ASSEMBLY RETREAT - WORKSESSION AGENDA

December 11, 2022 at 10:00 AM

Bartlett Regional Hospital Board Admin. Boardroom (In Person Only) - No Public Testimony Taken

A. CALL TO ORDER

B. LAND ACKNOWLEDGEMENT

C. ROLL CALL

D. APPROVAL OF AGENDA

E. AGENDA TOPICS

1. **Introduction**
2. **Housing**
   - a. **Housing Information Through a Juneau Lens**
   - b. **Housing Action Plan Update from 6/6/22**
   - c. **Law/CDD Legislation Per Year Graphs**
   - d. **Planning Commission Priorities**
   - e. **Link to CBJ's** Housing Action Plan
   - f. **Inventory of Vacant and Underdeveloped Properties within the Urban Service Area Map** https://cbj-gis.maps.arcgis.com/apps/webappviewer/index.html?id=ccad49cd1fff4cbaa25dd0dcf5c030fc
3. **Budget**
   - a. **Update on FY22 Year-End Close**
   - b. **Mid-Year Update on FY2023**
   - c. **Looking Ahead to FY2024**
   - d. **FY21-FY24 Budget Summary and Impact on Fund Balance**
   - e. **Sales Tax Actuals and Forecast**
   - f. **Inflation Adjusted Per Capita CBJ General Government Spending**
   - g. **16-Year General Government Fund Balance History and Projections**
   - h. **Use of Fund Balance**
4. **Tourism**
   - a. **Long-Term Tourism Strategy**
   - b. **Juneau Tourism Survey**
   - c. **Juneau Docks and Seawalk Map**
   - d. Visitor Industry Task Force webpage.

5. **Assembly Goals + PWFC Report**

    a. **2022 Assembly Goals Updates**

    b. **Assembly Goals - Submitted Changes & Comments**

    c. **PWFC Input on 2023 Goals**

    d. **JCOS Input on 2023 Goals**

F. SUPPLEMENTAL MATERIALS

G. 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, TDD 586-5351, e-mail: city.clerk@juneau.org.

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

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December 6, 2022

MEMO

To: **Mayor Weldon, and Members of the Assembly**

CC: **Rorie Watt, City Manager**

From: **Jill Maclean, Director, AICP**
Dan Bleidorn, Lands Manager

RE: **Assembly Retreat 2022 – Housing Info through a Juneau Lens**

Purpose

This memo provides high level information and options that the Assembly may consider to address the housing needs of Juneau—borough wide. The items provided for consideration are pulled from staff expertise and experience in land use and housing, and balanced with a review of several comparable communities. What you will not find in this memo are strategies more applicable to larger metro areas, e.g. Anchorage, Seattle, and Minneapolis.

What Are The Known Challenges To Developing Housing In Juneau?

- Limited buildable land
- Cost to ship and construct
- Labor shortages
- Lack of development creating higher-density development
- Flexibility of the land use code
- ***Lack of community vision / strategy*** (comprehensive plan)

The Assembly generally has three methods through which it has attempted to influence and improve the development of housing in Juneau. First, the CBJ can dispose of municipal land. Tensions on this topic includes neighborhood adjacency, the role of CBJ as the seller of raw land or as a developer of land, and the adopted land management plan, which reserves large tracts in the designation of natural area park.

Second, the CBJ can provide financial incentives for housing development. Tensions on this approach include concerns that financial incentives may be inequitable, may reward actions that would already happen, may place a financial burden of future Assemblies or may interfere with the role of banks.

Third, the CBJ can adjust the municipal code, through amendment of Title 49. Concerns on this approach revolve around upsetting the development balance in existing neighborhoods and the allocation of infrastructure maintenance responsibility. Many communities across the nation working to address the need for more housing struggle with NIMBYism.

Development Programs Currently Available

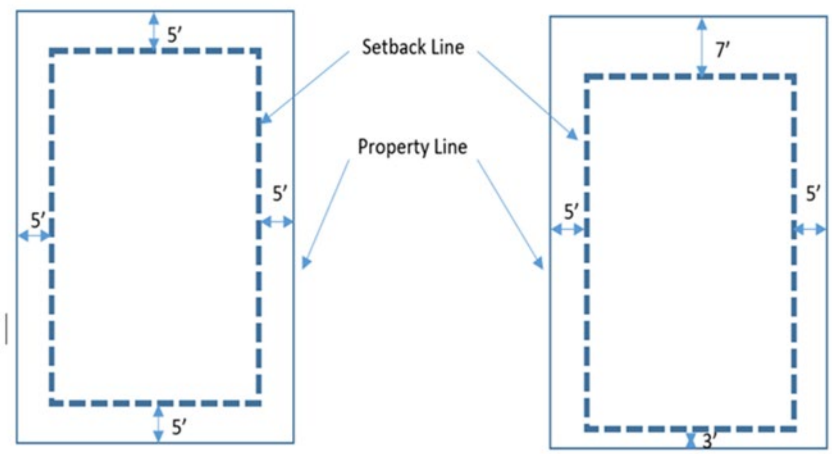
- Juneau Affordable Housing Fund (JAHF)
  - Provides grants and loans to applicants seeking to develop affordable housing in the CBJ
- Accessory Grant Program
  - Provides $6,000 Grants to homeowners who build accessory apartments
- Mobile Home Grant Program
  - Provides low-interest matching loans up to $10,000 for down-payment on manufactured homes
- Tax Abatement Programs
  - Downtown Tax Abatement
    - Provides 12-year tax abatement for projects that develop at least four new residential units downtown
  - Senior Assisted Living Tax Abatement
    - Provides 12-year tax abatement for projects that provide at least 15 new residential units of assisted living for senior citizens
  - Subdivision Tax Abatement
    - Property taxes derived from the increase in assessed value and directly attributable to the subdivision of a single parcel of property into three (3) or more parcels and any improvements made to the property necessitated by its subdivision may be exempted for a maximum of five (5) years
- Land disposal opportunities
  - Subdivision and disposal of CBJ-owned lands for housing
  - Rezoning of CBJ-owned lands to support higher density housing

Proposed Short-term Solutions thru the Land Use Code

- <u>Accessory Apartments ordinance (49.25.510)</u>
  - Currently underway is a revision to the accessory apartment ordinance to provide for the following key changes:
    - Duplexes would be allowed to have an additional accessory unit (one owner, two rental units)
    - Where lots that are 150% times the minimum lot size are currently permitted to have two (2) single-family dwellings, one dwelling is allowed to have an accessory apartment of 1,000 sq. ft. and the other single-family dwelling may have up to a 600 sq. ft. accessory apartment
      - Proposed language allows for both dwellings to have accessory apartments that are 1,000 sq. ft.
    - Under current code, lots that do not meet the minimum lot size are required to get a conditional use permit for an accessory apartment
      - Proposed language changes this to director approval through a building permit—no public hearing required

- Increase height limit to 45 feet; and increase by one-story based on a bonus basis
    - Residential districts are limited to 35 feet maximum
    - Examples of how to achieve the bonus could use inclusionary zoning and provide affordable or workforce housing, or site structures in such a way that views are protected, or provide site amenities, e.g. playground, fitness center, etc.
    - Currently, a boat condo—a popular structure type in Juneau—is not able to provide more than two levels (garage and one floor of living) due to the 35 foot height maximum. An additional 10 feet would provide the opportunity for a larger living space or an accessory unit.

- Create "floating box setback" in the Table of Dimensional Standards
    - Floating setbacks provide greater flexibility for infill development
    - Currently available in the Downtown Juneau Alternative Development Overlay District
    - Under current code, the setbacks from lot lines are fixed, e.g. in D5 zoning, the front setback is 20 feet, the rear setback is 20 feet, and the side yard setbacks are five feet
    - Floating box setbacks establish minimum sum for the setbacks, resulting in:



- Allow Chapter 35 Public and Private Improvements to be variable (49.20 Variances; 49.35)
    - Currently, Chapters 35 and 65 are not variable, meaning that a developer cannot apply for a variance to any section of these chapters—there is zero flexibility
    - Chapter 35 includes roads standards (width of right-of-way, pavement, sidewalks, lighting, direct and practical access through the frontage)

- Streamline Alternative Residential Subdivision (ARS) ordinance (49.15.900)
    - ARS provides for creation of unit lots without setbacks and holding land in common ownership via an HOA, and is intended to provide flexibility with setbacks and parking, and in some circumstances a public street is not required
    - Adopted in 2018, and now having worked thru two ARS applications, staff recognizes that the permitting process could be improved to ease both staff review time and developers' time, and better supports the development of housing

- Revise Cottage Housing ordinance (49.15.600)
  - The ordinance requires a minimum of four (4) units (thumbs up); but caps the number of units built at 12 (thumbs down)
  - The ordinance requires strict architectural design that is not typical of Juneau, effectively blocking developers from using it

Key Considerations from Comparable Communities

Inclusionary Zoning (Portland, ME)

Brief: Inclusionary zoning is a mandatory process for creating affordable housing by requiring developers to either develop new affordable housing in their project or contribute funding to develop affordable housing at a later date. This process could be applied either borough-wide or in dedicated priority growth areas.

Example: In Portland, the City passed an ordinance requiring all new housing developments of ten units or more to include 25% middle-income housing or make a fee-in-lieu contribution to the City to create middle-income housing at a later date.

Juneau Lens: Potential option that requires / ensures that development of affordable and workforce housing goes hand-in-hand with market-rate units.

Incentive Zoning (Cambridge, MA)

Brief: Incentive zoning provides an incentive to developers to include public benefits in their projects. Typical incentives include density bonuses, parking reductions, and height bonuses. Common public benefits include affordable housing units or a contribution to an affordable housing fund, parks and plazas, green building standards, childcare centers, and community service facilities.

Example: In Cambridge, the City's Incentive Zoning provisions apply to large non-residential developments. The Incentive Zoning provisions require a Housing Contribution to mitigate the impact of these developments on the need for affordable housing in the city by providing a contribution to the Affordable Housing Trust. Examples of this program exist in other cities with varying incentives in exchange for a range of community needs. In some communities, there is a "menu" of community needs that a developer may choose from when seeking an incentive. In many communities, the required benefit targets a specific goal. In the Cambridge example, funding their Affordable Housing Trust to develop affordable housing is the primary goal.

Juneau Lens: Potential option for sites currently zoned industrial or general commercial mainly.

Develop Missing Middle Housing & Reconsideration of Single-Family Zoning (Juneau, AK)

Brief: "Missing Middle Housing is...ideally located within a walkable area, close to amenities; never exceeds the scale of a house (height, width and depth); mixes well with other building types; features small but well-designed residences; can be for sale or rent; and creates a sense of community within a building and in the neighborhood," AARP.

Missing Middle Housing, also known as "gentle density," provides a variety of housing types that can fit in a variety of places and in a number of streetscape spots:

- Distributed throughout a block with single-family detached houses
- Located at the end of an otherwise single-family detached block
- Built adjacent to a commercial area as a transition to single-family detached housing
- Placed in an area that transitions from single-family homes to higher-density housing

Simply eliminating single-family zoning is unlikely to increase housing units in and of itself—it does not create new development. Additional areas may require change including reducing lot sizes, relaxing site improvements and environmental controls, balanced by incentivizing higher density development through multi-family tax abatement, density bonuses for affordable and workforce housing.

<u>Example</u>: Juneau's land use code provides for missing middle housing. Under current code, a developer may choose to build the following types of missing middle housing. However, staff acknowledges that updates and revisions are necessary to these code sections to make these types of developments appealing and adaptable options for Juneau.

- **Unit-Lot Subdivision** where each lot can be its own minimum size, with amenities such as parking provided on the parent lot and the land and amenities are under common ownership (HOA) – *49.15.900 Alternative Residential Subdivision*
- **Cottage Housing**, provides for four (4) to 12 or 14 (zoning district dependent) cottages under current code, requires design review, and other amenities – *49.15.600 Cottage Housing Developments*
- **Duplexes / triplexes**, permissible in RR, D1, D3, D5, D10, D15, D18, LC, GC, MU, MU2, and WC
- **Accessory Dwelling Units**, provides for an accessory unit in residential zoning districts, may be attached or detached; if lot is oversized and has two single-family dwellings, each may have its own accessory unit
- **Single-family development not permissible**, single-family dwellings are not permissible in the recently adopted Mixed Use 3 (MU3) and Neighborhood Commercial (NC) zoning districts – 49.25.220 & 230; 49.25.300

<u>Juneau Lens</u>: Potential for developers to leverage the land use code and provide a variety of opportunities for different types of housing, while still permitting single-family development where appropriate, e.g. small infill lots (bungalow, tiny houses = single-family zoning), lots located outside the urban service area and / or not supported by public water or sewer.

Proposed Short-Term Land Disposals

- **Telephone Hill**
  - Acquire Property from State of Alaska (SOA)
  - Manage short-term renters
  - Undertake public engagement
  - Issue RFP May 2023

- **2nd Street & Franklin Street**
  - Communicate with SOA regarding abutting state property at 2nd & Gold Street
  - Adopt an ordinance with terms and conditions for disposal of site for housing
  - Develop a disposal process as determined in the adopted ordinance

- **Pederson Hill**
  - Rezone ~10 acres from D10SF to D10
  - Continue to negotiate with Moline Investment for USCG/tax credit housing
  - Continue to negotiate with Tlingit Haida Regional Housing Authority (THRHA) for completion of Phase 1B and 1C at D10SF zoning
  - Use subdivision process for disposal

Attachments

Attachment A: Housing Action Plan Update June 1, 2022

HOUSING ACTION PLAN UPDATE
JUNE 6, 2022

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

(907) 586-0715
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155 S. Seward Street • Juneau, AK 99801

DATE: June 6, 2022
TO: Chair Maria Gladziszewski, Committee of the Whole
BY: Scott Ciambor, CDD Planning Manager
Re: Housing Action Plan Update

Housing Action Plan
The Housing Action Plan was adopted by resolution on December 19, 2016. (Juneau Housing Action Plan – Final). The Housing Action Plan includes 66 strategies and lists an overall goal of developing 1,980 newly constructed units for all-housing types by the 30-year mark.

The Assembly has prioritized strategies in the Plan, most recently at the September 9, 2021 LHED Committee meeting. Below is an update to those HAP priorities:

Housing Action Plan Priorities 09.2021		
Short	Activity	Status
	Implement downtown tax abatement	Complete
	Address downtown parking	Complete
	Implement Juneau Affordable Housing Fund	Complete
	Pederson Hill Land disposal strategy	Phase I complete
	Evaluate and address barriers to homeownership	Ongoing
	Accessory Apartment Incentive Grant Program Review	Complete
	Riverview Senior Assisted Living	Under Construction
Medium	Develop Upstairs Downstairs loan program for rehabilitation and code compliance upgrades	Ongoing
	Strategies for short-term rental units/impact on housing stock	Current
	Small Area/Neighborhood Plans: Blueprint Downtown & Downtown Douglas West Juneau Plan	In Process
	Housing Data and Housing Action Plan Updates	Ongoing
New	Housing Development Taskforce Recommendations	
	Pre-Application Meeting Ordinance	In Review

Appendix A summarizes additional CBJ Housing Activity by listing by year 1) funding for housing, 2) land assets used for housing, and 3) planning, zoning, and policy changes adopted.

City and Borough of Juneau Housing Programs Update

CBJ Accessory Apartment Grant Incentive Program

In February 2018, the CBJ Assembly appropriated $480,000 to the CBJ Accessory Apartment Incentive Grant Program. This incentive program provides $6,000 in grant funding for homeowners that add an accessory apartment to their home. An analysis of the program was provided in a memo to the August 30, 2021 Lands, Housing, and Economic Development Committee. *There are 6 approved applications pending.*

CBJ Accessory Apartment Incentive Grant	# of grants	CBJ Funding
2022	5	$30,000
2021	2	$12,000
2020 Covid delays, many extensions	10	$60,000
2019	7	$42,000
2018	6	$36,000
2017 Program Review & Additional Funding	0	$0
2016 Pilot Program	12	$72,000
Program Totals	42	$252,000

Juneau Affordable Housing Fund

The Juneau Affordable Housing Fund Round One competition took place in October 2021. There were six applications fielded --- with awards made to four projects totaling $750,000. One additional application by Gastineau Lodges Apartments for a predevelopment loan has been submitted to CBJ with agreements and collateral documentation under review.

Juneau Affordable Housing Fund				
Project Name	Project Location	Funding Use	Approved Award	Housing Types
2022				
AWARE	201 Cordova	Construction	$150,000	SRO's
Glory Hall	127 S.Franklin	Construction	$350,000	SRO's, 1-bedroom
St. Vincent's - Channelview	317 Gastineau Ave.	Rehabilitation	$50,000	multi-family apartments
St. Vincent's - Teal Street	8617 Teal Street	Rehabilitation	$100,000	shelter/multi-family
2017				
Mobile Home Downpayment Assistance Program	Borough-wide	up to $10,000 loans	$100,000	Manufactured Homes
Accessory Apartment Incentive Grant Program (Renewal for 2017-23)	Borough-wide	$6000 grants	$480,000	Accessory Apartments
2015				
Housing Action Plan	Borough-wide	Planning Grant	$72,242	
Accessory Apartment Incentive Grant Program	Borough-wide	$6000 grants	$72,000	Accessory Apartments
2011				
Home Run Project	8617 Teal Street	Predevelopment grant	$13,000	SRO's
Total			$1,387,242	

Tax Abatement Programs

CBJ has three tax abatement program currently in place: Subdivision Property Tax Abatement (2016), Downtown Tax Abatement (2021), and Senior Assisted Living Tax Abatement (2020).

Subdivision Tax Abatement

Subdivision Property Tax Abatement - Project Name	Reduction in Assessed Value	Taxes Abated	Housing Type
2022 (If mil rate stays at 10.56)			
Ocean View Drive subdivision (Thatcher - 3 parcels)	$101,600	$1,073	fair market single-family home
Delta Drive subdivision (Bicknell - 14 parcels)	$962,844	$10,168	fair market single-family home
2021			
Ocean View Drive subdivision (Thatcher)	eligible but didn't apply	$0	fair market single-family home
Chilkat Vistas subdivision (Heumann - 15 parcels)	$1,536,898	$16,230	fair market single-family home
2020			
Ocean View Drive subdivision (Thatcher - 3 parcels)	$101,600	$1,073	fair market single-family home
2019			
Merritt subdivision (Hayden - 3 parcels)	$849,700	$9,057.81	fair market single family home
Totals	$3,552,642	$37,601	

Downtown Tax Abatement and Assisted Living Tax Abatement have not been utilized to-date. However, the Riverview Assisted Project submitted an application to use the program after construction is complete and there have been a number of inquiries about future use in the eligible downtown area.

CBJ Mobile Home Down Payment Assistance Loan Program

The CBJ Mobile Home Loan Down Payment Assistance Loan Program continues to be an option for homeowners with partner True North Federal Credit Union. Staff has scheduled check-in meeting with TNFCU staff to discuss updates and next steps.

Loan Date	Amount		Loan Date	Amount
2020			2017	
7/7/2020	$10,000		1/12/2017	$7,700
2019			1/19/2017	$4,600
1/17/2019	$9,500		4/19/2017	$4,290
3/21/2019	$6,250		5/4/2017	$4,875
9/4/2019	$4,400		9/1/2017	$6,300
11/5/2019	$3,600		9/13/2017	$7,650
2018			Total Loans	$79,315
6/8/2018	$7,150			
9/7/2018	$3,000			

Other Items of Note

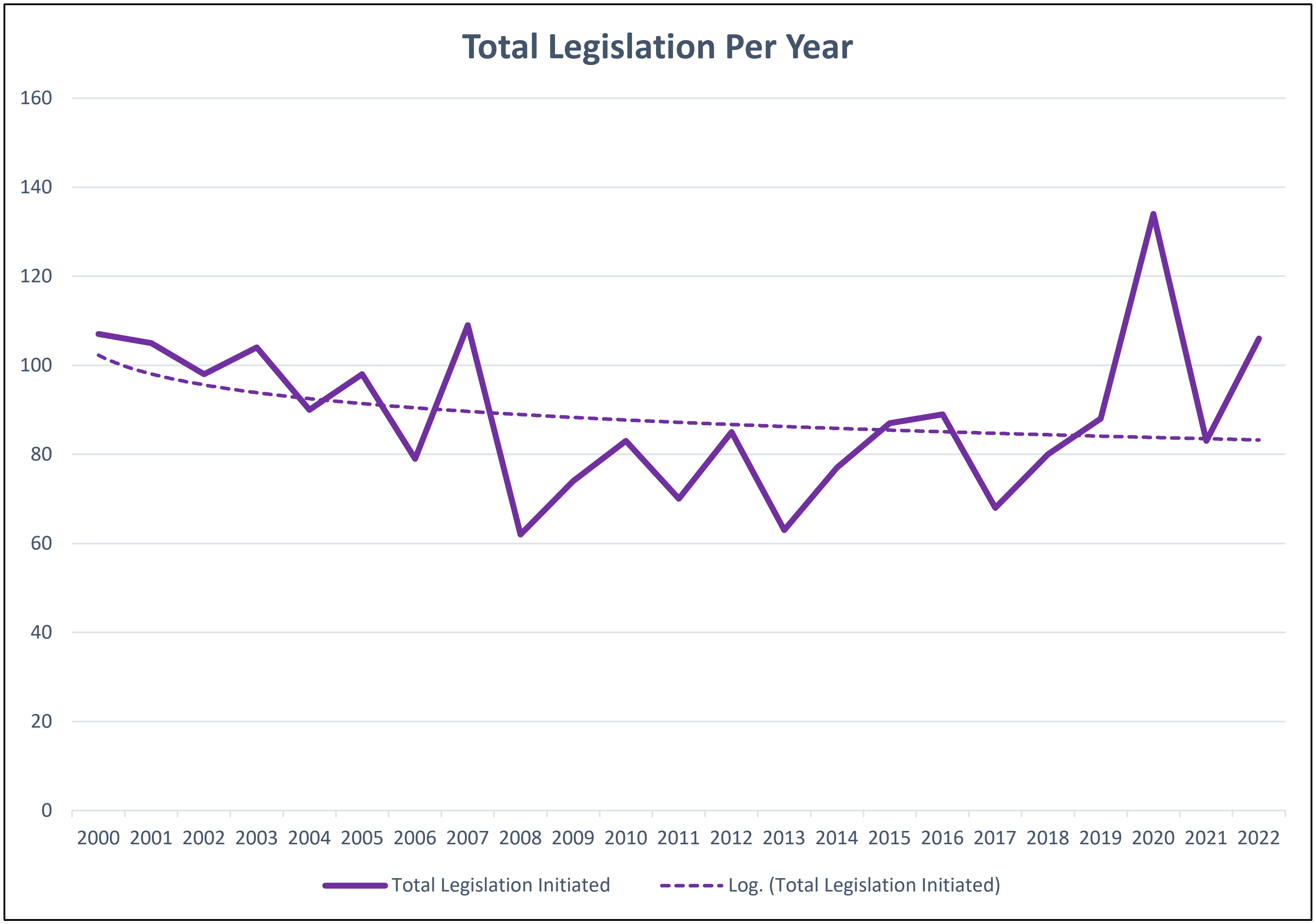
- Riverview Assisted Living (Torrey Pines Development): Construction is on schedule with opening target of 2023. Torrey Pines Development reports 55 down payments have already been received. Concern for the project is the availability of workforce housing because the project will be filling roughly 50+ positions in the next few years.
- CDD currently has two planner positions open, one for Housing and Land Use Specialist to help continue to address Assembly and Housing Action Plan Goals.
- New Housing Units Permitted Data: The Housing Action Plan notes hitting a target of 66 new housing units created per year for 30 years. Below is updated permits information.

2017-2022 New Housing Units Permitted					
	Total New Units	Single-Family Homes	Condos/ Multi Family	Accessory Apartments	Other
2022	43	34	6	3	0
2021	68	56	5	7	0
2020	59	47	0	12	0
2019	153	52	90	11	0
2018	77	54	13	10	0
2017	80	63	9	7	1
5-YearTotals	480	306	123	50	1

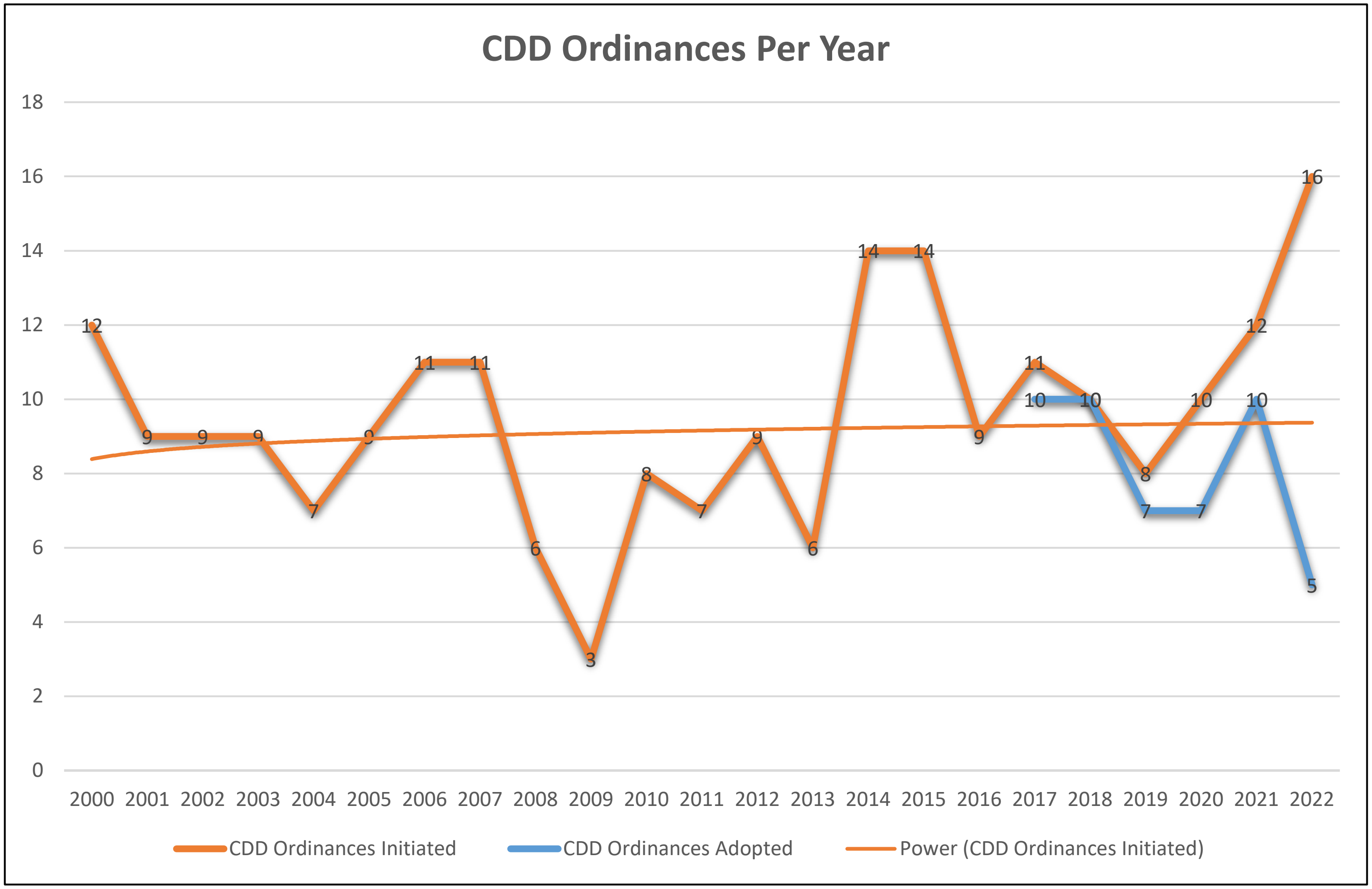
Appendix A: Accomplishments Spreadsheet

In the packet is an update to a spreadsheet summarizing CBJ actions in three main categories outlined in the Housing Action Plan.

a. Planning, Zoning, Policy Changes
b. Land Use
c. Funding: for Housing



Total Legislation Per Year
160
140
120
100
80
60
40
20
0
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022
Total Legislation Initiated
Log. (Total Legislation Initiated)


CDD Ordinances Per Year
18
16
14
12
10
8
6
4
2
0
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022
12 9 9 9 7 9 11 11 6 3 8 7 9 6 14 14 9 11 10 8 10 12 16
10 10 7 7 10 5
CDD Ordinances Initiated
CDD Ordinances Adopted
Power (CDD Ordinances Initiated)

November 25, 2022

Dear Mayor Weldon, Deputy Mayor Gladziszewski, and Assembly Members:

Thank you for the productive Joint Meeting in August. The Planning Commission appreciates the exchange of ideas and commitment to ongoing dialogue. We look forward to working collaboratively to advance community priorities that fall within the Commission's purview.

This letter summarizes the priorities that were identified during the Joint Meeting. We hope it will be useful as you set Assembly goals and priorities during your annual retreat. We welcome feedback and look forward to discussing the outcomes of that retreat at our next Joint Meeting in early 2023.

The substantive areas are outlined in bullet form below. We feel that two related, overarching issues warrant specific attention. First, we were encouraged by your desire to "think big." The Commission will continue to emphasize updates and improvements to Title 49 that can avoid unnecessary complications while protecting general community welfare. At the same time, the Commission would like to explore broader opportunities, including those identified in the *Housing Action Plan*. We welcome collaboration with the Assembly to communicate the opportunities for positive change in Juneau and to identify pathways to engage the community in establishing priorities and a vision.

Second, and perhaps more fundamentally, meaningful change will require meaningful investment from the City to support needed processes. As discussed in detail during the Joint Meeting, the Commission depends on Community Development Department staff for analyses and support. Likewise, both the Commission and CDD depend on the Law Department for guidance and review. Understandably, the priority for the Assembly has been to expedite permitting. As a result, however, staffing constraints have slowed our ability to advance changes to Title 49 that would help advance Assembly priorities. Ensuring that CDD and Law have the capacity to support Commission and Assembly priorities, including by increasing retention and creating pathways to advancement, is integral to advancing shared priorities.

The bullets below highlight the priorities discussed during the Joint Meeting. We hope that these summaries are useful during your priority-setting conversations.

- <u>Increased Juneau Housing</u>: Increased housing development is a clear priority. The Commission supports the ideas expressed in the *Housing Action Plan* and believes there are opportunities to increase density. Additional efforts could focus on infill, particularly in the downtown core, which may require density and height bonuses, as well as expanded grant assistance for targeted housing types. Changes to Title 49, alone, will not address these issues, and we believe that both "carrots" and "sticks" may be necessary.

- <u>New Comprehensive Plan</u>: A new comprehensive plan is needed to help advance a community vision for Juneau. A new plan would focus on brevity, clarity, and action steps, and it would clarify the interplay between the Comprehensive Plan and the recently completed Area Plans so that specific community input is captured and implemented through Borough policies, such as the CIP process.

- Avalanche and Landslide Mapping: A path forward is needed to complete the process related to hazard mapping. The Commission supports taking the needed steps to ensure that the study reflects all necessary information needed for realistic and defensible maps.

- Energy Issues: The Commission supports taking steps to advance clean energy initiatives, including changes to building codes to meet improved overall thermal standards and provisions for heat pumps and EV charging stations. The Assembly can initiate needed long-range investments in these areas.

Again, thank you for engaging with the Commission to discuss priorities for the coming year. We look forward to continuing the conversation and to working together to ensure a safe and resilient future for Juneau.

Sincerely,

Michael LeVine
Chair, Juneau Planning Commission

MEMORANDUM

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

DATE: November 30, 2022

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Update on FY2022 Year-end Close**

This memo should be reviewed side-by-side with the Budget Summary document, particularly the section of changes from the FY22 Assembly Adopted Budget and the FY22 Final Year-End Projected. Note that due to staffing shortages and turnover, the Controller has not yet completed the FY22 financial statements. The FY22 Final Year-End balances should be considered projected, not audited, but are believed to be materially accurate.

The main takeaway is a $18.7 million deficit after the Assembly invested a total of $37 million in various infrastructure projects and funds, including New City Hall, Statter/Seawalk, deferred maintenance, Affordable Housing Fund, Augustus Brown Pool, Boat Yard, Eaglecrest Gondola, Capital Civic Center, IT Upgrades, Teal Street Center, Lemon Creek Multi-Modal Path, JPD/CCFR radio system upgrades, North Douglas crossing, and the Ballot Processing Center. That is a very impressive and very significant investment in CBJ's infrastructure and community priorities. I will note the Assembly made these extraordinary investments with the knowledge that CBJ would receive approximately $16.0 million of previously unreimbursed school bond debt from the State of Alaska. Those funds were granted in FY22 but were formally received by CBJ in FY23. So, considering those funds, the FY22 budget would be much closer to balanced.

In addition to Assembly spending, there were other changes to expenditures. Most significantly, the CBJ general fund operating budget lapse is a record $4.5 million--$3.7 million in personnel and $800,000 in non-personnel. This very significant lapse resulted from lingering pandemic closures and staffing shortages. And while a large lapse is also expected in FY23, the Assembly should not assume that such a large lapse will continue indefinitely into the future. In addition to the personnel and non-personnel expenditure lapse, the Assembly also accepted the recommendation from the Finance Department not to transfer general funds to the debt service fund, as had been budget, which resulted in a $2.0 million expenditure savings.

The FY22 budget benefits significantly from unexpected one-time federal and state revenues granted to stabilize municipal government. All considered, $17.9 million of unbudgeted revenues were received from a variety of sources. As documented in the revenue history/forecast, CBJ also collected $6.8 million in sales tax in excess of the budget. Many factors contributed to this substantial windfall of sales tax revenue, including inflation, rapid post-pandemic economic restoration, and growing remote sales tax revenues. The Finance Department will continue to attempt to forecast sales tax revenues sufficiently high to account for these factors in the future. Property tax revenues were approximately $0.5 million lower than budgeted due to the Assembly's decision to reduce the mill rate by 0.1 mill at the same meeting that it adopted the final CBJ operating budget.

After several years of super-sized investment returns, CBJ's overall investment portfolio produced a staggering $3.6 million general fund loss in FY22, which results in a net revenue difference of $5.3 million from positive budgeted income. As discussed several times previously, this loss resulted entirely from rising interest rates. As interest rates fall, investment returns are higher than normal; and as rates rise, investment returns become sluggish. If interest rates stabilize in the current range, CBJ investment income will stabilize also. And as interest rates fall to typical levels, investment income will outpace normal returns, which will likely recoup some of these losses. Note that this is not the result of poor investment management: CBJ's fixed income portfolio manager continues to out-perform the relevant market benchmark.

The anticipated $18.7 million deficit decreases the unrestricted general fund balance from approximately $27.5 million at the end of FY21 to approximately $8.7 million at the end of FY22. The restricted budget reserve has increased from $14.6 million at the end of FY21 to approximately $15.6 million at the end of FY22 resulting from JEDC's return of funds from the COVID-19 small business loan program. This yields a total combined general fund balance of $24.3 million at the end of FY22.

MEMORANDUM

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

DATE: November 30, 2022

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Mid-Year Update on FY2023**

This memo should be reviewed side-by-side with the Budget Summary document, particularly the section of changes from the FY23 Assembly Adopted Budget and the FY23 Final Year-End Projected. Additionally, you should also review the updated Consolidated Revenue Forecast document.

The fiscal year started with an unexpectedly strong Sales Tax quarter. The first quarter of FY23 (July-Sept) yielded $20.2 million in Sales Tax vs. $17.9 million forecast. Inflation is definitely the most significant factor here. Prior forecasts did assume elevated inflation, but far less than Juneau actually experienced in the July-Sept quarter. Of particular note, Juneau fuel prices alone drove significant additional sales tax revenue. A review of fuel distributors showed *almost double* the total taxable value of fuel sold, which we believe is predominantly related to fuel prices and not to an increase in consumption (if anything, high fuel prices should have diminished consumption). Otherwise, assumptions that went into the prior sales tax forecast largely held true: Juneau received approximately the number of ships and passengers forecast, and Juneau residents appeared to be back to "pre-pandemic" local consumption levels, particularly at food and beverage establishments.

The strong performance in the first quarter likely indicates that Juneau's economy is performing at pre-pandemic levels. I have no particularly reason to believe that the sales tax performance in the July-Sept quarter was an anomaly, as there is no indication that prices are falling or will fall in the coming quarters (deflation). Hence, significant adjustments have been made to the remaining quarters of the FY23 sales tax forecast. These adjustments indicate that total FY23 sales tax will be $62.7 million, which will be $7.0 million higher than budgeted last spring. That is a considerable upward shift in sales tax revenue, and you might rightly take it with a grain of salt. When the Manager's introduces the budget in April, we will have the benefit of knowing the Oct-Dec quarter sales tax performance. That quarter could confirm the continued trend, or it could suggest that the first quarter of the year was indeed anomalous.

Remote sales tax also continues to grow faster than forecast, and based on monthly returns, FY23 forecast remote sales tax is increased to $3.5 million, which is $600,000 higher than budgeted. As with local sales tax, much of this unexpected growth can be attributed to inflation; but also, the Alaska Remote Sellers Sales Tax Commission (ARSSTC) continues to register large new filers every month. Of note, Google (Alphabet) has still failed to register with the ARSSTC, and commission staff are now force-filing the company and will initiate legal action to collect sales taxes due. The ARSSTC believes that Google alone will materially increase total remote sales tax collections.

In comparison to recent years, the Assembly has shown extraordinary restraint with supplemental appropriations in FY23. To date, the Assembly has approved just $155,000 of supplemental general fund expenditures, all of which were one-time rather than ongoing costs. However, the Assembly is on course to approve a $3.1 million supplemental for wages and benefits resulting from the successful negotiation of labor contracts with CBJ's bargaining units. This appropriation also funds the according cost increases for unrepresented employees. These costs were anticipated but could not be included in the FY23 budget upon adoption.

While there have been minimal supplemental appropriations for unanticipated expenditures, CBJ has continued to benefit from one-time revenues. A state grant of $16.0 million for previously unreimbursed school bond debt was known in FY22, but it was not received until FY23. Approximately $3.9 million of ARPA revenue was shifted from FY22 to FY23 due to technical timing issues. Approximately $1.0 million of pandemic-related support for transit will be received in FY23. And the state's Community Assistance Program (i.e. revenue sharing) payment to CBJ was higher than budgeted by about $770,000.

All of those changes together turn a budgeted $6.0 million deficit into a projected $21.3 million surplus for FY23. This surplus would increase unrestricted general fund balance from $8.7 million at the end of FY22 to $30.1 million at the end of FY23.

MEMORANDUM

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DATE: November 30, 2022

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: **Looking Ahead to FY2024**

This memo is far shorter than in previous years. After several years of extraordinary uncertainty, FY24 likely marks the return to a more historically typical budget. The pandemic has evolved into an endemic contagious disease that generally does not affect the health of our economy and does not trigger government intervention. So, as we begin to work on FY24, we are not so much reeling with uncertainty, but instead we confront the reality of a post-pandemic budget that must responsibly carry CBJ into its next economic cycle. FY21, FY22, and FY23 were marked by extraordinary one-time revenues that begot extraordinary one-time expenditures. Such extraordinary one-item revenues are unlikely in FY24, so we can finally focus on what a balanced budget will look like.

The major themes for the fiscal circumstances of FY24 return to considerations prior to the pandemic:

- Forecasting Summer Visitation
- One-Time Revenues
- Inflationary Pressure on Expenditures
- Inflation of Sales Tax
- Continued Growth in Property Value
- State Budget and State Employment
- Big Fund Balance and Big Needs

<u>Forecasting Summer Visitation</u>

Cruise industry expectations for visitation in the summer of 2023 vary, but generally, the cruise industry remains highly optimistic. According to the current ship schedule, there will be capacity for approximately 1.57 million passengers. That would significantly exceed pre-pandemic capacity. However, the industry is still recovering from the hang-over of COVID fears, especially as it relates to travel in close quarters. Cruise lines are reluctant to divulge specific information about current bookings; however, all lines consistently report that demand for Alaska cruises remains very high and that many passengers who had cancelled bookings in 2020 and 2021 still plan to use those bookings in 2023. In the past, cruise lines have aggressively discounted prices to fill berths rather than sail with them empty, but with rising input costs and staffing challenges, that may not be the preferred strategy in 2023.

Given that combination of factors, Management recommends discounting total capacity by about 10%. This would result in a passenger forecast of 1.4 million passengers as a planning number for 2023. That would be record visitation for Juneau. For forecasting sales tax and passenger fees, we will assume growth from summer 2022 revenues. Aside from the specific revenues from sales tax and passenger fees, 1.4 million passengers will continue to push Juneau's economy into even higher gear. The summer of 2023 will likely feel much larger than any pre-pandemic season.

<u>One-Time Revenues</u>

CBJ received an unprecedented amount of one-time revenue over the past several fiscal years. A portion of those one-time revenues were invested in business and community grants to stabilize Juneau's pandemic economy. But the substantial remainder was generally unrestricted and benefited the general fund. We have every reason to believe that those unrestricted one-time revenues are behind us. Going forward, state and federal funds will most likely be narrowly available for specific infrastructure investments. Several federal bills have been signed into law to bring many billions of dollars to the state of Alaska. These projects are likely to play out over the next 5 to 10 years, and CBJ should start to see the impact in FY24. Early indications are that many of these projects will require local matching funds. Unless those funds come from state sources, Juneau will need to commit local revenues as match to many federal grants. For example, if Juneau were to receive $100 million in projects with a required 20% match, then Juneau would need to provide $20 million of local funds to see the projects advance.

So, in summary, additional operating/stabilization grants are unlikely. And while federal/state infrastructure spending will certainly spur the economy and benefit Juneau, it is very likely that those grants will also induce the expenditure of considerable local general funds.

Inflationary Pressure on Expenditures

Inflation is clearly upon us. CPI, PPI, and CPE (all different measures of inflation) all point to real cost inflation of 5% to 8% over this time last year. Locally, fuel prices are significantly more inflated. Several geopolitical factors continue to underpin global inflation—most notably Russia's ongoing war with Ukraine and China's *zero COVID* policy. In its effort to combat domestic inflation, the Federal Reserve has dramatically raised interest rates, with the intention to cool off the overheated US economy. Economists note that this round of inflation has been particularly "sticky" meaning that it did not abate as certain conditions improved. For example, gas prices fell, but overall inflation remained high. Housing prices are starting to break, but overall inflation remains high. In short, the Federal Reserve will continue to raise interest rates until it sees inflation falling to acceptable levels (around 2%). Most economists now believe that the Federal Reserve will inevitably overshoot the mark, and will drive the United States into an economic recession in order to curb runaway inflation.

CBJ should expect to see costs rise across the board through the end of FY23 and into FY24. Higher costs for supplies, higher costs for fuel and utilities, higher costs for services, and higher costs for construction activities. In short, almost everything will likely be more expensive, and potentially by a wide margin. Vast federal infrastructure spending is likely to pile-on to the cost increases for construction activities. And the current labor shortage may severely increase the cost of professional services (architects, engineers, etc.) and non-professional services (custodial, shipping/freight, transit/logistics, etc.).

It is probably too early to predict exactly how inflationary pressure will impact the FY24 budget, but higher costs will require additional general funds or service reductions. And the impact on the Capital Improvement Plan is likely to be even more pronounced.

Forecasting Sales Tax

For many years, the Finance Department has under-forecast Sales Tax receipts. Some have viewed this as a measure of conservative fiscal planning, and it certainly is. But, the consistent outperformance of Sales Tax is part of what has driven the phenomenon of CBJ finishing the year with surpluses when the Assembly was told to expect deficits. The goal should be to identify a realistic forecast that is neither too high nor too low; as in, we should have as much chance to miss on the down-side as on the up-side.

Per the separate memo on FY23, sales tax forecasts have been increased in response to a very strong July-Sept quarter. As of this writing, total FY24 sales tax collections are forecast at $65.0 million, which is $7.6 million higher than was forecast as part of the FY23/24 biennial budget. However, the FY24 forecast represents just 3% growth from the FY23 forecast. 3% growth is definitely conservative, but it recognizes that the most recent FY23 forecast already feels quite aggressive. FY24 sales tax collections could be higher if cruise visitation grows rapidly beyond pre-pandemic levels or if inflation marches higher. On the flip side, FY24 sales tax collections could be muted by economic contraction/recession in the United States, the strong US dollar (which could dampen international visitation), a new surge of COVID infections/deaths, rapid decline in state employment, deflation, and countless other factors.

Continued Growth in Property Value

Finance does not forecast property tax in the same way as sales tax. The amount of property tax CBJ receives is simply the mill rate established by the Assembly multiplied by the taxable assessed value of property determined by the Assessor. Residential home prices are certainly higher than they were a year ago, but there have definitely been strong signals (longer days on market, and price reductions) that the housing market has cooled. Growth of commercial values is harder to determine. This year, the Assessor conducted a voluntary market survey of commercial property owners to attempt to obtain income/expense information that would help the assessor more equitably assess all commercial properties. The recent surge in economic activity and the robust return of cruise tourism will make investors more confident with commercial real estate purchases, which may reinforce or increase market values. Given all of the various factors affecting commercial property values, it is challenging to forecast how commercial values may change in 2023.

The Finance Department will use 2.5% property tax growth overall as a starting point for FY24 budget planning, but that number will be trued up once the Assessor finalizes assessed property values in March.

State Budget and State Employment

The State of Alaska continues to face a fiscal cliff. As with CBJ, one-time federal revenues related to the pandemic buttressed the FY23 state budget and prevented cuts and reductions. However, over the long-term, the State of Alaska budget remains in deficit—annual recurring expenditures outpace annual recurring revenues. As of this memo, it appears that both chambers of the Legislature may organize in moderate bipartisan coalitions. Likewise, Governor Dunleavy appears poised to win reelection, and he has made moderate bipartisan overtures to the public. This could signal two years of moderate collaboration on spending reductions and revenue increases. Or, the Legislature and Governor could remain locked in a dogfight of political dogma. Either way, Alaska cannot long continue on its current track.

CBJ is less exposed to school bond debt reimbursement and state revenue sharing than it used to be. So, in some ways, we are more in control of our own destiny, but we have less-and-less state support for municipal operations and infrastructure. With news across the state of school closures and increasing class sizes, the Legislature and Governor are very likely to spend a considerable amount of time talking about school funding. If state funding for education goes up, then CBJ funding for education could also go up (the local funding cap rises as state funding rises). If the state continues to refuse to fund school construction and major maintenance, then CBJ will have to continue spending significantly to maintain schools without state assistance. Or, perhaps reinstitution of school bond debt reimbursement could give the Assembly confidence to invest more in school facilities in recognition of the state's cost sharing.

State employment in Juneau continues to decline. The move to remote work opened the floodgates for positions to leave Juneau. Governor Dunleavy has done less than his predecessors to have his cabinet members home-based in Juneau. In my opinion, the outward flow of positions starts in the top ranks and flows down from there. Commissioners in Anchorage yields Directors in Anchorage, which yields Program Managers in Anchorage, which yields front-line staff in Anchorage. These two factors have resulted in a significant shift of positions out of Juneau during the pandemic, which means fewer working state employees living here. As I have noted before, some of these losses have been offset economically by Juneau's gain of state and federal retirees. This is definitely worthy of further analysis in the spring. That analysis should consider whether the shift of state employees also results in a shift in federal and NGO employees.

Big Fund Balance and Big Needs

The FY23 year-end fund balance is projected to be $30.1 million. That level of fund balance is far higher (~$25 million higher) than is necessary as a "cushion" for unforeseen needs. Remember, the Restricted Budget Reserve is the primary source of funds for economic emergencies and other catastrophic events. Unrestricted fund balance may be wisely invested in community priorities without endangering CBJ's fiscal position.

This level of fund balance will likely cause the community and the Assembly to consider another round of major investments in infrastructure, as it did in FY22. The Manager has consistently recommended that fund balance be invested in infrastructure that can reduce future municipal costs—as insulation against future revenue downturns. For example, if the Assembly still believes in the long-term cost savings that results from a New City Hall, perhaps it is time to consider funding the project with cash rather than debt. Aside from New City Hall, the Assembly has a long list of priority projects, and they are all meritorious in their own right. Deciding how to carve up this pie will not likely be easy.

Summary

After consideration of all of the factors above, the FY24 budget likely starts with a surplus of $3.6 million, not accounting for the lapse, which has historically been between $1.5 and $2.0 million. That surplus already accounts for the negotiated wage/benefit costs, but it does not account for what are likely to be very substantial increases for non-personnel services and commodity costs. Over the course of a few years, CBJ has moved from what appeared to be "structural deficits" (current revenue less current expenditure) to what could be a balanced FY24 budget. This happened for the simple reason that tax revenues have grown faster in FY23 and FY24 than CBJ expenditures for operations. The 5.5% wage increase in FY23 now appears to be far less than the growth of sales/property taxes. And the 2.0% wage increase in FY24 will almost certainly be far less than tax growth in that year.

Of the many things that the Manager may propose as part of his budget, the Assembly is very likely to see one or more proposals related to employee recruitment and retention. CBJ faces considerable staffing shortages and a high level of employee turnover. Hence, CBJ must take steps to be as competitive as possible. With wages/benefits now successfully negotiated for the next three years, the Manager may make proposals that increase or expand non-wage benefits in an effort to attract and retain high quality employees. Additionally, CBJ has not had a durable mechanism for increasing the balance of the Restricted Budget Reserve to keep it consistent with the Resolution that established it. The Assembly should expect to see a proposal in the Manager's budget to bring the Restricted Budget Reserve in line with two-months of annual operating expenditures. This proposal will likely require several million dollars, either from fund balance or from the FY24 operating surplus.

All in all, FY24 should start to look like a "normal" year. Tax revenues appear to be robust, but costs are rising. The state is less-and-less of a fiscal dance partner. Fund balance is high, and so is the demand for new or improved infrastructure. The Assembly is charged with striking the balance among these competing themes. But, no matter how you slice it, Juneau appears to be in a very enviable fiscal position heading into the FY24 budget process.

FY21-FY24 Budget Summary and Impact on Fund Balances

11/23/2022

Section E, Item 3.

Row		Revenues	Expenditures	Surplus (Deficit)	Unrestricted Fund Balance
	FY2021				
1	**Manager Proposed Budget**	**$ 152,721,100**	**$ (160,022,100)**	**$ (7,301,000)**	**$ 18,252,900**
2					
28	**Assembly Adopted Budget**	**$ 157,129,500**	**$ (152,163,600)**	**$ 4,965,900**	**$ 30,519,800**
29					
60	**Final Year-End (audited)**	**$ 158,916,400**	**$ (157,005,900)**	**$ 1,910,500**	**$ 27,464,400**
61					
62	**FY2022**				
102	**Manager Proposed Budget**	**$ 158,632,100**	**$ (166,440,700)**	**$ (7,808,600)**	**$ 19,655,800**
103					
104	Use of Liquor Tax for CCFR Sleep Off/MIH (instead of BRH)	$ 175,000			
105	CCFR Sleep Off/MIH Increment		$ (496,600)		
106	Increase to Childcare Grant		$ (225,000)		
107	Increase to JEDC Grant		$ (75,000)		
108	Operating Grant to Downtown Business Association		$ (75,000)		
109	Operating Grant to Alaska HeatSmart		$ (110,000)		
110	Credit Enhancements to Alaska HeatSmart		$ (25,000)		
111	Challenge Grant Appropriation to Juneau Park Foundation		$ (15,000)		
112	Update to Juneau Economic Plan		$ (19,000)		
113	CY2021 Vote-by-Mail w/ Anchorage Vote Center		$ (58,100)		
114	GF Subsidy for Travel Juneau Operating Grant		$ (69,400)		
115	Change to Proposed Mill Rate	$ (1,033,200)			
116	Total Assembly Adopted Changes	$ (858,200)	$ (1,168,100)	$ (2,026,300)	
117					
118	Additional Use of Federal American Rescue Plan Act in FY22	$ 1,738,375			
119	Change in Assumption for School Bond Debt Reimbursement	$ -			
120	Change from Revised Property Valuation	$ 2,727,025			
121	Revenue Forecast Changes	$ 4,465,400	$ -	$ 4,465,400	
122					
123	**Assembly Adopted Budget**	**$ 162,239,300**	**$ (167,608,800)**	**$ (5,369,500)**	**$ 22,094,900**
124					
125	New City Hall		$ (6,300,000)		
126	Statter Harbor Phase IIIC/Seawalk CIPs		$ (5,500,000)		
127	Deferred Maintenance (CBJ Facilities, schools, parks, etc)		$ (5,500,000)		
128	Transfer to Affordable Housing Fund		$ (5,000,000)		
129	Inflationary Costs of Augustus Brown Pool Renovation		$ (3,000,000)		
130	Purchase of Harris Harbor Boat Yard		$ (2,000,000)		
131	Eaglecrest Gondola Purchase		$ (2,000,000)		
132	Capital Civic Center		$ (2,000,000)		
133	IT Infrastructure Upgrades		$ (1,500,000)		
134	United Human Services Teal Street Center		$ (1,300,000)		
135	EOC Expenditures		$ (1,000,000)		
136	Lemon Creek Multi-Modal Path		$ (1,000,000)		
137	Ballot Processing Center Capital Project		$ (700,000)		
138	Expanded MIH Funded by State and Private Revenue	$ 570,000	$ (570,000)		
139	Eaglecrest Gondola Transportation		$ (500,000)		
140	JPD/CCFR Radio System Replacement (early phase)		$ (500,000)		
141	Grant/MPF Funded Supplemental Appropriations in the General Fund	$ 286,600	$ (286,600)		
142	Transfer ARPA Funds to Downtown Parking Fund to Replace Lost Revenue		$ (300,000)		
143	North Douglas Crossing		$ (250,000)		
144	The Glory Hall Sheltering Support		$ (150,000)		
145	Grant Writer Position		$ (120,000)		
146	CDD Plat Reviewer Position		$ (70,000)		
147	Increased Assembly/Planning Commissioner Compensation		$ (27,800)		
148	Support for Celebration		$ (25,000)		
149	Additional Support to JSD for Ice Time		$ (10,000)		
150	Supplemental Appropriations	$ 856,600	$ (39,609,400)		
151					
152	Personnel Services Lapse		$ 3,719,323		
153	Lapse GF Transfer to Debt Service Fund in FY22		$ 1,984,200		
154	Non-Personnel Services Lapse		$ 762,718		
155	ARPA Funds Replacing SMPFs	$ 11,942,000			
156	ARPA SOA Local Government Lost Revenue Grant	$ 9,261,500			
157	Sales Tax Revenue Above/(Below) Forecast	$ 6,800,000			
158	Original ARPA Award Above Estimates	$ 1,096,700			
159	Department Revenue Above/Below Estimates	$ 125,731			
160	Reduction to Investment Income	$ (5,323,653)			
161	ARPA Funds Received in FY23	$ (3,869,519)			
162	Reversal of Actual SMPFs from ARPA Funds	$ (572,400)			
163	Mill Rate Reduction Not Included in Budget	$ (540,000)			
164	Anticipated Variances	$ 18,920,359	$ 6,466,241		
165					
166	**Final Year-End (projected)**	**$ 182,016,259**	**$ (200,751,959)**	**$ (18,735,700)**	**$ 8,728,700**

FY21-FY24 Budget Summary and Impact on Fund Balances
11/23/2022

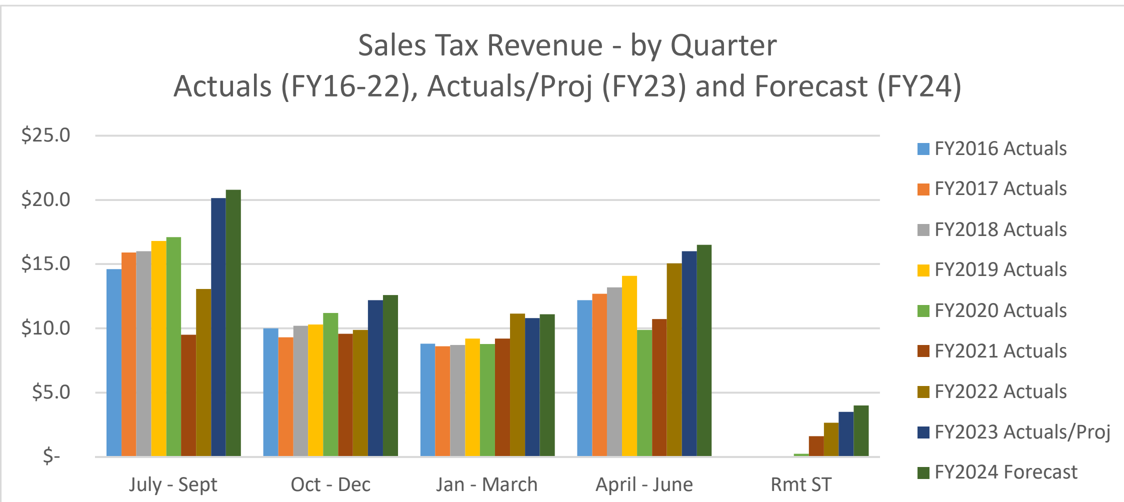
	Revenues	Expenditures	Surplus (Deficit)	Unrestricted Fund Balance
FY2023				
Prior Year Adopted Budget	$ 162,239,300	$ (167,608,800)		
FY22 One-Time Expenditures/Revenue	$ (10,552,400)	$ 3,933,500		
Sales Tax Growth over FY22 Adopted Budget	$ 10,700,000			
Property Tax Growth over FY22 Adopted Budget	$ 3,203,500			
Adjusted Base	$ 165,590,400	$ (163,675,300)		
Reduced Federal Support (various)	$ (43,700)			
Reimbursement for Ambulance Transports (SEMT)	$ 400,000			
Transition from Charging 85% of Allocated Costs to 100%	$ 350,000			
Increased Charges for Services	$ 302,900			
Increase Sales Tax Support to CIPs		$ (1,500,000)		
Additional GF Support to JSD - Up to the Cap		$ (1,262,400)		
Increase to Service Contracts		$ (778,700)		
Merit Increases and Other Personnel Actions (and associated benefits)		$ (576,100)		
New Streets Positions (2.92 FTE)		$ (237,300)		
Increased Fleet Replacement Contributions		$ (298,400)		
Household Hazardous Waste/Junked Vehicles Service Contract Increase		$ (275,000)		
Microsoft Office and Other Technology Cost Increases		$ (254,600)		
Comprehensive Plan		$ (250,000)		
Increase to Supplies		$ (237,100)		
Increased Social Service Assembly Grant (10% inflation + TGH)		$ (235,400)		
Increased Insurance Premiums		$ (222,600)		
Increase to Fleet Maintenance Rates		$ (145,400)		
Travel and Training Increases (return to pre-pandemic)		$ (93,900)		
Manager Proposed Budget	**$ 166,599,600**	**$ (170,042,200)**	**$ (3,442,600)**	**$ 5,286,100**
Fire - Expanded MIH Program (partially grant funded)	$ 43,500	$ (540,700)		
Increase Sales Tax Support to CIPs (Amendments)		$ (375,000)		
Increase to JCF Social Service Block Grant		$ (264,600)		
School District Outside the Cap		$ (157,700)		
Alaska Heat Smart Operations Grant		$ (142,000)		
AEYC - Parents as Teachers (conditioned)		$ (141,000)		
Clerk's Office Increments (1.5 FTE) - Technical Adj.		$ (116,700)		
Shéiyi X̱aat Hít Youth Development Leader FTEs		$ (102,200)		
AEYC - Operations		$ (102,000)		
Increased GF Support to Eaglecrest		$ (55,000)		
Warming Shelter Contract Increase		$ (30,000)		
Juneau Festival Committee Increase		$ (6,200)		
Juneau Human Right Commission - Community Engagement		$ (5,000)		
Total Assembly Adopted Changes	$ 43,500	$ (2,038,100)	$ (1,994,600)	
Reduction of Mill Rate to 10.56 Mills	$ (575,800)			
Revenue Forecast Changes	$ (575,800)	$ -	$ (575,800)	
Assembly Adopted Budget	**$ 166,067,300**	**$ (172,080,300)**	**$ (6,013,000)**	**$ 2,715,700**
Wage and Health Benefit Costs ***(pending)***		$ (3,093,600)		
Telephone Hill Redevelopment		$ (100,000)		
Removing Sales Tax on Food Juneau Voter Survey		$ (40,000)		
Medical Respite (offest by portion covered by HEC Grant)		$ (15,319)		
Supplemental Appropriations	$ -	$ (3,248,919)		
State Reimbursement of Previously Unreimbursed School Bond Debt	$ 16,035,000			
ARPA Funds Received in FY23	$ 3,869,519			
Sales Tax Revenue Above/(Below) Forecast	$ 7,000,000			
Transit CRRSAA Grant Award	$ 1,026,200			
Community Assistance Program Award Above Estimates	$ 770,821			
Property Tax Certified Roll True-Up	$ (88,178)			
Anticipated Lapse		$ 2,000,000		
Anticipated Variances	$ 28,613,362	$ 2,000,000		
Final Year-End (projected)	**$ 194,680,662**	**$ (173,329,219)**	**$ 21,351,444**	**$ 30,080,144**

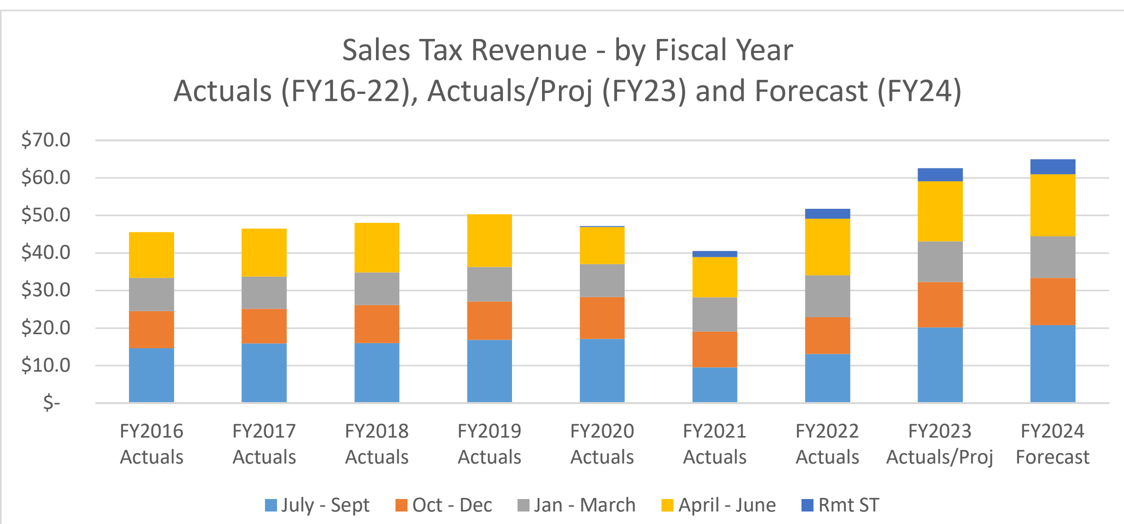
FY21-FY24 Budget Summary and Impact on Fund Balances
11/23/2022

		Revenues	Expenditures	Surplus (Deficit)	Unrestricted Fund Balance
232	**FY2024**				
233	Prior Year Adopted Budget	$ 166,067,300	$ (172,080,300)		
234	FY23 One-Time Expenditures/Revenue	$ -	$ 1,015,000		
235	Sales Tax Growth over FY23 Adopted Budget	$ 9,300,000		*Per revenue forecast*	
236	Property Tax Growth over FY23 Adopted Budget	$ 1,325,400		*2.5% growth*	
237	Other Revenue Growth	$ 393,100		*2.5% growth*	
238	Adjusted Base	$ 177,085,800	$ (171,065,300)		
239					
240	Tobacco Tax - MIH	$ 540,700			
241	Wage and Health Benefit Costs		$ (1,395,000)		
242	Merit Increases and Other Personnel Actions (and associated benefits)		$ (821,900)	*Per FY24 Proposed Budget, includes OT*	
243	Commodities and Services Cost Growth		$ (705,100)	*2.5% growth*	
244	**Manager Proposed Budget**	**$ 177,626,500**	**$ (173,987,300)**	**$ 3,639,200**	**$ 33,719,344**
245					
252	**Assembly Adopted Budget**	**$ 177,626,500**	**$ (174,487,300)**	**$ 3,139,200**	**$ 33,219,344**
253					
260	**Final Year-End (projected)**	**$ 177,626,500**	**$ (172,487,300)**	**$ 5,139,200**	**$ 35,219,344**

Sales Tax Actuals and Forecast
Updated 11/23/2022

Sales Tax	Q1 July - Sept	Q2 Oct - Dec	Q3 Jan - March	Q4 April - June	Annual Rmt ST	Total
FY2016 Actuals	$ 14.6	$ 10.0	$ 8.8	$ 12.2	$ -	**$ 45.6**
FY2017 Actuals	$ 15.9	$ 9.3	$ 8.6	$ 12.7	$ -	**$ 46.5**
FY2018 Actuals	$ 16.0	$ 10.2	$ 8.7	$ 13.2	$ -	**$ 48.1**
FY2019 Actuals	$ 16.8	$ 10.3	$ 9.2	$ 14.1	$ -	**$ 50.4**
FY2020 Actuals	$ 17.1	$ 11.2	$ 8.8	$ 9.9	$ 0.2	**$ 47.2**
FY2021 Actuals	$ 9.5	$ 9.6	$ 9.2	$ 10.7	$ 1.6	**$ 40.6**
FY2022 Budget	$ 11.0	$ 10.2	$ 9.0	$ 13.0	$ 1.8	**$ 45.0**
FY2022 Projected	$ 13.0	$ 9.8	$ 9.2	$ 14.1	$ 2.6	**$ 48.6**
FY2022 Actuals	$ 13.1	$ 9.9	$ 11.2	$ 15.1	$ 2.7	**$ 51.8**
Over/(Under) Budget	$ 0.1	$ 0.1	$ 2.0	$ 1.0	$ 0.1	**$ 3.2**
FY2023 Budget	$ 17.9	$ 11.2	$ 9.4	$ 14.3	$ 2.9	**$ 55.7**
FY2023 Actuals/Proj	$ 20.2	$ 12.2	$ 10.8	$ 16.0	$ 3.5	**$ 62.7**
Over/(Under) Budget	$ 2.25	$ 1.00	$ 1.40	$ 1.70	$ 0.6	**$ 7.0**
FY2024 Budget	$ 18.4	$ 11.5	$ 9.7	$ 14.7	$ 3.1	**$ 57.4**
FY2024 Forecast	$ 20.8	$ 12.6	$ 11.1	$ 16.5	$ 4.0	**$ 65.0**
Over/(Under) Budget	$ 2.40	$ 1.10	$ 1.40	$ 1.80	$ 0.9	**$ 7.6**

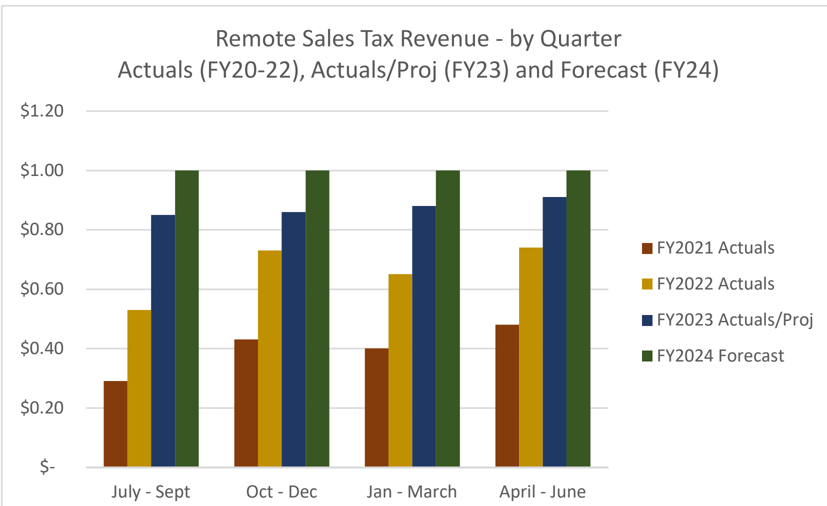


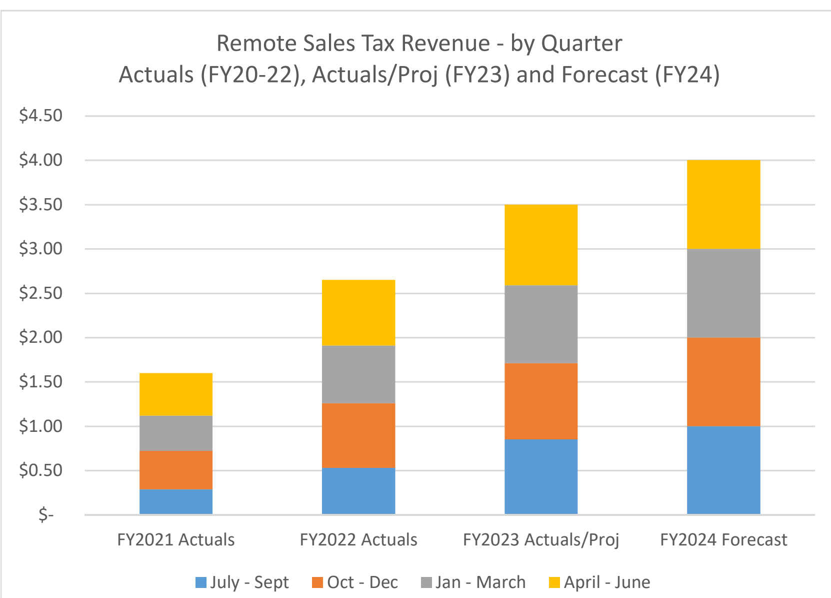


Remote Sales Tax Actuals, Projected, and Forecast - *Net of Fees*
Updated 11/23/2022

Section E, Item 3.

Remote Sales Tax	Q1 July - Sept	Q2 Oct - Dec	Q3 Jan - March	Q4 April - June	Total
FY2016 Actuals	$ -	$ -	$ -	$ -	**$ -**
FY2017 Actuals	$ -	$ -	$ -	$ -	**$ -**
FY2018 Actuals	$ -	$ -	$ -	$ -	**$ -**
FY2019 Actuals	$ -	$ -	$ -	$ -	**$ -**
FY2020 Actuals	$ -	$ -	$ 0.01	$ 0.22	**$ 0.23**
FY2021 Actuals	$ 0.29	$ 0.43	$ 0.40	$ 0.48	**$ 1.60**
FY2022 Budget	$ 0.44	$ 0.48	$ 0.44	$ 0.44	**$ 1.80**
FY2022 Projected	$ 0.53	$ 0.73	$ 0.65	$ 0.69	**$ 2.60**
FY2022 Actuals	$ 0.53	$ 0.73	$ 0.65	$ 0.74	**$ 2.65**
Over/(Under) Budget	$ -	$ -	$ -	$ 0.05	**$ 0.05**
FY2023 Budget	$ 0.70	$ 0.80	$ 0.70	$ 0.70	**$ 2.90**
FY2023 Actuals/Proj	$ 0.85	$ 0.86	$ 0.88	$ 0.91	**$ 3.50**
Over/(Under) Budget	$ 0.15	$ 0.06	$ 0.18	$ 0.21	**$ 0.60**
FY2024 Budget	$ 0.75	$ 0.85	$ 0.75	$ 0.75	**$ 3.10**
FY2024 Forecast	$ 1.00	$ 1.00	$ 1.00	$ 1.00	**$ 4.00**
Over/(Under) Budget	$ 0.25	$ 0.15	$ 0.25	$ 0.25	**$ 0.90**

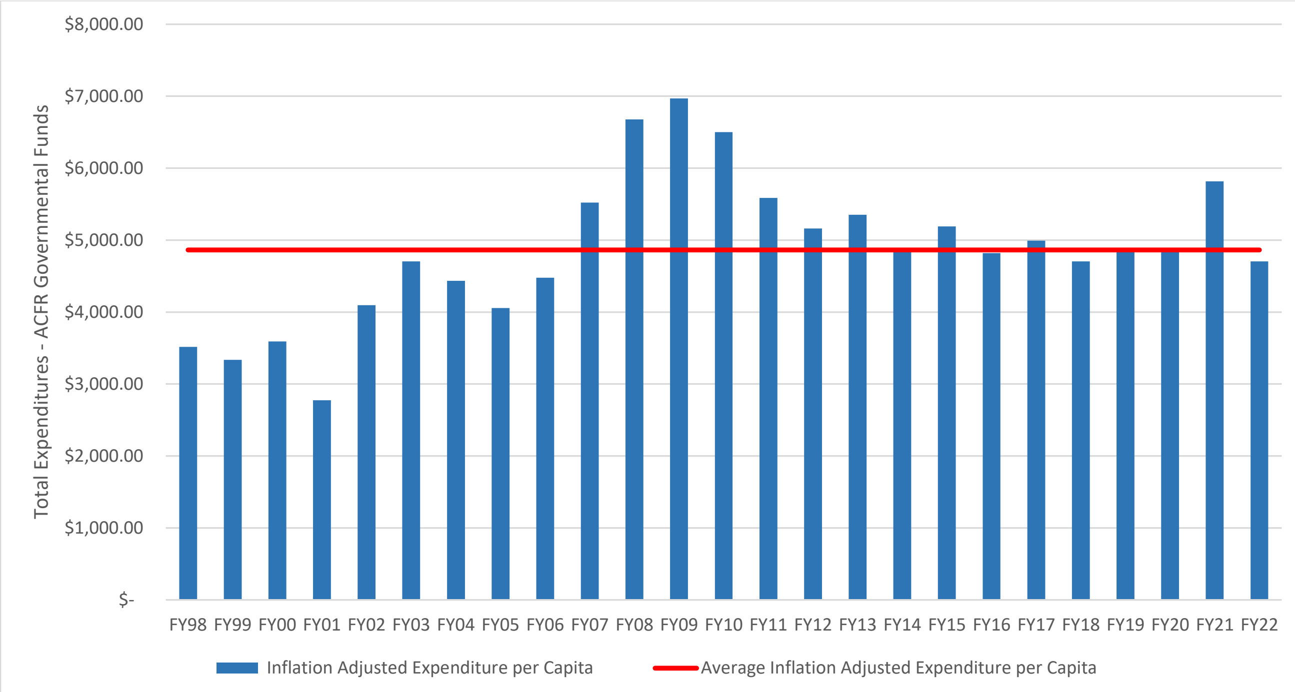




By Month and Quarter			
FY20 Q3	March	$	8,608
FY20 Q4	April	$	59,622
	May	$	71,410
	June	$	86,952
	Total FY2020	**$**	**226,592**
FY21 Q1	Jul	$	93,529
	Aug	$	99,659
	Sept	$	95,405
FY21 Q2	Oct	$	145,325
	Nov	$	121,040
	Dec	$	159,225
FY21 Q3	Jan	$	126,253
	Feb	$	120,339
	Mar	$	151,929
FY21 Q4	Apr	$	158,656
	May	$	148,231
	June	$	175,578
	Total FY2021	**$**	**1,595,170**
FY22 Q1	Jul	$	163,701
	Aug	$	184,066
	Sept	$	186,254
FY22 Q2	Oct	$	214,855
	Nov	$	254,519
	Dec	$	258,503
FY22 Q3	Jan	$	216,953
	Feb	$	200,551
	Mar	$	232,296
FY22 Q4	Apr	$	242,968
	May	$	216,140
	June	$	279,732
	Total FY2022	**$**	**2,650,538**
FY23 Q1	Jul	$	250,285
	Aug	$	270,278
	Sept	$	326,843
FY23 Q2	Oct	$	282,000
	Nov	$	285,000
	Dec	$	288,000
FY23 Q3	Jan	$	291,000
	Feb	$	294,000
	Mar	$	297,000
FY23 Q4	Apr	$	300,000
	May	$	303,000
	June	$	306,000
	Total FY2023 Proj	**$**	**3,493,406**

Inflation Adjusted Per Capita CBJ General Government Spending

Prepared by Jeff Rogers 12/1/2022



Year	Population	CPI	% Change	Nominal ACFR Governmental Funds Expenditure*	Inflation Adjusted ACFR Governmental Funds Expenditure	Inflation Adjusted Expenditure per Capita	Average Inflation Adjusted Expenditure per Capita
FY98	30,021	146.9		$ 60,330,402	$ 105,594,056	$ 3,517.34	$ 4,863.25
FY99	30,189	148.4	1.02%	$ 58,150,352	$ 100,749,638	$ 3,337.30	$ 4,863.25
FY00	30,711	150.9	1.68%	$ 64,760,929	$ 110,344,040	$ 3,592.98	$ 4,863.25
FY01	30,482	155.2	2.85%	$ 51,063,441	$ 84,594,750	$ 2,775.24	$ 4,863.25
FY02	31,047	158.2	1.93%	$ 78,260,639	$ 127,192,634	$ 4,096.78	$ 4,863.25
FY03	31,364	162.5	2.72%	$ 93,235,322	$ 147,520,426	$ 4,703.50	$ 4,863.25
FY04	31,213	166.7	2.58%	$ 89,720,691	$ 138,382,783	$ 4,433.50	$ 4,863.25
FY05	31,340	171.8	3.06%	$ 84,909,343	$ 127,074,196	$ 4,054.70	$ 4,863.25
FY06	30,943	177.3	3.20%	$ 95,532,119	$ 138,536,983	$ 4,477.17	$ 4,863.25
FY07	30,350	181.237	2.22%	$ 118,147,423	$ 167,610,969	$ 5,522.60	$ 4,863.25
FY08	30,554	189.497	4.56%	$ 150,350,324	$ 203,998,549	$ 6,676.66	$ 4,863.25
FY09	30,946	191.744	1.19%	$ 160,838,064	$ 215,671,174	$ 6,969.27	$ 4,863.25
FY10	31,275	195.144	1.77%	$ 154,278,879	$ 203,271,420	$ 6,499.49	$ 4,863.25
FY11	32,331	201.427	3.22%	$ 141,475,238	$ 180,587,547	$ 5,585.58	$ 4,863.25
FY12	32,657	205.916	2.23%	$ 135,032,624	$ 168,606,248	$ 5,162.94	$ 4,863.25
FY13	32,941	212.381	3.14%	$ 145,605,897	$ 176,274,038	$ 5,351.20	$ 4,863.25
FY14	33,000	215.805	1.61%	$ 134,510,992	$ 160,258,592	$ 4,856.32	$ 4,863.25
FY15	33,128	216.909	0.51%	$ 145,043,596	$ 171,927,772	$ 5,189.80	$ 4,863.25
FY16	32,705	217.83	0.42%	$ 133,542,948	$ 157,626,168	$ 4,819.64	$ 4,863.25
FY17	32,302	218.873	0.48%	$ 137,268,323	$ 161,251,286	$ 4,991.99	$ 4,863.25
FY18	32,247	225.545	3.05%	$ 133,090,965	$ 151,719,156	$ 4,704.91	$ 4,863.25
FY19	31,986	228.286	1.22%	$ 138,364,164	$ 155,836,841	$ 4,872.03	$ 4,863.25
FY20	32,255	226.153	-0.93%	$ 138,101,715	$ 157,007,995	$ 4,867.71	$ 4,863.25
FY21	32,155	237.188	4.88%	$ 172,543,489	$ 187,038,457	$ 5,816.78	$ 4,863.25
FY22	32,155	257.114	8.40%	$ 151,317,999	$ 151,317,999	$ 4,705.89	$ 4,863.25

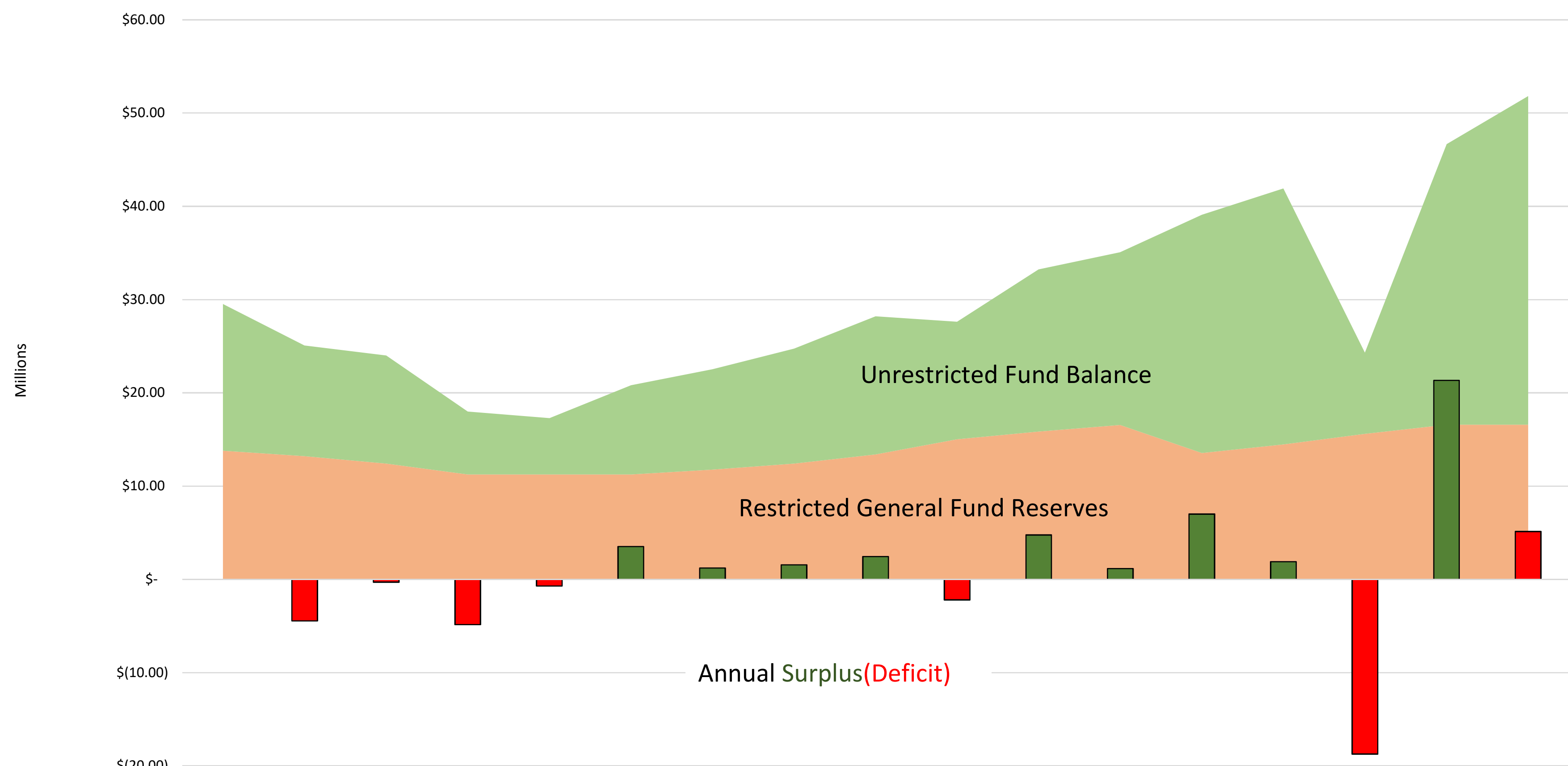
**ACFR Governmental Funds - Statement of Rev, Exp, and Change in FB - Total Expenditures*

https://live.laborstats.alaska.gov/pop/projections/pub/popproj.pdf

https://live.laborstats.alaska.gov/pop/popestpub.html

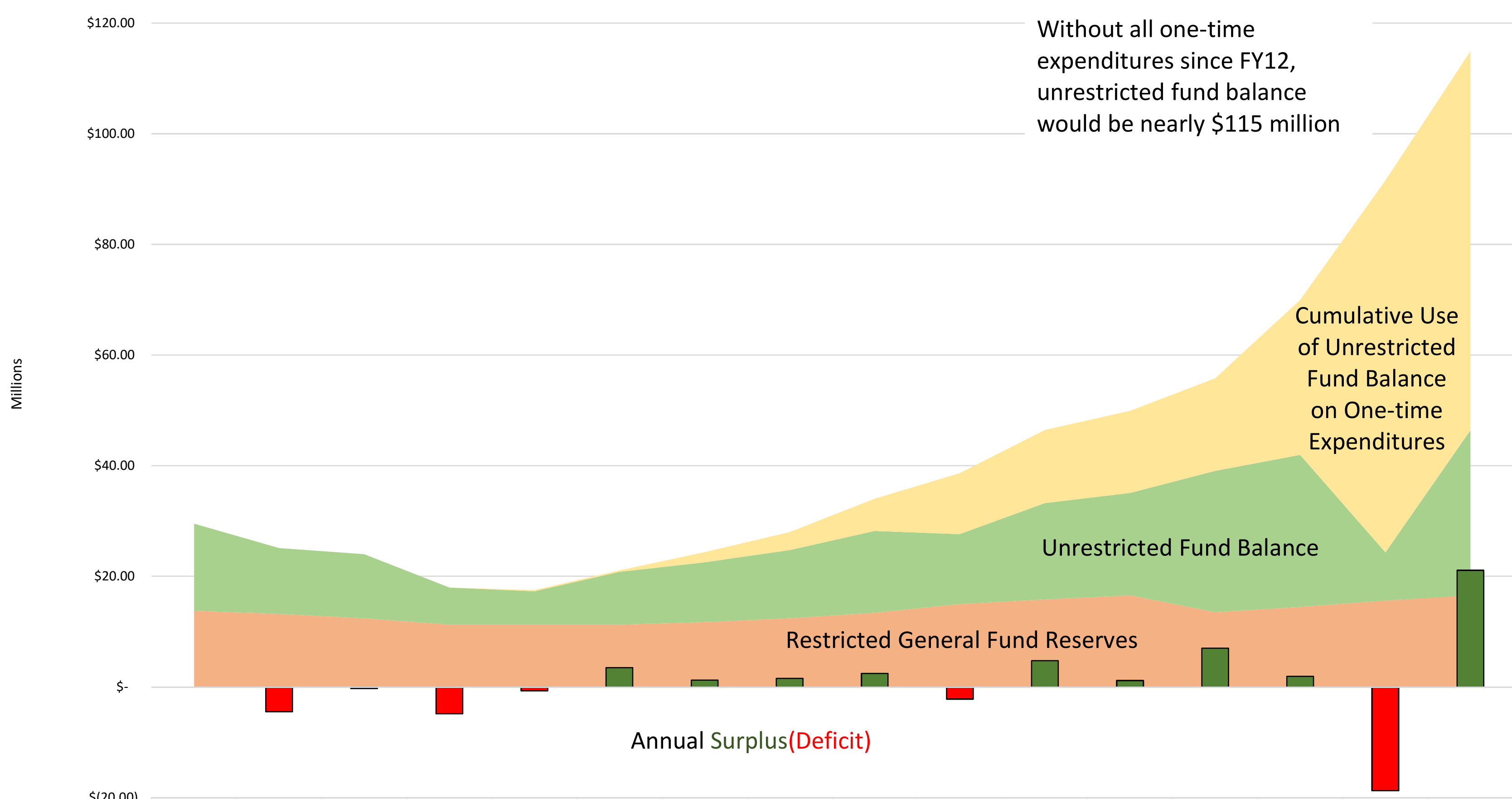
https://data.bls.gov/timeseries/CUURS49GSA0

17-Year General Government Fund Balance History and Projections
Includes Sales Tax Fund



	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Unrestricted Fund Balance	$15.74	$11.87	$11.58	$6.74	$6.03	$9.55	$10.78	$12.34	$14.79	$12.60	$17.38	$18.54	$25.55	$27.46	$8.73	$30.08	$35.22
Reserves	$13.79	$13.21	$12.42	$11.26	$11.26	$11.26	$11.76	$12.41	$13.41	$15.02	$15.86	$16.55	$13.55	$14.46	$15.60	$16.60	$16.60
Surplus/(Deficit)		$(4.45)	$(0.29)	$(4.84)	$(0.71)	$3.52	$1.23	$1.56	$2.45	$(2.19)	$4.78	$1.17	$7.01	$1.91	$(18.73)	$21.35	$5.14

16-Year General Government Fund Balance History and Projections
Includes Sales Tax Fund



	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Cumulative One-Time Spending					$0.25	$0.25	$1.80	$3.25	$5.85	$11.02	$13.24	$14.81	$16.71	$28.05	$67.22	$68.48
Unrestricted Fund Balance	$15.74	$11.87	$11.58	$6.74	$6.03	$9.55	$10.78	$12.34	$14.79	$12.60	$17.38	$18.54	$25.55	$27.46	$8.73	$29.83
Reserves	$13.79	$13.21	$12.42	$11.26	$11.26	$11.26	$11.76	$12.41	$13.41	$15.02	$15.86	$16.55	$13.55	$14.46	$15.60	$16.60
Surplus/(Deficit)		$(4.45)	$(0.29)	$(4.84)	$(0.71)	$3.52	$1.23	$1.56	$2.45	$(2.19)	$4.78	$1.17	$7.01	$1.91	$(18.73)	$21.10

General Government (inc. Sales Tax)
One-Time Expenditures FY12-FY22 Actuals, FY23 Projected

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23 (Proj)	12-YR Total
Capital Improvement													
Enterprise/School/Eaglecrest													
Rainforest Recovery Center Detox Addition	-	-	-	-	-	-	700,000	-	-	-	-	-	700,000
Airport Grant Match	-	-	-	-	-	-	321,600	170,100	300,000	-	-	-	791,700
JSD Deferred Maintenance	-	-	-	-	800,000	450,000	600,000	-	-	-	2,000,000	-	3,850,000
Seawalk/Statter Harbor	-	-	-	-	-	-	-	-	-	-	5,500,000	-	5,500,000
Eaglecrest Gondola	-	-	-	-	-	-	-	-	-	-	2,500,000	-	2,500,000
Fisheries Terminal Land Purchase	-	-	-	-	-	-	-	-	-	-	2,000,000	-	2,000,000
Total	-	-	-	-	800,000	450,000	1,621,600	170,100	300,000	-	12,000,000	-	15,341,700
CBJ													
AJ Mine	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
Centennial Hall Expansion Concept	-	-	-	-	-	-	-	-	-	75,000	-	-	75,000
New City Hall	-	-	-	-	-	-	-	-	-	-	6,300,000	-	6,300,000
CBJ Deferred Maintenance	-	-	-	-	-	696,800	-	-	-	-	3,500,000	-	4,196,800
Augustus Brown Pool Renovation	-	-	-	-	-	-	-	-	-	-	3,000,000	-	3,000,000
Capital Civic Center CIP	-	-	-	-	-	-	-	-	-	-	2,000,000	-	2,000,000
IT Infrastructure Upgrades	-	-	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000
Lemon Creek Multi-Modal Path	-	-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
Ballot Processing Center	-	-	-	-	-	-	-	-	-	-	700,000	-	700,000
JPD Radio System Upgrade	-	-	-	-	-	-	-	-	-	-	500,000	-	500,000
North Douglas Crossing	-	-	-	-	-	-	-	-	-	-	250,000	-	250,000
Sigoowu Ye Park Lighting Improvements	-	-	-	-	-	-	-	-	-	-	-	300,000	300,000
Telephone Hill Redevelopment	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Jackie Renninger Park Planning	-	-	-	-	-	-	-	-	-	-	-	75,000	75,000
Total	250,000	-	-	-	-	696,800	-	-	-	75,000	18,750,000	475,000	20,246,800
Capital Improvement Total	250,000	-	-	-	800,000	1,146,800	1,621,600	170,100	300,000	75,000	30,750,000	475,000	35,588,500
Community Projects/Support													
Vulnerable Population/Affordable Housing													
Housing First	-	-	-	-	1,800,000	700,000	-	1,400,000	-	-	-	-	3,900,000
Senior Assisted Living	-	-	-	-	-	-	-	-	1,600,000	-	-	-	1,600,000
The New Glory Hall	-	-	-	-	-	-	-	-	-	2,300,000	-	-	2,300,000
UHS Teal Street Center	-	-	-	-	-	-	-	-	-	1,100,000	1,300,000	-	2,400,000
Affordable Housing Fund	-	-	-	-	-	-	-	-	-	-	5,000,000	-	5,000,000
Total	-	-	-	-	1,800,000	700,000	-	1,400,000	1,600,000	3,400,000	6,300,000	-	15,200,000
Arts and Culture													
SHI - Walter Soboleff Center	-	-	1,550,000	1,450,000	-	-	-	-	-	-	-	-	3,000,000
SHI - Arts Campus	-	-	-	-	-	-	-	-	-	1,500,000	-	-	1,500,000
Total	-	-	1,550,000	1,450,000	-	-	-	-	-	1,500,000	-	-	4,500,000
Misc. Support													
UAS Teacher's Excellence Fund	-	-	-	-	-	250,000	-	-	-	-	-	-	250,000
Alaska Committee Grant	-	-	-	-	-	-	-	-	-	300,000	-	-	300,000
AEYC - Parents as Teachers & Operations	-	-	-	-	-	-	-	-	-	-	-	243,000	243,000
Total	-	-	-	-	-	250,000	-	-	-	300,000	-	243,000	793,000
Community Projects/Support Total	-	-	1,550,000	1,450,000	1,800,000	950,000	-	1,400,000	1,600,000	5,200,000	6,300,000	243,000	20,493,000
Operations													
General Operations													
Unreimbursed School Bond Debt	-	-	-	-	-	3,075,600	-	-	-	5,900,000	824,800	-	9,800,400
RecycleWorks/Waste Mngt Program	-	-	-	-	-	-	600,000	-	-	-	-	-	600,000
Comprehensive Plan	-	-	-	-	-	-	-	-	-	-	-	250,000	250,000
River Road Junk Vehicle Cleanup ***(pending)***	-	-	-	-	-	-	-	-	-	-	-	250,000	250,000
Removing Sales Tax on Food Survey	-	-	-	-	-	-	-	-	-	-	-	40,000	40,000
Total	-	-	-	-	-	3,075,600	600,000	-	-	5,900,000	824,800	540,000	10,940,400
COVID-Related													
COVID Response	-	-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
Eaglecrest Operations (not covered by CARES)	-	-	-	-	-	-	-	-	-	160,500	-	-	160,500
DT Parking Fund Lost Revenue Replacement	-	-	-	-	-	-	-	-	-	-	300,000	-	300,000
Total	-	-	-	-	-	-	-	-	-	160,500	1,300,000	-	1,460,500
Operations Total	-	-	-	-	-	3,075,600	600,000	-	-	6,060,500	2,124,800	540,000	12,400,900
One-Time Expenditures Total	*250,000*	*-*	*1,550,000*	*1,450,000*	*2,600,000*	*5,172,400*	*2,221,600*	*1,570,100*	*1,900,000*	*11,335,500*	*39,174,800*	*1,258,000*	*68,482,400*
Plus: Annual Budget Surplus (Deficit)	*(710,000)*	*3,520,000*	*1,230,000*	*1,560,000*	*2,450,000*	*(2,190,000)*	*4,780,000*	*1,170,000*	*7,010,000*	*1,910,500*	*(18,735,700)*	*21,351,444*	
Annual Budget Surplus/(Deficit) without One-Time Exp.	*(460,000)*	*3,520,000*	*2,780,000*	*3,010,000*	*5,050,000*	*2,982,400*	*7,001,600*	*2,740,100*	*8,910,000*	*13,246,000*	*20,439,100*	*22,609,444*	

City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240| Facsimile: 586-5385

TO: Mayor Weldon and Assembly

FROM: Rorie Watt, City Manager DATE: December 6, 2022

RE: Fund Balance Usage

Due to a variety of factors discussed at the 11/30/22 Assembly Finance Committee meeting, Finance staff project a large FY24 fund balance. As we approach the FY24 budget planning process, we seek direction on the potential use of fund balance above what is necessary to hold for cash flow purposes. This memo is intended to provide a starting point for Assembly deliberation and decisions.

For context, it may be helpful to recall the 1% sales tax list that was proposed by the Assembly and recently adopted by the voters and it may additionally be helpful to recall the major one-time funding adoptions made at the end of FY22. Both lists are attached.

For a variety of reasons (cash flow, cushion, funds available for one-time opportunities) staff recommend a fund balance floor of $8M – which is separate from and in addition to the Restricted Budget Reserve. The Assembly may determine an alternate floor.

As a starting point for discussion, staff recommend the Assembly consider the use of fund balance in excess of the floor amount with the following conceptual framework:

1) Funds should work towards achieving Assembly goals
2) Funds should be used on non-recurring costs that the current or a future Assembly will need to address
3) Funds should be used in a manner that reduces future CBJ operating costs

Working within this framework and with the understanding that fund balance projections are at this time still projections, I propose the Assembly use the funds to complete a major project and provide substantial funding towards a major goal. I also urge to resist the desire to provide funding in many small allotments. This is a rare opportunity to substantially move the needle on big issues.

I recommend that the Assembly use fund balance and allocate major funding to the New City Hall CIP and to Housing projects, roughly $10M to each. My rationale is as follows:

A. Housing continues to be a major need in the community and a major goal of the Assembly. Of the tools that the Assembly has available, providing funding can be the least difficult. Use of funds could take many forms, including grants, loans and active development by CBJ.
B. The New City Hall project narrowly lost on the ballot. It is always difficult to understand exactly why some 10,000 citizens vote the way they do, but I wholeheartedly take the vote as a signal that in developing the project, CBJ did well, but not quite well enough. Over the years, many CBJ bonded projects have taken several attempts to gain public consent. A New City Hall will serve the public for decades to come, additional funding would help push the project over the finish line.

2022 1% Sales Tax Projects

Expenditure Number	Project/Expenditure Name:	Funds Assigned
1	CBJ Building Maintenance Projects	9.9
2	Affordable Housing Fund	4.15
3	Childcare Funding	2.5
4	Parks & Recreation Major Maintenance & Repairs	5
5	CCFR Ladder Truck Replacement	1.2
6	North SOB Parking	5
7	School District Facility Funding	5
8	Telephone Hill Redevelopment	2
9	JPD Radio System Replacement	2
10	Lemon Creek Multi-Modal Path	1.5
11	Information Technology	3
12	Waterfront Museum	2
13	Street Maintenance Shop Bays	2
14	Pederson Hill Development	1.85
15	Harbor Projects/Grant Match	6.5
16	Gastineau Avenue Widening & Turn Around	4
17	Wastewater Utility Project Funding	
18	Restricted Budget Reserve	1
19	Water Utility Project Funding	
20	Energy Efficiency Projects	1.6
21	Electrification of CBJ Facilities	
22	West Douglas Extension	
23	Zero Waste Activities Land Subdivision	
24	Adair Kennedy Track and Baseball/Softball Turf	
25	Waste Reduction/Diversion Projects	
26	Thane Community Garden Grant	
27	Rock Dump Climbing Gym Grant	
	Total Requests	60.2

MEMORANDUM

DATE: November 23, 2022

TO: Assembly Committee of the Whole

FROM: Alexandra Pierce, Tourism Manager

SUBJECT: Long-Term Tourism Strategy

This memo is intended to advise the Assembly on a long-term strategy for tourism management, provide an update on the big picture recommendations set by the Visitor Industry Task Force (VITF) in 2020, and provide context on current tourism management priorities ahead of a more detailed discussion at the Assembly retreat.

Adopting the VITF Recommendations

The VITF met in 2019 and 2020. The final report was delivered in March of 2020, as the cruise industry ground to a halt, followed by the rest of the world. The Assembly accepted, but never formally adopted the VITF recommendations because the immediate challenges of COVID-19 required the Assembly's full attention. The approach to date has been to deal with VITF-recommended issues as they arise. As a reminder, the four questions in the Mayor's charging document can be summarized as follows:

1. Management of the Visitor Industry
2. Long Range Waterfront Plan Updates
3. Restrictions on Numbers of Visitors
4. Public Opinion Surveys

The VITF created multiple recommendations for each of these questions (Attachment A). They range from straightforward and specific to nebulous and complicated. The more complicated, "bigger ticket" items help shape CBJ's strategic direction on visitor industry management and the public should have the opportunity to testify on that direction. The smaller, more functional recommendations can serve as a guide for minor operational decisions and appropriating ordinances. I recommend that the Assembly adopt a resolution that formalizes CBJ's intent on the following long-range policy objectives:

1. Five ship per day limit
2. Complete the Seawalk
3. Increased scheduling input and transparency
4. Dock electrification

5. Developing a strategy for meeting community and regional goals for emissions, congestion mitigation, and proactive industry management

The Assembly has never formally adopted these policy objectives. While staff is working on these issues, it is important that the Assembly have a public process and formally adopt a resolution articulating these objectives. One of the key recommendations was to create a centralized Tourism Management function and the Tourism Manager position was created and tasked with implementing the VITF recommendations. It is appropriate to go back and revisit these objectives and formally set a strategic direction for tourism management.

VITF Goals

We are making on progress on the following broader goals established by the VITF:

Five Ship Limit

A limit of five ships allows CBJ to make infrastructure decisions to support our existing ship capacity and manage passenger volume. The VITF determined that numerical caps are legally questionable, somewhat arbitrary, and difficult to enforce.

The VITF report states that "CBJ should negotiate a formal agreement with the industry to limit the number of ships to five larger ships per day, one ship at each dock or four ships at dock and one at anchor (if the fifth dock is not built or if a fifth ship chooses to anchor instead of dock)."

The VITF also extensively discussed scheduling considerations and the concept of "best ship at best dock". The five ship limit is a first step towards scheduling improvements. Additionally, Juneau, Skagway, Ketchikan and Sitka sent a joint letter asking for increased regional transparency and context on scheduling to help inform scheduling discussions in our communities (for example, what does a five ship limit in Juneau mean for Sitka or Ketchikan?).

Waterfront Management

There are several significant infrastructure projects that will require passenger fee funding over the coming years. The COW recently received a presentation from Docks & Harbors about a potential bond package for shore power. CBJ staff is currently working with landowners between the Franklin and AJ Docks on planning and design for a seawalk extension. A dock development at the Subport may also prompt a seawalk project. The restrictive lease discussion below further explains the Assembly role in waterfront management specific to the Subport development project.

Emissions Reduction

CBJ continues to actively participate in Green Corridor discussions. Recently, the "First Movers" group (ports, cruise lines, NGOs) met and agreed to fund a technical feasibility study for net zero emissions cruise operations in Southeast Alaska. It was agreed that this initial study would be jointly funded by the ports of Seattle and Vancouver and CLIA's member cruise lines. There is no financial request for Alaska ports at this time. Additionally, as mentioned above, Docks and Harbors has prioritized electrifying the Alaska Steamship dock and building the uplands infrastructure to electrify the Cruise Ship Terminal.

Maximizing Local Benefits

The VITF recommended maximizing “localism” through efforts to promote local business and stimulate economic benefit to the community. Another component of localism is ongoing communication with our regional neighbors and working together to collectively maximize benefits and minimize impacts. CBJ has led formation of the Port Communities of Alaska group, which meets monthly. One of our primary aims for this group is to develop a regional strategy where ports articulate their long-term goals for cruise tourism both individually and collectively.

As part of this regional effort, we have committed to working with the industry on port shopping programs, particularly Princess Medallion Pay, which was cancelled in Alaska last year due to local opposition. In recent years, local merchants have made progress in adapting port shopping programs to work for small, local businesses. CBJ’s intent is to support those efforts and advocate for onboard shopping programs that drive passengers to, rather than away from, local businesses.

Centralized Tourism Management

The VITF recommended “CBJ should establish a centralized tourism management function funded by CBJ with full-time staff” which is partially implemented through the creation of the Tourism Manager position. This has been a positive step for CBJ as it tries to negotiate with the industry – and by and large the industry greatly appreciates our approach. However, there is some complexity in the charges of the various pieces of CBJ that work in tourism issues. Some clarification of roles and responsibilities is necessary, and may necessitate updating Title 85. The complexities of Docks and Harbors charge are frustrating to carry out and this is compounded by overlapping roles with the Manager’s Office. Both functions have structurally different approaches to similar tasks and this is challenging and frustrating for all involved.

Scheduling:

For years, Cruise Line Agencies of Alaska has provided dock scheduling for the region. It is a complicated task, and CLAA provides value. CBJ would not benefit from taking over the scheduling function and doing so would create a piecemeal approach that would ultimately hurt our regional neighbors. However, CLAA has no contractual relationship with CBJ and no obligation to schedule to meet community goals. We have improved communication with CLAA over the past year and they have been helpful and responsive to our request for a 2024 schedule that respects the five ship limit. No other municipal asset is managed in this passive manner and it is inappropriate to have a for profit entity managing a municipal asset absent a contractual agreement. In order to meet broad community goals, dock scheduling of the CBJ owned facilities (Alaska Steamship Wharf and Cruise Ship Terminal) must be brought under a formal contractual relationship. An example of the need for a scheduling contractual relationship is the changing dynamics for ship visitation. CLAA and CBJ may have conflicting ideas about the “best ship at best dock” concept and about what arrangement is in the community’s best interest. We need a structured process for these discussions.

Methods for Achieving Goals

Regulation

One option for achieving the VITF goals is to simply pass an ordinance establishing a five ship limit. The VITF recommended, "At this time, the CBJ should not pursue a hard numerical 'cap' on numbers of visitors because it is legally questionable and logistically impractical. Limitations can be achieved through other measures, including port infrastructure capacity to better manage the impacts of visitors." Establishing limits through regulation is a clear, straightforward process. However, it is difficult to anticipate how private dock owners and cruise lines would react, either individually or collectively. So, while regulation is straightforward in the short term, it is likely to present unforeseen challenges in the long-term.

Negotiated Agreements

Staff working on a second MOA with CLIA Alaska member lines that establishes and protects the five ship limit. Cruise Line Agencies has been asked to develop the 2024 schedule with five ships per day in Juneau. The MOA was discussed at CLIA's Executive Council meeting in early November and we are awaiting comments on the draft.

In parallel to this effort, CBJ has approached private dock owners regarding a similar MOA to hedge against new cruise lines entering the market making arrangements with private dock owners to be the sixth ship in port.

Assuming both agreements are signed in the next few months, we will need to continue to work with the industry and our neighbors to manage growth. This means continued and improved coordination between Alaska ports and more control over our waterfront. These agreements will help focus the discussions around Huna Totem's proposed development at the Subport.

While the industry prefers to work through negotiation and the VITF recommended achieving our long-term goals through negotiation, the process is slow and it is challenging to get all industry stakeholders in alignment on language and content, even if they have expressed their support for the intent. Next steps for negotiated agreements include a more formalized approach to scheduling and smaller negotiated VITF objectives.

Restricted Lease

Entering into a restricted tidelands lease with Huna Totem for development of the Subport allows CBJ to ensure the development reflects our management objectives. The VITF set a number of criteria for supporting a fifth cruise ship dock:

1. One larger ship per day using one side of the facility;

2. Maximum of five larger ships in port per day;

3. No hot berthing at the new facility;

4. No larger ships allowed to anchor as the sixth ship in town. Larger ships may anchor but the number of larger ships in port would still be limited to five (CBJ to consider legal ramifications of limiting size of ships at anchor);

5. High quality uplands development for community and visitors;

6. Year round development orientation;

7. CBJ manages dock to some extent through a public private partnership or management agreement;

8. Dock is electrified.

The VITF's intent was to put the dock development in context with other big-picture management objectives. Several of these criteria are beyond the control of any one cruise line, dock owner, or developer. As the Assembly works through tideland lease discussions with Huna Totem Corp., these criteria should be considered in combination with the other methods for achieving the VITF goals around scheduling and limits. Establishing the five ship limit allows the Assembly to evaluate the project on its merits and shifts the discussion around port capacity and away from a single development.

Ownership Authority

CBJ should seriously consider acquiring private docks and should begin to build a fund reserve to do so. Control over the waterfront will ensure that CBJ is able to manage volume appropriately, dictate scheduling to mitigate congestion, and allocate passenger fees across the entire waterfront. Dock acquisition also protects against business practices by private dock owners that do not support Juneau's visitor industry management goals.

It is difficult to negotiate limitations on use of private docks that anticipate future industry changes. Many modern waterfronts are controlled by Port Authorities that have more complete control of their waterfront decisions. When NCL wanted to add a berth in Seattle, the Port of Seattle negotiated an agreement whereby the Port built the facility and NCL entered into payment terms that facilitated use that it proposed.

Waterfront control provides the most flexibility for CBJ. It is also the most expensive option with the longest timeline. It is appropriate to consider the other options presented herein and set a long-term objective to control the Juneau waterfront.

Conclusion

In short, the long-term goals described above center around building a sustainable cruise industry presence in Juneau and the rest of Southeast Alaska that maximizes local benefits and prioritizes self-determination for Juneau and our regional neighbors. These goals also have implications for passenger fees. We will likely have several big ticket waterfront infrastructure projects in the next several years. This may mean that more of the passenger fee budget is dedicated to debt service with less room for smaller project requests. The rate study commissioned by Docks & Harbors should be part of the passenger fee discussion this year, and the Assembly should consider all options for funding visitor infrastructure projects.

Recommendation:

Staff recommends that the Assembly discuss tourism topics in depth at the retreat:

1. A round table to discussion about the pros and cons of the various policy objectives and the methods for which they can be achieved.
2. Direct the manager to provide administrative and legislative methods to achieve these objectives.

Attachment A: VITF Recommendations Graphic

Visitor Industry Task Force Report To the City & Borough of Juneau Assembly March 2020

1. *Mayor's charge: Regarding Management of the Visitor Industry*

1a) Is the current approach to managing the visitor industry adequate to make Juneau an attractive place to live and visit?

Since 1988, CBJ has managed tourism through plans, studies, committees, task forces, and legislation. Within the context of a growing visitor industry, the current approach needs to be evaluated, revised and reorganized. In the past, CBJ has been too reactive when issues arise. Moving forward, CBJ, the visitor industry, and the community should proactively and collaboratively plan and act to ensure Juneau remains an attractive place to live and visit.

There are numerous CBJ planning efforts underway or contemplated that would affect tourism management, opportunity and efficiency. Additionally, there are infrastructure projects that contribute to management of tourism discussed in section 1b. Listed below are CBJ planning efforts related to tourism or that have a close connection to tourism as they are located in the downtown area. Efforts that may be funded by Marine Passenger Fees are designated with an asterisk.

1. Eaglecrest Summer Development Plan
2. CBJ grant to Whale SENSE Program*
3. Blueprint Downtown
4. Housing issues downtown
5. Waterfront Museum*
6. Small vessel docking study*
7. Issues identified in the Manager's recommended Passenger Fee Memo to the CBJ Assembly*
    a. Juneau Cruise Passenger Survey
    b. Cruise Passenger Transportation Study/Planning

The current management approach is realized through a mix of industry best management practices, agency permits and operations, and services provided by non-profits through grants and infrastructure planning. Compliance with visitor industry regulations and best practices is voluntary at times and mandatory under federal, state, or local statute or regulation. CBJ Resolution 2170, adopted in 2002, outlines tourism industry related policies and guiding ideas that are still relevant to the community. However, the resolution has not been used consistently as a guiding tool.

CBJ does not manage tourism through a single entity or under one section of code; various CBJ Departments manage areas used by tourists and tour operators. Those management activities include:

1. Dock Scheduling – Cruise Lines Agencies of Alaska (CLAA) schedules ships into Juneau and assigns the use of CBJ's Alaska Steamship Dock and Cruise Ship Terminal, as well as the lightering float used

by ships at anchor. CBJ has no contractual relationship with CLAA or member lines governing the use of these facilities.

2. Docks & Harbors Waterfront Management
    a. Commercial Use Permitting of Docks and Harbors
    b. Dock Maintenance
    c. Seawalk Maintenance

3. Docks & Harbors / CBJ Assembly
    a. Tidelands management

4. Parks & Recreation Management
    a. Commercial Use Permitting of Parklands and Facilities
    b. Seawalk Maintenance
    c. Parks Management and Maintenance

5. Community Development Department Land Use Permits (including Planning Commission reviews)

6. Engineering/Public Works Right-of-Way Management

7. DOT Management of South Franklin Street – The roadway from Main Street to the Rock Dump is owned and managed by State DOT (Marine Way and South Franklin Street). However, for over 30 years, CBJ has taken the lead on roadway improvements.

8. Tourism Best Management Practices (TBMP) – Annual funding provided by CBJ from Marine Passenger Fees; the program is operated voluntarily by tourism operators and also manages the crossing guard program which is funded by Marine Passenger Fees.

Recommendations

1. CBJ should establish a centralized tourism management function funded by CBJ with full-time staff to guide implementation of the 2002 Tourism Management Plan (TMP) where applicable. The TMP provides an example of how this could function.

2. CBJ should determine community goals (emissions, shore power, congestion mitigation, etc.) and develop and implement an action plan to achieve these goals.
    a. Complete the Blueprint Downtown sub-area plan and address land use and zoning, as well as incentivizing local business development in the downtown core.

3. The TBMP program should be augmented and supported by CBJ. TBMP remains an industry driven and operated program. As an industry program, peer and industry pressure achieves compliance that would be difficult to obtain under a regulatory regime.

4. CBJ should adopt ordinances and regulations to establish consistent management of commercial tour use on all lands, including parks, docks and harbors, right-of-ways, and other lands owned by the CBJ. Management considerations should include:

a. Continue to charge fees to fund required services and mitigate impacts. Review and revise fee schedule to ensure fees are appropriate.
b. Consider whether there should be commercial tour permitting on city streets and sidewalks for commercial tours such as guided hikes or guided micromobility tours; and if so, regulations should be developed in the same way that CBJ regulates parks and trails, to determine impacts, including days, times and capacity.
c. Limit Parks & Recreation commercial use permits to determine facility capacity and impacts (including hours and days). This may include some areas with higher visitation and some areas with lower or no visitation.
d. Require all tourism operators receiving Commercial Use Permits to be active members in good standing of TBMP and comply with TMBP guidelines, and where applicable, also be active members in good standing with WhaleSENSE and comply with WhaleSENSE guidelines.
e. Work with related agencies and partners, such as NOAA, on reducing speed and wakes from whale watching vessels in Statter Harbor, Auke Bay and other impacted areas.
f. Consider researching and implementing a permitting system for whale watching operators.
g. Recognize operators participating in the Alaska Travel Industry Association (ATIA), program “Adventure Green Alaska”, to encourage sustainability practices.
h. Incentivize operators to adopt environmental best management practices through local award programs, such as a Juneau Commission on Sustainability award.
i. Recommend operators/cruise lines adopt Travel Juneau "Juneau Pledge” and ATIA “Alaska” pledge. Cruise lines may also create their own “Alaska” pledge through CLIA (a creative method to encourage guests from around the world to embrace community respect and positive visitor behavior).

5. CBJ should require Cruise Lines International Association (CLIA) member cruise lines to operate in the following manner:
   a. In 2020 and going forward, minimize cruise ship waste in the landfill and prohibit ships from off-loading furniture, bedding, pillows, mattresses, electronics and other similar bulky items as garbage into the Juneau landfill. Coordinate with the landfill, CLIA and CLAA to implement this recommendation and as CLAA receives notifications and picks up the offloads, ask them to assist with not accepting these items. By 2021, consider prohibiting any cruise ship waste offloads into the landfill.
   b. Maximize use of shore power by all cruise lines by requiring CLAA to assign shore power configured ships to electrified docks once additional shore power infrastructure is in place.
   c. Limit water usage by ships in periods of drought.
   d. Turn off large LED screens while in port in coordination with CLIA and TBMP
   e. Maximize “localism”
      i. Encourage cruise lines to maximize partnerships with locally owned businesses.
      ii. Continue to support and direct cruise ship passengers to local businesses.
   f. Coordinate with CLIA and CLAA on ship scheduling and berthing to minimize congestion at all docks. These recommendations should be implemented over the next three years based on feasibility and need. In 2020, strategically assign ships based on size with the goal of reducing traffic congestion downtown

   i. In 2020 and going forward, work with CLAA and CLIA to provide more transparency and visibility for schedules and projected passenger counts, two years in advance or upon creation.
   ii. In 2020 and going forward, should a ship wish to call in Juneau at CBJ operated facilities on a day other than what was originally scheduled due to weather or other factors, CLAA should review this request with CBJ prior to confirming this call in order to evaluate how the change affects congestion and other impacts to the community.
   iii. In 2021, stagger arrival times of ships by 30 minutes.
   iv. In 2022 if the NCL berth is operational as the fifth dock, prohibit hot berthing as a scheduled practice.

6. CBJ should clearly establish guidelines and goals for the scheduling/assigning of **municipal** docks. These recommendations should be implemented over the next three years based on feasibility and need.
   a. In 2020 and going forward, prohibit large cruise ships moored or at anchor in Auke Bay, specifically Statter Harbor.
   b. In 2020 and going forward, work with CLAA and CLIA to provide more transparency and visibility for schedules and projected passenger counts, two years in advance or upon creation.
   c. In 2021, stagger arrival times of ships by 30 minutes.
   d. In 2022 if the NCL berth is operational as the fifth dock, prohibit hot berthing as a scheduled practice.
   e. Prioritize berthing for shore power configured ships once additional shore power infrastructure is in place.

7. Incentivize Juneau as a turn port for smaller ships.

8. Juneau should establish a marketing identity through their destination marketing organization, Travel Juneau. Integrate this marketing identity across the community (conceptual draft – Juneau is proud of its cultural heritage, support of the arts, love of the natural environment, and finds its identity as an ocean and mountain town).

1b) Is the approach adequate within the existing dock infrastructure and within other foreseeable public or private infrastructure projects for the growth anticipated?

The current management approach within the existing and foreseeable infrastructure projects is not adequate. Many of the current projects address important issues, but the approach needs to be consistently coordinated among city, state, and federal partners. Additional work should be continued to mitigate current impacts and anticipate future impacts.

Numerous upgrades to downtown infrastructure are underway and some may be impacted by reduced Marine Passenger Fee revenue. These projects increase Juneau's ability to host large numbers of visitors. The upgrades, with completion dates, include:

1. Egan Drive improvements (2020) – ADOT reconstruction of Egan Drive from Main Street to 10th Street.
2. Small bus staging at the Archipelago area (2022) – Deckover of tideland area close to the Marine Parking Garage to provide space for passenger bus loading.
3. Open space at the Archipelago area (2022) – Private project adjacent to the Marine Parking Garage to develop commercial and open space on the waterfront.
4. Sidewalk stanchions (2020 - 2022) – Continue installing barriers at the edge of sidewalk along S. Franklin Street to separate pedestrians and vehicles.
5. Warner's Wharf Alley Improvements (2020-2021) – Safety and pedestrian improvements to the Seawalk access on Warner's Wharf, adjacent to Pier 49.
6. Dock Electrification planning (ongoing).
7. Seawalk Infill at Marine Park (2021) – Install Seawalk decking over the area where the lightering ramp and float was removed. This will extend the Seawalk to connect to Marine Park.
8. Seawalk expansion South to AJ Dock planning (ongoing).
9. Marine Park Upgrades (2023) – Park reconstruction project to improve pedestrian flow and user amenities on the waterfront.
10. Marine Way Seward Street Crosswalk (2021) – Evaluate location of crosswalk and utility of left turning movement at Seward Street.
11. Cruise Ship Real Time Wastewater Monitoring (2021) - Install instrumentation and control systems to track strength and flow rate of discharges to allow for efficient plant management.
12. Franklin Dock Floating Berth (2021) – Private project evaluating replacing the current cruise ship dock with a floating berth.

<u>Recommendations</u>

1. Additional infrastructure development should be considered in the downtown area to accommodate current volumes and potential growth. Continued efforts to move people and vehicles through downtown efficiently and safely are necessary.
    a. Traffic congestion on S. Franklin is a critical infrastructure issue that needs to continue to be addressed through planning, design, and construction to separate pedestrian and vehicular flow. CBJ and DOT should coordinate to accomplish this work. Considerations should include:
        i. Maximize right-of-way space for pedestrians.
        ii. Minimize required stops for vehicles.
        iii. Extension of pedestrian stanchions.
        iv. Minimize and consolidate turning movements.
        v. Focus pedestrian flow to crosswalks and desired destinations.
        vi. Improve pedestrian flow by creating better access between Seawalk and S. Franklin Street.
        vii. Consider staging areas outside of downtown for cargo deliveries and incentivize companies to deliver outside of times when cruise ships are in port.
        viii. Encourage and incentivize electrification of tourism vehicles.

2. Research and develop efforts to move people on and off the right-of-way, including circulators, electric ferries, Seawalk extension, connections between S. Franklin Street with the Seawalk, and other alternative pedestrian routes.

3. Prioritize dock electrification and continue to work with the electrical utility to monitor electrical capacity available for purchase on either an interruptible or firm basis.

4. Limit expansion of downtown dock infrastructure to allow for no more than one additional larger cruise ship.

5. Wastewater, water, and air quality should continue to be evaluated by the City and State to reduce impacts on the health of the community and environment. Responsible agencies should evaluate and plan to analyze capacity and impacts of increased cruise ship visitation. Air quality should be monitored regularly for adherence to strict standards, including compliance with the Marine Vessel Visible Standards (18 AC 50-.070) and all available and reasonable steps to minimize visible stack emissions while in port should be taken.

6. Plans for infrastructure development including design standards and analysis of growth and impacts should be completed for other areas outside of the downtown waterfront where tourism growth is occurring or could occur, such as Auke Bay and North Douglas (Eaglecrest).

7. Support public and private development ventures that alleviate pressure on existing infrastructure.

8. Ensure recreational facilities such as trails for hiking and biking are developed to maintain Juneau as a top recreational place to live and visit.

9. Recognize the contributions of Native Alaska organizations to the downtown core and support continued growth of cultural tourism and installation of Native Alaska art in public spaces.

2. ***Mayor's charge: Regarding reviewing and updating the Long Range Waterfront Plan***

The Long Range Waterfront Plan (LRWP) has guided CBJ thinking and actions on the development of waterfront infrastructure for the last 15 years. The LRWP was the culmination of a great deal of planning work in the early 2000's. Writing, considering, and adopting the LRWP was very time consuming, and required extensive and sustained public engagement. Updating or re-writing the Plan would be similarly difficult and time intensive.

2a) What are the pros and cons of updating the LRWP?

Pros

1. The LRWP is an infrastructure development plan for the waterfront land between the Juneau - Douglas Bridge and the Little Rock Dump. The extent of tourism reach in Juneau has expanded beyond the downtown waterfront; updated planning could be done in areas outside the scope of the LRWP, including harbors and transportation corridors.

2. Proactive planning instead of a reactive approach is needed on infrastructure and tourism issues.

3. In 2004, the work on the LRWP was a positive step in bringing the community together on tourism issues.

Cons

1. The effort and cost of the LRWP was very high.

2. It is uncertain whether the community has the capacity to focus on a yearlong waterfront planning process.

3. The current plan is still functional and valid for the waterfront area.

4. There are many neighborhood, harbor, and park plans that inform zoning and infrastructure development.

2b) If the LRWP was updated, should it be an infrastructure update or should that update consider other policy or operational issues?

1. The LRWP horizon extends to 2026. Currently, the concept design approaches and recommendations within the plan are still valid and can be used as a foundation for continued development along the downtown waterfront. Approximately 50% of the tasks outlined in the LRWP are complete; progress should continue to complete the remaining viable tasks by 2026.

2. Updates on completed projects along the downtown waterfront should be made and communicated to the public through a conceptual five-year Capital Improvement Program (CIP).

3. Regarding considerations of policy and operational issues, recommendations in Task Force charging question #1 respond to this need.

Recommendations

1. Do not expend the effort necessary to update the LRWP. The CBJ Assembly should maintain focus on better tourism management and rely on the finer detailing from the ongoing Blueprint Downtown planning efforts.

2. Complete development of the Seawalk.

3. Mayor's charge: Regarding the persistent idea of a restriction on the number of visitors

1. Consider and research whether a restriction on the number of visitors arriving in Juneau would be legal, enforceable or practical.

2. If found to be legal and enforceable, advise on the pros and cons of the concept of restricting the number of visitors and whether a restriction strategy might be:
    a. A concept that would apply to annual/seasonal visitation numbers?
    b. A concept that would apply to daily visitation numbers?

3. Consider whether changes to ship scheduling (daily arrivals and departures) might address community concerns and impacts.

4. Consider the pros and cons of CBJ becoming involved in dock scheduling.

Legal Considerations

The City Attorney provided the task force with a memo on January 21, 2020 that broadly outlined the numerous legal hurdles that could oppose a legal limitation on the number of cruise ship passengers that visit Juneau.

Practical Considerations

As a practical matter, limitation of cruise ship passenger visitation can be achieved by the following methods:

1. **Limit by Infrastructure**

   Whether or not to lease tidelands for a new dock (or docks) to accommodate larger cruise ships is the most pressing capacity question that Juneau will face in the foreseeable future. The CBJ Assembly should spend a significant amount of time studying this issue. A new dock may or may not supplant the existing anchoring and lightering and may or may not result in significant ship visitation growth. However, that analysis is greatly over simplified.

2. **Limits on Ship Scheduling**

   The revenue bonds that financed the construction of CBJ owned cruise ship docks and lightering float (commonly known as 16B) requires that the debt service not be placed in jeopardy. The bonds are scheduled to be paid off in 2034, but the CBJ can prepay the bonds as early as March 1, 2026. Limitation on dock availability (such as instituting “no ship days” at CBJ facilities) at the municipal docks may cause such jeopardy.

   CBJ does not have the authority to limit scheduling/berthing at the two privately owned docks. If, over time, the municipality acquired the private docks, it would eventually have more control of scheduling once the debt incurred in the acquisition was retired. Note, however, that neither private dock is for sale.

   To limit ships anchoring and lightering, CBJ could consider limiting availability of its owned lightering docks. However, private lightering options could become available.

   Daily or hourly limits could also be considered on the availability of commercial activity on CBJ lands and harbors.

3. **Limit by Negotiation**

   CBJ effectively ended years of litigation with CLIA by negotiating a Memorandum of Agreement that satisfies the needs of Juneau and the industry. A best course of action should include determining community goals and directly negotiating to achieve them.

4. **Financial Incentives/Disincentives**

   Different ship berthing protocols can result in less congestion, but there are barriers to adjustments to the assigned berthing locations. Issues include cruise lines’ historical preference and the economic disparity between the rates charged at less expensive CBJ facilities and the costlier private berth options.

Recommendations

1. At this time, the CBJ should not pursue a hard numerical "cap" on numbers of visitors because it is legally questionable and logistically impractical. Limitations can be achieved through other measures, including port infrastructure capacity to better manage the impacts of visitors.

2. Request CBJ Law to research how other U.S. communities have instituted a numerical visitor cap and /or other possible methods of limitations.

3. CBJ has traditionally left scheduling of the port and assigning of the City docks to CLAA, but should take a more active role to achieve its management goals. See section 1a of this report for specific recommendations.

4. CBJ should negotiate changes that would promote more efficient ship scheduling, berthing and managing congestion, such as assigning larger capacity ships to the City docks and reducing traffic on South Franklin.

5. By 2023, CBJ should negotiate a formal agreement with the industry to limit the number of ships to five larger ships per day, one ship at each dock or four ships at docks and one at anchor (if the fifth dock is not built or if a fifth ship chooses to anchor instead of dock). This would give the industry time to adjust to recommendations.

6. CBJ should work with cruise lines to attempt to "get the peak out of the week" and balance the numbers of visitors across days of the week. There are more docks being constructed throughout Southeast; CBJ and other Southeast communities should work with the cruise lines to manage visitation throughout the region.

7. CBJ should work with the various agencies including CLAA, CLIA and individual ship lines to discourage or prohibit anchoring and lightering by larger ships if an additional dock is constructed. If a Subport dock is constructed, the CBJ should more thoroughly investigate and completely understand under what circumstances the USCG would remove or restrict the current anchorage.

8. The Visitor Industry Task Force did not reach consensus on the issue of a ship free day or "no ship days" at one CBJ dock per day. One option could be instructing CLAA to cease assigning one of the city docks on certain Saturdays, alternating between Alaska Steamship Dock and Cruise Ship Terminal. Issues discussed included:

    a. Economic impacts
    b. Region-wide scheduling considerations
    c. Inability to control assigning of private docks
    d. Legal and debt service concerns (16B docks)

4. Mayor’s Charge: Considering methods for collecting public opinion

Consider the pros and cons of collecting public opinion through formal surveys, including researching survey costs. Public opinion is always important for the CBJ Assembly to determine and collect; however, asking simple yes/no questions on nuanced issues can be polarizing and can be difficult to get the public to understand all of the details necessary for formation of well-founded policy decisions.

In the 1990’s and 2000’s, CBJ commissioned a number of surveys of public perceptions on tourism. The 2002 Juneau Tourism Management Plan identifies survey results as the primary indicator for activating “safety valves” – constructing an additional port separate from Juneau, but within the Borough to disperse the CBJ’s visitor load. Public surveys can be a useful community engagement tool, because they make it possible to get results from a broader cross section of the community than with other public engagement methods. However, it is important for survey questions to be well designed. It is also important to have a clear understanding of the purpose of the public survey. Such a survey could be focused on general public perception (i.e. “has Juneau reached its capacity for cruise tourism?”) or focused on measuring community impacts in specific areas. It would also be important to consider who would use the survey results and for what purpose.

Recommendations

1. Engage a third party contractor to complete a public opinion survey of Juneau residents at the end of the 2021 cruise season.

2. Depending on the utility of a survey, additional surveys should be planned to gauge how management strategies are influencing public perception.

3. Consider collecting data on the effects of hot berthing.

Additional Task Force Discussion Issues

Subport Development/Upcoming Norwegian Cruise Line Dock Proposal

Whether or not to support an upcoming Subport development proposal is a CBJ Assembly decision. The USCG and/or NOAA also have important roles. Future discussions should consider allowing, limiting or prohibiting anchoring in the Juneau Harbor. The use of dynamic positioning navigational systems, which when in use, designate vessels as “underway’ vs. “anchor” should also be discussed as this may change the ability of agencies to utilize certain management tools to control the anchorage.

A shift in docking or anchoring of cruise ships may alter spending patterns of passengers and affect the local economy. In addition, a dock at the Subport could leverage other community goals such as:

1. Seawalk

2. Small Boat Harbor

3. Ocean Center

4. Berthing for small cruise ships (The Task Force does not yet have an accepted definition of “smaller ships”)

5. Homeporting of “small ships”

6. Economic and/or Housing Development

7. Pedestrian management such as a walkway crossing over Egan

8. Reducing vehicle congestion on S. Franklin Street

Recommendation

Support a Subport dock if the following conditions are met, recognizing that some of these conditions are beyond NCL or any other developer’s control. However, the Task Force submits these items for Assembly consideration in making policy decisions:

1. One larger ship per day using one side of the facility;

2. Maximum of five larger ships in port per day;

3. No hot berthing at the new facility;

4. No larger ships allowed to anchor as the sixth ship in town. Larger ships may anchor but the number of larger ships in port would still be limited to five (CBJ to consider legal ramifications of limiting size of ships at anchor);

5. High quality uplands development for community and visitors;

6. Year round development orientation;

7. CBJ manages dock to some extent through a public private partnership or management agreement;

8. Dock is electrified.

Cruise Ship Size Discussion

The task force report includes many recommendations related to cruise ship size, especially as related to a potential new NCL dock and anchoring of ships. In the report, the term ‘larger’ cruise ship is used and a specific definition of larger ship is not given for the following reasons:

1. The length of a ship does not necessarily determine the number of passengers.

2. Limiting ships by number of passengers may require additional legal analysis.

3. The concern on ship size is related generally to the amount of impacts it creates in the community on the environment, traffic and congestion, and infrastructure.

The Assembly may have to define a 'larger ship' as it proceeds with tourism management, but this definition will likely include a deeper analysis of impacts, expected fleet of ships, and ongoing and planned infrastructure development. The committee suggests that 'small ships' are those with 500 or fewer passenger capacity. 'Larger' ships are those that exceed these a 500 passenger capacity.

Plan Reporting

	Action Item	Status	Plan Document	Topic Keyword	Action Type	Year	Notes	Column5	Column6
1	Created Visitor Industry Task Torce	Complete	VITF Final Report	Tourism	Personnel	2019	Mayor established task force		
2	Require all commercial use permittees to be TBMP members in good standing (+ WhaleSense if applicable)	Complete	VITF Final Report	Tourism	Policy	2020	Policy implemented		
3	Stagger ship arrival times by 30 minutes	Complete	VITF Final Report	Tourism	Partner Agreement	2020	Achieved through scheduling		
4	Establish a central tourism management function	Complete	VITF Final Report	Tourism	Personnel	2021	Tourism position created		
5	Engage a third party contractor to complete a public survey on visitor impacts	Complete	VITF Final Report	Tourism	Contracted Service	2021	2021 Survey complete		
6	Limit Parks & Rec commercial use permits to determine facility capacity and impacts	Complete	VITF Final Report	Tourism	Policy	2021	Facility capacity evaluated in permitting decisions		
7	No cruise ships of any size in Auke Bay	Complete	VITF Final Report	Tourism	Policy	2021	No small cruise ships currently in city-owned Auke Bay facilities		
8	Focus pedestrian flows to crosswalks and desired destinations	Complete	VITF Final Report	Tourism	Capital Projects	2021	Stanchions installed, wayfinding signage project complete		
9	Do not do a full update of the LRWP	Complete	VITF Final Report	Tourism	Policy	2021	LRWP Amendment complete		
10	Minimize and consolidate vehicle turning movements	Complete	VITF Final Report	Tourism	Partner agreement	2022	Addressed through TBMP and infrastructure		
11	Minimize required stops for vehicles	Complete	VITF Final Report	Tourism	Partner agreement	2022	Addressed through TBMP, crossing guards, stanctions		
12	Expand pedestrian stanchions	Complete	VITF Final Report	Tourism	Capital Projects	2022	Installed summer 2022		
13	Focus pedestrian flow to crosswalks and desired destinations	Complete	VITF Final Report	Tourism	Capital projects	2022	Wayfinding project installed		
14	Require all commercial use permittees to be TBMP members in good standing (and WhaleSENSE if applicable)	Complete	VITF Final Report	Tourism	Policy	2021	Complete by D&H		
15	Stagger ship arrival times by 30 minutes	Complete	VITF Final Report	Tourism	Partner agreement	2021	Scheduled for 2022		
16	No cruise ships of any size in Auke Bay	Complete	VITF Final Report	Tourism	Policy	2021	D&H confirmed no ships - to revisit as capital projects approved		
17	Limit Parks & Rec commercial use permits to determine facility capacity and impacts	Complete	VITF Final Report	Tourism	Regulation	2021	P&R Evaluates with permit applications		
18	Minimize and consolidate vehicle turning movements	Complete	VITF Final Report	Tourism	Partner agreement	2021	TBMP ongoing issue - marked complete		
19	Minimize required stops for vehicles	Complete	VITF Final Report	Tourism	Partner agreement	2021	TBMP ongoing issue - marked complete		
20	Expand pedestrian stanchions	Complete	VITF Final Report	Tourism	Capital projects	2021	Completed 2022		
21	Engage a third party contractor to complete a public survey on visitor impacts	Complete	VITF Final Report	Tourism	Personnel	2022	2022 survey to be delivered by end of November		
22	Turn off large LED screens while in port	Complete	VITF Final Report	Tourism	Partner agreement	2022	MOA completed		
23	Minimize, eliminate ship waste in landfill	Complete	VITF Final Report	Tourism	Partner agreement	2022	MOA completed		
24	Limit water usage by ships in times of draught	Complete	VITF Final Report	Tourism	Policy	2023	MOA completed		
25	Turn off large LED screens while in port	Complete	VITF Final Report	Tourism	Partner agreement	2023	MOA completed		
65	Do not introduce a hard numerical cap on ship scheduling, use other management measures	In progress	VITF Final Report	Tourism	Policy	2020	Working with CLIAA on a 5 ship MOA		
66	More transparency for schedules and passenger counts, release 2 years in advance or upon creation	In progress	VITF Final Report	Tourism	Partner Agreement	2021	Have draft 2023 and 2024 schedules		
67	CBJ Law to research how other US communities have identified limitations on visitor numbers	In progress	VITF Final Report	Tourism	Policy	2022	CBJ Law conducting research, Assembly aware of options		
68	Incentivize environmental best management practices through local award programs	In progress	VITF Final Report	Tourism	Partner agreement	2022	Working with Travel Juneau		
69	Recognize partners participating in AITA "Adventure Green Alaska" program	In progress	VITF Final Report	Tourism	Partner agreement	2022	Working with Travel Juneau		
70	Complete Blueprint Downtown and address land use, zoning & incentivizing business development downtown	In progress	VITF Final Report	Tourism	Personnel	2022	Going to Assembly for adoption soon		
71	Require CLAA to assign shore power configured ships to electrified docks	In progress	VITF Final Report	Tourism	Partner agreement	2022	Maximizing use of Franklin Dock shore power		
72	Limit expansion of downtown dock infrastructure to allow for no more than one larger ship	In progress	VITF Final Report	Tourism	Ordinance/Partner Agmt	2022	HTC dock plans only include one ship - part of tideland negotiations		
73	Prohibit anchoring if an additional dock is constructed	In progress	VITF Final Report	Tourism	Ordinance/Partner Agmt	2022	Five ship MOA with CLIAA for review		
74	Improve pedestrian access between seawalk and South Franklin	In progress	VITF Final Report	Tourism	Capital Projects	2022	Several projects underway, Marine Park planned		
75	Consider collecting data on the effects of hot berthing	In progress	VITF Final Report	Tourism	Personnel	2022	Asked about hot berthing in 2021 survey, staff to determine additional data to collect		
76	Evaluate schedule change requests for weather, etc. review with CBJ for community impact	In progress	VITF Final Report	Tourism	Partner agreement	2022	Staff currently notified, planned dialogue with CLAA in off season		
77	Work on reducing speed and wakes from whale watching vessels in Auke Bay and impacted areas	In progress	VITF Final Report	Tourism	Partner agreement	2023	In TBMP guidelines, working on improved practices with industry		
78	Encourage and incentivize electrification of tourism vehicles	In progress	VITF Final Report	Tourism	Capital projects	2023	Evaluating through circulator study		
79	Plan and alalyze tourism activities in areas outside of downtown development	In progress	VITF Final Report	Tourism	Plans	2023	Eaglecrest gondola project under evaluation		
80	If subport dock is operations, prohibit hot berthing as a scheduled practice	In progress	VITF Final Report	Tourism	Partner agreement	2023	Working with CLIAA on a 5 ship MOA		
81	Negotiate a formal agreement by 2023 to limit port capacity fo 5 large ships per day	In progress	VITF Final Report	Tourism	Partner agreement	2023	Working with CLIAA on a 5 ship MOA		
82	Maximize right-of-way space on South Franklin for pedestrians	In progress	VITF Final Report	Tourism	Capital projects	2023	Capital projects ongoing and subject to funding		
83	Research and develop efforts to move people on and off the right-of-way including electric ferries, seawalk extension, connections to seawalk and other pedestrian routes	In progress	VITF Final Report	Tourism	Capital projects	2023	Working on seawalk extensions		
84	Support public and private development to alleviate pressure on existing infrastructure	In progress	VITF Final Report	Tourism	Capital projects	2023	Eaglecrest gondola project under evaluation		
85	Augment and support TBMP	In progress	VITF Final Report	Tourism	Policy	2023	Working with Travel Juneau on program enhancements		
86	Complete development of the seawalk	In progress	VITF Final Report	Tourism	Capital projects	2023	Ongoing - in negotiations for Franklin to AJ extension		
87	Take a more active role in ship scheduling	In progress	VITF Final Report	Tourism	Partner agreement	2023	Working with CLAA/lines to strategically change scheduling process		
88	Promote efficient ship scheduling to manage congestion	In progress	VITF Final Report	Tourism	Partner agreement	2023	Working with CLAA/lines to strategically change scheduling process		
89	Support cultural tourism and native art in public spaces	In progress	VITF Final Report	Tourism	Partner agreement	2023	Supporting SHI in totem walk and cultural campus projects		
90	Continue to operate TBMP over the long-term with peer pressure model for compliance	In progress	VITF Final Report	Tourism	Partner agreement	2023	Travel Juneau taking over program - has retained staff		
91	Ensure recreation facilities are developed to maintain Juneau as a top recreation destination	In progress	VITF Final Report	Tourism	Capital projects	2023	Trail projects underway, Eaglecrest project in planning stages		
92	Prioritize dock electrification and continue to work with utility to monitor capacity	In progress	VITF Final Report	Tourism	Capital projects	2023	D&H applying for grants, purchasing transformer, funding planning and design		
93	Monitor water, wastewater, air quality	In progress	VITF Final Report	Tourism	Partner agreement	2023	DEC monitoring		
94	Integrate Juneau's marketing identity across community and develop campaigns to support local businesses, encourage cruise lines to support	In progress	VITF Final Report	Tourism	Partner agreement	2023	Discussed with local organizations - longer-term project		
97	CLIA/CLAA scheduling to minimize congestion, strategically assign ship berths based on ship size	In progress	VITF Final Report	Tourism	Partner agreement	2022	Starting dialogue with CLAA/CLIA		
98	Determine community goals re: emissions, shore power, congestion mitigation, etc. Develop and implement action plan	In progress	VITF Final Report	Tourism	Plans	2022	Working on emissions and shore power, Green Corridor		
99	Research and implement permitting system for whale watching operators	In progress	VITF Final Report	Tourism	Policy	2022	Conducting stakeholder engagement around Whale Watching		
100	Incentivize Juneau as a turn port for smaller ships	In progress	VITF Final Report	Tourism	Partner agreemnet	2023	Several small lines currently turning in Juneau - hotels a barrier		
101	Continue to charge commercial use fees and review and revise as appropriate	In progress	VITF Final Report	Tourism	Policy	2022	P&R, CDD, D&H, Mgrs Office working to harmonize tourism permits		
102	Assess tour permitting for streets and sidewalks and develop regulations if feasible	Not started	VITF Final Report	Tourism	Policy	2022	Requires research by CBJ Tourism, Streets, Parks & Rec		
103	Negotiate with cruise lines to "get the peak out of the week"	Not started	VITF Final Report	Tourism	Partner agrement	2023	Requires engagement with regional neighbors, homeports, cruise lines		

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McKINLEY RESEARCH
GROUP, LLC

Formerly McDowell Group

JUNEAU TOURISM SURVEY
2022

December 2022

PREPARED FOR:

City and Borough of Juneau

TABLE OF CONTENTS

Executive Summary

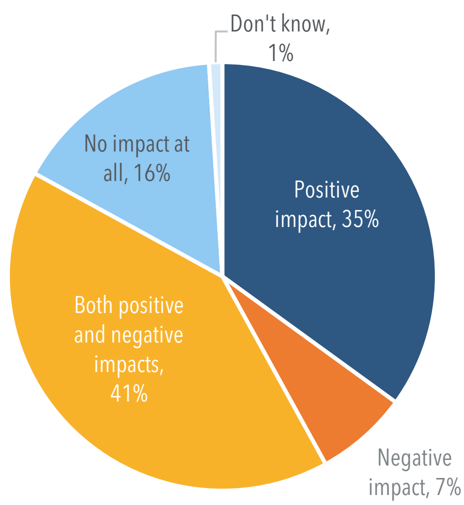
The City and Borough of Juneau contracted with McKinley Research Group (formerly McDowell Group) to conduct a telephone survey of 500 randomly selected Juneau residents regarding tourism. The survey was conducted in fall 2022 and closely resembled a survey conducted in fall 2021 (regarding the 2019 summer season); similar surveys were also conducted in 1995, 1998, 2002, and 2006. To qualify for the survey, residents had to have resided in Juneau in the summer of 2022. Survey results were weighted by age and neighborhood to reflect population characteristics. Following are key survey results.

Overall Impacts: Positive vs. Negative

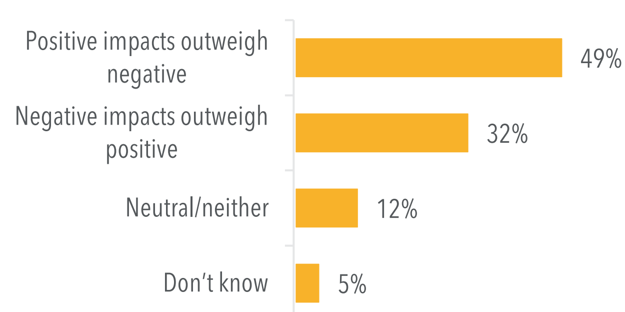
When asked about the overall impact of tourism on their household, over one-third of respondents (35%) said that tourism had an overall *positive impact*, while 7% said it had a *negative impact*. The most common response was *both positive and negative impacts* at 41%, while 16% said they felt no impact at all.

Those that said *both positive and negative impacts* were asked whether the positive outweighed the negative or vice versa; these respondents were more likely to say *positive impacts outweigh the negative* (49%) than *negative impacts outweigh the positive* (32%); another 12% said *neither/neutral*.

Do you feel the visitor industry has an overall positive impact, negative impact, both negative and positive impacts, or no impact at all on your household?

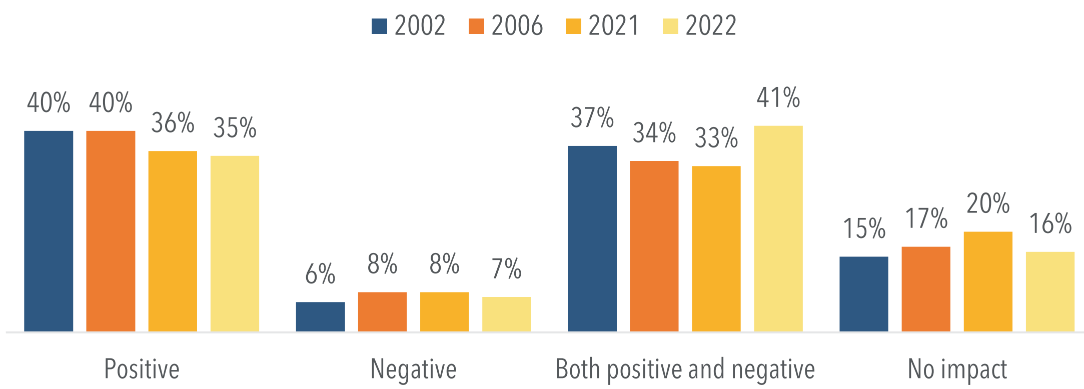


Among those who responded "Both:" Do you feel the positive impacts outweigh the negative impacts or the negative impacts outweigh the positive impacts?



The question about the overall impact of tourism has been asked over the last four editions of the survey, with fairly consistent results. The only statistically significant difference between 2021 and 2022 results was an increase in respondents saying *both positive and negative impacts*: from 33% to 41%. (Note that the 2021 survey asked about impacts in the 2019 summer season due to the 2020 and 2021 seasons being impacted by COVID.)

Comparison: Overall Impact of Tourism on Households, 2002, 2006, 2021, 2022

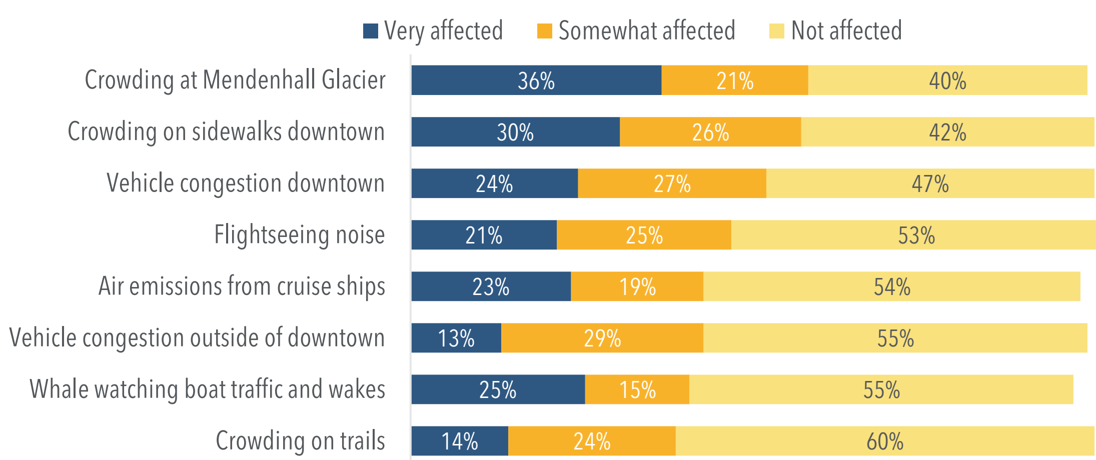


Notes: The 2021 survey referred to 2019 impacts. Columns do not add to 100% due to *don't know* responses.

Specific Impacts

Respondents were read a list of eight visitor-related impacts and asked how affected their household was in 2022. Respondents were most likely to be affected by crowding at Mendenhall Glacier (57% somewhat or very affected), crowding on sidewalks downtown (56%), and vehicle congestion downtown (51%).

For each of the following visitor-related impacts, was your household very affected, somewhat affected, or not affected in 2022?



Note: Rows do not add to 100% due to *don't know* responses.

Limiting Cruise Ships

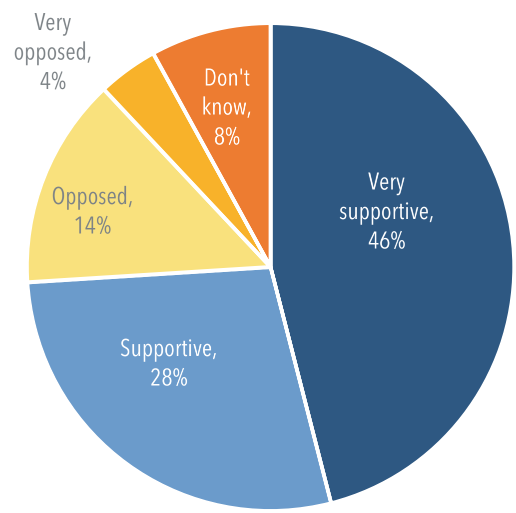
Respondents were read the following before the next question:

Currently, the maximum number of large cruise ships that can be accommodated in Juneau's harbor at the same time is five, four docked and one at anchor.

They were then asked whether they supported or opposed CBJ working to limit the number of large cruise ships per day in Juneau's harbor to five.

Three-quarters (74%) were *supportive*, including 46% *very supportive* and 28% *supportive*; 18% were *opposed*, including 14% *opposed* and 4% *very opposed*.

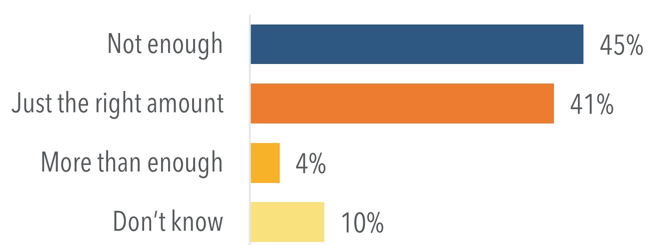
Are you very supportive, supportive, opposed, or very opposed to CBJ working to limit the number of large cruise ships per day in Juneau's harbor to five?



Tourism Management

When asked to rate how CBJ is managing the impacts of the visitor industry, the most common response is that CBJ is *not doing enough* (45%), followed by *just the right amount* (41%) and *more than enough* (4%). Results closely resembled those in 2021, with differences of zero to 3% for each response.

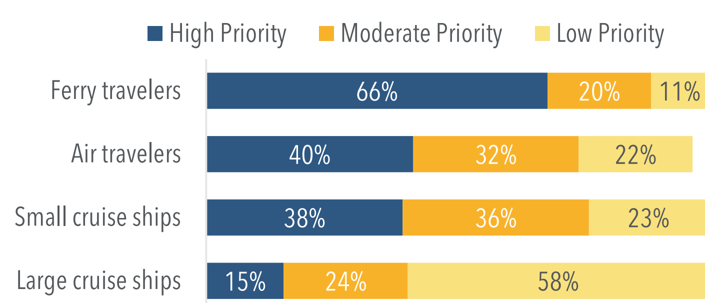
Do you think the City and Borough of Juneau is doing more than enough, not enough, or just the right amount to manage the impacts of the visitor industry?



Tourism Markets

When asked how much priority should be placed on growing four different visitor markets, *ferry travelers* were most likely to be deemed high priority at 66%, followed by *air travelers* at 40%, *small cruise ships* at 38%, and *large cruise ships* at 15%.

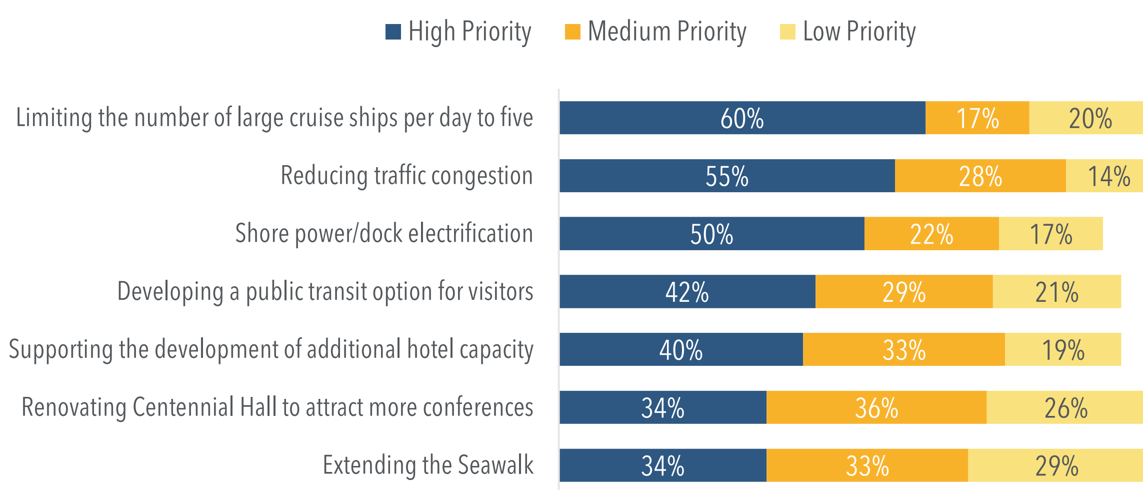
Do you feel that Juneau should place a high priority, moderate priority, or low priority in growing each of the following visitor markets?



CBJ Tourism Priorities

A new question in 2022 asked what level priority should be placed on seven different CBJ tourism activities. The highest priority was *limiting the number of large cruise ships per day to five*, with 60% saying this should be high priority, followed by *reducing traffic congestion* at 55% and *shore power/dock electrification* at 50%. The lowest priority activities were *renovating Centennial Hall to attract more conferences* and *extending the Seawalk* (both at 34% high priority).

Should CBJ place a high priority, medium priority, or low priority on each of the following items?



Note: Rows do not add to 100% due to *don't know* responses.

Introduction and Methodology

Introduction

The City and Borough of Juneau (CBJ) contracted with McKinley Research Group (MRG; formerly McDowell Group) to conduct a public opinion survey of Juneau residents regarding tourism. Results will help inform CBJ's tourism management and planning efforts. This survey closely resembled a survey conducted by MRG in fall 2021; previous surveys were also conducted in 1995, 1998, 2002, and 2006.

Methodology

The survey was designed by MRG staff in cooperation with CBJ staff. Many questions from the previous surveys were repeated in order to gauge trends. To qualify for the survey, respondents had to have resided in Juneau in summer 2022.

The survey sample was randomly drawn from an appropriate mix of cell and landline numbers purchased from Dynata, a national supplier of survey samples. Surveys were completed with 500 randomly selected Juneau residents. The survey was conducted in October and November 2022.

The maximum margin of error at the 95% confidence level is ±4.3% for the full sample; this margin of error increases for subsamples.

The survey sample was compared to Juneau's adult population for gender, age, and area of residence. There was some disparity between the survey sample and the population in terms of area of residence. For example, residents who live in the Mendenhall Valley represent 46% of the population, compared to 39% of the survey sample; and Downtown/Thane residents represent 10% of the population, compared to 15% of the survey sample. Survey data was therefore weighted by neighborhood in order to maximize representativeness.

As with most random telephone surveys, residents in the oldest age groups were more likely to participate than residents in the youngest age groups; survey data was further weighted by age.

See table, next page

Table 1. Telephone Survey Sample versus Juneau Population

	Survey Sample (%)	Juneau Population (%)
Gender		
Male	49	50
Female	50	50
Unknown	1	-
Area of Residence		
Mendenhall Valley	39	46
Salmon Creek/Lemon Creek/Switzer Creek	12	16
Douglas/West Juneau	14	12
Downtown/Thane	15	10
Brotherhood Bridge/Out the Road	11	11
North Douglas	8	5
Other	1	-
Age		
18-24	5	9
25-34	14	18
35-44	19	19
45-54	14	16
55-64	22	18
65-74	19	13
75+	8	6

Sources: U.S. Census for age and gender; CBJ for neighborhood.

Survey data was also tested for differences by neighborhood of residence, neighborhood of employment, age group, gender, and whether a household member was employed in the tourism industry. Statistically significant differences between subgroups are pointed out in the text accompanying each table.

COMPARISON WITH PAST SURVEYS

This report presents comparisons with results from similar surveys conducted in 1995, 1998, 2002, 2006, and 2021. Changes in question wording, where applicable, are noted. The following cruise passenger volumes provide context for the trend analysis.

Table 2. Juneau Cruise Passenger Volumes in Survey Years

	1995	1998	2002	2006	2019*	2022
Volume	380,600	568,500	741,500	951,400	1,305,700	1,150,000

*2019 volume is provided as 2021 respondents were asked about impacts in 2019.
Note: 2022 volume is preliminary.

Visitor Industry Impacts

Overall Impact of Visitor Industry

Respondents were asked to characterize overall visitor industry impacts on their household as positive, negative, both positive and negative, or no impact. The most common response was *both negative and positive impacts* at 41% followed by *positive impact* at 35%. Sixteen percent said *no impact at all,* and 7% said they experienced an overall *negative impact*.

Some statistically significant differences were evident by subgroup.

- Downtown/Thane and Douglas/West Juneau residents were more likely to report *both negative and positive impacts* at 51% and 53%, respectively; this compares with 42% of residents of Salmon/Lemon/Switzer Creeks ("Creeks"), 42% of North Douglas residents, 37% of Out the Road residents, and 36% of Mendenhall Valley residents.
- Creeks and Valley residents were more likely to report *no impacts at all* at 18% and 20%, respectively; this compares with 14% of Out the Road residents, 9% of Douglas/West Juneau residents, 7% of Downtown/Thane residents, and 3% of North Douglas residents.
- Respondents reporting a household member employed in tourism were more likely to cite positive impacts (44%) compared with other households (29%).

Table 3. Do you feel the visitor industry has an overall positive impact, negative impact, both negative and positive impacts, or no impact at all on your household?

n=500	% of Total
Positive impact	35
Negative impact	7
Both negative and positive impacts	41
No impact at all	16
Don't know	1

Comparing to Past Surveys

In the 2021 survey the question was *Thinking back to 2019, the last regular visitor season before COVID, do you feel the visitor industry had an overall positive impact, negative impact, both negative and positive impacts, or no impact at all on your household?* In prior years, the question was *Considering the costs and benefits of tourism, do you feel that the current level of tourism in*

Juneau has a positive impact, negative impact, both negative and positive impacts, or no impact at all on your household?

Responses in 2022 were similar to 2021: positive impacts were cited by 36% in 2021 and 35% in 2022, while negative impacts were cited by 8% in 2021 and 7% in 2022. The percentage citing both negative and positive impacts grew from 33% to 41% – the only change of statistical significance.

Table 4. TREND: Positive Versus Negative Impacts, 1998, 2002, 2006, 2021, 2022 (%)

	1998	2002	2006	2021	2022	Change 2021-22
Positive impact	29	40	40	36	35	-1
Negative impact	10	6	8	8	7	-1
Both negative and positive impacts	43	37	34	33	41	+8
No impact at all	16	15	17	20	16	-4
Don't know	1	1	1	2	1	-1

Follow-up for "Both Positive and Negative" Impacts

Respondents who had cited both negative and positive impacts were asked a follow-up question, whether the positive impacts outweighed the negative or vice versa. One-half (49%) said the positive outweighed the negative; 32% said the reverse; and 12% said neither/neutral.

Table 5. Do you feel the positive impacts outweigh the negative impacts or the negative impacts outweigh the positive impacts? Base: "Both positive and negative impacts"

n=205	% of Base
Positive impacts outweigh negative	49
Negative impacts outweigh positive	32
Neutral/neither	12
Don't know	5
Refused	2

Comparing to Past Surveys

Responses in 2022 closely resembled those of 2021, with changes of only 1% to 2%.

Table 6. TREND: Weighing Both Positive and Negative Impacts, 1998, 2002, 2006, 2021, 2022 (%)

	1998	2002	2006	2021	2022	Change 2021-22
Positive impacts outweigh negative (1998-2006: benefits outweigh costs)	45	46	47	51	49	-2
Negative impacts outweigh positive (1998-2006: costs outweigh benefits)	32	29	32	30	32	+2
Neutral/neither	16	16	14	14	12	-2
Don't know	6	8	7	4	5	+1

Composite Results

When combining results of the previous two questions, over half of respondents (55%) felt that either tourism has an overall positive impact on their household, or the positive impacts outweigh the negative. One out of five (20%) felt that either tourism has an overall negative impact on their household, or the negative impacts outweigh the positive. When comparing composite results between 2021 and 2022, there were no statistically significant changes.

Table 7. Combined Results: Overall Impacts + Both Positive/Negative Impacts

n=500	% of Total
NET Positive	**55**
Positive impact	35
Both; positive impacts outweigh negative	20
NET Negative	**20**
Negative impact	7
Both; negative impacts outweigh positive	13
No impact at all	16
Neutral/neither	5
Don't know	4

Types of Impacts

Types of Impacts Affecting Households

Respondents were read eight different types of visitor-related impacts and asked to characterize how much each impact affected their household. Respondents reported the highest degree of impact with *crowding at Mendenhall Glacier*, with 36% very affected and 21% somewhat affected, for a total of 57% affected. Close behind was *crowding on sidewalks downtown*, with 30% very affected and 26% somewhat affected, for a total of 56% affected. Least impactful was *crowding on trails*: 14% reported being very affected and 24% somewhat affected, for a total of 38% affected.

Differences by neighborhood of residence and employment are shown in the following pages. The only other statistically significant differences by subgroup were by age.

- Younger respondents (under 35) were more likely to be somewhat/very affected by three types of impacts.
  - *Crowding on sidewalks downtown*: 68% versus 55% of middle-aged respondents (aged 35-54) and 47% of older respondents (55 and older).
  - *Crowding on trails*: 50% versus 39% of middle-aged respondents and 28% of older respondents.
  - *Air emissions from cruise ships*: 54% versus 40% of middle-aged respondents and 32% of older respondents.

Table 8. For each of the following visitor-related impacts, was your household very affected, somewhat affected, or not affected in 2022? (%)

n=500	Very affected	Somewhat affected	Very + Somewhat Affected	Not affected	Don't know
Crowding at Mendenhall Glacier	36	21	**57**	40	3
Crowding on sidewalks downtown	30	26	**56**	42	2
Vehicle congestion downtown	24	27	**51**	47	2
Flightseeing noise	21	25	**46**	53	1
Air emissions from cruise ships	23	19	**42**	54	5
Vehicle congestion outside of downtown	13	29	**42**	55	2
Whale watching boat traffic and wakes	25	15	**40**	55	5
Crowding on trails	14	24	**38**	60	2

Differences by Neighborhood

A few impacts showed differences in responses according to the respondents' neighborhood.

- Downtown/Thane residents were the most likely to be somewhat/very affected by *crowding on sidewalks downtown* at 74%, followed by Douglas/West Juneau residents (64%), Creeks residents (59%), Valley residents (53%), North Douglas residents (44%), and Out the Road residents (41%).
- Residents of Douglas/West Juneau were the most likely to be somewhat/very affected by *vehicle congestion downtown* at 70%, followed by Downtown/Thane residents (59%), North Douglas residents (59%), Creeks residents (53%), Valley residents (46%), and Out the Road residents (35%).
- North Douglas residents were the most likely to be somewhat/very affected by *crowding on trails* at 55%, followed by Downtown/Thane residents (44%), Creeks residents (42%), Valley residents (36%), Douglas/West Juneau residents (34%), and Out the Road residents (28%).
- North Douglas and Out the Road residents were the most likely to be somewhat/very affected by *whale watching boat traffic and wakes* at 55% and 54%, respectively, followed by Douglas/West Juneau residents (45%), Creeks residents (41%), Downtown/Thane residents (37%), and Valley residents (35%).
- Douglas/West Juneau and Downtown/Thane residents were the most likely to be somewhat/very affected by *air emissions from cruise ships* at 62% and 61%, respectively, followed by North Douglas residents (52%), Creeks residents (37%), Valley residents (35%), and Out the Road residents (26%).

**Table 9. IMPACTS BY NEIGHBORHOOD OF RESIDENCE:
"Very affected" plus "Somewhat affected" (%)**

	Downtown/ Thane n=75	Douglas/ West Juneau n=70	Creeks n=59	Mend. Valley n=200	North Douglas n=42	Out the Road n=54
Crowding at Mendenhall Glacier	52	56	53	58	69	55
Crowding on sidewalks downtown	74	64	59	53	44	41
Vehicle congestion downtown	59	70	53	46	59	35
Flightseeing noise	54	46	45	44	61	43
Air emissions from cruise ships	61	62	37	35	52	26
Vehicle congestion outside of downtown	47	50	37	43	45	37
Whale watching boat traffic and wakes	37	45	41	35	55	54
Crowding on trails	44	34	42	36	55	28

A few impacts showed differences in responses according to where the respondent worked. Note that the sample sizes of those working in Douglas/West Juneau, North Douglas, and Out the Road were too small for analysis.

- Respondents who work in the Downtown/Thane area were more likely to be somewhat/very affected by *vehicle congestion downtown* at 63%; this compares with 47% of those working in the Valley and 41% of those working in the Creeks area.
- Respondents who work in the Downtown/Thane area were more likely to be somewhat/very affected by *crowding on sidewalks downtown* at 67% versus 56% of those working in the Creeks area and 52% of those working in the Valley.
- Respondents who work in the Downtown/Thane area were more likely to be somewhat/very affected *by air emissions from cruise ships* at 52% versus 41% of those working in the Creeks area and 33% of those working in the Valley.

Table 10. IMPACTS BY NEIGHBORHOOD OF EMPLOYMENT: "Very affected" plus "Somewhat affected" (%)

	Downtown/ Thane n=140	Creeks n=45	Mend. Valley n=83
Crowding at Mendenhall Glacier	61	49	55
Crowding on sidewalks downtown	67	56	52
Vehicle congestion downtown	63	41	47
Flightseeing noise	52	36	48
Air emissions from cruise ships	52	41	33
Vehicle congestion outside of downtown	45	40	41
Whale watching boat traffic and wakes	39	38	41
Crowding on trails	44	35	36

Comparing to Past Survey

There were a few statistically significant changes in the percentage of respondents feeling somewhat/very affected by various tourism impacts.

- Those somewhat/very affected by *vehicle congestion downtown* fell from 57% to 51%.
- Those somewhat/very affected by *vehicle congestion outside of downtown* increased from 36% to 42%.
- Those somewhat/very affected by *air emissions from cruise ships* increased from 36% to 42%.

Table 11. TREND: Somewhat + Very Affected, 2021 vs. 2022 (%)

	2021	2022	Change
Crowding at Mendenhall Glacier	57	57	-
Crowding on sidewalks downtown	57	56	-1
Vehicle congestion downtown	57	51	-6
Flightseeing noise	41	46	+5
Air emissions from cruise ships	36	42	+6
Vehicle congestion outside of downtown	36	42	+6
Whale watching boat traffic and wakes	41	40	-1
Crowding on trails	34	38	+4

CBJ Tourism Management

Overall Management

When asked whether CBJ is doing enough to manage the impacts of the visitor industry, respondents were most likely to say they were *not doing enough* (45%) followed by *just the right amount* (41%). Only 4% said they were doing *more than enough*, and 10% didn't know.

- Residents of North Douglas, Downtown/Thane, and Douglas/West Juneau were more likely to say CBJ was *not doing enough* at 57%, 55%, and 52%, respectively; this compares with 46% of Out the Road residents, 44% of Valley residents, and 33% of Creeks residents.

Table 12. Do you think the City and Borough of Juneau is doing more than enough, not enough, or just the right amount to manage the impacts of the visitor industry?

n=499	% of Total
More than enough	4
Not enough	45
Just the right amount	41
Don't know	10

Comparing to Past Survey

Responses in 2022 closely resembled those of 2021; there were no statistically significant changes.

Table 13. TREND: CBJ Tourism Management, 2021 vs. 2022 (%)

	2021	2022	Change
More than enough	7	4	-3
Not enough	45	45	-
Just the right amount	39	41	+1
Don't know	9	10	+1

Cruise Ship Limitations

Respondents were asked whether they were supportive or opposed to CBJ limiting the number of large cruise ships per day to five. Three-quarters (74%) were *supportive*, including 46% *very supportive*, while 18% were *opposed*, including 4% *very opposed*.

- Downtown/Thane residents were the most likely to be *supportive* at 83%, followed by Douglas/West Juneau residents (79%), Creeks residents (77%), North Douglas residents (74%), Valley residents (72%), and Out the Road residents (62%).
- Younger respondents were more likely to be *supportive* at 82%; this compares with 71% of middle-aged respondents and 70% of older respondents.

Table 14. Currently, the maximum number of large cruise ships that can be accommodated in Juneau's harbor at the same time is five, four docked and one at anchor. Are you very supportive, supportive, opposed, or very opposed to CBJ working to limit the number of large cruise ships per day in Juneau's harbor to five?

n=500	% of Total
Total Supportive	**74**
Very supportive	46
Supportive	28
Total Opposed	**18**
Opposed	14
Very opposed	4
Don't know/refused	9

Comparing to Past Survey

A similar question was asked in 2021, but there were several important differences that prevent direct comparison. The 2021 question read:

Juneau's cruise ship passenger volume is projected to increase by 22% between 2019 and 2022, from 1.3 million to 1.6 million passengers. Nearly all of these passengers arrive on large ships, which is defined in this survey as more than 500 passengers. Currently, the maximum number of large cruise ships that can be accommodated in Juneau's harbor at the same time is five, four docked and one at anchor. Are you very supportive, supportive, opposed, or very opposed to CBJ working to limit the number of large cruise ships per day in Juneau's harbor?

Note that the words "to five" were added to the end of the 2022 question, in recognition of the progress already made toward this effort on the part of CBJ.

Responses to the 2021 question are as follows: 31% were *very supportive*, 32% were *supportive* (total 63% *supportive*), 18% were *opposed*, and 10% were *very opposed* (total 28% *opposed*).

Tourism Best Management Practices

TBMP Awareness

Respondents were asked how familiar they were with the Tourism Best Management Practices (TBMP) program. Over half (57%) were *not familiar*, 26% were *somewhat familiar*, and 16% were *very familiar*.

- Those with household members employed in tourism were much more familiar with the program: 23% were *very familiar*, and 36% were *somewhat familiar*. This compares with 12% and 20%, respectively, of other respondents.
- Older respondents were most likely to be *very familiar* (22%), followed by middle-aged respondents (15%) and younger respondents (10%).

Table 15. The Tourism Best Management Practices program, also known as TBMP, is intended to reduce impacts in the community. It includes a hotline for reporting concerns about tourism. Are you very familiar, somewhat familiar, or not familiar with this program?

n=500	% of Total
Very familiar	16
Somewhat familiar	26
Not familiar	57

Comparing to Past Survey

Although there were slight shifts in responses 2021 and 2022, changes were not statistically significant.

Table 16. TREND: CBJ Tourism Management, 2021 vs. 2022 (%)

	2021	2022	Change
Very familiar	14	16	**+2**
Somewhat familiar	32	26	**-6**
Not familiar	54	57	**+3**

TBMP Effectiveness

Among those somewhat or very aware of TBMP, 17% said the program was *very effective*; 52% said it was *somewhat effective*; and 15% said it was *not effective*.

- Older respondents were more likely to say it was *not effective* at 22%; this compares with 10% of middle-aged respondents and 8% of younger respondents.

Table 17. Do you think this program has been very effective, somewhat effective, or not effective at managing tourism impacts on residents? (%) Base: Somewhat or very familiar with TBMP

n=223	% of Base
Very effective	17
Somewhat effective	52
Not effective	15
Don't know/not aware	16

Comparing to Past Survey

The 2021 question was more detailed, asking respondents to rate TBMP's effectiveness on three factors, rather than overall, preventing year-to-year comparison.

Tourism Markets and Initiatives

Tourism Markets

When asked how much priority should be placed on growing four different visitor markets, *ferry travelers* were most likely to be deemed high priority at 66%, followed by *air travelers* at 40%, *small cruise ships* at 38%, and *large cruise ships* at 15%.

- Creeks residents were more likely to rank *air travelers* as high priority at 52%, followed by Downtown/Thane residents at 47%, North Douglas residents at 46%, Out the Road residents at 41%, Valley residents at 36%, and Douglas/West Juneau residents at 34%.
- Older respondents were more likely to rank *small cruise ships* as high priority at 49%; this compares with 32% of middle-aged respondents and 29% of younger respondents. Older respondents were also more likely to rank *air travelers* as high priority at 46%; this compares with 42% of middle-aged respondents and 30% of younger respondents.

Table 18. Do you feel that Juneau should place a high priority, moderate priority, or low priority in growing each of the following visitor markets? (%)

n=500	High Priority	Moderate Priority	Low Priority	Don't know
Ferry travelers	66	20	11	3
Air travelers	40	32	22	5
Small cruise ships	38	36	23	4
Large cruise ships	15	24	58	3

Comparing to Past Survey

The percentage of respondents saying a high priority should be placed on growing the *air market* fell from 48% in 2021 to 40% in 2022; no other changes were statistically significant.

Table 19. TREND: Market Growth Prioritization, 2021, 2022
% High Priority

	2021	2022	Change
Ferry travelers	71	66	**-5**
Air travelers	48	40	**-8**
Small cruise ships	39	38	**-1**
Large cruise ships	18	15	**-3**

Public Transit Option for Visitors

Over two-thirds of respondents (69%) were *supportive* of CBJ developing a public transit service for visitors, including 26% *very supportive*. One-fifth (20%) were *opposed*, including 6% *very opposed*.

- There were no statistically significant differences by area of residence, but those who work in Downtown/Thane and the Creeks were more likely to be *supportive* (78% and 79%, respectively) than those who work in the Valley (59%).
- Older respondents were less likely to be *supportive* at 60%; this compares with 74% of both middle-aged and younger respondents.

Table 20. CBJ is considering developing a public transit option for visitors to access downtown and popular attractions. Would you be very supportive, supportive, opposed, or very opposed to CBJ developing this service?

n=500	% of Total
Total Supportive	**69**
Very supportive	26
Supportive	43
Total Opposed	**20**
Opposed	14
Very opposed	6
Don't know	11

CBJ Tourism Department Priorities

Respondents were asked what level priority should be placed on seven different CBJ tourism activities. The highest priority was *limiting the number of large cruise ships per day to five*, with 60% saying this should be high priority, followed by *reducing traffic congestion* at 55% and *shore power/dock electrification* at 50%. The lowest priority activities were *renovating Centennial Hall to attract more conferences* and *extending the Seawalk* (both at 34% high priority).

- Douglas/West Juneau residents were the most likely to place a high priority on *shore power* (64%); this compares with 59% of North Douglas residents, 54% of Downtown/Thane residents, 52% of Creeks residents, 49% of Out the Road residents, and 43% of Valley residents.
- Douglas/West Juneau residents were the most likely to place a high priority on *reducing traffic congestion* (69%); this compares with 62% of Downtown/Thane residents, 61% of North Douglas residents, 60% of Creeks residents, 50% of Valley residents, and 44% of Out the Road residents.
- Downtown/Thane and Creeks residents were the most likely to place a high priority on *limiting the number of cruise ships* at 72% and 70%, respectively; this compares with 67% of Douglas/West Juneau residents, 64% of North Douglas residents; 54% of Valley residents, and 49% of Out the Road residents.
- Creeks residents were the most likely to place a high priority on *renovating Centennial Hall* at 52%; this compares with 46% of Downtown/Thane residents, 43% of North Douglas residents, 37% of Out the Road residents, 34% of Douglas/West Juneau residents, and 24% of Valley residents.
- Middle-aged and older respondents were more likely to place a high priority on *shore power* (56% and 52%, respectively) when compared with younger respondents (40%). Older respondents were more likely to place a high priority on *extending the Seawalk* at 41%; this compares with 34% of younger respondents and 26% of middle-aged respondents. Younger respondents were more likely to place a high priority on *developing a public transit option* at 52%; this compares with 41% of middle-aged respondents and 36% of older respondents.

See table, next page

Table 21. Should the CBJ Tourism Department place a high priority, medium priority, or low priority on each of the following items? (%)

n=500	High Priority	Medium Priority	Low Priority	Don't know
Limiting the number of large cruise ships per day to five	60	17	20	3
Reducing traffic congestion	55	28	14	3
Shore power/dock electrification	50	22	17	12
Developing a public transit option for visitors	42	29	21	8
Supporting the development of additional hotel capacity	40	33	19	7
Renovating Centennial Hall to attract more conferences	34	36	26	4
Extending the Seawalk	34	33	29	4

When asked which priority was most important, the most popular response was again *limiting the number of large cruise ships* (28%), followed by *shore power/dock electrification* (16%) and *reducing traffic congestion* (14%).

Table 22. Of the priorities I just mentioned, which one do you think is MOST important? (%)

n=500	% of Total
Limiting the number of large cruise ships per day to five	28
Shore power/dock electrification	16
Reducing traffic congestion	14
Developing a public transit option for visitors	12
Supporting the development of additional hotel capacity	8
Extending the Seawalk	8
Renovating Centennial Hall to attract more conferences	8
Don't know	5

Additional Suggestions

Following the previous questions about prioritization, respondents were asked:

Are there any activities I didn't mention that you think the CBJ Tourism Department should prioritize?

About one-half of respondents offered suggestions. Common themes included improving parking, limiting cruise ships/passengers, addressing the housing shortage, and improving trails. A full list of verbatim responses can be found in the Appendix.

Visitor Distribution

An equal percentage of respondents (42%) agreed with the statement *CBJ should work to spread visitors throughout the Borough* as with the statement *CBJ should work to keep visitors concentrated in areas developed for tourism*. Sixteen percent said neither, or they didn't know.

- Downtown/Thane residents were more likely to agree with *CBJ should work to spread visitors throughout the Borough* at 62%. This compares with 49% of Douglas/West Juneau residents, 47% of Creeks residents, 42% of Out the Road residents, 37% of North Douglas residents, and 35% of Valley residents.
- Valley residents were the most likely to agree with *CBJ should work to keep visitors concentrated in areas developed for tourism* at 47%, followed by North Douglas residents (44%), Out the Road residents (44%), Creeks residents (40%), Douglas/West Juneau residents (37%), and Downtown/Thane residents (25%).

Table 23. Which of the following statements best reflects your opinion? (%)

n=500	% of Total
CBJ should work to spread visitors throughout the Borough	42
CBJ should work to keep visitors concentrated in areas developed for tourism	42
Neither/don't know	16

Tourism Employment

Over one-third of respondents (38%) said that they or a member of their household had been employed in the Juneau tourism industry sometime in the past five years.

- Younger respondents were more likely to answer affirmatively (51%) followed by middle-aged respondents (37%), then older respondents (29%).

Table 24. Have you or any members of your household been employed in the Juneau tourism industry at any time during the past five years?

n=500	% of Total
Yes	38
No	62

Among those reporting a household member employed in tourism, the average number of household members was 1.8 people.

Table 25. How many people?
Base: Household member employed in tourism

n=173	% of Base
1	53
2	30
3	8
4+	8
Average	**1.8 people**

Comparing to Past Surveys

The percentage of people saying a household member was or had been employed in tourism increased from 32% in 2021 to 38% in 2022, while the average number of household members employed increased from 1.5 to 1.8.

Note that in the 2002 and 2006 surveys, the length of time was two years rather than five years, which explains some of the increase in the more recent surveys.

Table 26. TREND: Household Member Employed in Juneau Tourism 2002, 2006, 2021, 2022

	2002 Past 2 years	2006 Past 2 years	2021 Past 5 years	2022 Past 5 years	Change 2021-22
Household member employed	21%	23%	32%	38%	**+6%**
Average number	1.4 people	1.4 people	1.5 people	1.8 people	**+0.3**

Respondent Characteristics

The tables in this section show unweighted data to accurately reflect sample characteristics. (All survey data in the preceding tables was weighted by age and neighborhood of residence; please refer to Methodology section for more detail on weighting.)

Respondents were most likely to live in the Mendenhall Valley (39%) followed by Downtown/Thane (15%), Douglas/West Juneau (14%), Salmon Creek/Lemon Creek/Switzer Creek (12%), Brotherhood Bridge/Out the Road (11%), and North Douglas (8%).

Respondents were most likely to work in Downtown/Thane (28%) followed by the Valley (17%). Three out of ten respondents (29%) did not provide a place of employment due to unemployment, retirement, etc.

Table 27. In which area of the City and Borough do you live? In which area of the City and Borough do you work? UNWEIGHTED

n=500	LIVE % of Total	WORK % of Total
Mendenhall Valley	39	17
Downtown/Thane	15	28
Douglas/West Juneau	14	3
Salmon Creek/Lemon Creek/Switzer Creek	12	9
Brotherhood Bridge/Out the Road	11	3
North Douglas	8	2
Other	<1	2
Borough-wide	n/a	6
Unemployed/retired/student/etc.	n/a	29
Don't know/refused	1	2

Respondents were about half male (49%) and half female (50%). Note that gender was not asked directly of respondents; surveyors made assumptions based on voice, resulting in 1% "don't know" responses.

Table 28. Gender
UNWEIGHTED

n=500	% of Total
Male	49
Female	50
Don't know	1

Respondents reported an average age of 52; the most common age group was 55 to 64 (22%).

Table 29. Age
UNWEIGHTED

n=500	% of Total
18-24	5
25-34	14
35-44	19
45-54	14
55-64	22
65-74	19
75+	8
Average age	**52 years old**

Appendix

Responses to Open-Ended Question

Are there any activities I didn't mention that you think the CBJ Tourism Department should prioritize?

- $5 surcharge per person to go into a fund that is distributed to residents so all would share in profits from ships. We'd be happier about more ships coming in!
- 1. No information on dock electrification, need more public information. 2. Where would new visitors stay, not enough hotel space for visitors on ferries and air travelers.
- 5th cruise ship dock by Sealaska may use private facilities instead of public, CBJ will lose revenue.
- A new transit system could detract wages from local taxi operators.
- Add art and music center.
- Add Doris St. bus stop back before adding things for tourists.
- Add electric buses.
- Add more parking downtown.
- Additional public bathrooms (even portable bathrooms in the summer would be helpful).
- Advocate more strongly for enforcing fines on some boats that get too close to whales. Also, sewage dumping in the harbor needs to be carefully regulated.
- Airport traffic helicopters. There are too many and are too loud.
- Announcing how much CO2 was generated this Summer and work to reduce it. Reduce bus emissions or use electric buses. Reduce trail use to 20 per trail.
- Anything to help our community recover from Covid.
- At least one day that ships are not in, to give locals a chance to go downtown.
- Better accommodations & transportation to/from bartlett regional hospital for visitors.
- Big businesses are buying out businesses that were once owned by locals in Juneau.
- Boat traffic.
- Boats should not be leaving loud departure chimes or signals (foghorn excepted). Reinstate Ocean Ranger program.
- Build a road to Haines.
- Build a train, transit.
- Building City Hall.
- Can city/borough limit number of people who get off cruise ships? This would help Juneau not be overrun with tourists.
- Capturing economic impact of tourism industry in Juneau; don't mistake business to benefit. Dump is terrible, need to have tourism industry pay for extra wear and tear on roads,

wastewater, and other negative externalities. Harbor wear and tear, trails have fees to support.

- CBJ does not prioritize residents. Auke Bay not allowing king salmon fishing from the dock any longer.
- CBJ needs to broadcast potential plans and reasons more broadly to inform people.
- CBP needs a bigger office at the harbor; Docks and Harbors need more space/bigger offices (and condensed into one); need more bathrooms in those buildings (and more public bathrooms).
- Cell service gets bad when ships are in. Housing for the workforce. Put pressure on the cruise ship industry to build housing for the workers.
- Cigarette smoking downtown: canisters overflow because of so many cruise ship crew and passengers smoking in downtown. One caught fire and the fire department needed to be called. Create a smoking section or disallow smoking downtown.
- City relies too much on tourism money.
- CLIA should fund an EPA approved incinerator for our landfill to help process the 3 million pounds of trash they leave in Juneau's landfill.
- Closing Front Street, Franklin and Marine Way could create a pedestrian mall during tourist season then car traffic could be diverted to other areas. CBJ should reduce visitors' impact by such measures.
- Continue to make improvements that please the cruise ships so that they will return. This makes Juneau's economy strong.
- Coordinate with Mendenhall Glacier Visitor Center and the prospective number of tour busses scheduled at the same time. Sometimes the buses were 7 deep waiting for parking and spewing exhaust every minute.
- Covid hurt the economy. Tourism is important but Juneau has become a zoo. It is way too much to the point it has become a torment to locals trying to go about their lives.
- Cut season May 1- Sept 31.
- Cut tourist numbers in half.
- Develop a new small boat harbor.
- Develop educational attractions downtown. Ex: aquarium, raptor center, Southeast Alaska bird life exhibit.
- Develop hotel capacity.
- Develop independent traveler.
- Develop tourist attractions that Juneau people can use the whole year.
- Discharge of water from ships: Has many questions about why state oversight budget was cut. Could CBJ take the lead on this at least with posing the questions and follow up to get oversight back?
- Do road construction after hours. Clean up Glacier Highway (trashy tacky). Work with existing Lyft/rideshare to make it more ride friendly.
- Dock electrification.

- Dock electrification if the cruise lines pay. Tax cruise ships for the Alaska school system.
- Docking and pollution control.
- Downtown parking.
- Drug enforcement. Get a drug dog to make sure no drugs are coming into Juneau. Maintain road safety for DUI, potholes, speed enforcement, etc.
- Eaglecrest should be subsidized. Do something in summer.
- Effects on city water and electric.
- Electric bus options.
- Electric buses. One day without ships.
- Encourage more restaurants options. New opportunity for students to get involved in the occupations in the tourist industry.
- Encouraging public/private transportation options to Auke Bay or Glacier. Not in favor of adding 5th dock at subport.
- Fewer large cruise ships.
- Find a way to weigh in on discharge into waters by cruise ships. This must be addressed.
- Finding uses for the ghost town Juneau becomes in the fall.
- Fix Walmart Building.
- Fixing the dock expansion on Aurora.
- Fixing trails that the tourists impact. Mt. Roberts is highly used and needs more maintenance.
- General upkeep of trails, marked clearly. Garbage pickup.
- Gray water discharges - the way they discharge through the pipes gray water pumped by cruise ship is a known fact. The cruise ships dump gray water and pollute the fisheries Juneau counts on. Air quality is also very poor.
- Harbor Department should spend money on dock electrification and the waterfront - a smart long term investment.
- Help Eaglecrest make money during the summer.
- Help the hospital to handle tourists who need to use the hospital services.
- Helping to ensure clean waters. Do not let cruise ships get away without oversight.
- Housing
- Housing for employees who work the tourism jobs needs to be thought out. An empty hotel would work. Not enough housing for all the people needed to work in Juneau.
- Housing is not available for the locals because of tourism. Something needs to be done.
- Housing for general public. Believe that employment shortages are partly because of the lack of affordable housing. Put limits on Air BNB.
- Human waste should be dumped in a sewage plant, not the ocean. This needs to be addressed.
- I avoid downtown. Residents need to be considered more.
- I have a small fish boat. I want more safety rules for big ships!
- I question whether some of these plans or developments are the role of the City/Borough.
- If Eaglecrest expands, 2nd bridge needs to be installed.

- If it is not free to tourists, the public transport would be fine (as long as Juneauites/city aren't paying for it, unless it is improving public transit for Jueanuites as well)
- Improve cell phone service: it gets reduced when more than two ships are in.
- Improve parking downtown.
- Improve road maintenance.
- Improve trail maintenance.
- Improving public transit for everyone; not passing on the cost to local residents.
- Improving the look of downtown Juneau, enhancing the history of Juneau as the capital and mining community and restore some of the mining out Thane to give visitors more of a pleasant experience which then helps the economy.
- Increased harbor facilities for Auke Bay - moorage and parking.
- Juneau housing shortage is a big concern. Discharging in areas where they commercial fish is also a problem. New oversight program was underfunded and the cruise industry now lacks oversight.
- Juneau needs more ferries.
- Juneau needs safety people to keep tourists out of the street. Encourage tourists to follow sidewalk and street laws.
- Juneau Tourism Department needs to give more support to small businesses.
- Keep pedestrians off the streets.
- Keeping the focus downtown, and supporting local business and activities that are not necessarily tourism-focused. And keep it accessible to walkers.
- Landfill, water utilities and hospital capacity. Examine impacts on locals including finances. Does consumption increase during summer with cruise ships and all tourist industry?
- Large groups of tourists all at once crowding roads is uncomfortable and hazardous. He has a friend who had a heart attack; the ambulance wasn't able to move easily through gridlock. This became life/death problematic.
- Less than 5 ships per day. One day per week with no ships.
- Light at Fred Meyer intersection.
- Limit bigger cruise ships, whale boats.
- Limit it to only 4 ships per day.
- Limit large boats to 5 until there is enough power at AELP.
- Limit number of passengers in Juneau. Could use more hotel space.
- Limit number of people rather than number of ships. Limit number of visitors at each venue at one time.
- Limit ships to 2 per day, not 5. Cut back dates of season. Elevated light rail between airport and downtown and the glacier.
- Limit the ships. Juneau should be able to do something with the head tax to benefit the locals instead of the tourists. Charge more per head. Use tax money for things to benefit us.
- Limit whaling boats in Auke Bay to calm down congestion.
- Limiting amount of tourists.

- Limiting cruise ships.
- Limiting number of cruise ships to far less than 5. Give residents a day with no ships. Limited hours for visitors. Would rather see small boats than large ships. No new docks.
- Limiting the number of large ships; and addressing the number of passengers in a day (five mega-ships is too many).
- Local people compete in air travel with the tourists. Something should be done to help the locals. Tourists also strain bus service to get to the glacier. Transit system idea is a good one.
- Looking at utilizing all of Juneau-improving Lemon Creek's natural attributes.
- Lowering air and water pollution should be a priority.
- Maintaining clean water in Gastineau Channel.
- Make electricity less expensive.
- Make sure locals are not overlooked. Hotels not renting to locals.
- Management of Eaglecrest traffic once the gondola is open.
- Maximum of 3 ships per day. Public transit for visitors should be an electric rail system. Get them off the road.
- Monitor cruise ship speed in channel. Lengthen to "Marmion" not Dupont.
- Monitor the emissions from the smokestacks and control it better.
- More affordable housing is more important than hotel additions.
- More bathrooms for tourists.
- More buses running more often to the valley.
- More charter boat options.
- More conventions would be held at Centennial Hall if the prices were more reasonable.
- More enhancements to parks and trails in coordination with Parks and Recreation Department.
- More independent travelers.
- More info (maps) for visitors. Old folks don't use phone.
- More local job recruitment.
- More outdoor recreation: biking, hiking, climbing.
- More parking.
- More parking at the Whale.
- More parking downtown.
- More parking for locals.
- More taxis, buses at airport. More parking downtown.
- More things to do that involve the community.
- More tourist business open year-round.
- Move the whale from whale park closer to town where people can see it.
- Narrow gauge railroad to tie into Skagway. Easier to put cars on the railroad as the railroad is cheaper to build than a road. Plus snow maintenance is cheaper with a private company picking up the tab.
- Need "local" parking downtown.

- Need a machine to purchase bus pass for the day.
- Need affordable housing for seasonal workers and residents.
- Need more food trucks downtown. Nothing to eat or drink by the Seawalk. Need a program to support food trucks to fill in the gaps.
- Need new JACC, black box room for whale watching. Need narrow gauge railroad and parking to relieve road congestion.
- Need to consider locals in program planning. Money for local environment sponsor program.
- Need to provide information on what CBJ is doing to address water pollution (gray water) and air pollution (diesel fuel emissions)
- Needs to address overcrowded healthcare facilities during tourist season.
- No chairs for seniors to sit down. More housing is needed. Send tourists to Auke Bay or Thane.
- No further or little development at Mendenhall Glacier Lake.
- No taxing whale boat captains.
- Noise and pollution and dumping in landfill. Want to see limits and regulation on these.
- Nonprofits like Juneau Trail and Roadrunners should be able to advertise to cruise ships to help support events with cruise ship passengers participating in races, including for the Audubon.
- Not anti-tourist but most business downtown are owned out of state.
- Not sure how to spread the word on certain developments, like the public transit proposal, but this needs to be done to let Juneau residents decide.
- Parking (x4)
- Parking spaces designated for parking in town.
- Pay attention to other areas of the city besides downtown
- Pedestrian traffic is horrendous. Needs to be addressed.
- People from the lower 48 take jobs away from locals. The temporary workers usually indulge in drugs and alcohol for a couple of years before they go back to the Lower 48. Fix more high-rise parking. Cruise ships get the cheap summer electricity. CBJ should do more for local children rather than being concerned about visitors.
- Places to sit down and public restrooms and water fountains.
- Pollution from cruise ship dumping is not addressed in this survey.
- Pollution wasn't mentioned but electrification of the docks should help cruise ships produce less toxic exhaust because they now operate on diesel fed generators mostly.
- Pressure on local fishery and pressure on whales cause a direct effect on me.
- Prioritize clean water and clean air. Make a statement that this, and not profits, drives the city's goals.
- Prioritize locals. If locals did not operate anything tourist could not come here to buy diamonds.
- Prioritize mixed use areas for both residents/tourists.

- Prioritize what local taxpayers need. Tax money staying in the city.
- Promote more tourism with private enterprise.
- Promote our trails more.
- Promoting independent travelers.
- Property owners would ask people to cost to develop trails.
- Public transit for those disembarking ferries.
- Public transit improvements, with one downtown loop from the AJ dock to the capitol, goes towards Foodland/JAHC/Museum, and back to the AJ dock. With a low-cost day pass for that route would be amazing. Public restrooms: there aren't enough, nor are they clean/neat enough. The nice ones at the whale, and at the tram, but there are not good signs for the existing ones either. And there should be nice, modern, accessible ones too.
- Public transport would have to benefit people in Juneau who rely on the bus for transportation, and it gets super crowded in the summer and locals can't get a seat; limiting cruise ships across the borough; limit the number of whale-watching trips/boats per day in Juneau.
- Put a zipline from Mt. Roberts to the glacier.
- Put Centennial Hall and Juneau Arts buildings together.
- Put limit on the whale watching boats.
- Putting Totem poles up and advertising them more.
- Recognizing the impact on locals. Tourists intruding on non-traditionally tourist area (Douglas Island).
- Re-do the JACC building and fund raise - a deeper need for Juneau than Centennial Hall.
- Reduce number of ships to 3 or 4. 5 is too many with newer larger ships.
- Reduce footprint of industry.
- Reducing number of visitors each day.
- Relocate the airport. Extend the road.
- Rental Jeep for tourists. Whale watching needs to be monitored. They clog traffic. Less helicopter overflights.
- Replacing the bear proof trash cans downtown. Preventing bears walking around downtown.
- Replacing the JACC so we have a performing arts center also use it for conferences and all things like that.
- Respecting residents. Planes buzzing around houses. Turn Franklin St into foot traffic only.
- Restrooms (more).
- Road maintenance.
- Safer downtown now - but many vacancies after COVID. Incentivize bringing business back downtown.
- Second crossing.
- Ships should educate people about safety/dress in the area/respect the locals/small ships are more courteous.

- Shops close at the end of tourist season and could be open for locals to shop for a couple of weeks after the season. About two weeks in November would be nice, especially weekends.
- Should limit to less than 5 ships per day. Would support public transit option if it was also for locals. Dual use for tourist centered businesses. Moving homeless to the valley is not okay to hide them from tourists.
- Should not allow cruise ships to come to Juneau to dump in our landfill. Needs to stop.
- Should not have international diamond shops in Alaska. Alaska is about gold, not diamonds. Juneau shouldn't pander to multinationals catering as locals to tourists.
- Sightseeing restrictions.
- Smaller cruise ships can sell more excursions that give different options to entertain visitors for 8 hours. Large cruise ships operate on "faster rotation, more profits."
- Smoke emissions from cruise ships is pretty bad where he lives on Douglas. Bedroom window overlooks the harbor in a narrow spot. Smoke is in layers across water and sky.
- So many big whale-watching boats, would like to see some limits.
- Solid waste disposal by cruise ships leaves a lot of questions. City/Borough could address residents' concerns better.
- Stop selling downtown to cruise lines.
- Street improvements for residents. All eggs in one basket: tourist. Need diversity.
- Support JACC as part of tourism.
- Support local small operations.
- Supporting benefit art for locals and tourists.
- Supporting local owned business.
- Take public comment before building a new dock between bridge and wharf (at sub port).
- The air pollution and damage greatly increases with more big cruise ship dockings.
- The federal government has proposed certain activities on the glacier. The city and borough should be involved in these decisions that will impact the glacier.
- The hospital struggles to communicate with passengers or crews from cruise ships. Need more translators.
- The Senate building has a constant line to the bathroom. Juneau needs more restrooms!
- The size and volume of tour boats make too many boats getting in and out of harbor. It is a nightmare.
- The whale boats are too bold and close to those fishing. Also breaking laws regarding how close they get to whales. Get on the captains better.
- There are a ton of whale watching boats, and the big ones create big wakes, and the smaller ones aren't so bad; but there really shouldn't be any more allowed out, or at least the number of trips/passengers a day might be limited, or possibly the size of boats.
- There should be more ships, more tourists, more people visiting the town.
- They should make a dorm or housing arrangement for the legislators.

- This survey did not mention the environmental stress from tourism on Juneau, as it impacts the animals, the air, the water.
- Too many Air BNBs and no apartments for rent at a reasonable price.
- Too many tourists on city buses so locals can't get on. Need more buses or tourist shuttle where they pay for it.
- Too much emphasis on number of ships and not on number of visitors. Number of visitors per day should be limited.
- Tourism is very important in the economy. My parents own a tourism company.
- Tourism takes up space for housing, AirBNB and VRBO.
- Tourists destroy roads and sidewalks; five ships a day is too many. CBJ uses Juneau's tax dollars to fix problems caused by tourists.
- Tourists ignore the chains put up to guide them walking the street.
- Traffic circles education.
- Trails and recreation.
- Trails should be monitored for more safety.
- Transit link to ferry terminal.
- Upgrade the JACC, not rebuild it.
- Use Walmart for combo tourists attraction/indoor sports for kids. Parking downtown for locals in summer. Take a pro-active role to encourage ships to use shore power, use a higher-grade fuel to reduce smoke and within a distance of city. Valdez requires this.
- Wants to encourage more bed and breakfast businesses. Regulate amount dumped in landfill from cruise ships.
- Wants to know more about City's plans about dock electrification.
- We need local ferry service.
- We should control number of tourists daily, improving quality of life for residents and improving the experience for visitors.
- Whale watching has gone crazy-obnoxious not well-designed boats on the waterway. Whale harassment and Captains with their own charter boats create huge wakes, 5-foot wakes are not out of the question. Helicopter traffic changed, they are now flying over residential areas as many as six to eight times a day.
- Winter tourism should be marketed and supported.
- Work to improve seasonal housing.
- Would be good to have more information on these plans because shouldn't hear about certain City/Borough ideas for the first time on a survey.
- Would like to see more energy put on solving the teacher shortage or food distribution to the poor than city-borough government concentrated on cruise ship travel amenities.

Survey Instrument

See attached.

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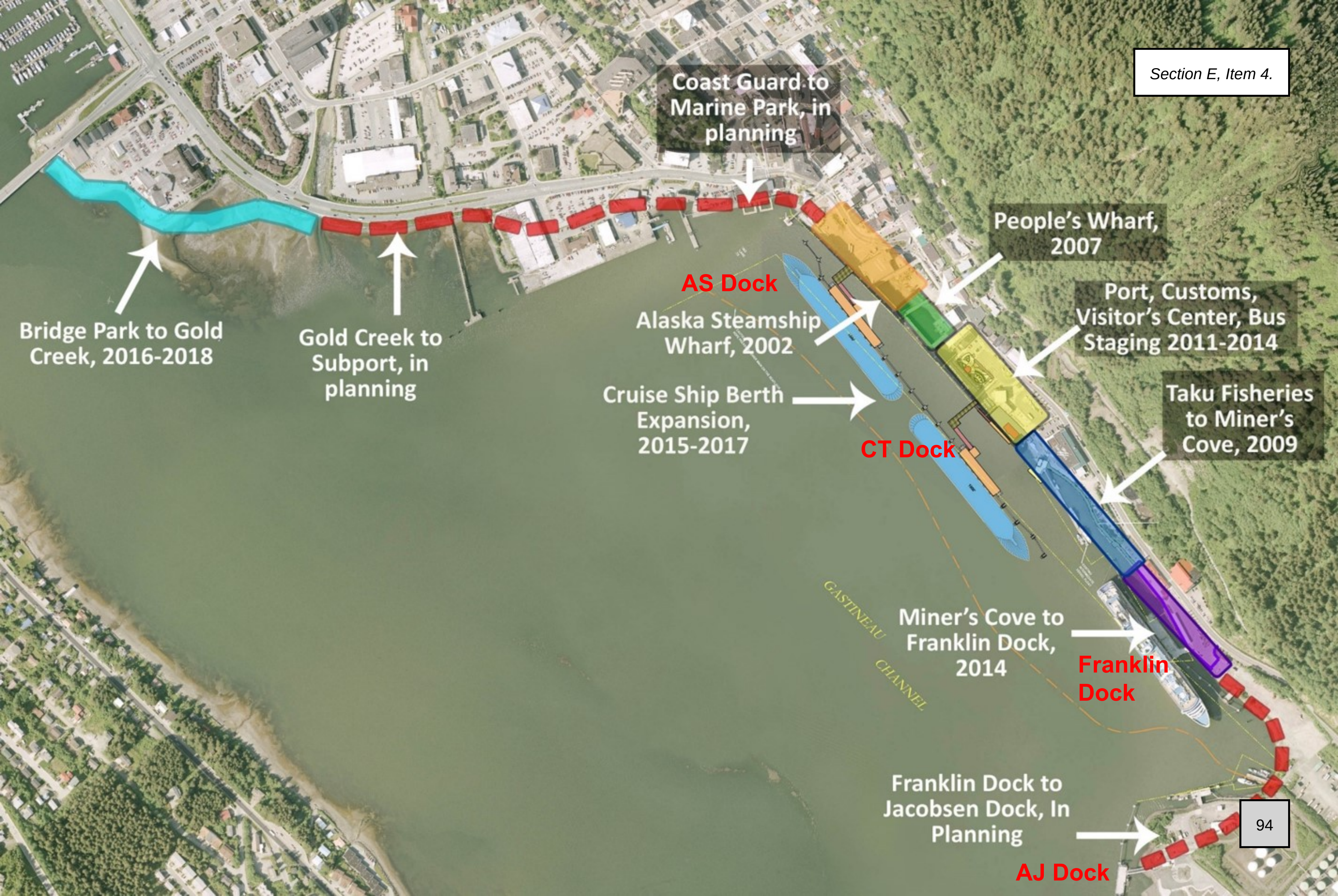
Coast Guard to Marine Park, in planning
People's Wharf, 2007
AS Dock
Alaska Steamship Wharf, 2002
Port, Customs, Visitor's Center, Bus Staging 2011-2014
Bridge Park to Gold Creek, 2016-2018
Gold Creek to Subport, in planning
Cruise Ship Berth Expansion, 2015-2017
CT Dock
Taku Fisheries to Miner's Cove, 2009
GASTINEAU CHANNEL
Miner's Cove to Franklin Dock, 2014
Franklin Dock
Franklin Dock to Jacobsen Dock, In Planning
AJ Dock

Assembly Goals 2022

Assembly Goals set at
December 4, 2021 retreat

1. Housing - Assure adequate and affordable housing for all CBJ residents

	AA*	Implementing Actions	Responsibility	Notes:
A	P	Revise and improve Title 49 to facilitate housing	Assembly, Planning Commission, Manager's Office, CDD	*Joint meeting to establish priorities, PC/CDD guidance*
B	P/F	Implement projects & strategies that advance the goals of the Housing Action Plan	Assembly, Manager's Office	*Expanded housing tax abatement to include a boroughwide multifamily development option (in addition to downtown and senior specific options). Several large land disposals underway.*
C	P/F/O	Continue a robust use of the Affordable Housing Fund and its sustainability	Assembly, Manager's Office	*Round two of AHF grants/loans occuring. Assembly finalzied all remaining projects from round one.*
D	P/F	Reduce barriers to downtown housing development	Assembly, Manager's Office, CDD	*Parking Code rewrite created No Parking Required Area and reduced parking requirements in downtown Juneau. Alternative Development Overlay District (ADOD) adopted, relaxing dimensional standards in the downtown, if owner opts-in.*

2. Economic Development - Assure Juneau has a vibrant, diverse local economy

	AA*	Implementing Actions	Responsibility	Notes:
A	F/O	Update the Comprehensive Plan	Assembly, Planning Commission, Manager's Office, CDD	*Staffing challenges have prevented this project from launching - recruitment remains active.*
B	O	Adopt and implement strategies developed by the Visitor Industry Task Force to mitigate impacts & increase economic benefits of tourism	Assembly, Manager's Office, Docks & Harbors	*Making progress on VITF implementation, most significantly with MOAs with the industry on management priorities and 5 ship limit.*
C	P/F/O	Examine options for a tourism governing structure that mitigates impacts & increases economic benefits of tourism	Assembly, Manager's Office, Docks & Harbors	*Tourism position created; further dialogue needed on departmental priorities and responsibilities related to visitor infrastructure.*
D	P/F/O/S	Implement project strategy for Juneau Economic Plan, including revitalizing downtown, with regular updates	Assembly, Manager's Office	*JEP regularly used as guiding document.*
E	F	Explore financing for the Capital Civic Center	Assembly, Manager's Office, Finance	*The organizing group continues to seek federal funding.*
F	P/F/S	Support Eaglecrest Summer Operations Task Force & self-sufficiency of Eaglecrest	Assembly, Manager's Office, Eaglecrest	*Internationally purchased and coordinated shipping for a used pulse Gondola that has arrived at Eaglecrest. Procurement for construction services to install ongoing.*
G	P/F	Pursue and plan for West Douglas and Channel Crossing	Assembly, CDD, Planning Commission, Manager's Office	*DOTPF PEL and public meetings will wrap up Spring 2023. CBJ contracted with DOWL on sub-area study of potential development in W&N Douglas. CDS request for NEPA for project in US Senate approps bill. Investigating grant application for 100% design this winter. Assembly has appropriated $675k towards this project.*

3. Sustainable Budget and Organization - Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community

	AA*	Implementing Actions	Responsibility	Notes:
A	P/F	Develop strategy for fund balance and protect restricted budget reserve	Assembly, Manager's Office, Finance	*Assembly allocated fund balance to specific projects during the budget process, and included the RBR in 1%.*
B	P/F	Continue to evaluate sales tax structure including equity and evaluate removing sales tax on food	Assembly, Manager's Office, Finance	*Assembly examined this topic extensively; further discussion pending statistically valid survey results*

Assembly Goals 2022

Assembly Goals set at
December 4, 2021 retreat

C	P	Long term strategic planning for CIPs	Assembly, Manager's Office, EPW	*EPW Director made substiantial improvements to legislative priority process.*
D	P/F	Reduce mil rate as appropriate	Assembly, Manager's Office, Finance	*Assembly reduced 0.1 mil from the Manager's FY22 proposed budget.*
E	F/O	Allocate resources to implement Assembly goals	Assembly, Manager's Office, Finance	*Ongoing*
F	F/O	Maintain Assembly focus on deferred maintenance including BRH and JSD.	Assembly, Manager's Office, EPW, all operating departments with facilities	*Assembly increased commitment to deferred maintenance in 1% sales tax proposal, voters approved*

*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue

Assembly Goals 2022

Assembly Goals set at
December 4, 2021 retreat

4. Community, Wellness, and Public Safety - Juneau is safe and welcoming for all citizens

	AA*	Implementing Actions	Responsibility	Notes:
A	P/O/S	Acknowledge and honor Juneau's indigenous culture, place names, naming policy, and recognize Elizabeth Peratrovich Day	Assembly, Manager's Office	*Peratrovich Plaza completed and re-named. Assembly adopted a resolution signifiying future commitment to numerous Totem Pole installations on the waterfront. Naming policy conversation started in LHED.*
B	P/S	Explore government to government relations with tribes	Assembly, Manager's Office	*Manager/Mayor communications increased; in progress*
C	P/F/O	Examine social service funding levels and process	Assembly, Manager's Office	*Work ongoing through JCF*

5. Sustainable Community - Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.

	AA*	Implementing Actions	Responsibility	Notes:
A	P/O	Develop a zero waste or waste reduction plan	Assembly, Manager's Office, EPW, Finance	*New Environmental Project Specialist joining CBJ in November, 2022, with extensive experience in zero waste work. CDS request for municipal composting facility introduced in US Senate approps bill.*
B	P/O	Develop strategy to measure, track and reduce CBJ energy consumption.	Assembly, Manager's Office, all departments	*New Building Maintance monitoring and tracking software implemented (nb. 5.2.22 PWFC presentation)*
C	P/O/F	Implement projects and strategies that advance the goal of reliance on 80% of renewable energy sources by 2045	Assembly, Manager's Office, all departments	*Staff work underway with vendor for community-wide GHG emissions measurement tool. Installed new EV chargers at 5 locations this summer. Received grants (and placed orders) for 7 new electric transit busses in October. Assembly passed $2.6M to advance Dock Electrification.*
D	P/F	Develop a climate change adaptation plan	Assembly, Manager's Office	*Report released: https://acrc.alaska.edu/docs/juneau-climate-report*
E	P/O/F	Develop strategy to reduce abandoned/junked vehicles	Assembly, Manager's Office, EPW, Law, P&R, D&H	*Staff meetings ongoing, working through legal, procedural, and operational hurdles to advance this issue. Held one successful junk vehicle round-up.*

*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue

Assembly Member Requests for Goals / Implementing Action Changes and/or Comments

Housing – Assure adequate and affordable housing for all CBJ residents

Changes/Additions:

- Identify CBJ properties (such as second street lot) to develop city funded housing project on, and design and implement a project.
- Identify and Implement Transformative Zoning Reform; examine elimination of single-family zoning, relaxation of minimum lot sizes and maximum heights, building code, and move to minimum rather than maximum densities.
- Explore creation of a modified building code for historic downtown area to allow for housing to return to upstairs units of historic building with consideration for the age/limitations of the buildings (Examine alternatives to fire suppression systems, varied ceiling height, etc.)
- Design and implement changes to permit prioritization to institute a “cut the line” program that prioritizes CDD staff resources and permits to development of housing projects that include affordability component.
- Examine creation of revolving loan fund to pay for street construction costs in new subdivisions.
- Continue to gather data and work towards restrictions on Short Term Rentals.

Questions:

- What is our strategy for freeing up CDD to quickly and meaningfully address Title 49 changes (among other things)?

Sustainable Budget and Organization – Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community

- Plan to have a more in-depth conversation on uses of fund balance; for example, in managing risk of taking on new projects or reducing property tax; rather than just spending whatever money comes in.
- Post-Survey, continue discussion re: Sales Tax on Food

Community, Wellness, and Public Safety – Juneau is safe and welcoming for all citizens

- Fully Subsidize Transit System and eliminate fares.

Engineering & Public Works
Marine View Building, Juneau, AK 99801
907-586-5254

MEMORANDUM

DATE: November 29, 2022

TO: Assembly

FROM: Public Works and Facilities Committee

SUBJECT: PWFC Input on 2023 Assembly Goals

The Public Works and Facilities Committee has made progress on Assembly goals. Nevertheless, there is more work to be done. Advancing these priorities will require work from the committee and staff and financial resources. The purpose of this memo is to establish what those implementing actions will be for the committee over the course of 2023.

2. *Housing – Assure adequate and affordable housing for all CBJ residents*

   2023 PWFC committee work: This is a top priority of the Assembly. PWFC will engage on housing issues as necessary to assist with progress towards this goal.

3. *Economic Development – Assure Juneau has a vibrant, diverse local economy*

   G. Implementing action: Pursue and plan for West Douglas and Channel Crossing

   2023 PWFC committee work: Engage the public in creative ways in addition to public meetings. This can include meeting people where they are in public spaces (i.e. grocery stores, pool, community events, etc.) for feedback via polls, surveys, and other mechanisms. This may also include a citizen advisory committee. Engagement with the Assembly Lands Housing and Economic Development Committee may also be useful.

   Prepare the project for a successful grant application for full design including working with ADOT and identifying match.

4. *Sustainable Budget and Organization – Assure CBJ is able to deliver services in a cost effective manner that meets the needs of the community.*

   C. Implementing action: Long-term strategic planning for CIPs

   2023 PWFC committee work: Work through the legislative priorities, 6-year CIP and Annual CIP planning to balance and prioritize everything from regular and major maintenance to facility replacement.

   F. Maintain Assembly focus on deferred maintenance including BRH and JSD.

<u>2023 PWFC committee work:</u> Work as a committee to advise and prioritize deferred maintenance projects for CBJ facilities. Become familiar with BRH strategic plan and master facilities plan. Work with Juneau School District Facilities Committee and Joint School District Facilities Committee to prioritize major maintenance needs at the school district.

5. *Sustainable Community – Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.*

   A. Develop a zero waste or waste reduction plan.

   <u>2023 PWFC committee work:</u> Continue work on establishing a municipal compositing site, which is then operated through a pubic private partnership. Engage stakeholders for zero waste planning. Work on site development for an industrial park as a future site for composting and other waste reduction initiatives. Pursue necessary resources for implementation.

   B. Develop strategy to measure, track and reduce CBJ energy consumption.

   <u>2023 PWFC committee work:</u> Support building maintenance efforts to implement energy tracking software.

   C. Implement projects and strategies that advance the goal of reliance on 80% of renewable energy sources by 2045.

   <u>2023 PWFC committee work:</u> Make policy decisions on EV master planning, pursue opportunities for electrification of fleet and shore side infrastructure.

   D. Develop a climate change adaptation plan.

   <u>2023 PWFC committee work:</u> Analyze how the “Juneau’s Changing Climate & Community Response Report” from the University of Alaska Southeast and the Hazard Plan can inform committee work on climate adaptation. Identify resources needed to hire a consultant to draft a plan.

   E. Develop strategy to reduce abandoned/junked vehicles.

   <u>2023 PWFC committee work:</u> Do work to determine the level of service the Assembly wants to offer and analyze the resources necessary to achieve those goals.

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
ENGINEERING & PUBLIC WORKS

Juneau Commission on Sustainability

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155 S. Seward Street • Juneau, AK 99801

November 18, 2022

Mayor Weldon and Assembly Members,

The Juneau Commission on Sustainability (JCOS) thanks you for your ongoing efforts to promote sustainability in the community. With the CBJ's climate action planning and renewable energy strategy as our foundation and your support, Juneau has made substantial progress in recent years in concrete ways and continues to do so:

- CBJ tracks energy use and cost savings in its facilities, identifies issues, and completes energy efficiency upgrades as part of routine maintenance and CIP projects.
- Juneau homeowners and developers embrace air source heat pumps for cost-effective retrofits and new construction. Alaska Heat Smart leveraged CBJ support with federal funding to now install these cost-saving efficiencies to lower income households.
- Juneau has 33 public EV chargers. About 600 EVs are powered by Juneau's rain.
- Juneau has one electric bus and seven more on order – roughly 44% of its transit fleet.
- CBJ funded an upgrade of existing shore power equipment as a precursor coupled with its financial commitment to electrify the two City cruise ship docks.
- CBJ is updating the Juneau 2010 energy/greenhouse gas inventory so the community knows where we're at and the challenges, plus the best actions moving forward.
- The Assembly funded a zero-waste planning effort to get underway in the coming year.

As you approach your annual goal-setting**, JCOS encourages the Assembly to sustain this momentum and build on these accomplishments**. Well-timed efforts by CBJ could position the city; Juneau homeowners, renters & landlords; businesses; and agencies to successfully access the once-in-a-generation federal funding for infrastructure and energy/climate resilience in the next few years.

JCOS recommends the following goals for your consideration during your retreat.

Assembly Goal #1 – Housing

- **Goal 1B**: Support the retrofit of existing single and multifamily housing with energy efficient upgrades. This implementation task in the *Housing Acton Plan* (pg. 57) dramatically improves housing affordability.

Assembly Goals #5 – Sustainable Community

- **Goal 5C Substitute**: Develop and implement a 5- and 10-year action plan that advances Juneau's use of renewable energy. Use Juneau's updated energy/greenhouse gas inventory to pin point actions that will make notable progress toward energy/cost savings, GHG reductions, and renewable energy. **JCOS will submit a report to the Assembly in the near future that recommends potential next actions for your consideration**.

- **Goal 5D Substitute**: Prepare a changing climate hazards mitigation/resilience strategy. Building on the FEMA-funded hazards study and the report *Juneau's Changing Climate* (2022), identify vulnerabilities in Juneau due to the impacts of climate change (e.g., heavy precipitation inflows to wastewater treatment facilities or mass wasting off steep slopes). A strategy would help facilitate federal funding opportunities.

- **New Goal 5:** Promote, support, and collaborate on the broad electrification of Juneau's vehicle fleets. Coordination in the community could accelerate the conversion of school buses, CBJ light-duty vehicles; taxis, hospitality vans and rental cars; Juneau Coordinated Transportation Coalition vehicles; state and federal agency fleets; and tourism industry vehicles.

Sincerely,

Gretchen Keiser, Chair
Juneau Commission on Sustainability