of the structures. Generally, the buildings also lack the structural measures required to provide an adequate level of safety (gravity/snow loading, lateral/seismic systems, etc.,) for their occupants.



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Bringing these buildings up to code for safety and habitability would be a significant cost, and an inappropriate use of public funds.

## **What is the plan after demo? How long before construction might take place?**

Following demolition, work will begin to prepare the site for future development. This work will include grading, establishing buildable lots with utilities, and re-subdividing the area. Site preparation work is expected to occur in 2026 with the goal of being complete and ready for building construction in 2027. CBJ is working to secure a development partner so that they can be involved in the site preparation and subdivision process.

## **What is the cost of the site development work and what does it include?**

At the May 5, 2025 Assembly Committee of the Whole meeting, the Juneau Assembly approved \$5.5 Million to fund demolition and site preparation work. Approved work includes demolition of existing buildings, disposal of hazardous materials, grading and rock excavation, and trenching for new utilities. An extensive [environmental assessment](#) of the site was performed early on in the process.

CBJ acknowledges that developer incentives and subsidies are a critical component of meaningfully increasing housing stock utilizing CBJ property. The \$5.5M in site prep is intended to substantially address this construction feasibility gap and would be necessary for substantial housing development on any of CBJ's developable properties.

## **Why is CBJ focusing on Telephone Hill for housing? What about other CBJ-owned property?**

The Assembly has provided clear direction to facilitate the disposal (sale, etc.) of CBJ property for the purpose of housing. This work includes studying utilities, access, wetlands, topography, zoning and subdivisions of all CBJ property. Telephone Hill is the largest undeveloped, CBJ-owned parcel in the downtown area.



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While CBJ is actively working to prepare other CBJ properties to be development-ready for future housing, Telephone Hill is unique in that it is already properly zoned, has basic utilities, direct road access and is large enough to accommodate multiple buildings.

## **What about the CBJ property at 450 Whittier?**

This property is much smaller than Telephone Hill. The developable space is less than a quarter of that available on Telephone Hill (0.34 acres vs. 1.4 acres), however, it could be used for mixed use, office space or senior housing or other uses to aligned with the continued growth of the Áak'w Village District. This property has similar zoning to Telephone Hill and could be a great location for development but on a smaller scale.

Telephone Hill, 2nd & Franklin and 450 Whittier are all CBJ owned downtown properties and are at different stages of evaluation and preparation for redevelopment or disposal. As the largest parcel by far, Telephone Hill has the greatest opportunity to move needle on meeting Juneau's housing needs.

## **What is the funding source of the \$5.5M appropriated for Telephone Hill site work?**

The funds appropriated for this project came from a combination of the voter approved [1% sales tax](#) (\$2M for Telephone Hill was approved by the voters in 2022) and the Lands Special Revenue fund that is comprised of funds collected from the sale and development of CBJ property specifically designated to develop and manage City land. Only \$1M was appropriated from the CBJ general fund.

## **How much buildable land will be available after demolition?**

The total redeveloped area, per the conceptual plan shown in the [Telephone Hill Place Guide](#), is 1.4 acres. This area is sufficiently sized to allow for the four parcels and improved roadway as shown in the Place Guide.

The Telephone Hill park, switchback trail, and parking garage will remain unchanged.



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## **How many housing units can/will be developed? What type and affordability level?**

Four new buildings could provide up to 155 housing units in total. While larger, denser buildings are possible, density was determined through public outreach and understanding the preferences of the community.

The Assembly did a comprehensive [Market Analysis, Feasibility Analysis, and Development Strategy](#) for Telephone Hill that determined that a) there is absolutely a need for workforce and affordable housing and b) a developer will need the municipality to be involved through project development, tax abatement, low interest loans. The study goes into detail on the cost of construction for such a development and what financing gap would be needed to incentivize developers to develop affordable housing. From that work, and the [Telephone Hill Place Guide](#) that maps out a community vision for the Telephone Hill, the Assembly landed on a requirement for 20% of the envisioned 155 units (or 31 new housing units) meeting the definition of affordable used by HUD, 80% of Area Median Income.

These units will be subsidized by CBJ and represent roughly double the affordable housing opportunity and capacity of the existing structures. The remaining 80% of units will be priced by the developer as necessary to balance project financial pro forma.

## **How does the Telephone Hill redevelopment connect to United States Coast Guard (USCG) housing needs with the new ice breaker?**

Based the [Northwest Douglas Subarea Study Housing Needs and Residential Financial Feasibility Findings](#) for the City and Borough of Juneau, more than 600 units at all affordability levels will be required to cover the existing and forecasted gap in Juneau's housing stock, including that associated with the approximately 200 relocating USCG servicemembers and their families. CBJ is collaborating with the USCG to identify development across Juneau to plan for these varied housing needs. One of these housing growth potential locations is Telephone Hill.



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The Telephone Hill redevelopment project estimates construction of 155 units, including studio, one-bedroom and two-bedroom options. We understand from the USCG that many of these relocating service members will have single or two-person households and will be interested in these centrally-located smaller units. CBJ has offered to make connections between the future developer and the USCG with the goal of providing planning surety to both entities.

## **Is the developable land structurally sound enough to support multistory buildings? How do you know?**

Yes, the area bedrock is very strong and previous geotechnical investigations for the Downtown Parking Garage have determined the slopes are stable. Geotechnical engineers from RESPEC visited Telephone Hill in August 2025 and did not report any evidence of instability or compromised soils that would jeopardize future development. RESPEC also relayed that they did not observe any stability issues that would bring the project's feasibility into question.

A detailed geotechnical report will be prepared to inform design of any necessary retaining and support structures so engineers can ensure the weight of new structures are safely transferred to the strong, bedrock base. It is usual and typical for this detailed geotechnical work to take place post-demolition. Conducting it prior to demolition could increase costs and delay the project.

## **I've heard there is a tunnel under Telephone Hill?**

The Second Street Tunnel runs between Main Street and Willoughby Avenue. Survey data shows the top of the tunnel is approximately 12-15 feet below the finish grade on top of the hill. At this depth, engineers do not believe the tunnel presents a risk to the stability of the ground above.

That said, building parcels are set on both sides of the tunnel separated by a 30' easement, so no new buildings are planned to be constructed directly over the top of the tunnel.



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## **Why isn't CBJ following Section 106 protocols? Doesn't that mean we won't be eligible for future federal funding?**

Section 106 reviews are only triggered if there is a federal agency, federal jurisdiction, or federal money involved with a project. None of those are applicable at this time with Telephone Hill, nor is any future federal agency involvement expected. CBJ is collaborating with the USCG to secure housing units for the incoming servicemembers and support staff across Juneau. The intention is not for the USCG to purchase or be the developing entity for Telephone Hill. In short, a Section 106 cannot be pursued because CBJ is not in a position to even get the process started.

This alone does not disqualify a developer from applying for federal funding and they would need to complete a separate Section 106 review under that particular federal funding agency after their building design reaches a certain point.

CBJ has also done a comprehensive [Cultural Desktop Assessment](#) and [Site and Structures Survey](#) that document the cultural and historical significance of the buildings and place.

## **Will it just be housing? What about green space and parking?**

While housing is the primary focus, considerations have been made for other features to be included in redevelopment. Developers will be encouraged to provide areas that can be transformed into community spaces such as pocket parks, gathering areas, or staircases. Additionally, a tree canopy will be reestablished around Telephone Hill following construction to maintain the green, natural look of the hill. No additional parking is required to be added as part of redevelopment due to Telephone Hill being within the Downtown Zero-Parking zone. However, it is possible for developers to include additional parking in future structural designs.

The existing Telephone Hill park, switchback trail, and parking garage will remain unchanged.



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## **Who is asking for this? How did we get here?**

Just as the community has long been struggling with an ongoing housing shortage, Telephone Hill has long been anticipating development - since 1984 when the State of Alaska acquired the land with the intent of constructing a new legislative complex. With plans never materializing for the complex, the land was transferred to CBJ in 2022 to pursue economic redevelopment. Aligning with Assembly goals of providing more housing in Juneau, CBJ began a redevelopment study in 2022 with the intent of determining a preferred development option. Through public outreach and market analysis, CBJ concluded that high-density, residential development is a feasible option that would provide relief to Juneau's tight housing market.

The Assembly and CBJ staff are and will continue to be fiscally prudent with City funds, while meeting the larger goal of providing affordable housing and units that our youth and working families can live in. The return on our investment is the existence of our community as a thriving place where all generations can live, work, and play.

## **Was there a public vote on redevelopment of this land?**

Yes. \$2 million in funding for the redevelopment of Telephone Hill was included in the 1% sales tax proposition approved by voters in the 2022 Municipal Election (<https://juneau.org/onepercent>).

A public vote on the nature of the redevelopment is not required, however, as the project moved forward, a robust public process took place to ensure that CBJ was acting in a manner that meets public purpose and the needs of the city and borough as a whole.



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## **Why is this area being redeveloped vs other areas of downtown Juneau with derelict buildings or no structures?**

CBJ cannot mandate downtown property-owners to redevelop their private property.

In 2006 CBJ completed a [buildable lands study](#) that evaluated all CBJ properties for slope, wetlands, hazard zones, access and utilities in order to identify land for development. Of the 14 potential sites studied, there were zero located in downtown Juneau. Telephone Hill was not under city ownership at the time of the study but was identified as an optimal development location due to its size, road access, and mixed-use zoning.

Now that Telephone Hill is under CBJ ownership, it stands as the largest city-owned land parcel in downtown Juneau feasible for redevelopment.

## **Will the City continue to manage the land after it's developed by contractors?**

It is unlikely that the City will continue to own or manage this property after it is developed. One of the objectives of developing Telephone Hill is to facilitate the transfer of this property into private ownership.



November 3, 2025

Katie Koester  
City Manager  
City and Borough of Juneau  
155 Heritage Way  
Juneau, AK 99801

Ms. Koester:

While reviewing the meeting packet for November 3, 2025, committee of the whole meeting for the City and Borough of Juneau Assembly I noticed an error that needs to be corrected.

In attachment B Meeting notes from the October 21 Goldbelt West Douglas Phase 1: Port Project, it is reported that Royal Caribbean is the applicant for, and represented by, Sarah Porter, Port of Tomorrow, and Jason Davis, Turnagain Marine Construction.

Project: Goldbelt West Douglas Development Phase I: Port Project  
Applicant: Royal Caribbean, represented by Sarah Porter, Port of Tomorrow, and Jason Davis, Turnagain  
Owner: Goldbelt

This is not accurate. Goldbelt, Inc. is the landowner and sole owner of Goldbelt Aaní project. We anticipate Goldbelt will be the applicant for the project permits. Royal Caribbean is a potential customer of the development, not an owner or developer.

Thank you for allowing me to set the record straight on this topic.

Sincerely,

A handwritten signature in blue ink, appearing to read 'McHugh Pierre'.

McHugh Pierre  
President & CEO

cc: CBJ Assembly