

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
September 24, 2018, 5:00 PM.
Assembly Chambers - Municipal Building**

Assembly Work Session - No Public Comment, (Please Note Start Time Changed to 5pm)

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

- A. **August 9, 2018 Assembly Committee of the Whole Minutes**

IV. AGENDA TOPICS

- A. **Historic Preservation Plan Update**
- B. **JEDC Alaska State Legislature & Business Visitor Satisfaction Surveys**
- C. **Juneau Business Freight Survey Final Report - Juneau Chamber of Commerce**
- D. **Museum/Legislative Affairs Collaboration (Informational only, no packet items)**

V. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
DRAFT MINUTES**

THE CITY AND BOROUGH OF JUNEAU, ALASKA

August 9, 2018, 5:15 PM.

Assembly Chambers - Municipal Building

Immediately following 5pm Special Assembly Meeting;

Assembly Work Session - No Public Comment

I. ROLL CALL

Deputy Mayor Jerry Nankervis called the meeting to order at 5:15 p.m.

Assemblymembers Present: Ken Koelsch, Mary Becker, Rob Edwardson, Maria Gladziszewski, Norton Gregory, Loren Jones, Jesse Kiehl, Jerry Nankervis, and Beth Weldon.

Assemblymembers Absent: None.

Staff present: City Manager Rorie Watt, Deputy Manager Mila Cosgrove, Municipal Attorney Amy Mead, Municipal Clerk Beth McEwen, Finance Director Bob Bartholomew, Chief Housing Officer Scott Ciambor, Housing/Homelessness Coordinator Irene Gallion

II. APPROVAL OF AGENDA

No changes, approved as presented.

III. APPROVAL OF MINUTES

A. July 11, 2018 Assembly Committee of the Whole Minutes

MOTION by Ms. Becker to approve the minutes of the July 11, 2018 Assembly Committee of the Whole Meeting. *Hearing no objection, the minutes were approved.*

IV. AGENDA TOPICS

A. Housing/Incentives Update

Chief Housing Officer Scott Ciambor gave a presentation regarding housing development within the borough and the most commonly requested incentives to encourage further development. Mr. Ciambor's memo in the packet included the following with respect to historical grant/loan programs as well as recommendations regarding incentivize housing development:

1) CBJ Accessory Apartment Grant program: \$6,000 grants to individual homeowners that add an accessory apartment to their property.

2) Mobile Home Loan Down Payment Assistance: 1% loans to individuals, up to \$10,000, for down payments on mobile homes for residents making \$96,800 or less (120% AMI or below). Partnership with True North FCU.

3) Juneau Affordable Housing Fund: 2010 recommendations in place that include 5% of funds eligible for no interest loans and a limitation of \$150,000 for maximum loan to for-profit, non-profit, housing authorities for housing projects targeting residents between 0% 0 120% AMI. Eligible uses for funds are capital or rental and ownership property, non-profit capacity building, supportive services, and operating expenses.

The staff recommendations for further incentives included the following:

A. Revise and update the Juneau Affordable Housing Fund to meet current demands and run all housing grant and loan requests through the fund process.

B. Develop tax abatement proposals for 1) multi-family apartments (Borough-wide) and 2) Downtown development where costs are more substantial

C. Determine in what scenarios CBJ land can be disposed of at less than fair market value for the development of housing, and develop proposed policies to:

- a) meet affordability goals in multi-family projects by decreasing development costs, or
- b) stabilize long-term single-family home affordability by contributing to community land trust type organizations or public housing authorities.
- c) Target areas (Downtown) where multiple resources are necessary to help facilitate housing development due to high costs, older building rehabilitation.

Assemblymembers asked Mr. Ciambor a variety of questions ranging from the annual application process, which previous projects were incentivized, and the various application processes with respect to involvement by the Assembly, Planning Commission, the Affordable Housing Fund and staff.

Mr. Ciambor then answered a series of questions pertaining to the potentials for tax abatement programs and how those might be put into place locally due to the state statutes that may or may not limit what local municipalities are permitted to do. Mr. Ciambor explained that the recent SB100 allowed municipalities to determine how, when and where it chooses to enact tax abatement code changes.

Mr. Watt explained that the Assembly will need to give staff some policy direction before they can make any progress to bring something back to the Assembly with potential code change language to be worked on.

Assemblymembers and staff discussed the conditions upon which land can be sold or transferred at less than fair market value. Assemblymembers asked that someone from the Law Department be present the next time they discuss these matters so they can get some of those types of legal questions answered. Members expressed a desire to have staff bring back information about which plots of land might be identified for potential disposal using the Comprehensive Plan and the Land Use Maps as areas for development focal points.

It was decided to discuss the policy decisions regarding Tax Abatement at a future COW meeting.

MOTION by Ms. Gladyszewski to request a resolution be drafted regarding the Affordable Housing Fund as contained in Mr. Ciambor's memo to be brought back to a future COW for further consideration. *Hearing no objection, the motion carried.*

Mr. Watt asked for one wrap-up request regarding housing incentives has to do with the Eagle Rock Ventures option to purchase the Second and Franklin lot. They presented information at an Assembly Finance or COW earlier this spring and they are track if CBJ would be doing anything with respect to incentives. At that meeting, the Assembly provided for a three-month extension to the purchase and sale agreement and that three-months was coming up on August 18, 2018. Eagle Rock Ventures would like to continue to have the option and would like to follow-along with CBJ. They are not currently doing anything until CBJ decides what it will be doing with respect to incentives. The property is continuing to be used for parking. Mr. Watt said he would like to keep them engaged and he said he would like to extend their purchase and sale agreement until the first of the year. He said that since there had been prior Assembly action on this matter, he felt this was an appropriate time to bring this back to them again for direction.

Mr. Jones noted his objection to an extension and stated that the reasons for his objection has to do with the fact that there is not currently any incentives in place and that it may be some time before incentives could be decided upon and enacted by the Assembly. Quite a bit of additional discussion

took place with the pros and cons of extending the purchase and sales agreement deadline to the end of the year. The Manager said that if this were continued to January 1, 2019, it would be likely they would be back at this same spot needing to have another extension on the deadline. Mr. Ciambor also answered a series of question about the types of development and the rates that housing in that location. Mr. Watt said that he feels there is a disconnect between the rents that can be charged and the cost of construction in Juneau for any urban high-density development.

MOTION by Mr. Koelsch to extend the Eagle Rock Ventures contract to December 31, 2018. He spoke against the motion.

Mr. Koelsch explained that this has already been extended and doesn't see us having the ability to be in a different position at the end of the year. The history of that lot was that it was purchased for parking and they tore down a perfectly good building to construct a parking lot there and he feels it is time to go back and have the lot as is. He said we turned down some other people who didn't have as good of a proposal as Eagle Rock and he said he should give others a chance.

Additional discussion took place regarding flat parking as it currently is and what it was initially designed to be which was multi-leveled parking.

Roll Call

Ayes: Becker, Edwardson, Gladziszewski, Kiehl

Nays: Gregory, Jones, Nankervis, and Koelsch

Motion failed 4:4.

B. Juneau Economic Plan Update

Ms. Cosgrove provided an overview on the progress made so far with respect to the Juneau Economic Plan (JEP) assignments to staff.

The packet contained an update memo from Ms. Cosgrove along with a spreadsheet showing the Assembly the implementation steps taken so far with respect to the plan. She noted that the Assembly and community partners have made significant progress with respect to the Juneau Economic Plan. She noted that the grey boxes of the matrix in the packet show those items that have been added since the last Assembly update.

Some of the highlights that are notable included:

- Infrastructure: The pilot extension of N. Douglas Highway Road construction is completed and it is almost all the way out to Middle Creek.
- CIPs (Capital Improvement Projects): N. Douglas Crossing and a new City Hall Concept CIPs have been established.
- There has been a lot of work on the Auke Bay Marine Station which has been proceeding apace.
- Lots of work in revitalizing the Downtown, the area planning efforts Blueprint Downtown are getting ready to launch.
- The Assembly made progress with DBA (Downtown Business Association) by investing in their projects and staffing.
- Front and Franklin Street were completed.
- The Assembly is considering the Archipelago lot and those pieces are moving forward.
- Mr. Ciambor updated us some on housing but she also wanted to note the success of the first phase of Housing First "Forget-Me-Not Manner" in terms of providing housing for our vulnerable citizens.
- Peterson Hill is moving forward and that should open up some other housing areas as well.

In terms of building on our strengths, we are continuing to work on those things that are good for us. The Assembly has done some good work on the Mining Ordinance. The University continues to look at maritime issues and she had an opportunity to work with the University in Anchorage and the local campus is looking to see how they can continue to build from an educational standpoint on things

such as tourism and the maritime industry.

She said that with respect to the Senior Economy, the Assembly has provided some additional funding for Juneau Commission on Aging (JCOA) support. They have brought themselves back together and they are starting to make good progress on some of the initiatives that had been stalled out from the JEP. The Assembly has also been talking about senior housing and assisted living and moving in that direction.

Funding for pre-K is involved with the potential funding of Best Starts as well as some capitol complex issues. She said that overall, it has been a fairly busy period and there is a lot going on. Sometime it feels like these initiatives take quite awhile to come to fruition but that is pretty typical for the way things are relating to Economic Development. It is a big picture, long term play.

She mentioned that last time there were going to try to come up with some milestones/ metrics and she is hoping that during the next report, she will be able to provide some numbers to go with those.

Mr. Jones noted that the Front/Franklin Street projects aren't quite completed as they still need to put in street lights on Front which would happen in September or October. He also noted that starting August 15, they will be tearing up the intersection of Franklin and Front to go up to Second Street to in front of the Baranof Hotel so that will become a construction zone again August 15 through October.

Members asked about the North Douglas Pioneer Road and the sign showing the project was to be completed June 2018 but that there was still the "Keep Out/Do Not Enter" signs up. Mr. Watt explained that the construction is complete but that the contractor is still hauling a few logs out of there so there is still some work being done on the site so they have not taken down the sign. He said it should be open in the next couple of weeks.

Mayor Koelsch asked if there was any word on progress towards getting a NOAA vessel home-ported in Juneau. Ms. Cosgrove said that conversation is ongoing between a variety of different groups of people but she doesn't have any specifics to report. Mr. Watt said that while they don't know any specific timelines as to when a decision would be made, CBJ did host a number of NOAA employee/decision makers and showed them what we have and the opportunities available to NOAA should they decide to home-port a vessel here.

C. **Housing First - Phase II**

Mr. Watt provided information to the Assembly both in the packet and in the red folder items. He said a letter dated June 24, 2018 from the Housing First Collaborative with some information on the success of Housing First Phase I. That letter identifies a grant opportunity from Alaska Housing Finance Corporation (AHFC) in the amount of \$2.8 Million in Capital and \$1.8 Million in operating funds for Housing First, Phase II project. At that time, they had estimated a \$7 Million facility was potentially possible to finance through a successful acquisition of that \$2.8 M grant and \$4.2 M of bridge funding from the city. He said that he has several conversations about this as had a number of Assemblymembers. He said the packet contained a memo from him expressing his lack of enthusiasm for the idea of a bridge loan from CBJ. He said the group have heard the comments from individual Assemblymembers and from him and they brought back a reduced proposal bringing down the cost to just shy of \$6 Million and in doing that, reducing the number of beds from 45 to 32. They have adjusted their ask of the City to not include any loan dollars but to bump their grant request up to \$1.8 Million.

Members of the Housing First Board Bruce Denton, Mariya Lovishchuk, and Doug Harris were present and said they weren't prepared to make a presentation but were available to answer questions.

Assemblymembers asked questions and had discussions about the various funding sources available to Housing First as well as what CBJ funding sources might be available and how that correlated with

the timing issues for the grant application to AHFC. Mr. Denton explained that they are looking for "gap funding" as they have to be able to demonstrate that they have commitments for 75% of the budget balance beyond what they expect to receive back from the grant. Ms. Lovishchuck said that in addition to the 75% commitment, they also need to demonstrate within the grant that they have a fiscal plan so AHFC needs to understand that if they grant Housing First the money, when they have funding sources outlined, when those funds will be available. Mr. Jones asked if CBJ was to provide \$1.8 M, where the remaining funds are anticipated to come from. Ms. Lovishchuck said they anticipate being able to get commitments for the remaining funds from sources such as the Alaska Mental Health Trust and the Juneau Community Foundation.

Ms. Gladziszewski went over the contributions from the City for the first phase (36% of the total when the original ask was 20%). She said they are now they are asking for basically, 30% of the total for the second phase. Mr. Denton said for this Phase II, they initially asked for \$1.5M grant plus a bridge loan guarantee to a \$1.8M grant only without any bridge loan.

Ms. Gladziszewski said that the project has gotten downsized and \$1M cheaper but the request went up by \$300,000.

Additional questioning took place regarding the memo in the packet from Bartlett Regional Hospital about the impact of Housing First Phase I and that while there has been dramatic reduction in the number of visits from the Housing First residents, the cost savings do not necessarily correlate since the cost of running the ER, Rainforest Recovery Center are still incurred whether they provide services to those particular individuals or not. Ms. Lovishchuck explained that by those persons not taking up ER and RRC services, that enables those staffing and physical beds to be utilized by others in the community who need those services.

Assemblymembers and Housing First board members discussed in greater detail the pros and cons of the first phase of Housing First with board members answering a number of questions by the Assembly. Mr. Harris spoke to the work of the JAMHI clinic at Forget-Me-Not Manor that provides services to a wide range of community members, not just residents of Housing first.

Assemblymembers asked Mr. Watt what the appropriate action would be at this stage. Mr. Watt suggested that if the Assembly wished to provide grant funding to Phase II of the project, the appropriate steps would be to request an appropriating ordinance in a specific amount to be introduced, at the August 20 meeting and set for public hearing at the September 17 meeting. That is the only path of scheduled meetings before the grant application deadline. He said they would also be looking to the Assembly to decide on a fund source for that funding. Ms. Gladziszewski asked what the possible fund sources are. Mr. Watt explained that for this dollar amount, he would suggest they would be going back to the [General] Fund Balance as the best option.

MOTION by Ms. Gladziszewski to request an Appropriating Ordinance be prepared for \$1.8 Million to come from the [General] Fund Balance to be introduced on August 20 and set for Public Hearing on September 17.

Mr. Jones suggested the funding source might come from several options such as part of the Housing Fund, the Sales Tax Fund Balance, and he asked that Finance staff might look at a package of several different options on where the funding might come from. Ms. Gladziszewski said she would be willing to consider alternative fund balances. Mr. Bartholomew said there are approximately 4 to 5 funds that might have money drawn from for this appropriation. They would include: Tobacco Tax, Sales Tax, General Government Fund. He said the Housing Fund is on the list but there is not much there and they are trying to grow that. He said he would be looking at the updated estimates for those funds and then putting together a combination out of those three.

Additional discussion took place regarding potential funding sources.

AMENDMENT by Ms. Gladziszewski to have Finance staff identify a funding package to include Tobacco Tax, Sales Tax, and General Fund Fund Balance sources.

Hearing no objection, the Amendment passed.

AMENDED MOTION to prepare an Appropriating Ordinance for \$1.8 Million to come from the Tobacco Tax, Sales Tax, and General Fund Fund Balance as determined by the Finance Director.

Members discussed the timing of this and other financial requests and it was a big ask and this is a timely issue due to the grant deadlines. The Mayor asked that the other pending items that were brought up during the budget cycle that were postponed. Mr. Kiehl noted that a number of those items were scheduled for the next Assembly Finance Committee and that there would be other additional meetings to discuss them.

Mr. Nankervis said he is not going to object at this time but he may object when this does come before them for approval as there are so many financial requests coming to the Assembly all at this time.

Hearing no objections, the motion as amended passed.

V. ADJOURNMENT

There being no further business to come before the Assembly COW, the meeting was adjourned at 7:29p.m.

Respectfully Submitted,
Beth McEwen, MMC
Municipal Clerk



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155 S. Seward Street • Juneau, AK 99801

DATE: September 19, 2018

TO: City and Borough of Juneau Assembly

FROM: Allison Eddins, Planner II *A. Eddins*
Community Development Department

RE: **The public process for Juneau's Historic and Cultural Preservation Plan**

The CBJ preservation plan process has been facilitated with grant funds from the State Historic Preservation Office Certified Local Government (CLG) program. The first phase, beginning in 2016 focused on public engagement. Currently CDD is wrapping up the second and final phase which included more public engagement and the drafting of Juneau's updated Historic and Cultural Preservation Plan.

So far in 2018, CDD has conducted a large planning charrette and three small group meetings. The public meeting occurred on March 15th at the State Library Archives and Museum and was attended by representatives of CBJ Departments, neighborhood associations, local historians, Alaska Department of Transportation & Public Facilities, AELP/AVISTA, Filipino Community Board, Travel Juneau, US Forest Service, and many others. In July 2018, CDD staff met individually with the Douglas Indian Association, Sealaska Heritage Institute and the Downtown Business Association. On July 13th, CDD staff was invited to attend the Douglas Indian Association Tribal Government one day cruise. These small meetings helped focus the conversation on the specific preservation issues that most directly impact each group.

In 2016, CDD held two public meetings, one focus group meeting, and conducted an on-line survey. Both public meetings were publicized through email blasts and phone calls to key stakeholder groups, radio interviews on A Juneau Afternoon the week of the meeting dates, flyers were posted throughout downtown, Douglas, the Valley and Auke Bay, and postings on the CBJ calendar. The first meeting occurred on May 31st in the Senate Building downtown. A total of 41 people attended this meeting including members of the Douglas Indian Association, Sealaska Heritage Institute, the Downtown Business Association, the Downtown Improvement Group, University of Alaska Southeast, and the Treadwell Historic Society. The second meeting was held on August 25th at Floyd Dryden Middle School. The meeting was well-attended by a cross section of Juneau residents, including representatives the tourism industry, historic building owners, a UAS student and small business owners. On August 26th, CDD held a focus group meeting with twenty members of the Downtown Improvement Group. The online survey was open for three weeks prior to and after the August 25th and 26th meetings and

included eleven questions. A total of 49 people responded. This outreach was intended to gauge public interest and understanding of historic preservation, and get at visioning, goal and action development for Juneau's preservation program. A full report of the 2016 planning effort is attached with this memo.

The draft Historic and Cultural Preservation Plan will open for a 30 day public comment period beginning September 26th. There will be a public meeting held that evening in the Senate Building. CDD staff will conduct 3 to 4 small stakeholder meetings during this 30 day period and the input received will be incorporated into the plan. Subsequently, the draft will be presented to the Planning Commission for a public hearing and asked to recommend to the Assembly that the Plan is adopted into the CBJ Comprehensive Plan.

The National Historic Preservation Act was passed by Congress in 1966 and in 1980 the Certified Local Government (CLG) program was added. The CLG program promotes preservation efforts at the local level and provides financial and technical assistance to member cities. CBJ has been a Certified Local Government since the late 1980s. In order to maintain CLG status, all member cities must have adopted preservation plans. Since 2016, the Community Development Department (CDD) has been engaged in a public planning effort to update Juneau's Preservation Plan. The existing plan has been in "draft" status since it was written 20 years ago. As more Alaskan cities gain CLG status the competition for resources is increasing. If CBJ wishes to maintain CLG status we must comply with member requirements.

City and Borough of Juneau
Historic Preservation Plan Update

**Phase I Report: Initial Public Outreach for the Update of
Juneau's Historic Preservation Plan**



Report Prepared for the City and Borough of Juneau
by
Corvus Culture
Anchorage, Alaska
September 2016

Introduction

In April 2016, the City and Borough of Juneau (CBJ) and the CBJ Historic Resources Advisory Committee (HRAC) initiated Phase I of the update to the CBJ Historic Preservation Plan (the Plan). The Plan was originally drafted in 1997 but was not adopted. CBJ contracted with Corvus Design and their subconsultants Corvus Culture and Winter and Associates to facilitate completion of Phase I of the update effort.

The 1997 plan consisted of four goals: 1) Identify, evaluate, and protect the historic and archaeological resources within the City and Borough of Juneau; 2) Increase public awareness of the value and importance of Juneau's history and historic resources; 3) Preserve and protect the unique culture of Juneau's Native people including buildings, sites, traditions, lifestyle, language, and history; and 4) Promote heritage tourism which enhances and accurately represents Juneau's unique history and Native culture. Additionally, the 1997 plan detailed 12 objectives and 47 implementing actions, to achieve the plan vision and these goals.

To gauge public interest in and understanding of historic preservation, and the updating and adoption of a revised Plan, CBJ and the consultant team (the planning team) held two public meetings, one focus group meeting, and conducted an online survey. Together these public outreach efforts constitute Phase I. Focused outreach and stakeholder engagement, plan preparation, and public review will constitute Phase II. Phase II will culminate in the presentation of the revised Juneau Historic Preservation to the CBJ Assembly for adoption.



Attendees at the May 31 Public Meeting

The following report documents the Phase I meeting and survey efforts, and presents recommendations for completing Phase II and the Plan update, including recommendations regarding Plan goals, objectives and actionable strategies, and additional public outreach and stakeholder involvement.

Outreach Methods

Public Meetings

The planning team held two public meetings. The meetings were publicized through email blast and phone calls to key stakeholder groups at least one week prior to meeting date, radio interviews on *Juneau Afternoon* the week of the meeting dates, flyers posted throughout downtown, Douglas and the Valley, posting on the CBJ website, and word-of-mouth. Key stakeholders contacted directly via email and phone included Douglas Indian Association, Sealaska Heritage Institute, the Downtown Business Association, the Downtown Improvement Group, University of Alaska Southeast, the Treadwell Historic Preservation and

Juneau's Historic Preservation Plan will...

- help create more opportunities for education
- create or encourage more signage about existing historic buildings
- put up signage in Tlingit language
- spruce up and clean up downtown
- be integrated with ongoing development, help clean up and improve downtown
- help Juneauites identify what spaces and structures are important for them
- identify historic resources and assess their state and condition
- give vibrancy to past and present
- protect and preserve natural and cultural resources that have cultural and historical significance to the peoples of the Juneau area
- be useful and not sit on a shelf
- provide checks and balances, before a place or building or artifact is removed or destroyed
- respectfully and correctly address Native history
- provide clear guidance in land use management decisions
- help the Village, bring out the history of the Village (Juneau Indian Village)
- guide authentic heritage tourism
- identify and protect historic buildings, sites, and structures that remain
- provide a framework of places, activities, and values that represent our community
- preserve our history
- be a living document that allows for change
- meet with Elders of local Clans to find out what they would like to preserve and how
- save the stories about the history of Juneau's neighborhoods and

Plan visioning ideas presented by May 31 meeting attendees



Attendees at the August 25 Public Meeting

Restoration Society, and numerous others.

The first meeting occurred on the evening of May 31, at the Boardroom in the Senate Building in downtown Juneau. A total of 41 area residents attended the first meeting, as well as two CBJ planning staff and the project consultants. The second meeting was held the evening of August 25, at Floyd Dryden Middle School in the Mendenhall Valley. Eleven people attended, as well as the CBJ planning staff and consultants present at the first meeting.

The first meeting consisted of four activities, designed to assess public understanding of and interest in historic preservation, and investigate visioning and goal development so as to compare current community vision and goals with those identified in the 1997 draft plan. First, attendees were

asked to introduce themselves and finish the following sentence: “To me, historic preservation is ____.” The goal of this exercise was to get an idea of the understanding of the interests of people attending. The second exercise focused on visioning and goal development; attendees were asked to complete the sentence: “Juneau’s historic preservation plan will ____.” Attendees were then asked to identify three actions CBJ and residents could take to meet this vision, and then lastly to name five places within the CBJ of cultural or historical importance to them. A sample of the responses to the first question is presented in the call-out box on the previous page, tables detailing responses to all exercises in full are presented at the end of this report.

The meeting was well-attended by a cross section of Juneau residents, including representatives from Douglas Indian Association, Sealaska Heritage, the tourism industry, historic building owners, HRAC members, a UAS student, small business owners, and the Treadwell Historic Preservation and Restoration Society. In general, attendees expressed widespread interest in and support for development of a Historic Preservation Plan for Juneau, particularly if it provided economic, educational and interpretation opportunities and incentives.

The second public meeting consisted of three exercises, designed to approach visioning and goal development from a different angle. First attendees were asked to introduce themselves and name their three favorite places in the CBJ. Second, attendees were asked to identify two challenges or roadblocks to historic preservation in the CBJ, and third, attendees were asked to identify up to five tools that could be used to address or overcome the challenges just identified. A sample of responses to the exercise question regarding challenges is presented in the call-out box to the right, tables detailing full responses to all exercises are included at the end of this report.

The meeting was held in the Valley to reach

Challenges to Historic Preservation

- funding
- cost
- lack of financial incentives
- no obvious economic incentives
- not necessarily “highest and best use”
- lack of awareness from general public
- lack of knowledge regarding the importance of our heritage
- lack of knowledge about preservation opportunities
- lack of public education about preservation
- not a high priority
- balancing preservation with development goals
- how to right-size regulations?
- climate change
- which history to preserve?
- no public buy-in
- how to prioritize what is most important?

A sample of historic preservation challenges identified by August 25 and DIG meeting attendees

out to Valley residents specifically, but was not as well attended as the first. Again representatives from Douglas Indian Association and HRAC attended, as well as historic residential home owners, tourism industry workers, a representative from the Downtown Business Association (DBA) and others. As with the first meeting, attendees were generally supportive of and interested in development of a Historic Preservation Plan for Juneau. The smaller attendance resulted in great dialogue and brainstorming among attendees, including discussion regarding the Main Street Approach to community revitalization, the need to provide heritage-related opportunities to both local residents and visitors, the need to develop heritage-

related education opportunities for students, and the regulatory, financial and technical challenges to historic preservation faced by historic building owners.

The planning team was invited to present at DIG's August 26th meeting. DIG is a volunteer group of downtown Juneau business owners and others interested in improving the downtown community who meet twice monthly. Twenty DIG members attended the August 26th meeting. For the meeting, the planning team ran through an expedited version of the visioning and goal development exercises completed at the public meeting on August 25. A sample of responses to the exercise question regarding challenges is included in the call-out box to the right, tables detailing full responses to all exercises are included at the end of this report. DIG members were particularly interested and concerned about coordinating the historic preservation planning effort with other CBJ planning processes, collaborating with the private business sector on plan development, and establishing a transparent and reasoned process for determining Plan priorities.

The planning team also conducted an online survey using the Survey Monkey format. The survey was accessed and publicized through a link on the CBJ historic preservation web page. The survey was also publicized through email blast to key stakeholders, the CBJ main web page, the August 25 and DIG meetings, and word-of-mouth. The survey was open in August for three weeks prior to and after the August 25 and 26 meetings, and included 11 questions, two of which were open ended. Similar to the public meetings, the survey was designed to gauge public interest and understanding of historic preservation, and get at visioning, goal and action development. A total of 49 people responded; quantitative survey results are presented at the end of this report, immediately following recommendations.

The comments heard during the public process generally aligned with the existing goals and objectives of the 1997 plan. The planning team did however hear a lot about the need to fully involve and celebrate Alaska Native culture and heritage in the Plan update, and in particular work on the inventory, education, interpretation and preservation of important Alaska Native sites/places such as the Juneau Indian Village, Douglas Indian Village, and Indian Point/Auke Cape areas. One meeting attendee summarized the intent behind a number of meeting comments by stating that the Plan should serve to *bring about community cohesion, by celebrating all of Juneau's cultures and history*.



Kamal Lindoff and Bernadine DeAsis, both from the Douglas Indian Association, at the site of the Douglas Indian Village. The Village Site is now a ball-field and skating rink.



Renee Hughes and Galena at the Sentinel Island Light Station



Douglas Indian Association members in the Taku Inlet, with Taku Glacier in the background

Visitors to the Last Chance Mining Museum



Important and Favorite Juneau Places

- Indian Point / Auke Cape
- Douglas Indian Village
- Skater's Cabin
- Sheep Creek
- Juneau Indian Village
- Perseverance Trail and Valley
- Treadwell Mining Area
- House of Wickersham
- AJ Mining Area
- My house
- Starr Hill
- Evergreen and Douglas Cemeteries
- Capitol Building
- Downtown Historic District
- Sandy Beach
- Amalga Area
- Merchants Wharf
- Arcticoy Building
- Senate Building
- Old Theater Building
- Last Chance Mining Museum
- Underground Mining Tunnels
- Mendenhall Glacier Visitor Center
- Auke Rec
- Valentine Building
- Deharts
- Governor's House
- Cope Park
- St. Nicholas Russian Orthodox Church
- Sentinel Island Lighthouse
- St. Therese Shrine
- Jensen Olsen Arboretum
- Montana Creek
- Gold Creek
- Berners Bay Village

The planning team also heard (overwhelmingly in the online survey) that through historic preservation, Juneau's sense of community and place are strengthened and enhanced, and that historic preservation enhances economic opportunity. The inclusion of economic opportunity as an outcome or reason for historic preservation is an entirely new vision and goal for Juneau, which was not discussed in the 1997 Plan.

In the August meetings where attendees were asked about existing roadblocks to preservation, much of the public discussion and comment focused on a lack of financial incentives, or lack of awareness of financial incentives; a lack of interpretation and education regarding historic resources and preservation in general; that there is no engagement with or interest on the part of younger people; and that it is difficult to figure out what/how to prioritize.

All of these challenges present opportunities for updated Plan goals, objectives and actions. In fact, meeting attendees suggested a number of creative ideas for specific actions or tools that could be part of the Plan, including:

- development of education curriculum for historic places similar to the art boxes used in the schools
- a how-to guide published on the CBJ website and made available in print that connects historic property owners with information on how to preserve/restore/rehabilitate their property, who to talk to (contractors) and what financial incentives are available to owners
- place name and interpretation signage in Tlingit Language
- CBJ Brochure with all historic building related building code information
- revamped and improved historic site walking tour brochure
- uniform plaque program to recognize and describe historic buildings
- live weekly/monthly story-telling program broadcast on radio (or posted to web)
- Juneau-area heritage site visitation punch card (similar to National Park Service Passport program)
- monthly events that celebrate Juneau's diversity and poke fun at stereotypes. A "Fry Bread vs Funnel Cake" competition for example
- fund preservation projects through existing CBJ permit fees. \$1.00 from each permit fee to establish local incentive funding.

Public meeting attendees and survey respondents also commented that the Historic Preservation Plan and planning effort should be integrated and coordinated with other CBJ planning efforts and external groups, including notably the efforts of the DBA, which is currently researching implementation of the Main Street Approach in the downtown business district.

It is important to note that while meeting attendees and survey respondents were generally supportive of the Plan, some expressed concern regarding additional regulation and restrictions that may come from the Plan, particularly restrictions to property development or building modifications, and increased regulation of property uses. This concern demonstrates a need for additional outreach to and involvement of key stakeholders during Phase II of the planning process.

Recommendations

In comparing responses from the public outreach conducted for Phase I with the 1997 draft plan, it is clear that the 1997 plan will serve well as a basis for the updated Plan. The 1997 plan contained four primary goals and eight objectives. A series of implementing actions (generally two to six) was identified for each objective. These goals, objectives and implementing actions are largely consistent with public response for potential goals and objectives identified during Phase I outreach. To complete the next Phase of planning, and overall development and implementation of the Plan, the following is recommended:

Plan Content and Mechanics

1. Rewrite visioning, based on results of public outreach for Phase I (this report) and Phase II. Visioning concepts from 1997 should be amended to incorporate the greater emphasis placed on inclusivity and the concept of historic preservation as a catalyst for community cohesion and cooperation, and economic development.
2. Consider reframing 1997 goals into simpler, more holistic concepts describing what Juneau will be. Tie goals to discrete objectives and implementing actions. Many of the objectives and actions identified in the 1997 plan are still applicable and can be assigned to newly revised goals. An example of goal, objective and action revision:

1997 Plan Goal: *to preserve and protect the unique culture of Juneau's Native People including buildings, sites, traditions, lifestyles, language and history*

2017 Plan Goal: *Juneau is a diverse community with a strong sense of culture and history*

Objective: *Integrate Alaska Native culture into CBJ interpretation efforts*

Action: *Display Tlingit place names and language on all new interpretive and recognition signage*

Objective: *Tourism Industry portrays Juneau's diverse culture and history accurately*

Action: *Establish "heritage ambassador" program with cruise industry to fund onboard liaisons to educate passengers on Juneau's culture and history*

3. Consider organizing Plan goals, objectives and actions into categories that relate to CBJ functions and Plan implementation. These categories include Administration, Management Tools, Identification and Inventory, Education, and Incentives and Benefits. An example of the application of this kind of goal and action categorization is available in the City of Tacoma Historic Preservation Plan (<http://cms.cityoftacoma.org/Planning/Comprehensive%20Plan/11%20-%20Historic%20Preservation%206-14-11.pdf>)
4. Work with a Tlingit language expert to include Tlingit place names and other Tlingit words and names (as appropriate) throughout the Plan.
5. Consider carefully the way history is referenced in the plan, to ensure inclusivity of the varied histories of Juneau's residents. Meeting attendees suggested avoiding use of the term "prehistory" in favor of more inclusive and barrier-free terms such as "deep history."

6. Create an implementation plan for actions that includes both a schedule and identification of entities responsible for implementing Plan actions.

Public Outreach and Stakeholder Involvement

1. Attend a meeting of the Alaska Native Sisterhood (ANS) and Alaska Native Brotherhood (ANB). At the August 25 meeting, a representative of the ANS invited the planning team to attend one of their meetings to talk with members about historic preservation. CBJ and HRAC should follow up on this invitation and also try to talk with the ANB.

2. Prepare a Public Involvement Plan and conduct more focused outreach and engagement for Phase II. The plan and proposed outreach should:

- allow for public engagement in both Plan development and Plan review

Conduct a public meeting at the beginning of Phase II to lay out the process for the rest of the Plan and collect any additional input, then conduct a public meeting at the end of Phase II to present the public review draft of the Plan.

- include strategies for a strong digital and social media presence

Greater engagement with the younger residents of Juneau—those 40 and under, including high school and University students—is needed. As one meeting attendee noted, the younger and future generations are the ones who will be most affected by the Plan.

Also, one central point of information, such as a project website, is needed to assist the public in understanding and tracking the progress of the Plan development.

- include focused stakeholder workshops to identify plan goals, objectives, actions and implementation strategies, for the following topic areas: education and interpretation, economics, regulations and land use, survey and designation, and heritage tourism

The focused workshops should be two-fold: first part educational, second part brainstorming. Stakeholders should be identified and invited specifically. For example, for the education and interpretation workshop, identified and invited stakeholders should include students, teachers, and museum/interpretation staff from throughout the community. Ensure that identified and invited stakeholders cross generations and include people from under-represented communities, such as the Alaskan Native and Filipino communities.

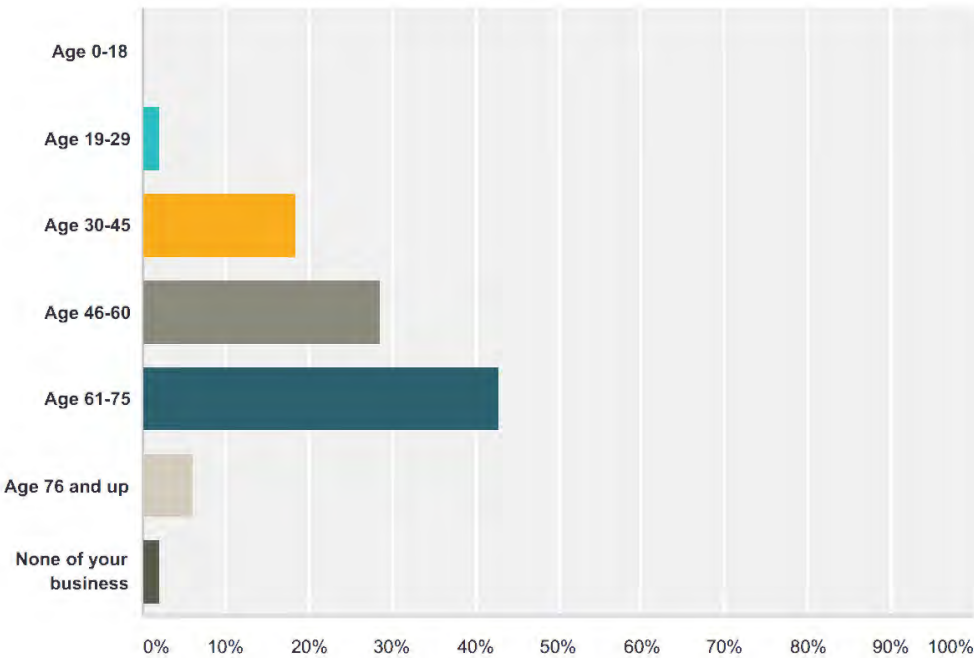
3. Identify a steering committee of up to 11 individuals (to be consistent with CBJ Plan guidelines), potentially including: a representative from the Alaska Native community, a student, an educator, an HRAC member, a historic house homeowner, a local business owner, a local developer, a preservation organization representative, a real estate representative, and other representatives from key stakeholder groups, to guide completion of the plan, assist with outreach efforts to respective stakeholder groups, and champion Plan adoption by the Assembly. The steering committee should work directly with the HRAC and CBJ in the review of plan drafts and participation at public meetings and focused stakeholder workshops.

4. Establish a liaison with the Downtown Business Association (DBA). The DBA's interest in implementing the Main Street Approach for the downtown area aligns closely with CBJ and public interest in historic preservation. DBA actions to implement the Main Street Approach will likely align with Plan actions.

Online Survey Results

Q1 How young are you?

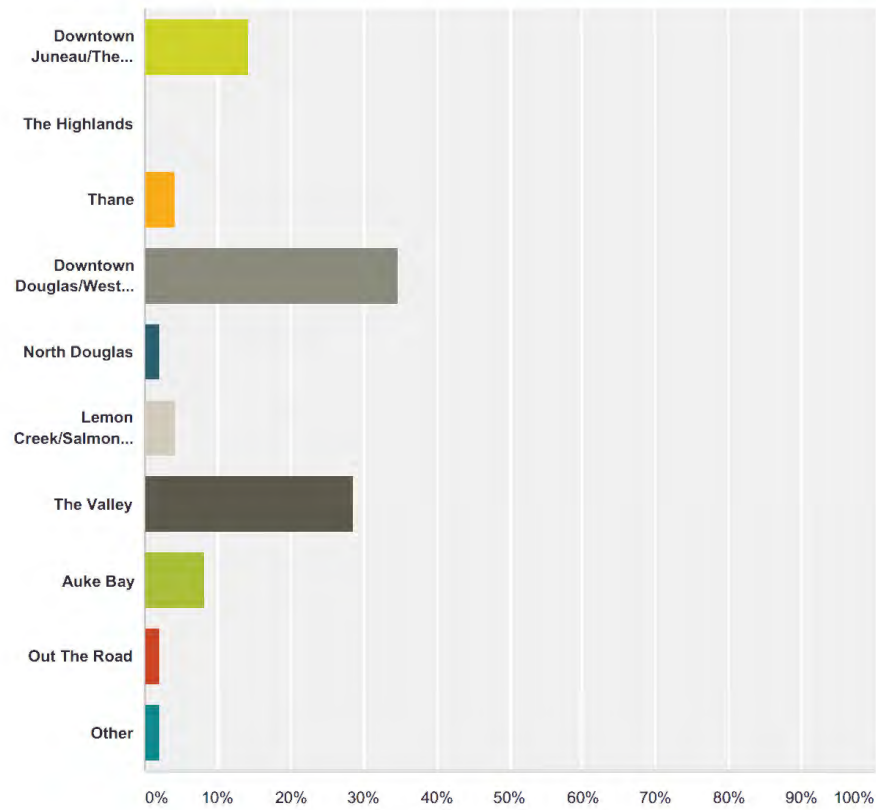
Answered: 49 Skipped: 0



Answer Choices	Responses	
Age 0-18	0.00%	0
Age 19-29	2.04%	1
Age 30-45	18.37%	9
Age 46-60	28.57%	14
Age 61-75	42.86%	21
Age 76 and up	6.12%	3
None of your business	2.04%	1
Total		49

Q2 Where do you live?

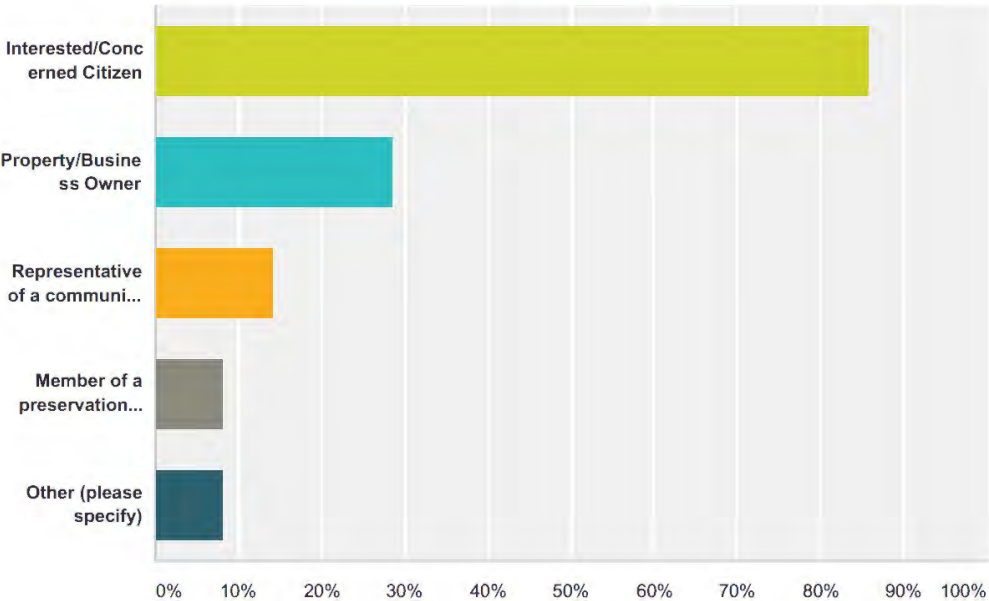
Answered: 49 Skipped: 0



Answer Choices	Responses
Downtown Juneau/The Flats	14.29% 7
The Highlands	0.00% 0
Thane	4.08% 2
Downtown Douglas/West Juneau	34.69% 17
North Douglas	2.04% 1
Lemon Creek/Salmon Creek	4.08% 2
The Valley	28.57% 14
Auke Bay	8.16% 4
Out The Road	2.04% 1
Other	2.04% 1
Total	49

Q3 What is your connection to Historic Preservation? (Please check all that apply)

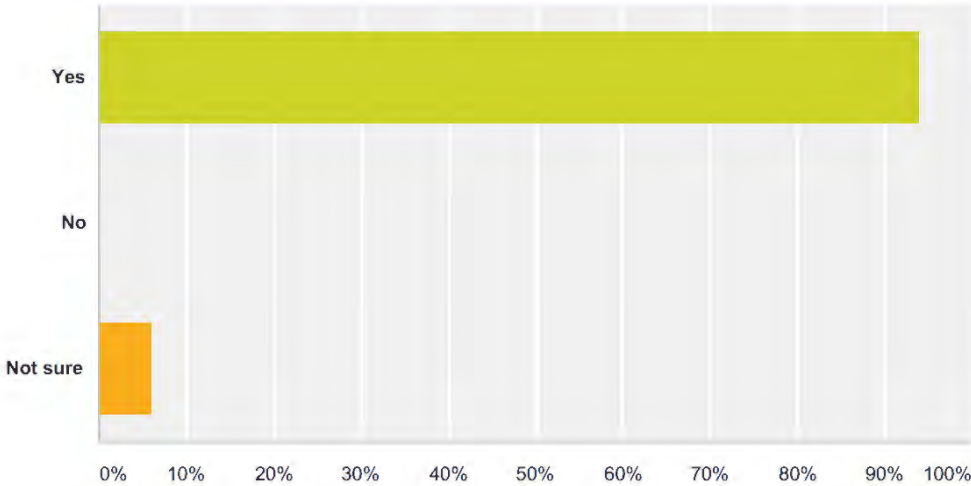
Answered: 49 Skipped: 0



Answer Choices	Responses	
Interested/Concerned Citizen	85.71%	42
Property/Business Owner	28.57%	14
Representative of a community group	14.29%	7
Member of a preservation organization	8.16%	4
Other (please specify)	8.16%	4
Total Respondents: 49		

Q4 Do you believe historic preservation is a worth while goal?

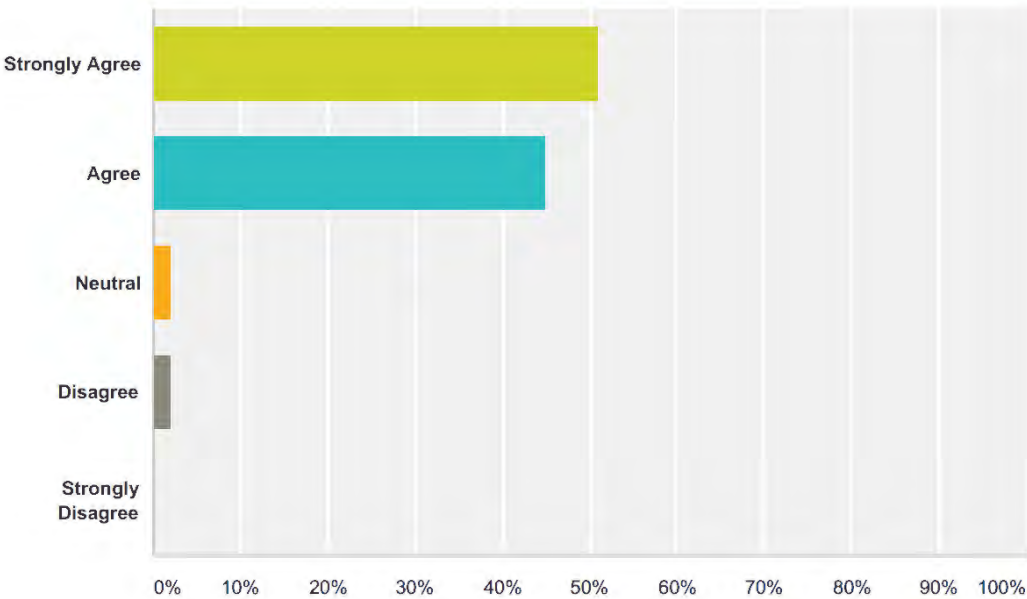
Answered: 49 Skipped: 0



Answer Choices	Responses
Yes	93.88%
No	0.00%
Not sure	6.12%

Q5 Please state whether you agree or disagree with the following statement: It is important to identify and preserve the historic, archaeological and cultural resources within Juneau.

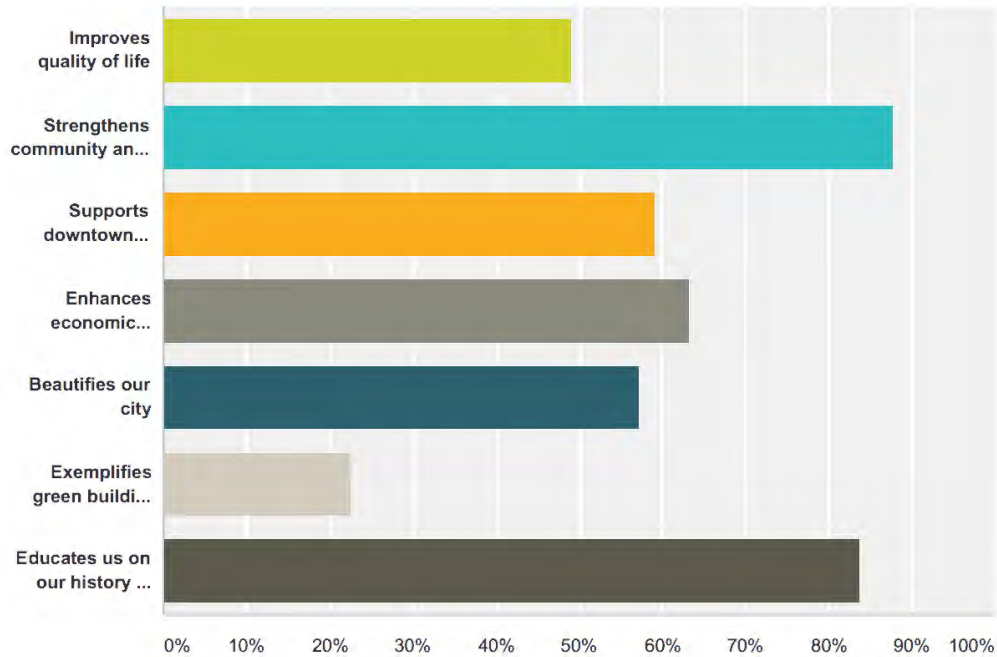
Answered: 49 Skipped: 0



Answer Choices	Responses	
Strongly Agree	51.02%	25
Agree	44.90%	22
Neutral	2.04%	1
Disagree	2.04%	1
Strongly Disagree	0.00%	0
Total		49

Q6 If you agreed with question 5, why do you think it is important to preserve Juneau's historic resources? (Click all that apply)

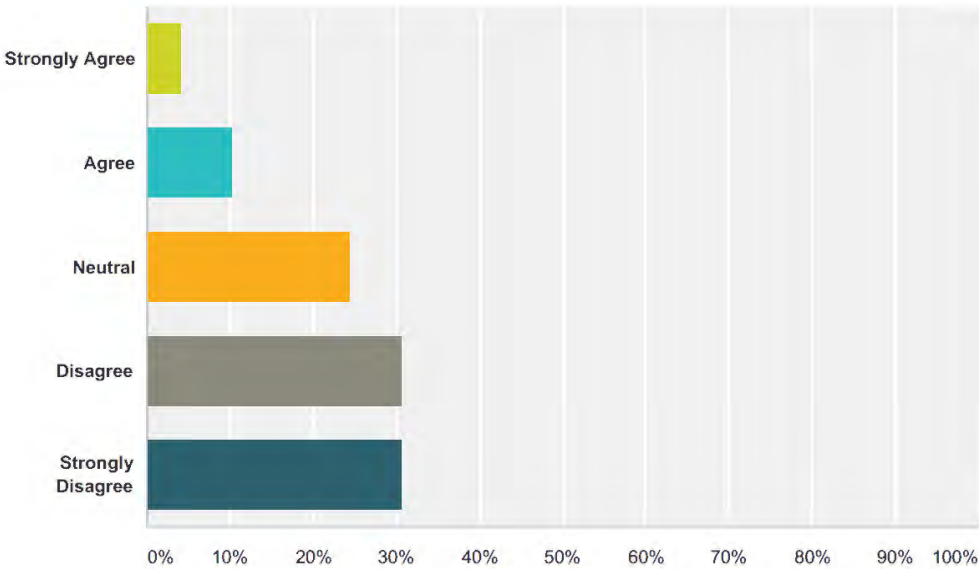
Answered: 49 Skipped: 0



Answer Choices	Responses	
Improves quality of life	48.98%	24
Strengthens community and provides a sense of place	87.76%	43
Supports downtown revitalization	59.18%	29
Enhances economic opportunity	63.27%	31
Beautifies our city	57.14%	28
Exemplifies green building and sustainability	22.45%	11
Educates us on our history and culture	83.67%	41
Total Respondents: 49		

**Q7 Please state whether you agree or disagree with the following statement:
Preserving Juneau's historic,
archaeological and cultural resources
hinders development.**

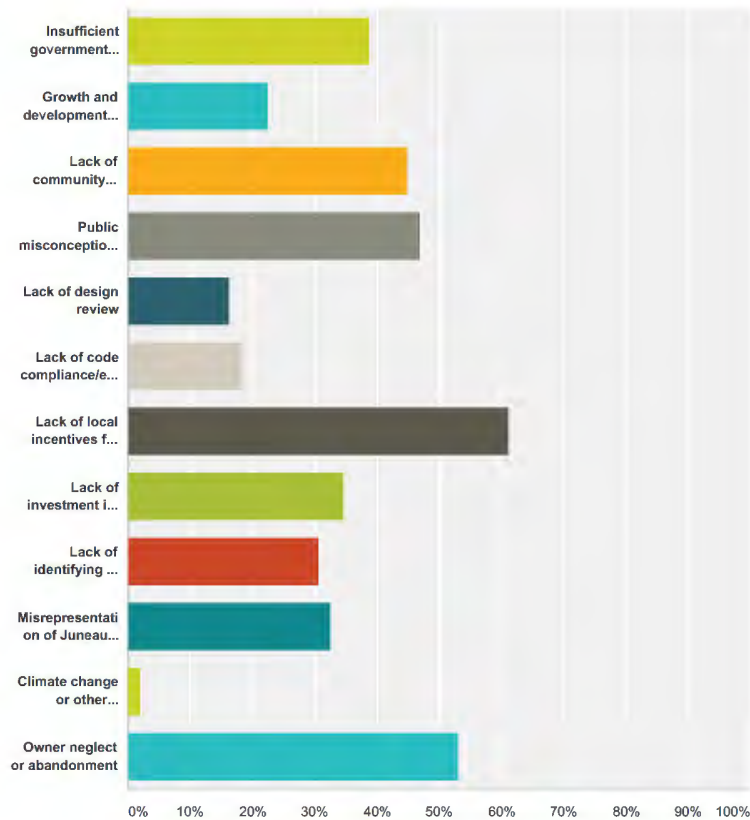
Answered: 49 Skipped: 0



Answer Choices	Responses	
Strongly Agree	4.08%	2
Agree	10.20%	5
Neutral	24.49%	12
Disagree	30.61%	15
Strongly Disagree	30.61%	15
Total		49

Q8 What do you think are the biggest challenges facing Juneau's historic resources? (Click all that apply)

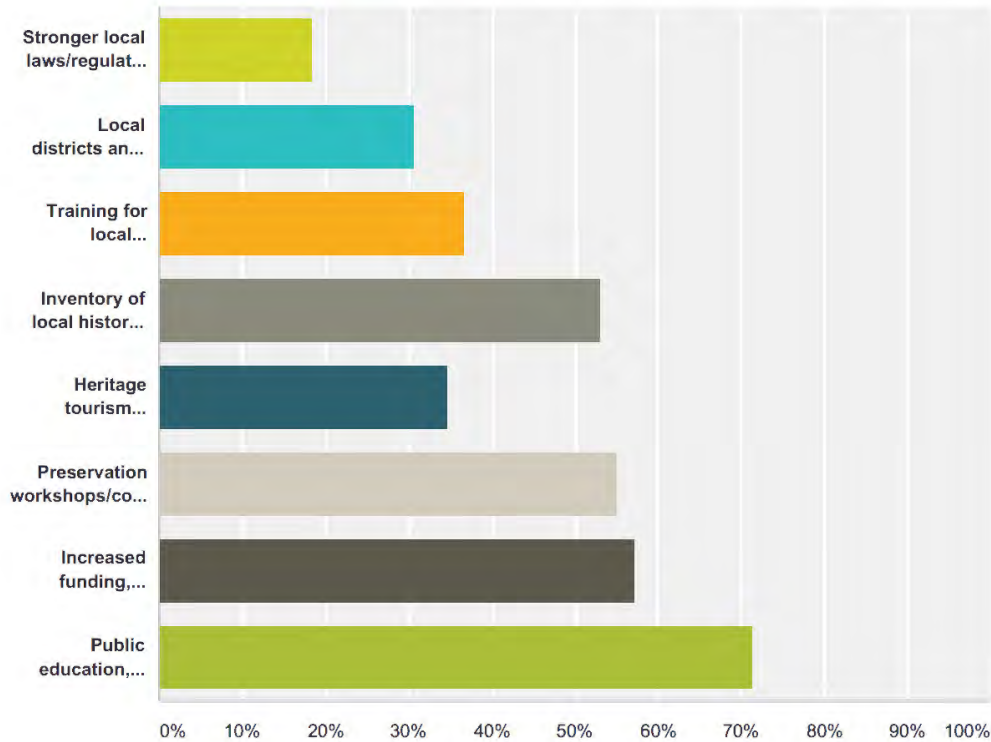
Answered: 49 Skipped: 0



Answer Choices	Responses
Insufficient government funding/incentives	38.78% 19
Growth and development pressure	22.45% 11
Lack of community interest in historic preservation	44.90% 22
Public misconception of historic preservation	46.94% 23
Lack of design review	16.33% 8
Lack of code compliance/enforcement	18.37% 9
Lack of local incentives for preservation (for example: property tax credits or abatement, facade improvement grants, historic building identification plaques, etc.)	61.22% 30
Lack of investment in the historic district	34.69% 17
Lack of identifying and interpretative markers, including identification of the historic district, Alaskan Native cultural sites, interpretive signs, historic building plaques, etc.	30.61% 15
Misrepresentation of Juneau's history and/or Alaskan Native culture and history by the tourism industry	32.65% 16
Climate change or other environmental concerns	2.04% 1
Owner neglect or abandonment	53.06% 26
Total Respondents: 49	

Q9 Which of the following preservation tools do you feel are the most effective and realistic approaches for preserving Juneau's historic places? (Click all that apply)

Answered: 49 Skipped: 0



Answer Choices	Responses	
Stronger local laws/regulations	18.37%	9
Local districts and design review	30.61%	15
Training for local government decision-makers	36.73%	18
Inventory of local historic places	53.06%	26
Heritage tourism programs	34.69%	17
Preservation workshops/conferences for property owners, developers, realtors, etc.	55.10%	27
Increased funding, grants, and tax incentives	57.14%	28
Public education, recognition and interpretation program	71.43%	35
Total Respondents: 49		

Public Meeting Comments and Open-Ended Survey Question Responses

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To Me, Historic Preservation Is...	Juneau's Historic Preservation Plan Will...	3 Actions to Meet This Vision	5 Places Important to You
embracing Juneau's unique grounds and communities	help create more opportunities for education	participate in a survey of existing historical sites	historic hotels
restoring historic buildings	create or encourage more signage about the existing historic buildings	map historical and cultural resources in space and time throughout CBJ	Merchants Wharf
curious	rebuild all longhouses or assist in doing so	address increased regulations, perceived/realized regulations	Eagle Valley Trail
preserving built environment for education and enjoyment	put up signage in Tlingit Language	organize, strategize, publicize	Amalga Area
respecting the built form	a guide for authentic historic tourism destination	information about what identifying as historic building/blocks/neighborhood means (paint?) change features?	West side of Mendenhall Lake
preserving historic sites (not just in HD)	develop plaques and pictures of buildings and land for observation by tourists and other public when they visit	expand/enlarge the downtown historic district--controversial	Skaters cabin
nice town--preserving that	identify our surroundings by their traditional Tlingit place names with signs	specific information about advantages for Juneau as historical tourist destination	Sheep Creek Valley
presenting history through photography and in person	save the remote areas of Juneau and reconnect them to the public by rebuilding/repaving historic roads/trails	get preservation in the public dialogue (multigroups, multiages)	Perseverance Valley
the past, the present and how we use it in the future	look at reclaiming the lost property AJ and property that was sold to Avista	streamline focus goals for most practical effective document	The Village (Auke)
the culture that explains who we are, what we are, THE VILLAGE	spruce up and clean up downtown	identify funding and project resources to support goals	Berners Bay Village
restoring the built environment	help transmit and protect, evolve a sense of place, give vibrancy to past and present activities of Juneau's people	respectfully document and create signage which accurately tells the history of segregation in Juneau and also uplifts the people who fought for desegregation--- William Paul, Frank Johnson, the ANB, ANS, Elizabeth and Roy Peratrovich, etc.	Sealaska Heritage
maintaining a city that people want to live in and is attractive to visitors	preserve buildings and maintain	get the city to think history instead of modern every building city builds is modern design	Sandy Beach to Lucky ME
understanding the past	be integrated with ongoing development, help clean up and improve downtown	organize, look for financing, get more community support, talk it up in the newspaper and radio	Treadwell
restoration of built environment	make all of downtown look historic, make theme	listen to the elders	Douglas Indian Village
in my blood	make a nicer town and place to live with the old buildings maintained and spruced up	respect each others opinion	Old bookstore on N. Franklin (between front and second)-Capital theater building?
recognizes first people	help Juneauites identify what spaces and structures are important for them	be aware of what/how a specific place was used, its purpose	houses on Starr Hill
communicating history	propose develop a process for documenting culturally and historically important places and resources	create tax incentives	CCC cabin on Turner Lake
make history tangible	identify historic resources and assess state/condition	provide funding, enforce litter laws	Juneau Ice Field
roots of the community	protect and preserve natural and cultural resources that have cultural and historical significance to the peoples of Juneau area	generate community interest	Sheep Creek area/power plant

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To Me, Historic Preservation Is..	Juneau's Historic Preservation Plan Will...	3 Actions to Meet This Vision	5 Places Important to You
preserve sites, structures, landscapes important to community, cultures, groups	organize, standardize and highlight significant historical places as identified by the community to develop, maintain a vibrant place to live.	get it into school curriculum	Last Chance mining museum area
past, present and future	enforce the legacy of hydroelectricity, by preserving extant buildings and places as well as developing new generation of historic sites i.e. sheep creek, nugget creek. Underground utilities can be part of this preservation	listen to all voices in the community, uncover history from all sources	Montana creek trail/area
cool stuff to show my kids	to find answers how to preserve original Juneau village that made Juneau who we are today	obtain funding	Amalga and Peterson area
language preservation/revitalization	make a plan for saving preserving the history of the Juneau area to show and inform citizens as well as visitors	complete proposed plan	Village council house needs rebuilding and replaced
tool for understanding how we are and how we got there	provide a framework of places, activities and values the represent our community	approve from public support	Auke Rec
the Village	our history as a place for gathering food was important to us	get needed funds to complete proposed plan on table	Rebuild Treadwell recreation hall
	identify places that have largely been ignored but if preserved and interpreted will provide a fascinating learning experience for residents and visitor alike	put together a PR plan for the public education process, include the schools	state hist archive
	identify and protect historic buildings, sites, structures that remain in the town/borough for future generations. Ex loss of important buildings like the Gastineau Hotel, Cropley House	inventory historic buildings, using the current city records, define historic bldg.	movie theater downtown on front street
	help the village, bring out history of the village and people	enlarge historic district to 4th or 5th street	underground mining tunnels (AJ and related)
	preserve our history	revisit concepts such as historic core or downtown historic district	Arcticoy building
	maintain what we have	take risks	Auke rec
	will save the stories about the history of the buildings and neighborhoods, and let people know how important it is to the future of Juneau	manage congestion and noise	NW Douglas - Peterson Creek drainage
	uncover lost history	engage property owners	the historic Juneau beach front
	enlighten and educate residents and visitors about Juneau's culture and history, through preserving, restoring and uncovering historic/cultural buildings and places and their stories	quantify economic opportunity	natural area parks
	be useful and not sit on a shelf	identify, inventory and assess condition of historic resources	the bowling alley
	will be a living document that allows for change	illustrate economic benefit--existing and potential	totem poles- all of them
	be a guide for development	present to the assembly with community support (and present again if needed)	mendenhall campground at Auke Rec
	provide checks and balances before a place or building or artifact is removed or destroyed	fund the goals of the plan	sacred places and origin

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To Me, Historic Preservation Is..	Juneau's Historic Preservation Plan Will...	3 Actions to Meet This Vision	5 Places Important to You
	provide clear guidance in land use management decisions	gather people to help	the village (downtown)
	meet with elders of local clans to find out what they would like to preserve and how	partnerships between community entities on common goals- tourism with preservation groups	Indian Point
	provide a basis for measuring success or failure	maintain and preserve your historic property, volunteer to help those in need to protect their historic property	Gardens for Auke Rec for food!
	not use the term "pre-history" what does that mean? Madonna moss uses the term "deep history" instead	identify new historic district to expand/new	the village (original in Douglas)
	respectfully address Native history in the area	fun is good, funding is better--create list of priorities of projects to be pursued/funded	Berners Bay Village
	define the terms "history", "resources" etc.	need money/or donated time	Douglas Indian Village
	tell the history correctly- start at the beginning and correctly tell Native history. History is the foundation	communicate with property owners and people with specific interests	Dzintik'I Heeni (Gold Creek-mouth)
		consistently communicate those goals to all stakeholders	Indian Point
		develop clear, actionable goals and define the stakeholder responsible for achieving each goal	Auke Village in Juneau
		learn about the different types forms of history in our community	gold creek watershed including granite creek
		conduct and promote survey of all Juneau residents as to three buildings/site each considers most important	silverbow
		meet with elders	last chance
		create a website (specific to this plan) that is easy to find, navigate, and keep it updated	evergreen
		speak out publicly in support of historic preservation- assembly, newspaper, social media, community organizations	Douglas village longhouses
		develop historic preservation incentives- tax credits, low interest loans, design assistance	cope park
		educate one another	St. Nicholas Church
		get advice, information from groups that already know about the history	governor's house
		educate population as to importance, relevance, and economic opportunities	Treadwell mine office building
		take it slow, don't try to do more than is financially feasible to accomplish	capitol building
		define public goals, prioritize and fund through the CIP process	historic downtown waterfront
		implement a community energy plan which leads to living within our hydroelectric capacity	last chance mining museum area

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To Me, Historic Preservation Is...	Juneau's Historic Preservation Plan Will...	3 Actions to Meet This Vision	5 Places Important to You
		provide all information on site signs in English and Tlingit	state capitol
		make it fun	Douglas island cemeteries
		educate, educate, educate	skaters cabin
		spread the word through many different types of media (newspaper, Instagram etc.)	deharts
		educate about the history	senate building
		revisit property tax system so that dilapidated properties are improved- through very high taxes on buildings that are not maintained	wetlands
		learn the history of the first people!	gold creek
			Treadwell ditch trail
			Auke Rec/village
			shrine of St. Therese
			fish creek fort
			trail from knutsen farm (airport) to Amalga
			Amalga town and eagle
			valentine bldg.
			original place where first electrical generator was placed
			gold creek
			AJ mine buildings in last chance basin
			Harrisburg bldg.
			franklin bldg.
			deharts
			red dog salon
			empty lot next to parking garage
			Treadwell mine historic park
			sentinel island lighthouse
			capitol building
			terry miller bldg.
			downtown surrounding the historic district
			lighthouses
			downtown residential neighborhoods
			sentinel island lighthouse
			downtown historic district
			the shrine
			governor's house
			the old Indian school in Douglas (now the Juneau Montessori)
			AJ remaining up above town
			some of the boarded up downtown buildings that were part of AELP/Juneau mining properties
			engine repair building up at last chance mining museum

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To Me, Historic Preservation Is...	Juneau's Historic Preservation Plan Will...	3 Actions to Meet This Vision	5 Places Important to You
			capitol theater building
			Treadwell office building
			eagle beach
			the new SLAM bldg.
			city museum
			X'unaxi (Indian Point)
			Gatheení- stream which pours out from Aak'w (Auke Lake)
			the old Douglas Indian Village (Savikko park)
			Kaxdigooown Heen (Montana Creek)
			Aanshgaltsoow (Auke Rec)
			old Juneau Opera House or houses
			Taku River Tlingit Villages
			Jensen Olsen Arboretum
			The Dock
			merchants wharf
			Mendenhall Glacier and Visitor Center
			Jensen Olsen Arboretum
			the destroyed Douglas Indian Village
			Juneau Indian Village
			Auke Village
			Auke Cape
			Mendenhall Glacier and environs
			AJ bldg. down at the end of Franklin
			downtown Juneau Historic District
			Downtown Douglas and Sandy Beach
			all maritime places- docks, waterfront etc.

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3 Favorite Places	Challenges to HP	Tools to Overcome Challenges
Douglas Indian Village	funding costs	collaborate with private govt
Juneau Indian Village	costs funding	public fund drive
Treadwell Mining Area	funding	historic tax credit education, seminars, handouts
Historic Downtown	costs to keep an old building in downtown	tax exemption for privately owned historic sites
Theater, Bank, Senate Building	funding	federal grants
Skaters Cabin/other CCC work	\$\$	recognition of first peoples, embrace their cultures
Capitol Building	prioritize projects	stories on website categorized people economics, architecture, etc.
City Museum	building code	new or expanded historic districts
All of Front St and Franklin	limited space for development	use cbj website for historic stories
Basin Rd and Flume Trail	limited space/opportunity	start weekly/monthly story program on tidbits of history, use Jim (Geraghty?)
House of Wickersham	cost	interpretive signs
Don's House (Don Harris)	lack of financial incentives	historic self walking tour maps
Mining Museum	no obvious economic incentive	signs
Evergreen and Douglas Cemetery	high financial cost to rehab and maintain historic properties and traditional villages	Tlingit Language Signage (SOA? DOT?CBJ?)
Perseverance Trail	cost for commercial buildings and residential buildings	education
Indian Point	cost	continue to survey and update properties as needed
AJ Mining Area	not necessarily highest and best use	nominate sites
Auke Village	financial incentives to preserve historic buildings	inventory Douglas, including village site and downtown Douglas
Carl and Heather's Home		educate property owners on pros/cons of preservation
Old trails near Auke Meadows	how benefit is measured by community? Need cultural alliances	signs to match maps
Berners Bay	lack of knowledge about funding sources	brainstorm win/wins- vacant historical buildings, affordable housing, financial burdens/cost

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3 Favorite Places	Challenges to HP	Tools to Overcome Challenges
	lack of public education about preservation- many believe bldg. and/or site preservation is a burden both financially and regulatory wise	let people know what is allowed (code wise)
	lack of awareness from general public	give more power to HRAC
	lack of knowledge of importance/heritage	creative guidelines to ease bldg. code, encourage maintaining historic fabric while allowing modern use/bldg. methods
	no one understands what preservation means	guidelines and programs for homeowners who want to have their homes on the historic register
	lack of knowledge and appreciation of historic values	give CBJ historic preservation commission authority, not just advisory
	lack of public or general knowledge about preservation and opportunities	guest speakers , elders, food prep, art, concepts
	publicity and accessibility of historic treasures to day visitors in summer (how to get the tourists to the historic places they can't walk to)	tax incentives
		reduced permit fees
		tax incentives for restoration
		create incentives and/or educate about benefits
		create TIF for downtown district-funds go back into district
		tax credits for historic properties
		create umbrella preservation non-profit that can spearhead preservation efforts
		better or more brochures, advertising.
		historic standards and guidelines
		site of friends of c.m.
		unbalanced representation- reach out specifically to native groups
		use JAHG for education/outreach
		radio spots--short pieces on special places
		open community outreach, "progressive vitality"
		use stereotypes to do outreach---create fun community events like fry bread vs funnel cake
		organized monthly weekly walks and learning opportunities

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3 Favorite Places	Challenges to HP	Tools to Overcome Challenges
		work with choose Juneau/CBJ to create a website with inventory, stories etc.
		create a visitation punch card--places of local community/cultural importance get visited, get a punch on the card (i.e. NPS passport), or consider a scavenger hunt event/Pokémon Go type thing
		include history of specific Juneau historic locations in school curriculum (similar to Art box concept)
		reach out to Tlingit elders
		directory of "who to ask" for private owners--how-tos
		historic tours for locals
		weekly news article on history and places
		volunteers/docents to speak about local historic quick trip options (i.e. Mobile Maidens)
		PR charts to cruise ships to include a local historic sites side trip for day visitors who want a piece of local color
		encourage year round use of stories and support facilities- i.e. housing
		work with tourist industry to create historic tours
		work with Sealaska Heritage on center NW art
		One page brochure with complete map of Juneau on one side and numbered with points of interest and description of each number on other side
		tourism shuttles to/from historic sites for 1 1/2 hour round trips with a couple of short stops for historical tour
		training for tourist information staff
		maps for a historic walking tour of downtown
		recognition of phonetics and language on cultural signage
		interpretive signs and historic tours
		signs at the wharf and Treadwell
		more interpretive signage and clear signage everywhere

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3 Favorite Places	Challenges to HP	Tools to Overcome Challenges
Territorial Govt Bldgs.	funding costs	collaborate with private govt
St Nicholas Russian Orthodox Ch	costs funding	public fund drive
Sandy Beach	funding	historic tax credit education, seminars, handouts
Zach Gordon House? Youth Cent	costs to keep an old building in downtown	tax exemption for privately owned historic sites
Hangar on Wharf	funding	federal grants
Willoughby Village Area and Land	\$\$	go to different groups (Filipino etc.) and ask for input
Last Chance	fear of cultural prejudice	use archives for information
Perseverance Trail	historical ignorance	engage youth in discussion, they must live with the results
Treadwell	making choices on what's most important	promote and use the historical library
Cope Park	agmt on what to with or about certain bldgs.	work cooperatively with other groups/plans
Capitol Bldg.	education to building owners on how to do a historical reno	continuing ed courses for building industry, including contractors
	public education re Juneau/Douglas history	classes and workshops for building owners
	public funding when priorities differ	when a bldg. has been upgraded, show as an example
	priorities (everyone has their own idea of what's important)	public media and native corp outreach
	HP not a high priority	significant time given for community dialogue to learn the various histories and define historic preservation
	hard to gain consensus on prioritizing	educating legislators on the historical significance of Juneau
	need a mission, need a philosophy on why we do it	work with the schools to educate students on what is history and what they think Juneau should focus on
	historic district interpretation	map delineating historic places (similar to art walk)

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3 Favorite Places	Challenges to HP	Tools to Overcome Challenges
	dominant culture versus native culture and how to define history	make formal structure to neighborhood associations to use these for education and support
	varying histories	increase communication regarding ongoing education events (e.g. museum)
	recent history of interpretation of historic district, getting public buy in	connections to jsd curriculum and objectives, lesson plans
	what makes something historic	downtown library and exhibit space available
	how to right size regulations	clearly define parameters of inventory and designation
	balancing preservation with development goals	redefine historic district and cultural district, expand period of significance and inclusive of other cultures
	climate change	have elementary students draw pictures of historic sites (like art box)
	how to preserve sacred places who's location must remain confidential	make a list of what we have and distribute that info
		need cbj approval of destruction, reconstruction and renovation of buildings over 100 yrs.
		presentation on history of Juneau at fireside chat
		public art archive
		history as living --using art to tell our story
		maybe allow and help with cost of signs on buildings of the original date and use of buildings
		include several pages in annual travel Juneau publication
		marketing, collaborate w/SLAM
		historic tours with options of varying histories, celebrate the diversity
		signage on old historic buildings
		finish and adopt the plan
		eliminate parking requirements for newly designated historic sites

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3 Favorite Places	Challenges to HP	Tools to Overcome Challenges
		regulations should keep it simply stupid
		downtown business district to tax themselves and to gain agreement on actions
		grants or fundraising to have Rockwell wall painted
		establish and native and non-native committee for regulations and land use
		clarify regulations and land use related to HP
		make tourists move up the hill
		guides to teach, help to get tourists to places that are not walkable from cruise ship
		have Juneau historian speak on cruise ships
		historic walking tour map for tourists
		work more closely with the cruise industry
		market tourism industry
		liaison to DBA and main streets

Response to Online Survey Questions 10 and 12, Page 1 of 2

What place(s) in Juneau mean the most to you?	Do you have any comments or other thoughts on historic preservation in Juneau to share with us?
Cope Park. Treadwell, Sandy Beach	
Cope Park. Treadwell, Sandy Beach	
Alaska Juneau Mill on Mt. Roberts Treadwell Mine area	
I love downtown Juneau, Basin Road and the flume trail. It feels like walking through history. I also think Auk Rec and summer camps of the Tlingit peoples are very important to remember and protect.	Thank you for doing this!
Auke Rec Basin Road Sandy Beach historic area Mendenhall Wetlands Glacier Historic Downtown buildings Eaglecrest North Douglas	Don't over develop downtown Juneau just for tourist industry. Preserve historic buildings.
unsure, recently moved to city	
Treadwell ruins Perservance ruins Downtown Juneau	Glad that some people are doing planning.
Auke Rec. Auke Lake	
Evergreen Bowl. Sandy Beach. Treadwell Ditch Trail and mine ruins.	
Annex Creek Power Plant (not the transmission line)	
No answer	All of the groups/actors should work together and keep the community informed.
Downtown Historic District	
Downtown Historic District	
Franklin Street structures Treadwell area AJ mine area Houses in downtown area	It's the flavor of the time. So many cities are doing this.
Douglas Island	
Native sacred sites Early religious sites Early US Government sites	
Downtown Core	Love it, if we can afford it.
Sandy Beach Russian Orthodox Church Perseverance	
Last Chance Perseverance Flume Trail Cope Park Area	
Jensen Douglas Arboretum Shrine of St. Theresa Skaters Cabin Senate Building	
No answer	
Downtown - Franklin & Front St. area Waterfront - MHTF wasteland (should be used and beautified instead of wasted	
House of Wickersham Flume Trail Treadwell Mine	
Governor's House, Capitol, etc.	I am working on the history of Juneau Garden Club. The Club has been actively working on beautification o Juneau and the Valley for 70 years.
Gov Mansion, Capitol	
Douglas Indian Village, Juneau Indian Village, Auke Village,Taku River Area, Treadwell area, downtown Juneau and	I think visitors and locals alike would enjoy learning about and seeing the preservation of our past.
Capitol Building City Library Front an Franklin Streets	Always use a carrot before a stick.
downtown, glacier	
Natural wild places. The historic places that were obliterated on South Franklin. The Flats district. Perseverance Trail.	
Sandy Beach Douglas	Would like to see more native culture in the gold mine historic districts, including Douglas and Sandy Beach area.
	Need flexibility in approach not rigid adherence to rules. Approach to Sealaska building one example when committee did not approve the bldg. Filipino Hall another example with approach to mural. In looking at art work development downtown it does not have to all be gold miners, etc. you can have the new exist quite well with historic if done right
Physical beauty of the place, not buildings	
old mining areas	

Response to Online Survey Questions 10 and 12, Page 2 of 2

What place(s) in Juneau mean the most to you?	Do you have any comments or other thoughts on historic preservation in Juneau to share with us?
Old mine sites throughout CBJ, cemeteries, all historic buildings downtown and on Starr Hill, Auke Village, Capitol, Glacier and visitor center, historic buildings Douglas, Coast Guard building on waterfront, Merchants Wharf, old Native village, Governor's house, Evergreen Bowl	
Treadwell mine area, Brotherhood Bridge area, Glacier and surrounding trails, Cope Park, etc.	
Downtown historic district	Just reading the questions and limited answers provided speak volumes to the lack of respect and understanding the survey creator has for the role the private for-profit business sector has in the downtown core.
Natural places	
I think downtown is unique, but I think there are many building and property owners that make choices not to reinvest in their property. I also know there is a push to bring "higher class" groups of people into downtown. But I do fear that this will squeeze out what little moderate and low-income housing is available. Lastly, I think we can definitely do a better job remembering, honoring, including the the history and contributions of our Tlingit brothers and sisters.	
downtown corridor; neighborhoods such as starr hill and chicken ridge;	in answering the above question i was struck by my inability to include any place that represents the heritage of native Alaskans. They have a unique and beautiful way of looking at structures within the natural environment. This approach is evident in subtle ways and it would be nice for us as well as tourists to be able to celebrate that.
Mendenhall Glacier Downtown District Auke Bay area	I'm not terribly familiar with this issue, but I would like to be more informed.
I love our historic downtown.	
Capitol, Governor's House, Treadwell, Mining sites and trails, Mendenhall Glacier Area, Auke Rec, Downtown	A historic resources walking map of downtown that included the historic district, mining statue, USS Juneau, Main Street (Bronze Bear, Seward Statue, Capitol, City Museum), Governors. House, Empty Chair sculpture, Russian church, Native Guard statue, APK Museum (SLAM), Whale sculpture and others that relate to our history.
Downtown Douglas and Juneau "Indian Villages".	
Treadwell area, perseverance basin, auke rec/village.	
Lemon Creek. It has no preservation advocates but plenty of business advocates.	Need to think beyond Juneau and its mining history. Wilderness preservation and Native presence in the Juneau area has its own stories to tell.
Every place in Juneau means the most to me. I have been here and watched what has happened to this town. When you see South Franklin Street look like there is a hurricane coming...you know tourist season is over. Downtown just died....but it will come alive again in the Spring...Where are the FACADES that make Juneau Juneau? International Diamonds Tanzanite Jewelersno matter where you go and what tour ship you disembark they All look the same...	Current CBJ mentality seems to be to get rid of anything that is over 30 years old....tooo bad ...they don't understand that they are standing on the shoulders of those who went before them A Whale that shoots water out of its fins? Yeah right...I am soooo excited. NOT! This is what we are saying Juneau was built on and represents?
Capital buildings, Treadwell and AJ mines.	
Don't have a favorite. I just love everything about the history of this lovely place, and want it to stay accessible to all.	
More hiking	More activity for young people
Glacier, wetlands, museums	



2018

ALASKA STATE LEGISLATURE SATISFACTION SURVEY RESULTS



Completed by the Juneau Economic Development Council in partnership with the Alaska Committee. JEDC research efforts are supported by core funding from the CBJ.

First Edition: 2018



Edited: June 12, 2018

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Appendix 1: Comments received **Error! Bookmark not defined.**

EXECUTIVE SUMMARY

The Juneau Economic Development Council (JEDC) partnered with the Alaska Committee to survey all elected officials and staff of the 30th Alaska State Legislature about their satisfaction with Juneau and its amenities. The survey objective was to determine how the community of Juneau, through collaboration among community partners, can better serve legislators and staff. The survey also served to elicit ideas for changes or upgrades to the Capitol Complex and for improvements to Gavel Alaska.

The survey was made available to elected officials and staff both in paper and online in March 2018. 135 responses were received, providing an overall response rate of 55 percent and a 5.7 percent margin of error at the 95 percent confidence level. Survey analysis focused on the 103 responses from elected officials and staff who made their home outside of Juneau.

Survey results show that for the most part, legislators and staff coming to Juneau for the session prefer to find accommodations in or proximal to downtown Juneau in a long-term rental and to get around by driving their own car. The safety, walkability, availability of affordable housing and parking downtown was found to be of primary importance to survey respondents.

Overall, Juneau received satisfactory ratings from out-of-town legislators and staff. The walkability of downtown received the highest satisfaction rating. The friendliness of the community, and Juneau's arts, entertainment and recreation also received the highest ratings.

However, the availability of parking, the safety and cleanliness of downtown, the affordability of accommodations, and the restaurant hours of operation received the lowest satisfaction ratings of all Juneau amenities. Many commented that they do not feel safe walking downtown due to the increase in vagrants and inebriates in recent years. Safety was also a concern due to poor snow and ice removal on sidewalks and streets downtown. Working with the City and Borough of Juneau (CBJ) to address these issues should be an immediate priority.

Suggestions for improved access to Juneau are consistent with findings of the Business Visitor Satisfaction Survey that was conducted simultaneously at the Juneau Airport and with past airport surveys. These included building the road, improving ferry service, providing more flights/late flights in the evening, and providing a shuttle between downtown and the airport.

Gavel Alaska, the service providing tv coverage of state government activities, is highly valued. Comments indicated that the service needs more publicity in the rest of the state and more availability on local channels. Suggestions for improvement included easier to navigate archives and less House, more Senate coverage.

Respondents gave the Capitol Complex high satisfaction ratings. Many complimented the well-maintained premises. Comments concerned the need for more space, and suggestions included moving the Governor and Lt Governor out of the building to free up space.

INTRODUCTION AND METHODOLOGY

The Juneau Economic Development Council (JEDC) partnered with the Alaska Committee to survey both elected officials and staff of the 30th Alaska State Legislature about their satisfaction with Juneau and its amenities. The survey was distributed in March 2018 to all legislators and staff, both in paper form and by link to SurveyMonkey, an online survey development and analysis tool, where the survey could be taken electronically. Respondents were asked to take the survey only once, in the form most convenient for them. The survey asked about living situation, transportation, satisfaction with amenities, satisfaction with capitol facilities, the importance of Gavel Alaska, and solicited opinion on how to improve the Capitol Complex and how to improve Juneau. Several questions were adapted from the Juneau Visitor Satisfaction Survey that was simultaneously conducted at the Juneau Airport to compare results.

The Legislative Satisfaction survey was developed by JEDC, with input from members of the Alaska Committee, Travel Juneau, the Juneau Chamber of Commerce, and Gavel Alaska. The survey consisted of 18 questions. Some were multiple choice, some were open response, and some were opinions based on a rating scale. To encourage participation, respondents were offered the opportunity at the end of the survey to submit their name into a drawing for a pizza party for their entire office. Anonymity was guaranteed.

The survey was launched March 15, 2018 when advanced notification was emailed to every legislator in the form of a letter of introduction from the JEDC Executive Director. The following day, the letter of introduction was hand delivered to each legislative office. The letter put legislators and staff on notice that the survey would be delivered to their mailbox on March 19. That day, the paper survey was delivered to all offices, and a link to the online survey was emailed to each legislator and staff. On March 27, a follow up email was sent to legislators and staff, and all completed paper surveys were collected from legislative offices. The online survey closed on March 30.

In total, 135 respondents completed the survey out of a total possible of 244 legislators and staff. This provides a 55 percent overall response rate with a 5.7 percent margin of error at a 95 percent confidence level. Of total respondents, 103 (76 percent) indicated that they do not live in Juneau year-round. This report discusses the survey results for this subset of respondents, as improving the experience of living in Juneau for this population is a specific intent of this survey. In some cases, results are compared to the subset of respondents who live in Juneau year-round. Further breakdown of responses is given in the chart below.

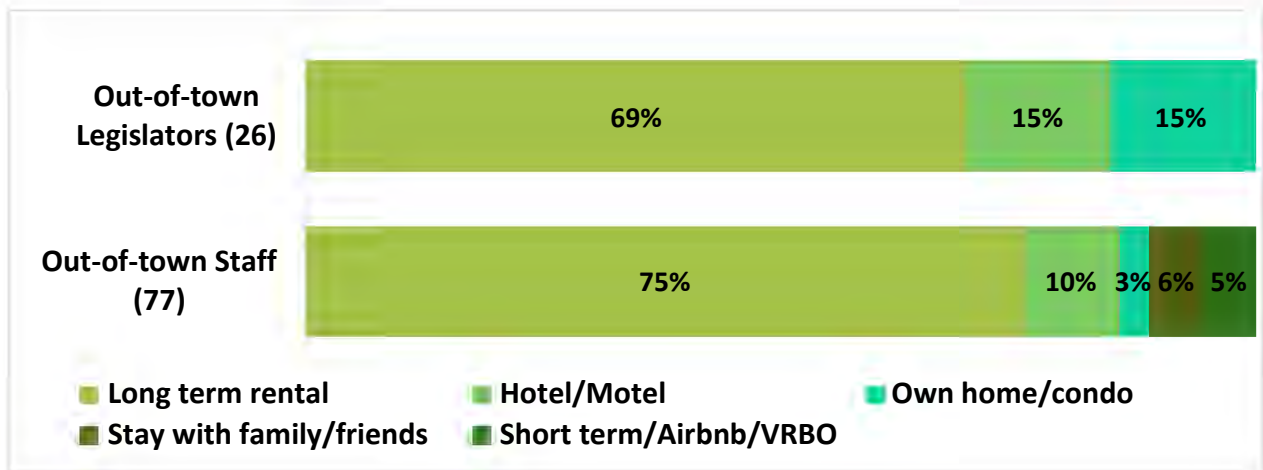
	<i>Total Pool</i>	<i>Responses</i>	<i>Percent of Total</i>	<i>Respondents from Out of Town</i>	<i>Percent of Total</i>
<i>Legislators</i>	60	28	47%	26	43%
<i>Staff</i>	184	107	58%	77	42%
<i>Total</i>	244	135	55%	103	42%

FINDINGS

Respondent Characteristics

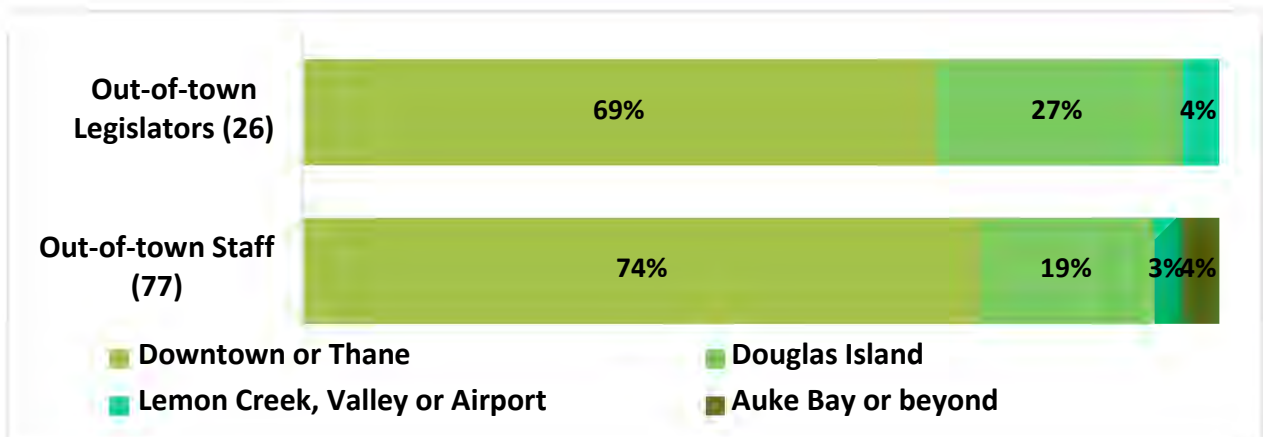
Among legislators who live in Juneau only during the legislative session, the majority (69 percent) find housing in a long-term rental, while 15 percent own a home in Juneau and another 15 percent lodge in a hotel or motel. Among out-of-town staffers, a higher number (75 percent) find a long-term rental, and only 3 percent own a home in Juneau. The rest find lodging in hotels, with family or friends, or short-term rentals. Lodging is more diversified, most likely reflecting lower pay and more turnover among staff.

Figure 1: What kind of accommodations do you have while in Juneau during this session?



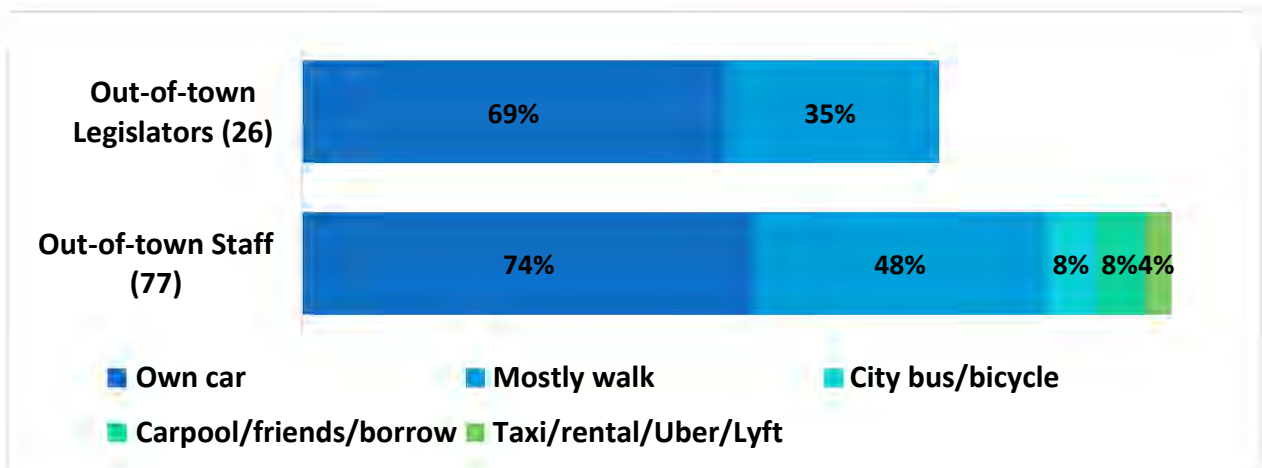
Legislators living in Juneau for the session prefer to live close to the Capitol, with 96 percent living downtown or on Douglas Island. Staff also prefer proximity to the Capitol, with 93 percent living downtown or Douglas. Again, there is more diversity among staff, with a few even living in Auke Bay and beyond.

Figure 2: Where in Juneau are your accommodations?



Despite proximity of housing to their offices, 69 percent of legislators indicated that their primary form of transportation during the session is their own car, and 35 percent primarily walked (more than one choice was allowed). No other option was selected. Staffers again were more diversified. While 74 percent drove their own cars and 48 percent walked, 20 percent also used other means of transportation.

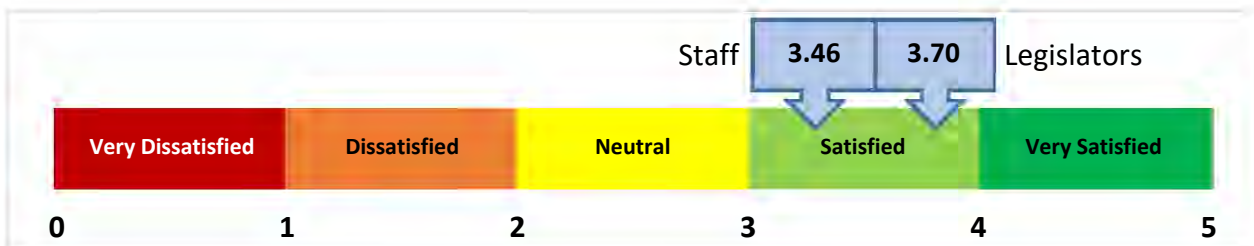
Figure 3: What is your primary form of transportation during this session? (More than one choice allowed)



Juneau Aspect Evaluation

The survey next asked a series of questions where, using a 1-5 scale, respondents were asked if they were very satisfied, satisfied, neutral, dissatisfied, or very dissatisfied with several aspects of their stay in Juneau (5=very satisfied, 1=very dissatisfied). Rating responses were averaged over the number of responses received for a question. The result is an average evaluation score for each aspect. Responses were tabulated for all respondents combined, and separately for legislators and for staff.

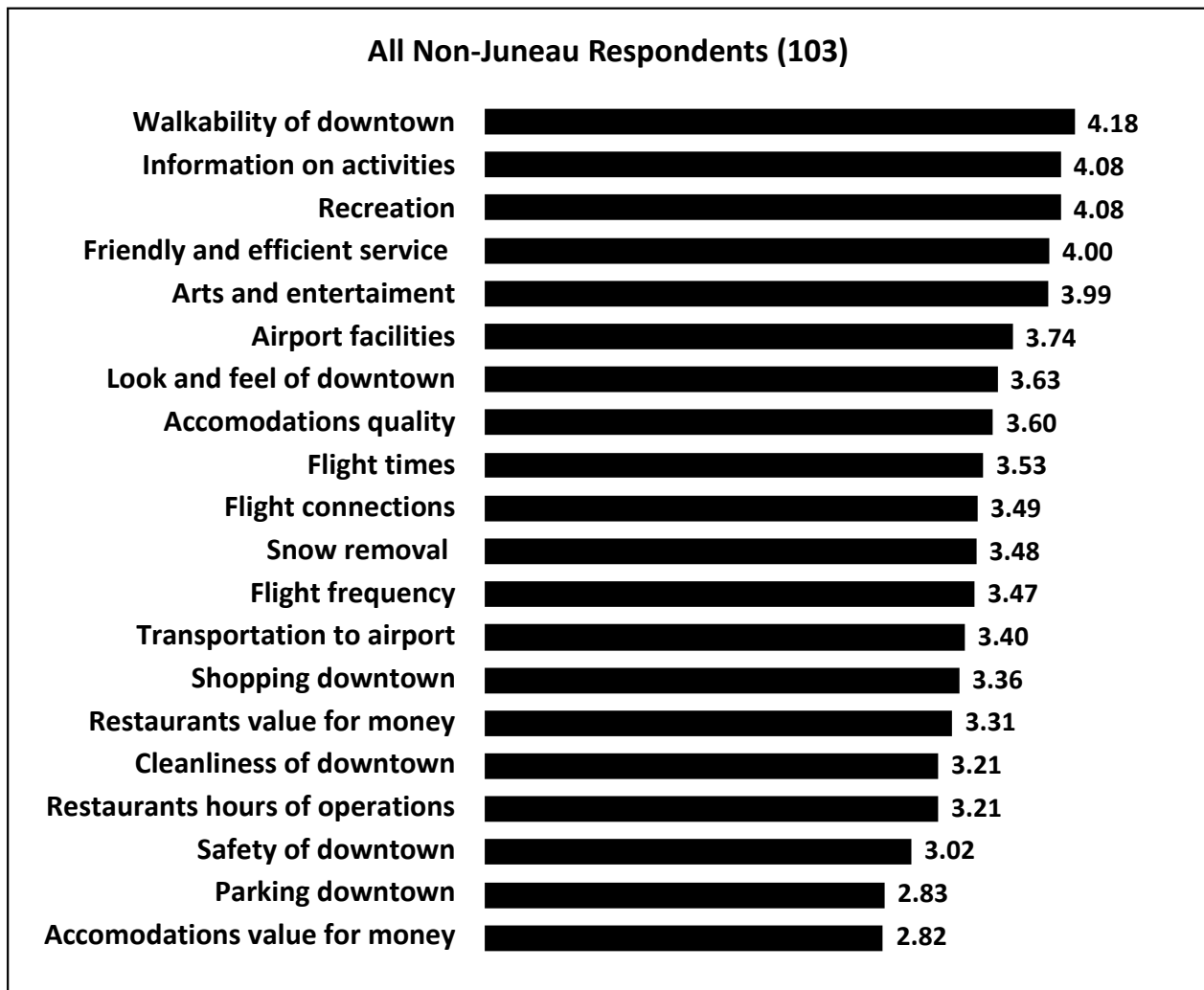
Figure 4: Overall rating of Juneau amenities



An overall average evaluation score was calculated for elected officials and for staff. Results showed that both legislators and staff were satisfied with Juneau, with legislators significantly happier than staff.

Individual scores for each aspect show Juneau to have a number of amenities that legislators and staff enjoy when they are here during session. Downtown is walkable; recreation, arts and entertainment get high marks along with information on activities; Juneau provides friendly and efficient service; and airport facilities are nice.

Figure 5: Average Evaluation Score from highest to lowest for all non-Juneau respondents



Respondents were given the opportunity to provide comments along with their satisfaction rating. Below are some representative comments:

- *Love Eaglecrest! So much more kid friendly than Alyeska.*
- *Great arts community....*
- *Love how many trail heads are accessible by car!! (vs boat) I spend as much of my free time hiking. Keeps me sane during the session.*
- *Senator Egan sends out an awesome summary of all the arts going on around Juneau.*

However, the bottom ranking aspects of Juneau should be of concern to the community, especially the low rank for safety and cleanliness. Respondents again were given the opportunity to provide comments along with their satisfaction score, and over 56 percent of all comments received about downtown Juneau concerned the perceived safety of downtown. Here are some representative comments.

- *I do not feel safe walking in downtown after work. Too many suspicious looking people.*
- *Franklin Street is scary with drunks and vagrants. I rarely go to shop downtown now due to this. I don't feel safe.*
- *I don't always feel safe walking downtown due to the number of suspicious characters. There's also a lot of trash and pot wrappers. Between the pot shops and bars, I avoid many areas.*
- *I am not comfortable walking to the library parking garage due to homeless and unlighted areas.*
- *The number of drunks, homeless and drugged individuals has increased dramatically. It doesn't feel safe to walk around downtown.*

Comments were also received about the cleanliness of downtown and the poor snow and ice removal from streets and sidewalks. Here are representative comments:

- *The sidewalks were tough to navigate earlier this winter. As the snow is melting, I'm seeing a TON of dog poop that wasn't picked up during the snowy days.*
- *Several times I had to walk on the road because Gastineau/Gold had so much snow piled upon the sidewalk - it was unwalkable. This is dangerous for me but also super inconvenient for drivers who have to avoid pedestrians in the street.*

Accommodation value for money and restaurant hours of operations also ranked in the bottom five aspects of Juneau overall. Comments focused on the limited hours of operation for restaurants at night and especially that restaurants were closed Sunday night. Comments also spoke to the high price and low quality of housing. Here are some representative comments:

- *It seems impossible to get dinner at a restaurant on Sunday, starting in the early evenings.*
- *Many coffee shops and restaurants close too early, so for long legislative days, the only options for food are bars.*
- *It's more than a little ridiculous that I pay almost as much in rent each month staying in Juneau as I do on my mortgage payment in Anchorage. It's also next to impossible to find housing if (when) the session gets extended. Also reasonably priced pet friendly places are so unbelievably hard to find.*

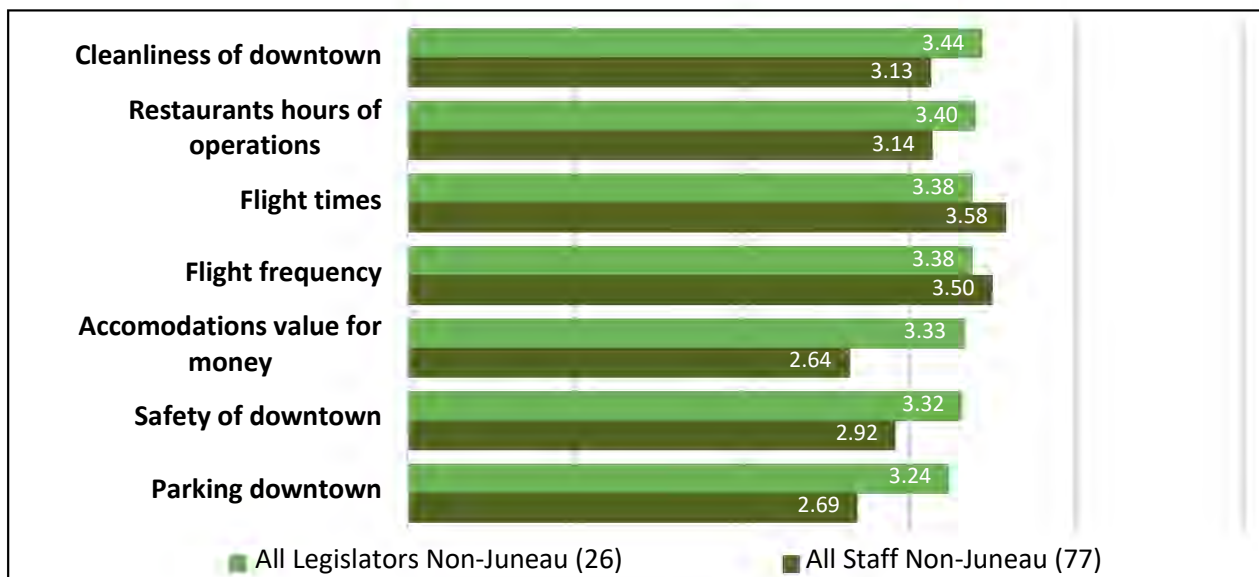
When responses from out-of-town legislators and from out-of-town staff are scored separately and compared, the 20 Juneau aspects have a different ranking.

Figure 6: Legislator and staff comparison of satisfaction ranking for top 5 and bottom 5 aspects

Legislator Satisfaction Ranking		Staff Satisfaction Ranking	
1	Information on activities	1	Walkability of downtown
2	Friendly and efficient service	2	Recreation
3	Walkability of downtown	3	Information on activities
4	Recreation	4	Arts and entertainment
5	Arts and entertainment	5	Friendly and efficient service
16	Flight times	16	Restaurants hours of operations
17	Flight frequency	17	Cleanliness of downtown
18	Accommodations value for money	18	Safety of downtown
19	Safety of downtown	19	Parking downtown
20	Parking downtown	20	Accommodations value for money

The ranking of the top five and bottom five Juneau aspects, from highest to lowest, for out-of-town legislators and out-of-town staff separately are shown in Figure 6. While the same five aspects, information on activities, walkability of downtown, friendly and efficient service, recreation and arts and entertainment make the top five for both groups, and both groups put safety, parking and accommodations value for money at the very bottom of the list, rankings diverge for the 16th and 17th amenities. For legislators, flight times and flight frequency fall below cleanliness of downtown and restaurant hours of operation, which ranks near the bottom for staffers. Figure 7 shows just how much lower staffers score accommodations, safety and parking compared to legislators.

Figure 7: Satisfaction score compared for out-of-town legislators and staff, bottom 7 aspects

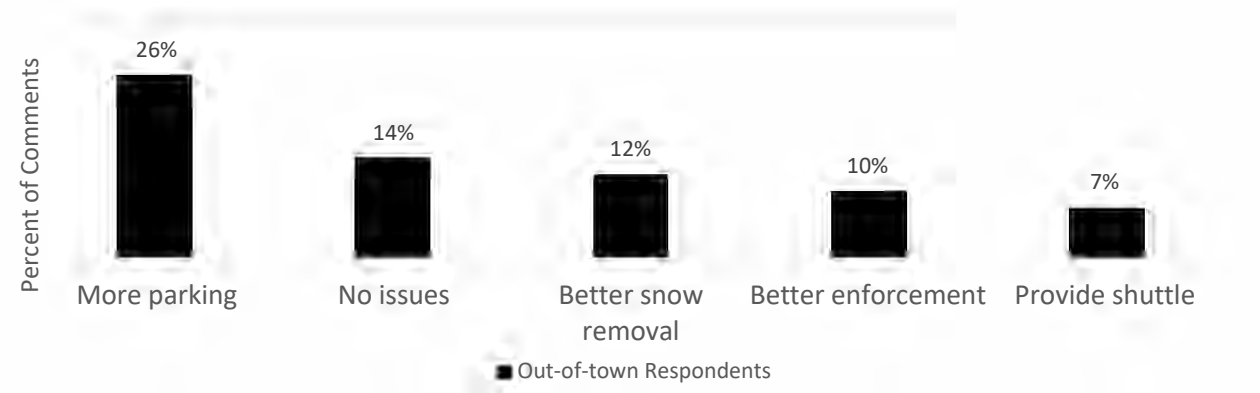


Overall, legislators are much more satisfied with Juneau than staff, giving higher scores to every amenity except for flight times and flight frequency, the only two aspects for which legislators were less satisfied than staff.

Parking Downtown

Respondents were solicited for opinions on what Juneau could do to improve parking downtown. Of comments received, most suggested building another garage or providing more surface parking. Other comments suggested that keeping streets clean of snow would improve parking, better enforcement of parking ordinances would help, off-site parking with a shuttle was suggested, and finally some respondents commented that they had no issues. (They could provide more than one suggestion.)

Figure 8: What can Juneau do to improve parking downtown?



Access to Juneau

Survey respondents were asked for opinions on what would improve their access to Juneau. The top choices were to build “the road”, provide more flights, especially evening flights, provide a shuttle between downtown and the airport, and more frequent ferry service. Several comments indicated that access could be improved with better taxi service and improved public transportation. (They could provide more than one suggestion.)

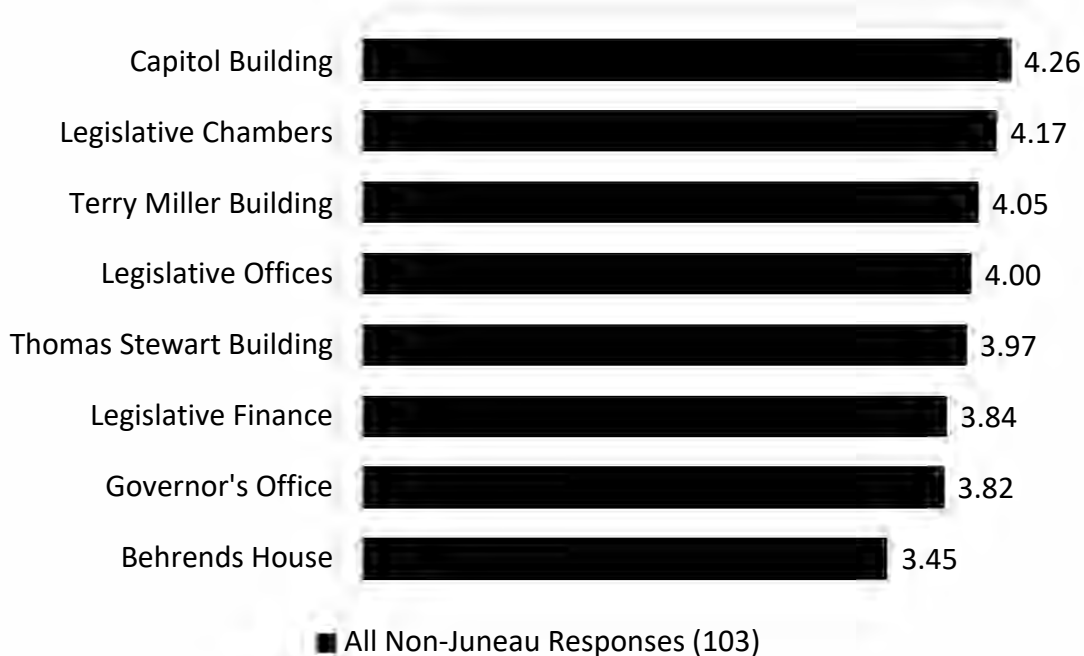
Figure 9: In your opinion, which of the following would most improve your access to Juneau?



Capitol Complex

Respondents were asked to rate their satisfaction with the eight buildings that constitute Juneau's Capitol Complex. Except for the Behrends House, all buildings received very high satisfaction scores.

Figure 10: Please rate your satisfaction with the following aspects of Juneau's Capitol Complex



In the space for comments, a few suggested that the Governor's offices be relocated, others would like to see more equitable office spaces, and several complimented the well-maintained premises.

Respondents were next asked if they could suggest any physical or structural changes or additions to the Capitol Complex to improve interactions or productivity. A quarter of the comments concerned minor improvements. Here are some sample comments:

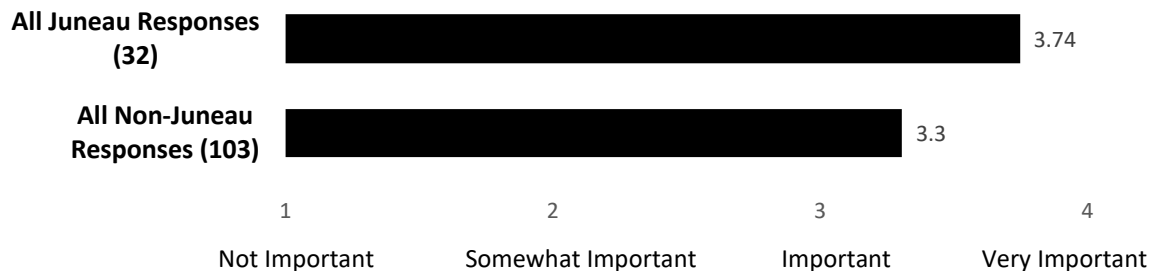
- *I like the Capitol Complex structure. I do think our IT in committee hearing rooms needs help. Specifically, it is generally a very poor audio connection with testifiers who call in online to speak to issues.*
- *There are a couple of steps in the sidewalk on Seward Street just uphill of the garage driveway that I feel should be painted yellow so an unsuspecting pedestrian doesn't miss them. They are often difficult to see due to lack of contrast and depending on weather and lighting.*
- *A shower at the Terry Miller or Capitol open to staffers.*
- *GCI cell service non-operative in portions of complex. Super frustrating.*

Covered or underground walkways were also suggested, and so was a coffee shop in the Capitol Building. Staffers requested more and/or closer parking. Finally, there again were comments to move the Governor out of the Capitol to free up more space (a dining area was among the requests).

Gavel Alaska

Respondents were asked to rate the importance of Gavel Alaska to their constituents on a scale of 1 to 4. Overall, 79 percent of out-of-town respondents rated the service from Important to Very Important. In comparison, 90 percent of legislators and staffers who are year-round Juneau residents scored the service Important to Very Important.

Figure 10: How important is Gavel Alaska to your constituents?



The next two questions asked for specific recommendations, first on how to better reach constituents and next on how to improve the tv and web services. Both questions were answered with a mix of comments on both issues, but most comments complimented Gavel Alaska, such as the following:

- *Gavel is awesome!*
- *I think they do a good job.*
- *It's already pretty good. Occasionally videographer focuses on a speaker without showing the slide show that's being referred to, and that's pretty boring.*
- *We could look at something besides the back of Rep. Wilson's head in Finance! Other than that, I think they do a great job!*

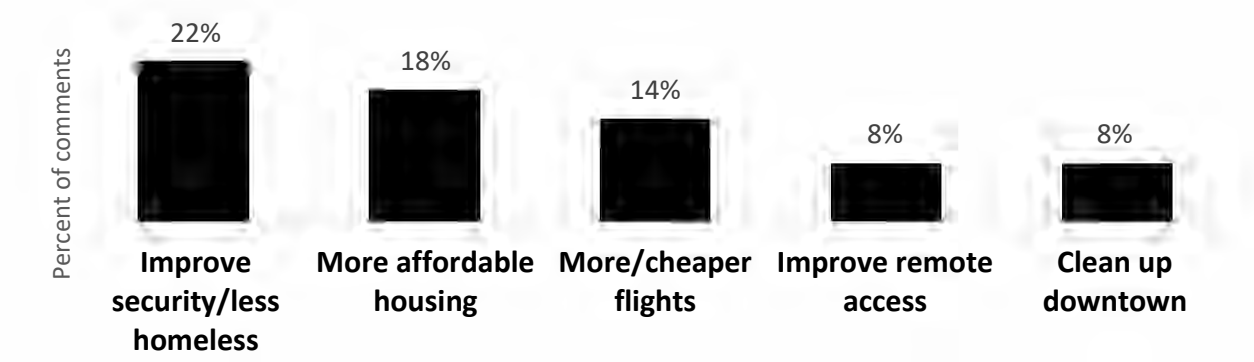
Suggestions for better reaching constituents focused on getting the local station to carry it in Fairbanks; more promotion, especially on social media, possibly streaming on Facebook; and broadcasting the audio on local radio stations. From these comments, it appears that the existence of this service is better known in Juneau than in Fairbanks and rural Alaska, accounting for the higher satisfaction rating from Juneau.

Suggestions for improvement included easier to navigate archives and less House, more Senate coverage. Copyright issues with disseminating excerpts from Gavel Alaska were also mentioned as a concern.

SUMMARY OF FINDINGS

Overall, survey results show that out-of-town legislators and staff are satisfied with Juneau during the legislative session. One final survey question asked respondents *“What can the people and/or the local government of Juneau do to make Juneau a better capital for all of Alaska?”* Constructive suggestions fell into a diverse range of responses, many repeating concerns already expressed above and effectively providing a summary of issues raised in this survey. The largest percent of responses to this question (22 percent), repeated concerns about the perceived safety of downtown Juneau and the growing number of indigents. Next most frequent was a request for more affordable housing, followed by a request for cheaper airfares and more flight options. A few commented on the need to improve remote access for Alaskans who live outside of Juneau.

Figure 11: What can the people and/or the local government of Juneau do to make Juneau a better capital for all of Alaska?



Based on the results of this survey, the issue that needs immediate attention is the perceived safety in Juneau’s downtown area. While the Alaska Committee, CBJ and partners cannot directly address landlord rents, Alaska Airlines pricing and scheduling, and restaurant hours of operation, safety is an issue that can be influenced through community action.

The second issue that can be directly mitigated by the CBJ is the cleanliness and the snow removal in downtown, both in the Capitol Complex and in the residential areas, where most legislators and staff live.

Gavel Alaska is highly valued and is perceived to do a good job of connecting Alaskans to the capital, but better advertising in the rest of the state is a need.

Finally, the issue of access to Juneau can be improved by working with Alaska Airlines to modify winter flight times, add flights, and reduce airfare during the legislative session.



2018

JUNEAU BUSINESS VISITOR SATISFACTION SURVEY RESULTS



Completed by the Juneau Economic Development Council in partnership with the Alaska Committee. JEDC research efforts are supported by core funding from the CBJ.

Fourth Edition: 2018, 2015, 2013, 2009



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Appendix 2: Comments Received.....	Error! Bookmark not defined.

EXECUTIVE SUMMARY

The Juneau Economic Development Council partnered with the Alaska Committee to survey visitors to Juneau during the 30th Alaska State legislative session to assess their satisfaction with visiting Juneau and to solicit opinions on improvements to the visitor experience. This survey followed on prior surveys conducted in 2009, 2013, and 2015.

The survey was conducted by staff of the Juneau Economic Development Council (JEDC) in the departure lounge of the Juneau International Airport between February 27, 2018 and April 13, 2018. In total, 495 visitors to Juneau completed the survey. Of these, 354 (72 percent) indicated that their primary purpose for the visit to Juneau was business related. In prior years, visitors to Juneau for purposes other than business-related were not surveyed. New for 2018, all visitors were surveyed. Based on differences in response, three distinct market segments are found: Alaska-resident business visitors, non-Alaskan business visitors, and those visiting for all other purposes. The three segments have different visit purpose, visit length, and choice of lodging and transportation.

Alaskans are most likely to travel to Juneau for legislative or session business, coming from Anchorage or Southcentral. They prefer to stay downtown and walk as their primary mode of transportation. Most will make more than one trip to Juneau and stay one or two days. Non-Alaskan visitors are mostly here for private sector business and are equally likely to stay downtown or in the airport/Valley area. They rent a car and do very little walking. Those here for other than business purposes mostly stay with family or friends and ride with them as the primary means of transportation.

As in prior surveys, visitors continue to express the most satisfaction with the walkability of Juneau's downtown, friendly and efficient service, and airport facilities. Results show that satisfaction with Juneau's hotels has increased both for quality and value for money.

Of significant concern is a decrease in satisfaction with the cleanliness of downtown from prior years, and the appearance for the first time of a concern with the perceived safety of downtown. Results also show a decrease in satisfaction with the transportation to/from the Juneau airport compared to prior years. When asked what would most improve access to Juneau, better transportation within Juneau, including to/from the airport, was a frequent response. The overwhelming request, however, was for more flight options.

In 2018 a satisfaction survey was conducted simultaneously with all elected officials and their staff of the 30th Alaska State Legislature. Concerns expressed in that survey were primarily about the perceived safety and cleanliness of Juneau's downtown, consistent with the findings of the 2018 visitor satisfaction survey. Therefore, it is recommended that the Alaska Committee, its community partners, and the City and Borough of Juneau (CBJ) take steps to better understand the causes of these concerns in order to formulate a response and take appropriate mitigating action.

INTRODUCTION AND METHODOLOGY

The Juneau Economic Development Council partnered with the Alaska Committee to survey visitors to Juneau during the 30th Alaska State legislative session to assess their satisfaction with visiting Juneau and to solicit opinions on improvements to the visitor experience. This survey followed on prior surveys conducted in 2009, 2013, and 2015.

The 2018 Juneau Visitor Satisfaction Survey is a modified version of the template developed for the 2015 survey. The 2018 survey was revised by JEDC with input from members of the Alaska Committee, Travel Juneau, and the Juneau Chamber of Commerce. The survey consisted of 24 questions, some multiple choice, some based on a rating scale and some open response. Respondents were asked about their visit purpose and length, their accommodation and transportation choices, their satisfaction with aspects of downtown Juneau, hospitality and recreation, and airport services. The survey also solicited opinions on how to improve parking, how to improve access to Juneau, and how to improve Juneau as a capital city.

Between February 27, 2018 and April 13, 2018, JEDC staff were allowed into the departure lounge of the Juneau International Airport by special arrangement with the airport management and the generous assistance of Alaska Airlines, who provided daily gate passes to the JEDC staff. Passengers waiting for departing flights on Alaska Airlines were asked to take the survey in paper form. The survey was only given to passengers who were visiting Juneau from out of town. Responses were subsequently entered by JEDC staff into SurveyMonkey, the online survey development and analysis tool also used in 2015.

In total, 495 visitors completed the survey. Of these, 354 indicated that their primary purpose for the visit to Juneau was business related. U.S. Department of Transportation, Bureau of Transportation statistics were used to determine the statistical validity of results. According to the government data, 32,245 passengers enplaned at the Juneau International Airport during this same period in 2017. JEDC estimates that 85 percent (27,400) were adults and 50 percent (13,700) were not residents of Juneau. With these assumptions, the overall sample size of 495 responses reflects the target population with a margin of error of 4.32 percent while the business visitor subset of 354 responses provides a 5.17 percent margin of error at a 95 percent confidence level.

In 2018, a separate satisfaction survey was distributed to elected officials and staff of the 30th Alaska State Legislature and results are compared, where applicable.

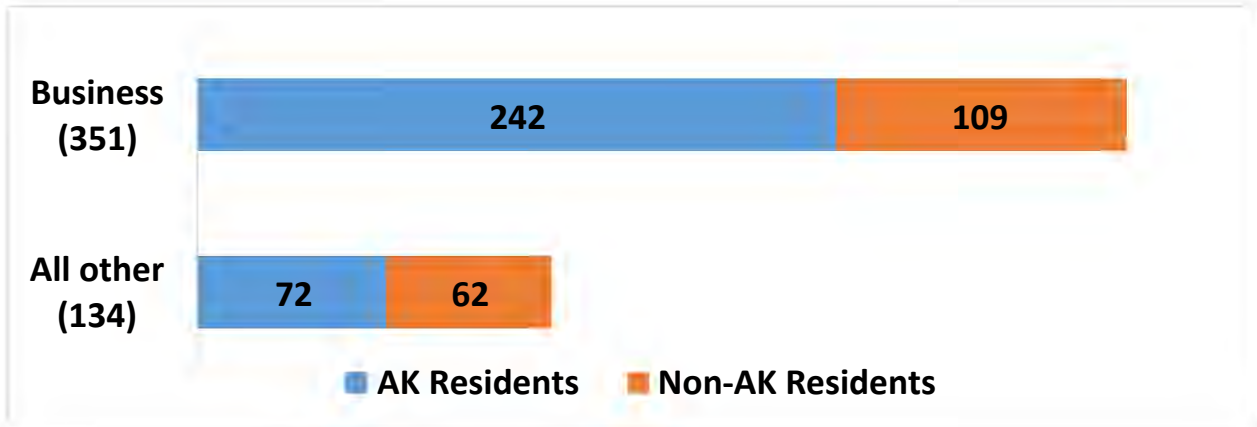
FINDINGS

Visitor Characteristics

New to the 2018 survey, visitors to Juneau were not pre-screened to capture responses only from business travelers. All passengers in the departure area who indicated that they had just completed a visit to Juneau were surveyed. Overall, 72 percent of respondents were here for

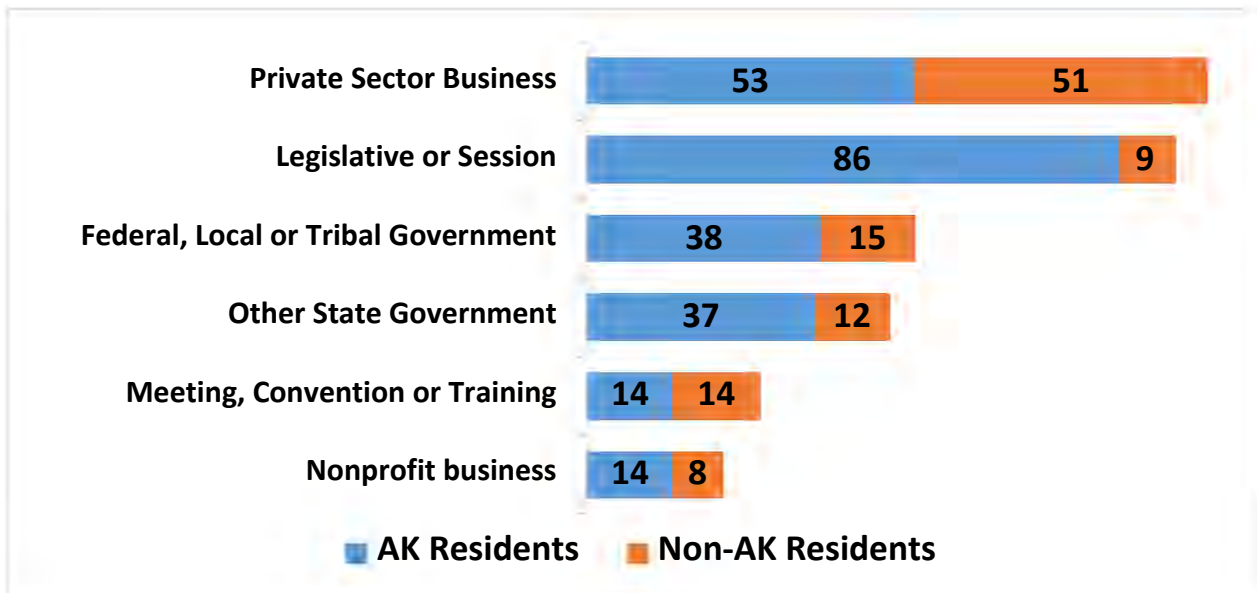
business purposes and 28 percent were here for personal reasons, such as visiting family or friends, medical, or temporary employment. Among business visitors, 69 percent were Alaska residents and 31 percent were from out-of-state. Among respondents visiting for non-business purposes, 54 percent were Alaska residents.

Figure 1: What was your primary purpose for this visit to Juneau?



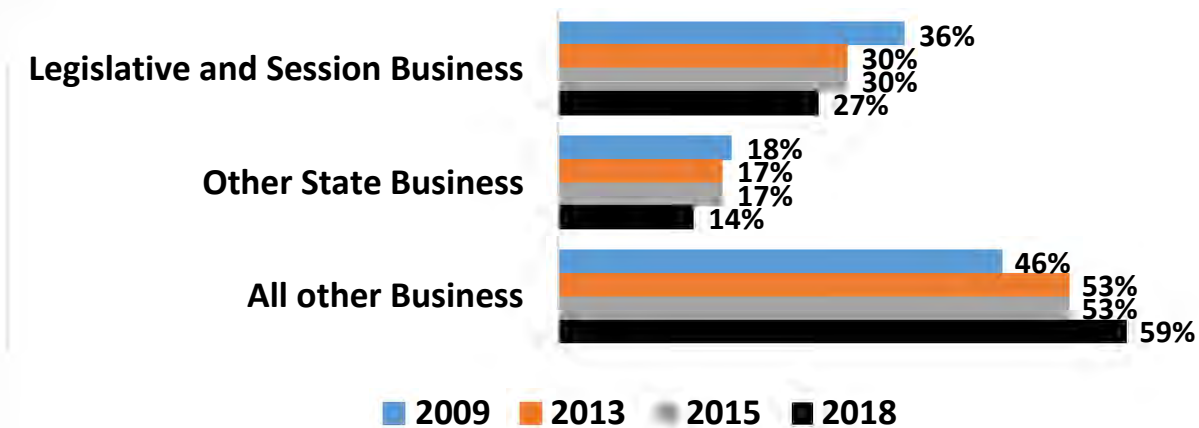
Respondents visiting for business purposes fell into two distinct groups. Over one third of Alaska residents visited for legislative or session or other government business purposes, the largest single category. The number of Alaskans and non-Alaskans here primarily for private sector business, were about the same, but this represented the largest single category of non-Alaskan respondents.

Figure 2: What was your primary business purpose for this visit to Juneau?



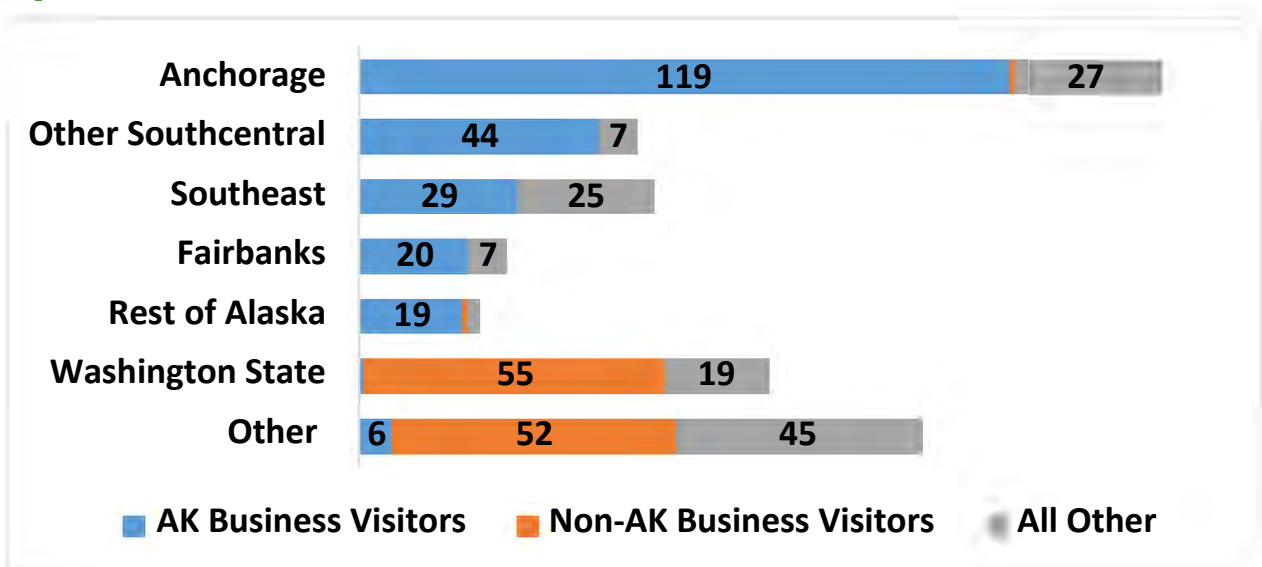
The shift in trip purpose already seen in the 2009, 2013 and 2015 surveys, appears to continue for the current legislative session. The number of visitors traveling here for legislative and session business has decreased while the number of visitors coming to Juneau for other business has increased. Federal, local and tribal business visitors are included in all other business in the chart below to be consistent with the 2009, 2013 and 2015 analysis.

Figure 3: 2018 Business Purpose Compared to 2015, 2013 and 2009



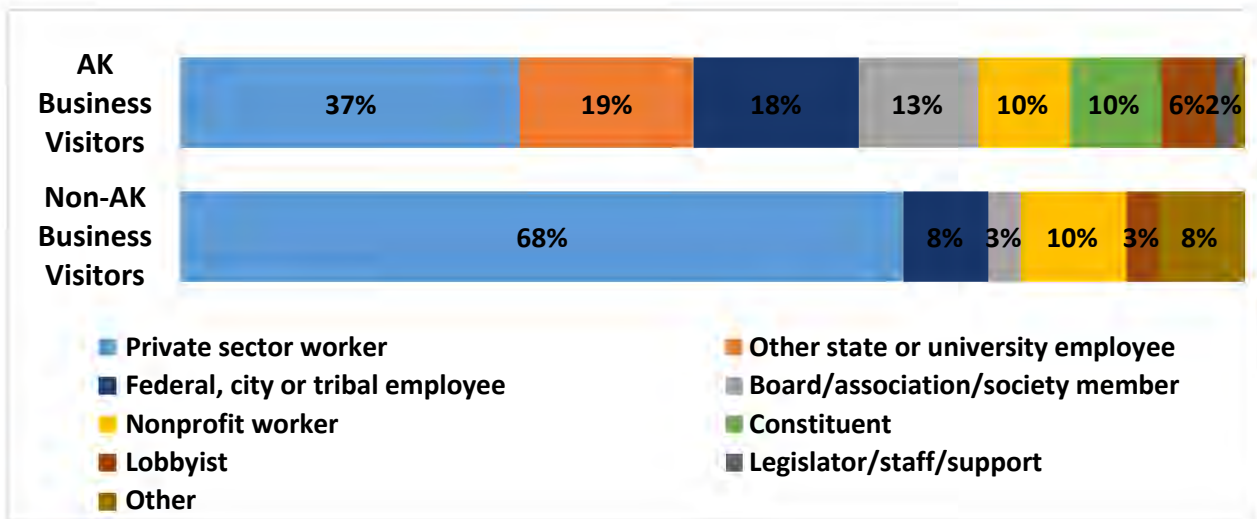
Sixty-four percent of survey respondents lived in Alaska. The greatest number were Alaska residents living in Anchorage (31 percent of all respondents). Of respondents who did not live in Alaska, most lived in Washington state. While most of those residing in Alaska and residing outside of Alaska were visiting Juneau on business, (77 percent) and (60 percent) respectively, the percent living out of state and visiting for other reasons (40 percent) was significantly greater than the percent of Alaska residents visiting for other reasons (33 percent).

Figure 4: Where Do You Reside?



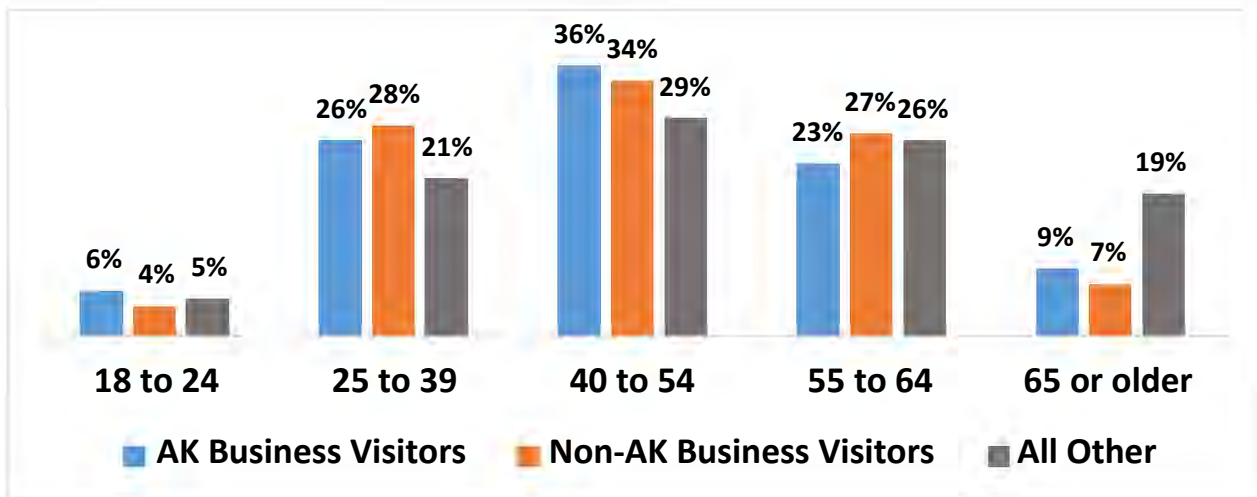
Alaska residents and non-Alaska residents visiting Juneau for business represent distinctly different employment sectors. More than two thirds of non-Alaskan business visitors (68 percent) identified themselves as private sector workers, compared to only 37 percent of Alaskan business visitors. Another 37 percent of Alaskan business visitors identified themselves as government employees (other state, federal, city or tribal) compared to only 8 percent of non-Alaskans.

Figure 5: Which Occupation Best Describes You?



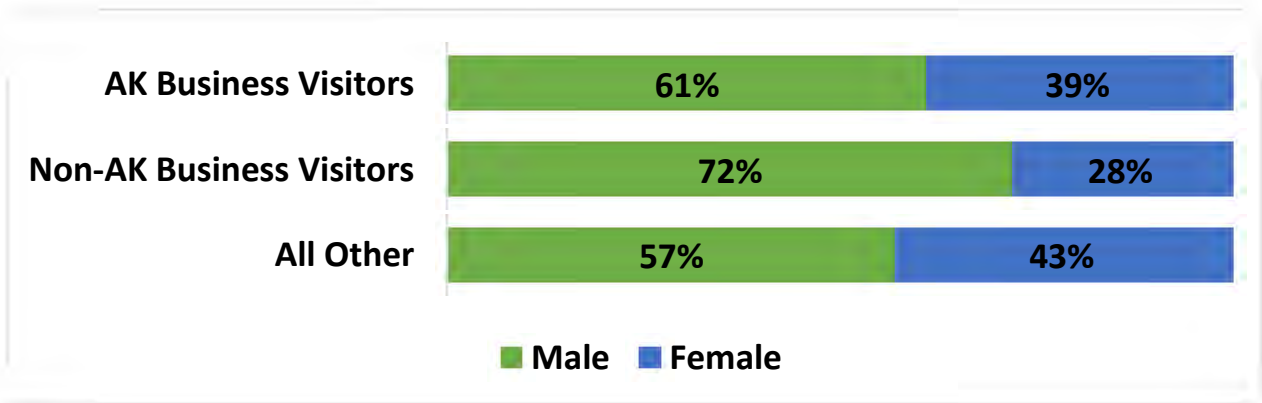
Survey respondents who are business visitors to Juneau were younger than those here for non-business-related visits. While 62 percent of respondents visiting for business are between the ages of 25 and 54, only 50 percent of non-business travelers are in this age demographic. In addition, while only 9 percent of business visitors are 65 or over, 19 percent of all other visitors fall in this demographic.

Figure 6: Which Age Range Describes You?



Finally, 62 percent of all business and nonbusiness visit respondents were men and 38 percent were women. Again, differences emerged by residence and visit purpose. While 61 percent of all Alaskan business respondents were men, non-Alaskan business visitors were more predominantly male (72 percent). Those visiting for a non-business-related purpose were closest to being evenly split, at 43 percent women and 57 percent men.

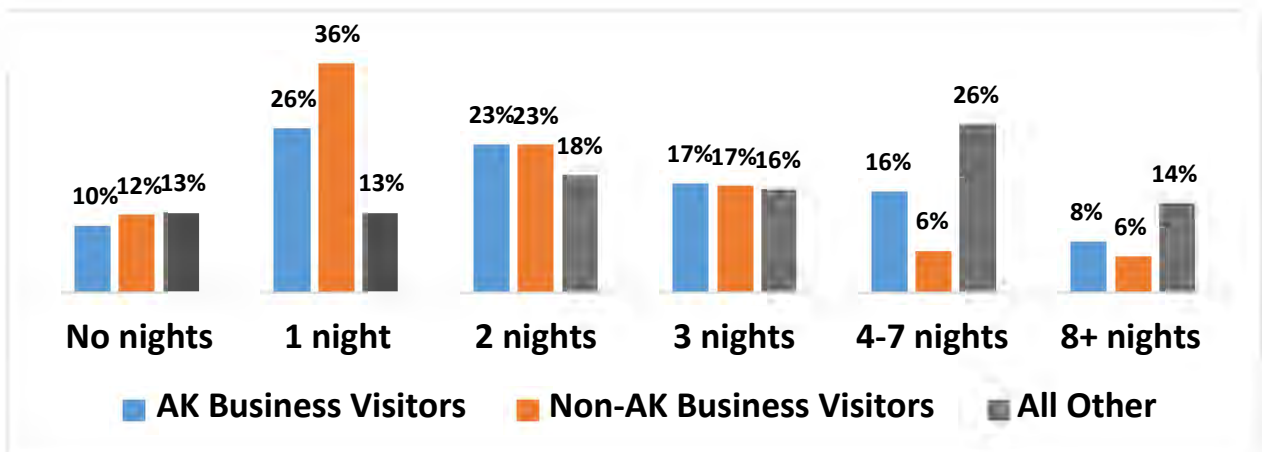
Figure 7: Gender



Visit Characteristics

In 2018, 89 percent of all business visit respondents stayed overnight in Juneau, almost half (52 percent) staying only one or two nights. Differences emerged again between Alaskan and non-Alaskan visitors, where 36 percent of non-Alaskan business visitors stayed for only one night compared to 26 percent of Alaskan business visitors, who were almost as likely to spend two nights (23 percent). Respondents who were visiting for purposes other than business stayed longer than business visitors, 40 percent staying 4 or more nights.

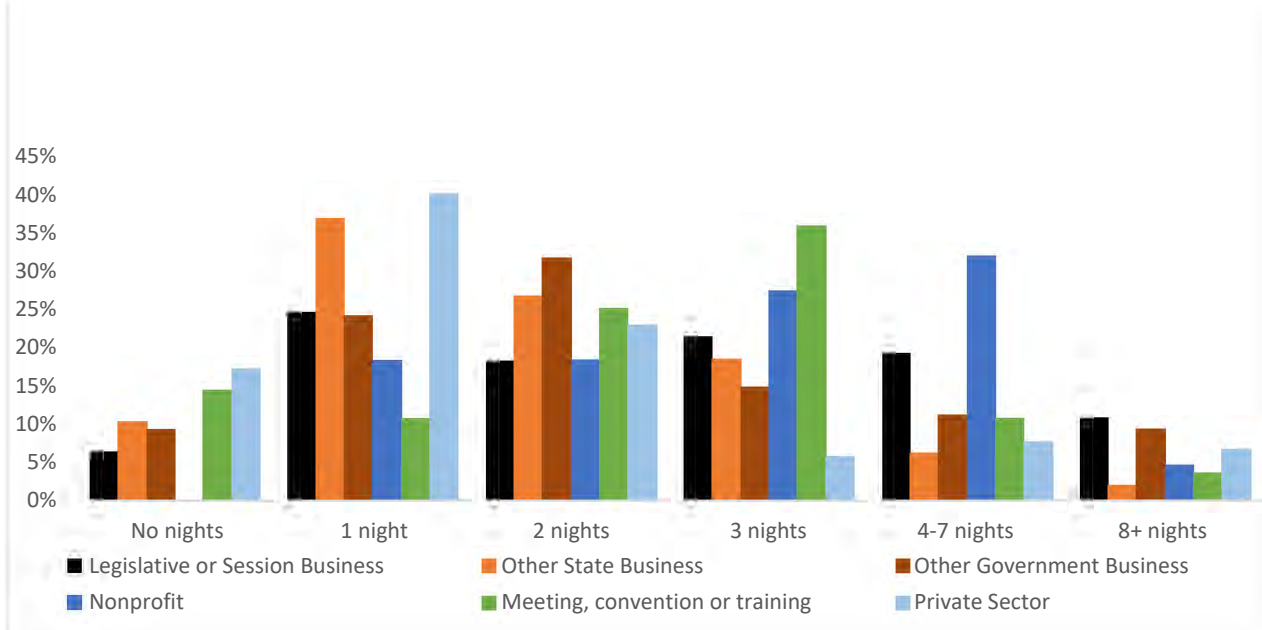
Figure 8: How Many Nights Did You Stay in Juneau? (Percent of mentions by group)



When looking at number of nights spent in Juneau for business purpose, respondents visiting on other state business and those visiting for private sector business were the most likely to stay

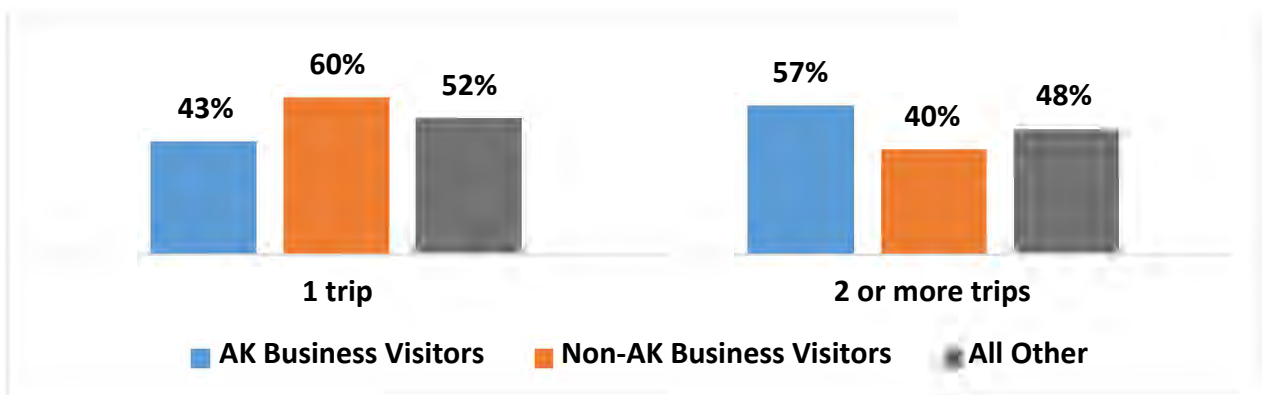
only one night. Those here for other government business were most likely to stay two nights; those here for a convention, meeting or training, and for nonprofit business were most likely to stay more than two nights.

Figure 9: How Many Nights Did You Stay in Juneau (for business purposes)?



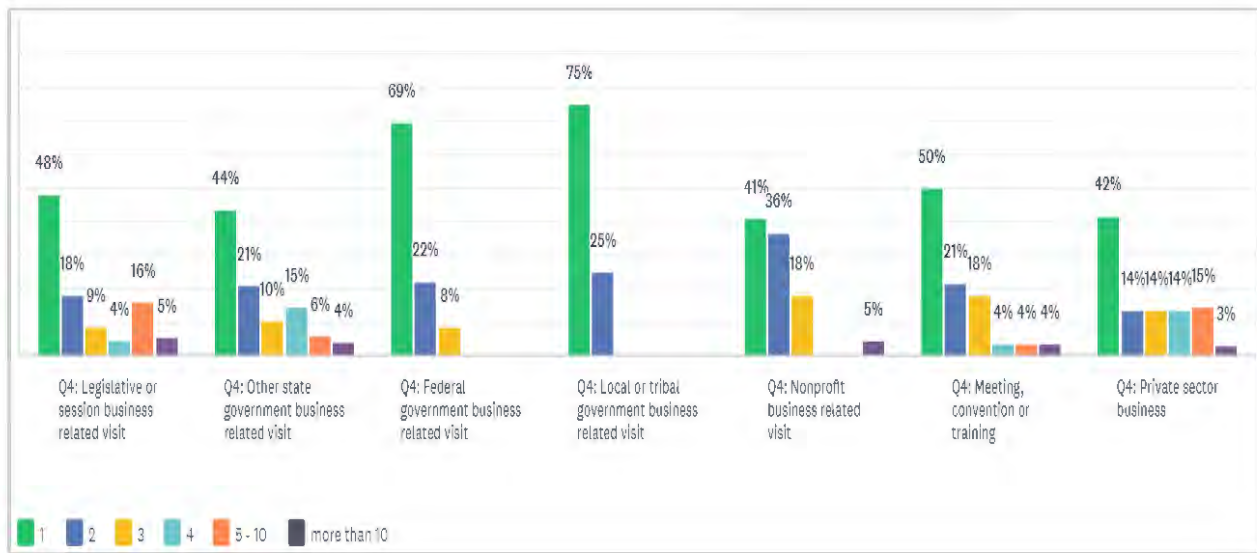
Respondents were asked about the number of trips to Juneau they planned during the current legislative session. More than half of Alaska residents traveling for business (57 percent) were likely to visit two or more times during the session. As discussed above, this group also was more likely to spend several nights in Juneau during their visit, in addition to visiting more often. In contrast, almost two thirds of non-Alaskans visiting for business (65 percent) expected to make only one trip to Juneau and just over half (52 percent) of visitors for purposes other than business planned only one visit.

Figure 10: Approximately how many trips will you make to Juneau from January 15, 2018 to April 15, 2018?



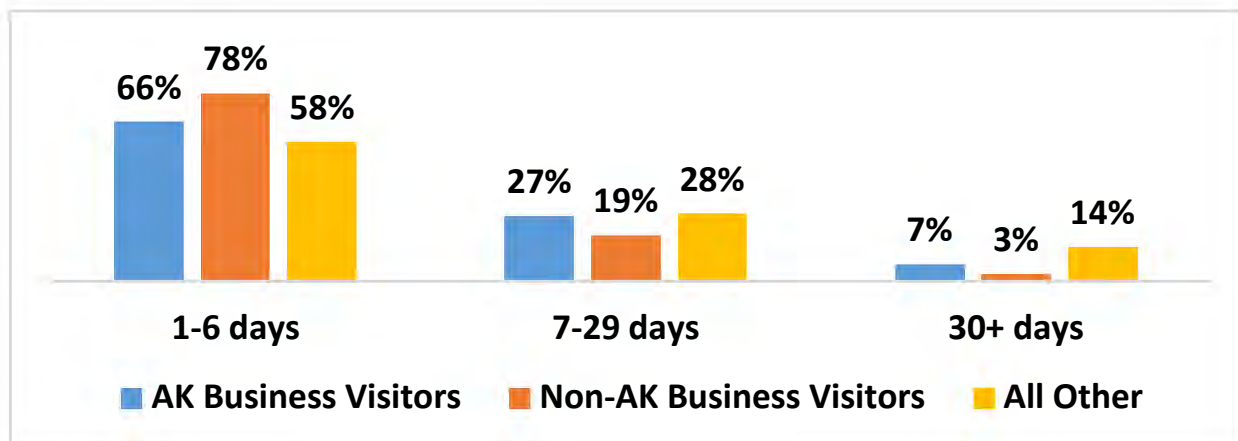
Segmented by business purpose, respondents who came to Juneau for private sector business and those who came for nonprofit business had more trips to Juneau than those with any other business purpose, with only 42 percent and 41 percent visiting once, respectively. In contrast, those visiting for federal, local and tribal business were here for predominantly just one visit.

Figure 11: Number of trips to Juneau by business purpose from January 15, 2018 to April 15, 2018



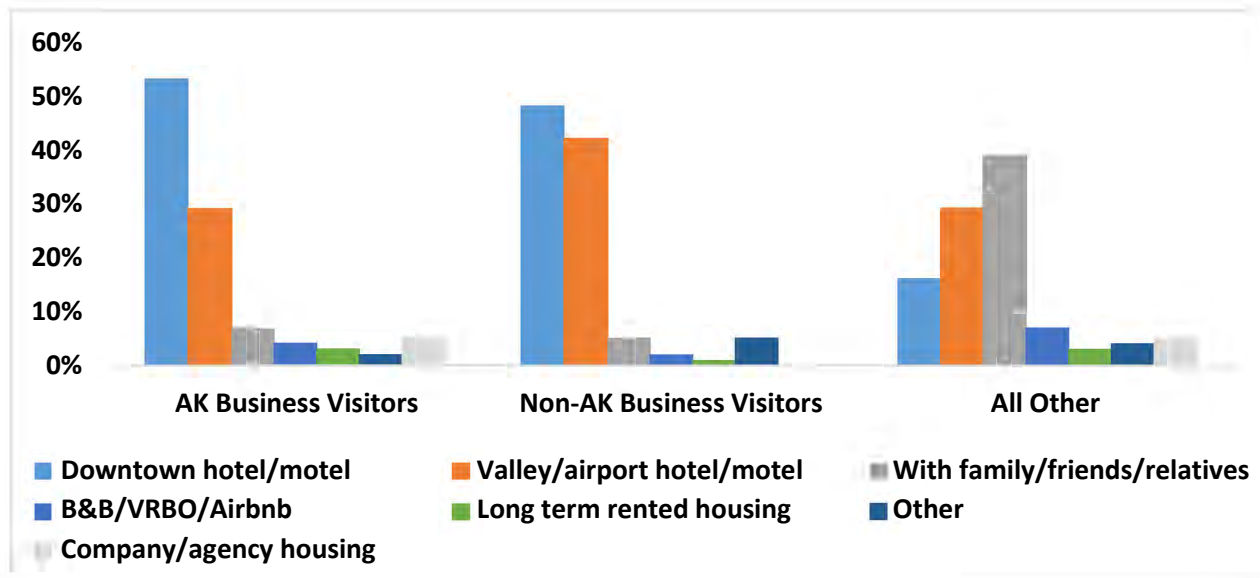
The majority of business visitors to Juneau (70 percent) spent a total of less than a week here during the legislative session, despite many coming for more than one visit. Just over half of visitors for purposes other than business also stayed for less than one week altogether.

Figure 12: Approximately how long altogether will you spend in Juneau between January 16, 2018 and April 15, 2018



The majority of those that spent the night during the trip they were surveyed did so in a hotel (78 percent), similar to findings in 2015 and 2013. New in 2018, respondents were asked for the location of their hotel. Alaskans visiting on business (most likely to be government business) were more likely to stay at a downtown hotel (53 percent), while non-Alaskan business visitors (most likely here for private sector business) were nearly split between hotels downtown and in the Valley/airport area. Those visiting for other than business purposes were most likely to stay with family or friends.

Figure 13: Where Did You Stay?



When asked about the primary form of transportation used during this specific visit (respondents could select more than one) 36 percent of all respondents selected rental car, far more than those selecting taxi (15 percent), getting a ride with others (16 percent), or walking (13 percent), all of which were the next most frequent choices. In 2013, in contrast, a rental car was selected by 39 percent of respondents and walking was almost as likely, at 33 percent of respondents.

However, as in 2015, differences emerged when responses were segmented by visitor residence and trip purpose. The first choice of transportation for Alaskans here for business was a rental car (39 percent), followed equally by taxi (21 percent) or walking (21 percent). The first choice of transportation for two thirds of non-Alaskans here for business was a rental car (66 percent). Another 20 percent used a taxi, and very few walked. A hotel in the Valley area and business in parts of town other than downtown most likely contributes to this choice. Those here for reasons other than business rode with friends or family most often. The 2018 survey included the selection of Uber and Lyft for the first time, as these are now available in Juneau. Approximately 5 percent of all visitors used this option.

Transportation choices were compared for all business visitors by business purpose. As in 2015, visitors to Juneau for legislative or session business, many here as constituents, were the most likely to walk as their primary means of transportation. Those traveling for private sector business or government business, where expenses are most likely covered by the employer, are most likely to rent a car. In addition, those who need to go to other areas of Juneau than downtown will most likely need to rent a car. Those traveling on federal business are the most likely to have a government car to use.

Figure 14: What was your primary form of transportation during this stay?

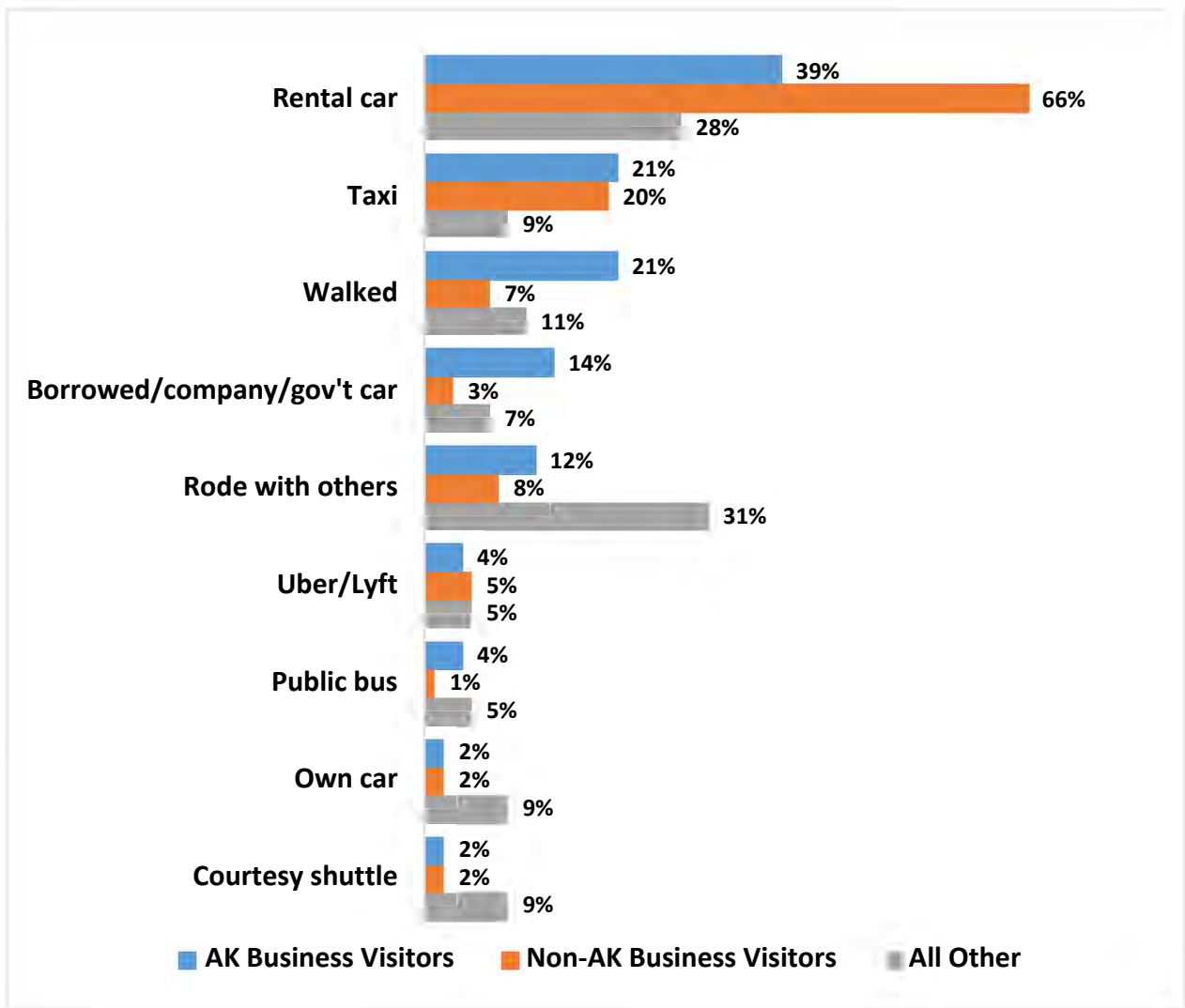


Figure 15: What was your primary form of transportation for a business-related visit?



Trip Aspect Evaluation

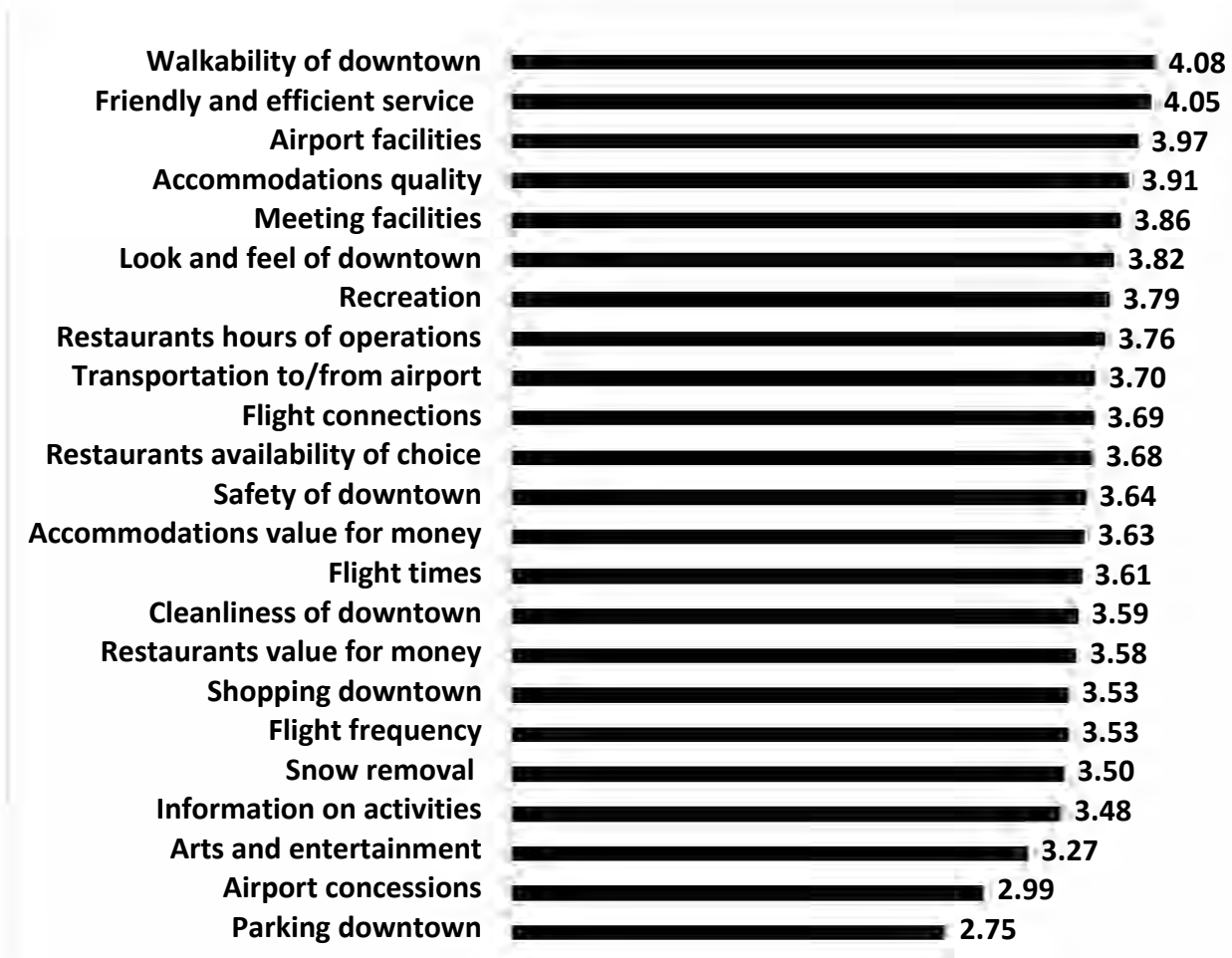
Survey respondents were asked to rate several aspects of their visit to Juneau. Using a 1-5 scale, respondents were asked if they were very satisfied, satisfied, neutral, dissatisfied, or very dissatisfied (5=very satisfied, 1=very dissatisfied) with aspects of downtown Juneau, aspects of Juneau's recreation and entertainment options, and aspects of Juneau's airport. Respondents could also indicate if they did not use specific aspects. Two measures are used to evaluate responses based on this rating scale:

- Average Evaluation Score: rating scale responses (on the 1 to 5 scale) are averaged over the number of responses received for a question. The result is an average evaluation score for each trip aspect.
- Satisfaction Measure: the combined percent of respondents who scored a trip aspect as satisfied (4) or very satisfied (5) gives the satisfaction measure.

The 2018 survey asked respondents to evaluate 23 aspects, up from 18 in 2015. Aspects of accessibility to Juneau, specifically flight frequency, times and connections were added to the current survey, and questions about safety of downtown, snow removal and availability of information were also added. These additions are the result of issues identified through comments in the 2015 survey.

Figure 16 ranks Average Evaluation Score results for all 23 aspects from highest satisfaction measure to lowest for all business visitors. As in 2015, the walkability and look and feel of downtown are highly rated, as is the friendliness and efficiency of Juneau residents, and the airport facilities.

Figure 16: Average Evaluation Score ranking of Juneau amenity aspects



Downtown parking, Airport concessions¹ and Shopping again appear at the bottom of the list, as they did in 2015. However, several newly added aspects also appear at the bottom of the list. *Cleanliness of downtown, Snow removal, and Information on activities* rank 15, 19, and 20, respectively, confirming that these issues could be addressed to improve visitor satisfaction.

Figure 17 ranks the Satisfaction Measure for the 16 aspects that were evaluated by respondents in both 2015 and 2018. *Walkability of downtown, Friendly and efficient service* and *Airport facilities* are the highest scoring aspects of Juneau in both surveys. Accommodations have improved in Juneau since the 2015 survey. *Accommodations quality* is now ranked in fourth place, and *Accommodations value for money* has moved up to the middle in ranking from near bottom in 2015. Satisfaction with meeting facilities has also improved, from number 11 in 2015 to number 7 in 2018.

Figure 17: Satisfaction Measure ranking comparison 2015 to 2018 for Juneau amenity aspects common to both surveys

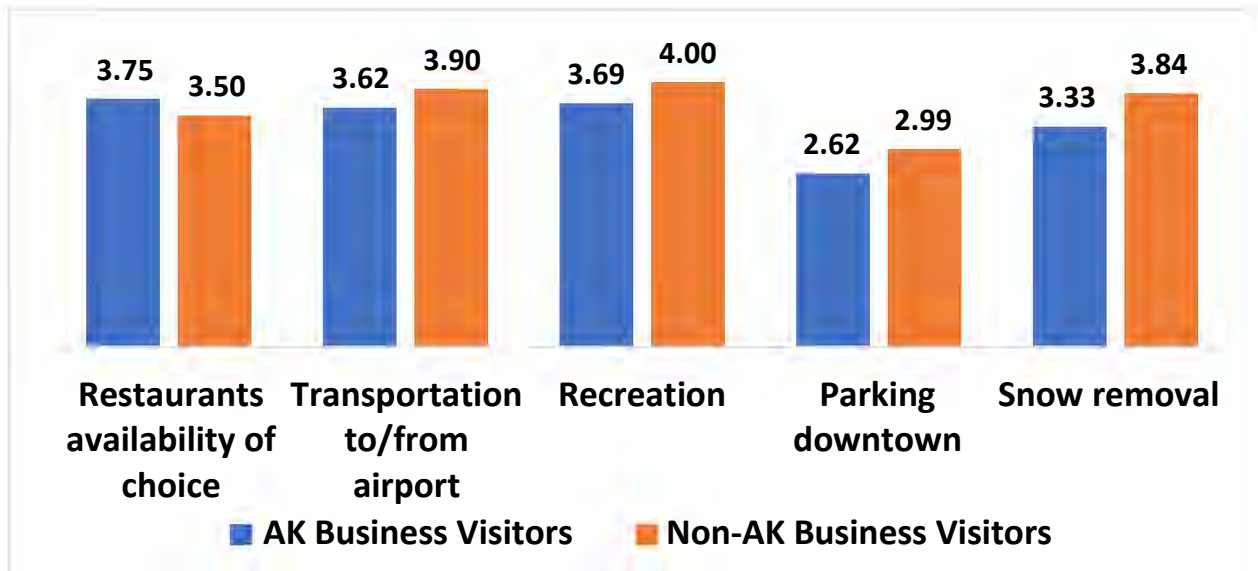
Satisfaction Rank 2015				Satisfaction Rank 2018	
1	Walkability of downtown			1	Walkability of downtown
2	Friendly and efficient service			2	Friendly and efficient service
3	Airport facilities			3	Airport facilities
4	Cleanliness of downtown			4	Accommodations - quality
5	Look and feel of downtown			5	Look and feel of downtown
6	Accommodations - quality			6	Restaurant - hours of operation
7	Restaurants - hours of operation			7	Meeting facilities
8	Restaurants - availability of choices			8	Restaurants - availability of choices
9	Recreation			9	Restaurants - value for money
10	Restaurants - value for money			10	Accommodations - value for money
11	Meeting facilities			11	Recreation
12	Arts and Entertainment			12	Cleanliness of downtown
13	Accommodations - value for money			13	Shopping
14	Shopping			14	Airport concessions ¹
15	Airport concessions ¹			15	Arts and Entertainment
16	Downtown parking			16	Downtown parking

Of greatest concern is the finding that *Cleanliness of downtown* has fallen from near the top in satisfaction in 2015 to near the bottom in 2018. The Alaska State Legislature Satisfaction Survey, run concurrently, identified this same aspect of Juneau as a concern.

¹ The food concession had not yet opened in 2015, while in 2018, the food concession was in transition between concessionaires and service was very limited. Based on these rankings, the importance of food and beverage at the airport is evident.

The five aspects of Juneau that scored the largest difference in Average Evaluation Score, a quarter of a point or more, between Alaskans and non-Alaskans visiting Juneau on business are shown in Figure 18. Alaskans were much more satisfied with the choice of restaurants in Juneau than visitors from outside of Alaska. However, Alaskans gave transportation to/from the airport, recreation, parking and snow removal significantly lower scores. Snow removal scored the largest difference of all aspects, a .51-point difference.

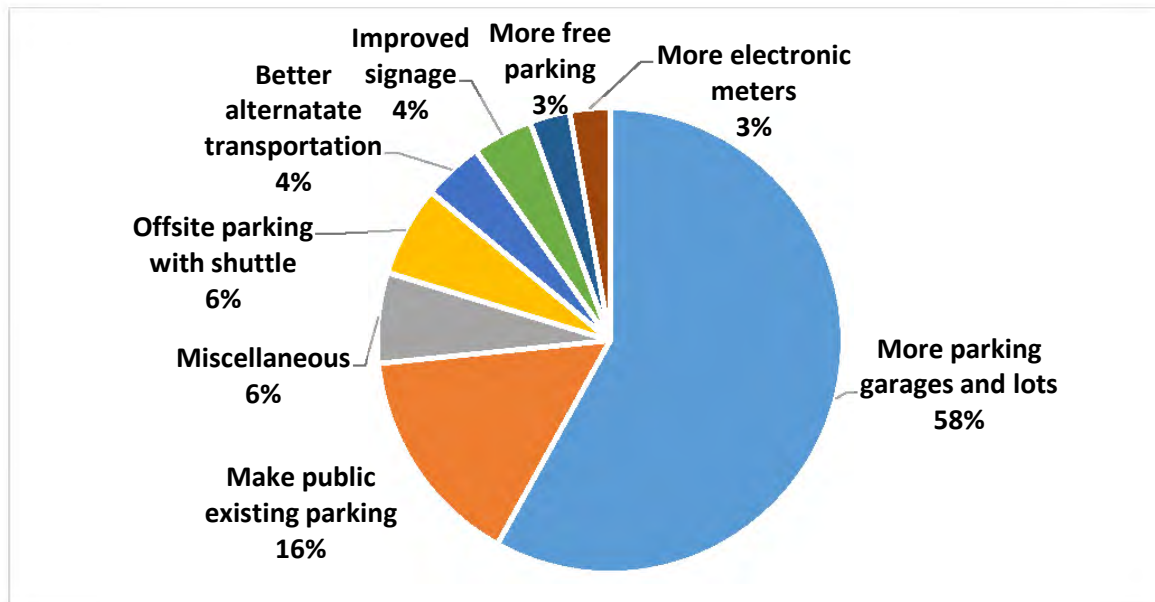
Figure 18: Average Evaluation Score comparison for Alaska resident and non-Alaska resident business visitors (where 5=very satisfied and 1=very dissatisfied)



Downtown Parking Satisfaction

New to the 2018 survey, respondents were asked the optional question “*What can Juneau do to improve parking downtown?*” Thirty-seven percent of respondents provided comments. The most frequent response was the suggestion to construct more parking lots or structures (58 percent), followed by the request to make more of the existing parking available to the public (15 percent). Another variation of the suggestion to create more parking in general was to create offsite parking that offered a shuttle downtown (6 percent). Other comments included reducing the need to park by improving alternate modes of transportation, improving signage leading to parking and clearly designating spots, making more parking free, and adding more opportunities for electronic payment to reduce the need to carry cash.

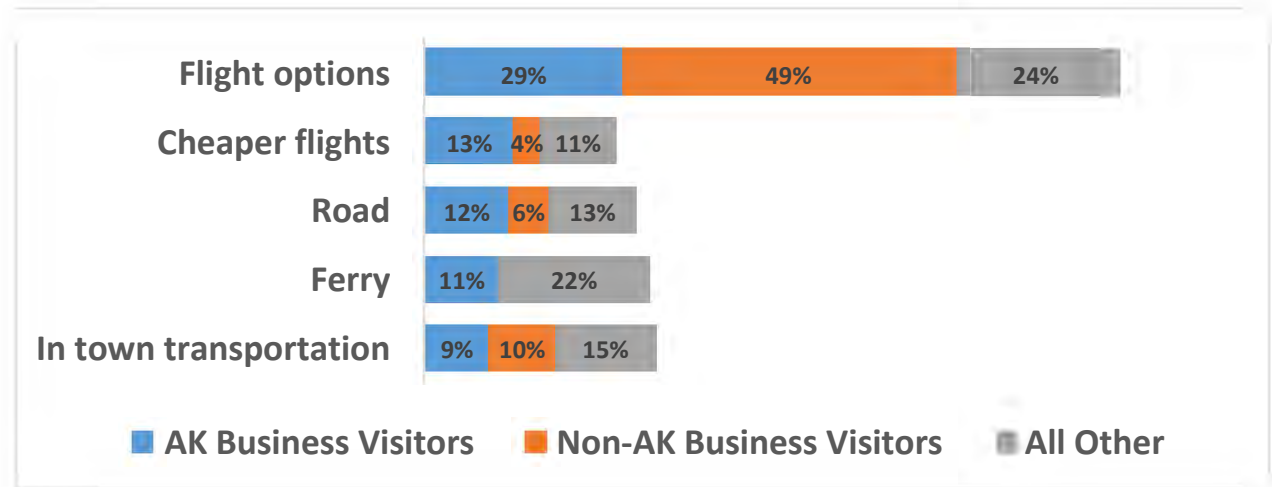
Figure 19: What can Juneau do to improve parking downtown? (Percent of responses received)



Access to Juneau

Also new in 2018, the survey included an open response question that asked respondents “*In your opinion, what would most improve your access to Juneau?*” Fifty-seven percent of respondents provided a comment. Among all business visitors, the overwhelming response was a request for more flight options, specifically more flights. While 29 percent of Alaska residents visiting on business requested more daily flights, among Non-Alaskans visiting on business, 49 percent requested more flights. A few specified that more direct flights to other hubs would be helpful and many requested more non-stop flights to Seattle. The percent of Alaska-resident business visitors suggesting better road access (12 percent) and suggesting better ferry access (11 percent) were very close. In contrast, there were no requests from non-Alaska resident business visitors for improved ferry access, while 22 percent of all non-business-related visitors requested better ferry access. The fifth most frequent suggestions concerned in-town transportation. Comments were received concerning better cab service, more Uber/Lyft drivers, bus/shuttle around downtown and/or to downtown, and confusing/hard to find bus schedules.

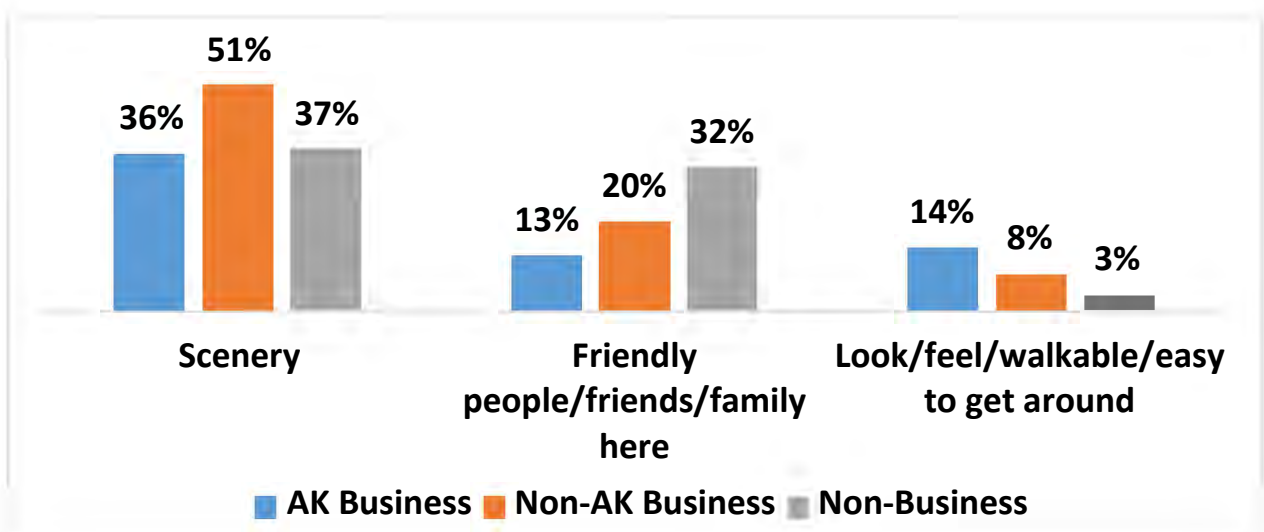
Figure 20: In your opinion, which of the following would most improve your access to Juneau?



What Visitors Like Most about Juneau

Juneau’s beautiful scenery was the most frequent response to the open-ended question “*What do you like most about visiting Juneau?*” among all visitors to Juneau who chose to answer the question. Scenery was a favorite aspect especially among non-Alaskan business visitors, with “*glaciers*” being a popular mention. The overall friendliness of Juneau or visiting family and friends was the next most frequent response among all respondents. In addition to the scenery and the people, another aspect frequently mentioned by all respondents was the look, feel, and walkability of downtown Juneau. Alaskan business visitors were especially pleased with this aspect of their Juneau visit, relative to the other groups.

Figure 21: What do you like most about visiting Juneau? (Percentage of mentions by group)

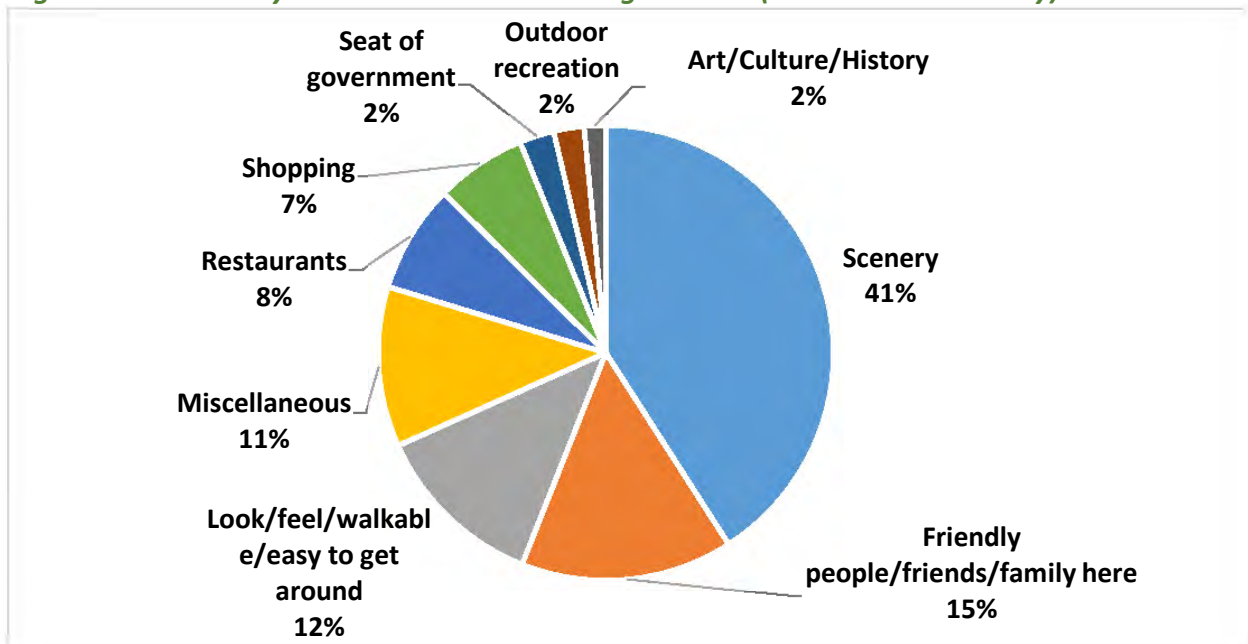


That respondents are very happy overall with their visit to Juneau is evident from comments provided, and 71 percent of all respondents chose to make one or more comments. Comparing the 2018 responses from business visitors to those of the 2015 survey, the largest increase in

responses occurred in the “*Scenery*” and “*Friendly people/friends/family here*” categories. Scenery remained the most frequent response but jumped to 41 percent of responses in 2018 from 31 percent in 2015. “*Friendly people/friends/family here*” moved from the third most frequently mentioned to second place with 15 percent of responses in 2018 versus 16 percent in 2015.

“*Look/feel/walkable/easy to get around*” experienced the most significant change from 2015. Between 2015 and 2018, praise of the “*Look/feel/walkable/easy to get around*” Juneau decreased from 27 percent of responses to 12 percent. The remaining categories experienced only marginal changes between the two survey years.

Figure 22: What do you like most about visiting Juneau? (Business visitors only)



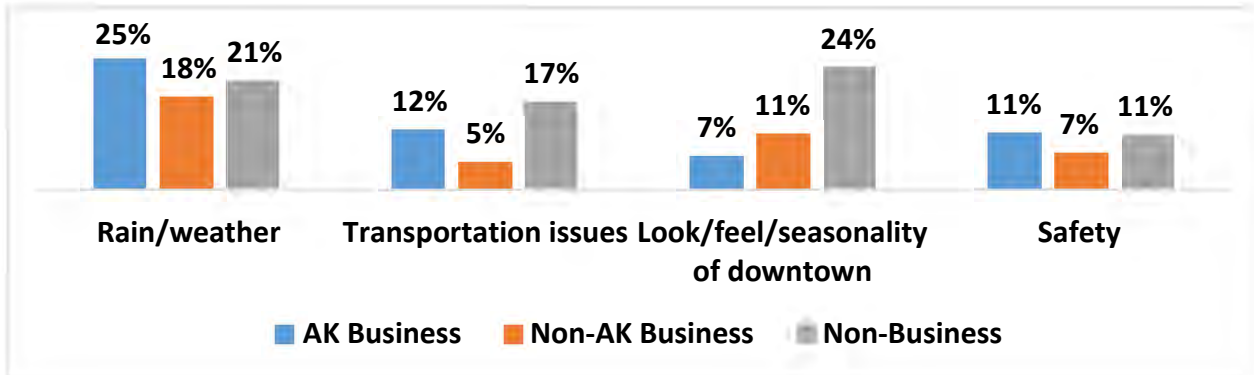
What Visitors Like Least about Juneau

While the question “*What do you like most about visiting Juneau?*” received 442 responses, the question “*What do you like least about visiting Juneau?*” received only 212 responses. Responses to both questions were optional. The most frequent complaint was about the weather (23 percent), especially the rain, followed by transportation issues (10 percent). Transportation issues consisted mainly of complaints about the difficulty of accessing downtown from the airport, either due to the inconsistency of taxis or a lack of information to efficiently use Capital Transit.

In addition to issues with the weather and transportation, many visitors were concerned about the deterioration of public safety in downtown Juneau and the maintenance of buildings and seasonality of businesses downtown. Other complaints concerned restaurants, high prices, and issues with parking. Complaints about Juneau’s restaurant options and quality were second by

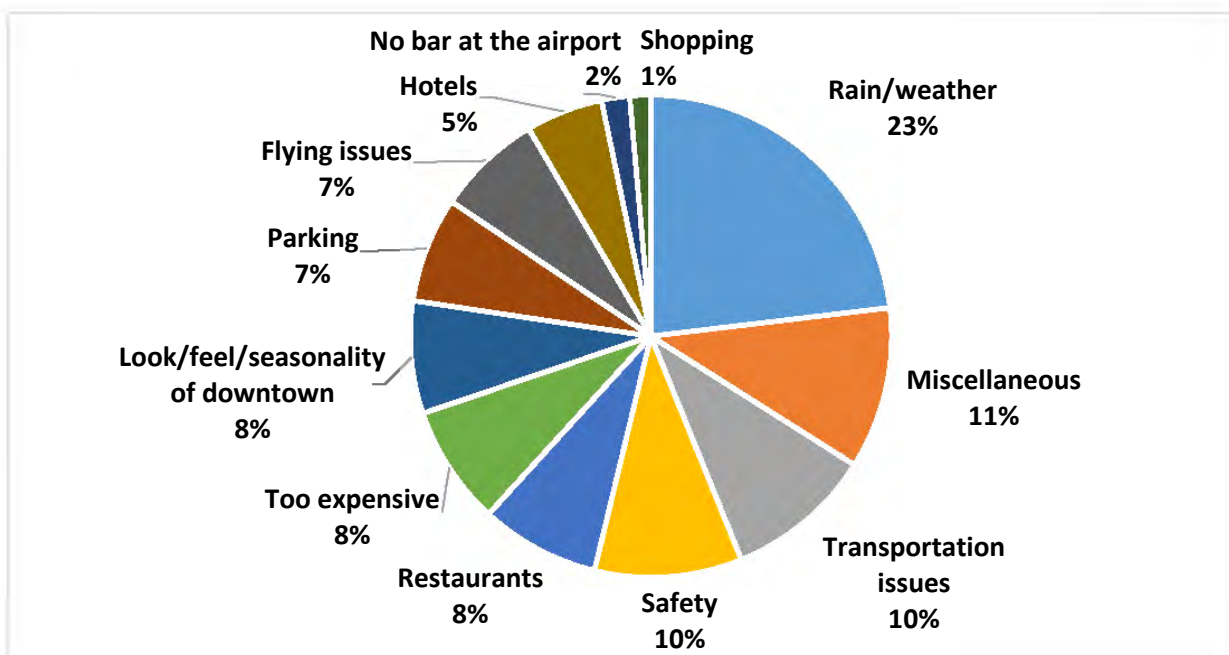
non-Alaskan business visitors only to their dissatisfaction with the weather. While Alaskan business visitors had the largest percentage of respondents that did not care for Juneau weather, non-business visitors were displeased most by the look, feel, and seasonal nature of downtown Juneau. This was the only group whose least favorite aspect of Juneau wasn't the weather.

Figure 23: What do you like least about visiting Juneau? (percentage of mentions by group)



Compared to 2015, it appears issues surrounding flying experiences have decreased, going from the second most frequent response in 2015 to the eighth most frequent response in 2018 (16 percent in 2015 versus 7 percent in 2018). The most significant increases in issues among respondents were seen in responses regarding the look and feel of downtown, especially outside of tourist season, and safety of Juneau. In previous years' surveys, safety has not been a noteworthy concern among respondents. However, this year, 1 in 10 respondents mentioned this as an issue. The issue of safety, especially relating to vagrants in the downtown area, is one that persisted throughout the 2018 survey.

Figure 24: What do you like least about visiting Juneau? (Business visitors only)

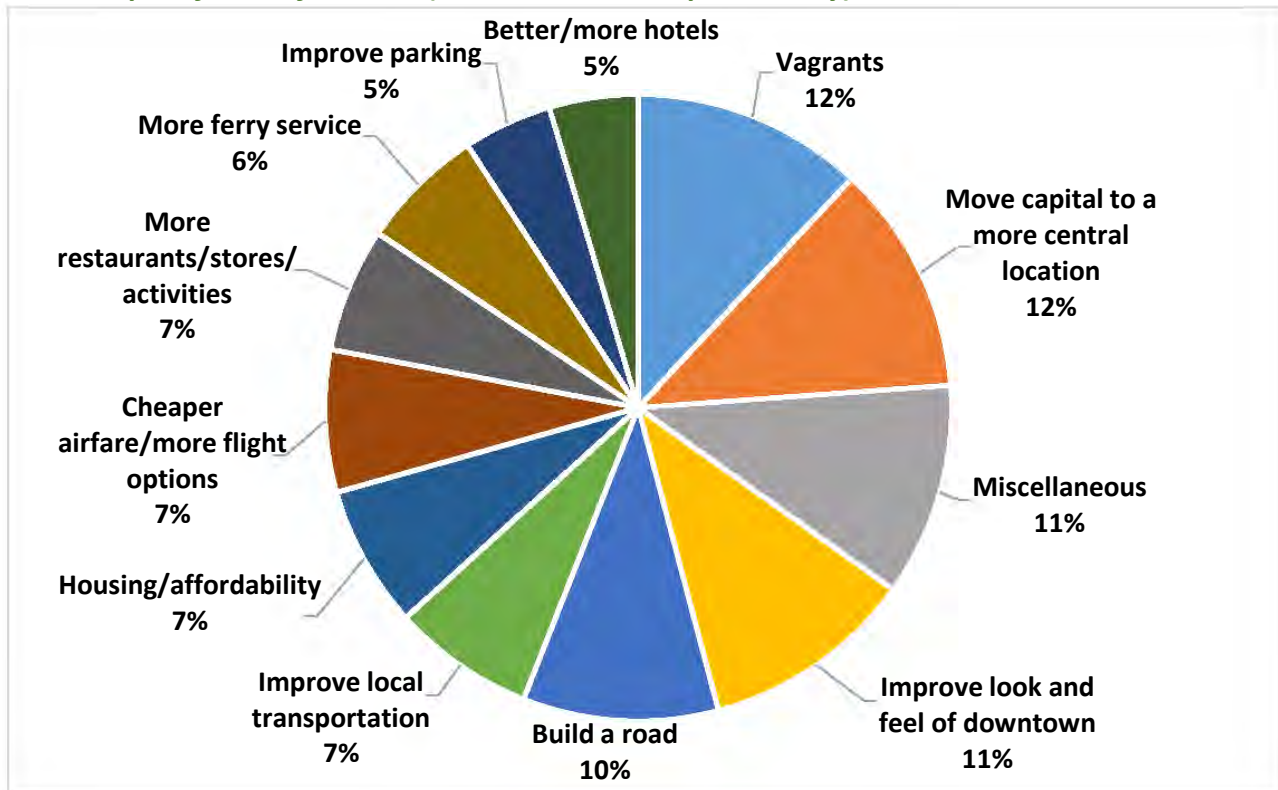


Improvements to Make Juneau a Better Capital City

Respondents were asked the optional question, *“What can the people and/or the local government of Juneau do to make Juneau a better capital for all of Alaska?”* Only thirty-nine percent of respondents provided a comment. The three most prominent suggestions were to do something about the vagrant population (12 percent), move the capital elsewhere (12 percent), and improve downtown (11 percent). Concerns about the vagrant population were especially pronounced among non-business respondents. Compared to 2015, where mentions of vagrants did not require a distinct category, in the past three years the vagrant issue has emerged as a concern for visitors to Juneau. This follows the concern for safety in responses to the question *“What Do You Like Least About Visiting Juneau?”*

In aggregate, the most frequent response to the question *“What can the people and/or the local government of Juneau do to make Juneau a better capital for all of Alaska?”* had to do with improving access to Juneau. Responses included desires for the construction of a road north (10 percent), cheaper or more flight options (7 percent), and more consistent ferry service (6 percent). Other popular suggestions for improving Juneau as a capital city were to decrease the cost of living and housing prices (7 percent), and increase services, including restaurants, stores, and activities (7 percent).

Figure 25: What can the people and/or the local government of Juneau do to make Juneau a better capital for all of Alaska? (Alaska resident responses only)



Apart from the addition of the issue of vagrants, new in 2018, the frequency of mention of other categories of responses were very little changed from the frequency of mention in 2015.

SUMMARY OF FINDINGS

Alaskans visiting for business purposes are the most likely to be in Juneau for legislative or session business and come here from Anchorage or other Southcentral communities. Non-Alaskans are most likely to visit for private sector business, coming from Washington State. Alaskan visitors stay longer when in town and visit more frequently.

Visitors to Juneau for legislative or session business are least likely to rent a car and most likely to stay in a hotel downtown and walk as their preferred method of transportation. Visitors to Juneau for private sector business by far prefer to rent a car, and are equally likely to stay downtown or in the airport/Valley area.

Satisfaction with the walkability of Juneau's downtown, friendly locals, and airport facilities remains high. However, cleanliness of downtown, which was rated fourth highest in satisfaction in 2015 fell near the bottom in ranking in 2018. The Alaska State Legislature Satisfaction Survey, conducted simultaneously with elected officials and staff, identified the same concern. As visitors for legislative and session business prefer to walk while in town, this is an aspect of Juneau identified as needing to be addressed. Further, snow removal, not surveyed in 2015, was near the bottom in satisfaction, with Alaskan visitors far more dissatisfied than non-Alaskan visitors. This concern is also consistent with findings in the Legislature Satisfaction survey.

Satisfaction with accommodations improved since 2015. Both quality and value for money moved up in Satisfaction Measure ranking. Satisfaction with meeting facilities also improved.

Dissatisfaction with the weather remained the most frequent complaint about Juneau. Whereas in 2015 flying issues were second in dissatisfaction, in 2018 issues with local transportation took second place, with 10 percent of all comments received. Transportation to/from the airport was cited as stressful, including not enough taxis meeting planes, and not enough Uber and Lyft drivers. Compared to only two percent of comments in 2015 concerning airport access, this increase should be of concern to the community.

However, the finding of most concern in the 2018 survey is the number of comments received about the vagrants/homeless downtown and the crime. Together, these comments on perceived safety come to another 10 percent of all comments. There were very few comments about this in the 2015 survey. The prominence of this concern is again consistent with the findings of the Legislature Satisfaction survey. The Alaska Committee, its community partners, and the CBJ will need to better evaluate this situation to understand its causes and begin to take appropriate mitigation action.

APPENDIX 1: DEMOGRAPHIC AND TRIP DATA COMPARISON 2018, 2015, 2013, 2009

Age Group	Percent in 2018	Percent in 2015	Percent in 2013	Percent in 2009
18 to 24	5	5	2	2
25 to 39	25	22	18	16
40 to 54	34	35	49	45
55 to 64	25	30	25	30
65 or older	11	8	6	7

Gender	Percent in 2018	Percent in 2015	Percent in 2013	Percent in 2009
Male	62	65	73	69
Female	38	35	27	31

Profession (select all that apply)	Percent in 2018	Percent in 2015	Percent in 2013	Percent in 2009
Private sector worker	43	44	55	32
Other state or university employee	10	19	20	21
Nonprofit worker	8	11	8	7
Federal government worker	7	8	6	10
City or tribal employee	5	8	3	
Constituent	7	8	1	2
Lobbyist	4	4	3	n/a
Legislator, Legislative staff or support	1	2	3	14
Other	14	5	5	7
Board member/associate/society member	7	n/a	n/a	n/a

Primary Trip Purpose	Percent in 2018	Percent in 2015	Percent in 2013	Percent in 2009
Legislative or session business	25	30	29	36
Other state business	13	17	17	18
Federal business	11	9	55	46
Other business	51	44		

Length of Trip	Percent in 2018	Percent in 2015	Percent in 2013	Percent in 2009
1 day	28	31	30	21
2 days	25	31	23	27
3-7 days/3-5 days	38	31	30	27
8-14 days/6-13 days	5	4	9	8
15+ days/14+ days	5	3	8	17

Time Spent in Juneau During Last Legislative Session	Percent in 2018	Percent in 2015	Percent in 2013	Percent in 2009
Less than a week	67	74	61	49
More than a week, less than a month	26	18	22	23
More than a month, but not entire session	8	5	8	28
Most or all of session		3	10	

Place of Residency	Percent in 2018	Percent in 2015	Percent in 2013	Percent in 2009
Anchorage	31	42	37	48
Other Southcentral	11	14	17	17
Fairbanks	6	8	8	10
Southeast	11	7	9	6
Rest of Alaska	5	7	2	4
Outside Alaska	36	23	27	15

Accommodation (select all that apply)	Percent in 2018	Percent in 2015	Percent in 2013	Percent in 2009
Hotel/motel/B&B	78	78	79	68
Rented apartment/condo/room	2	2	4	17
With friends/relatives	5	4	6	8
Did not stay overnight	10	14	9	7
Other	5	1	5	

Transportation (select all that apply)	Percent in 2018	Percent in 2015	Percent in 2013	Percent in 2009
Rental car	36	39	37	44
Walked/on foot	13	33	10	n/a
Taxi	15	28	16	16
Rode with friends/colleagues	16	17	10	9
Courtesy shuttle	4	9	12	3
Borrowed/company/government car	11	8	7	7
Own car	3	3	5	14
Other	2	3	3	7

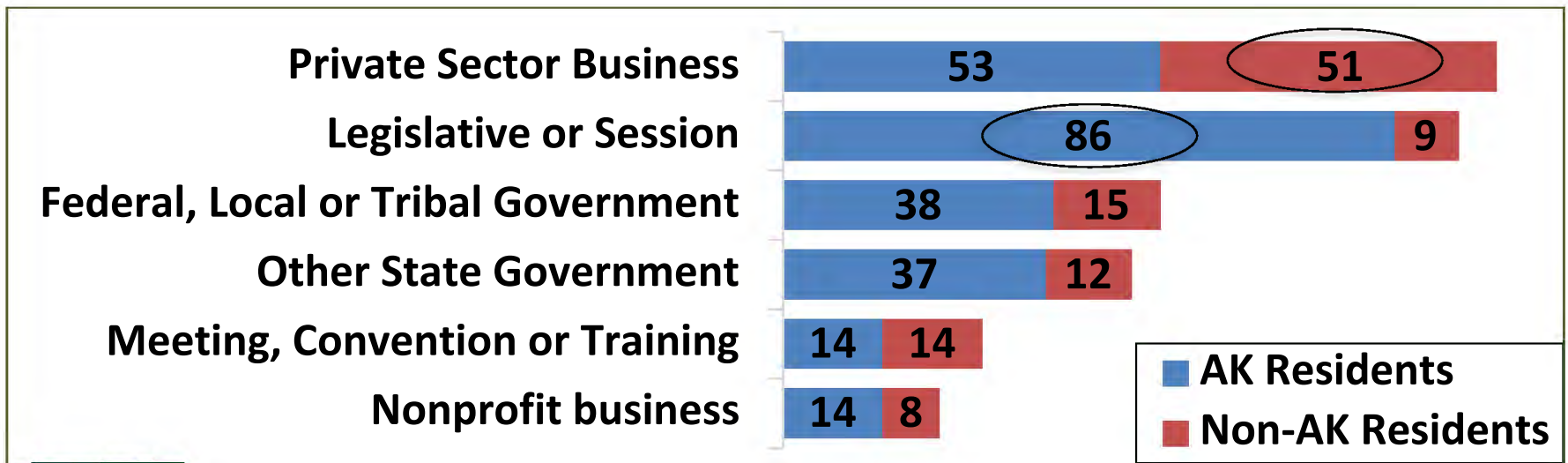
2018 Business Visitor and Legislative Satisfaction Survey



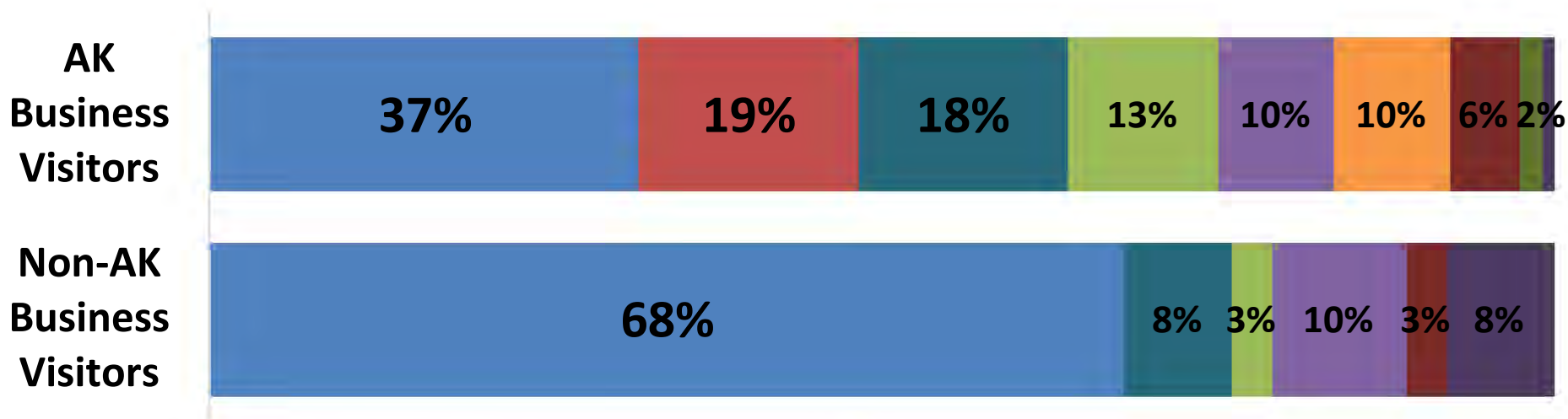
- Determine how Juneau can better serve legislators, staff and business visitors.
- Compare to prior surveys to determine trends.



- Alaskan business visitors during session are here for legislative or government business
- Non-AK business visitors are here on private sector business



- Alaskans are employed in the private sector and government sector
- Non-AK visitors work in the private sector



Private sector worker

Federal, city or tribal employee

Nonprofit worker

Lobbyist

Other

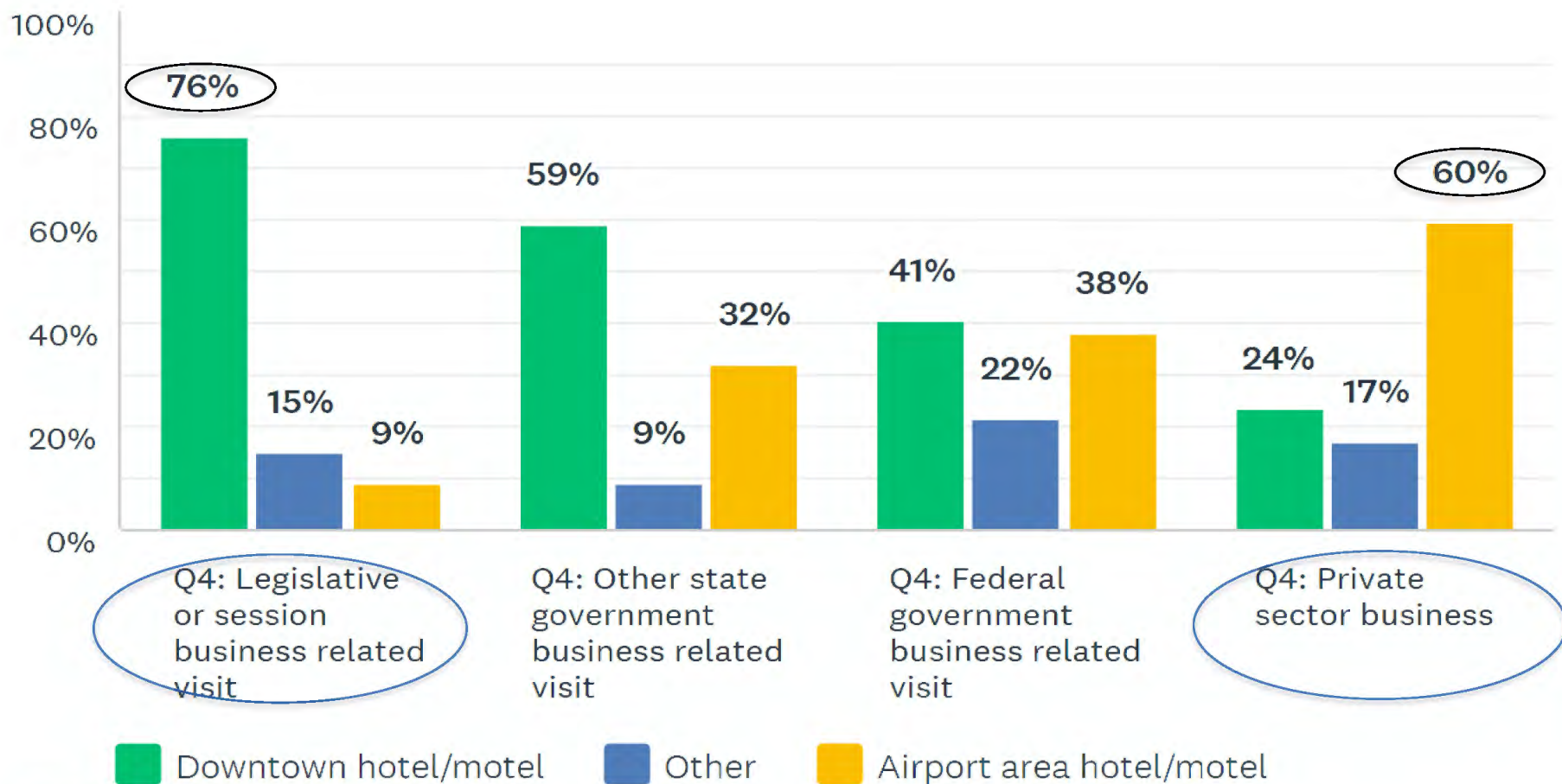
Other state or university employee

Board/association/society member

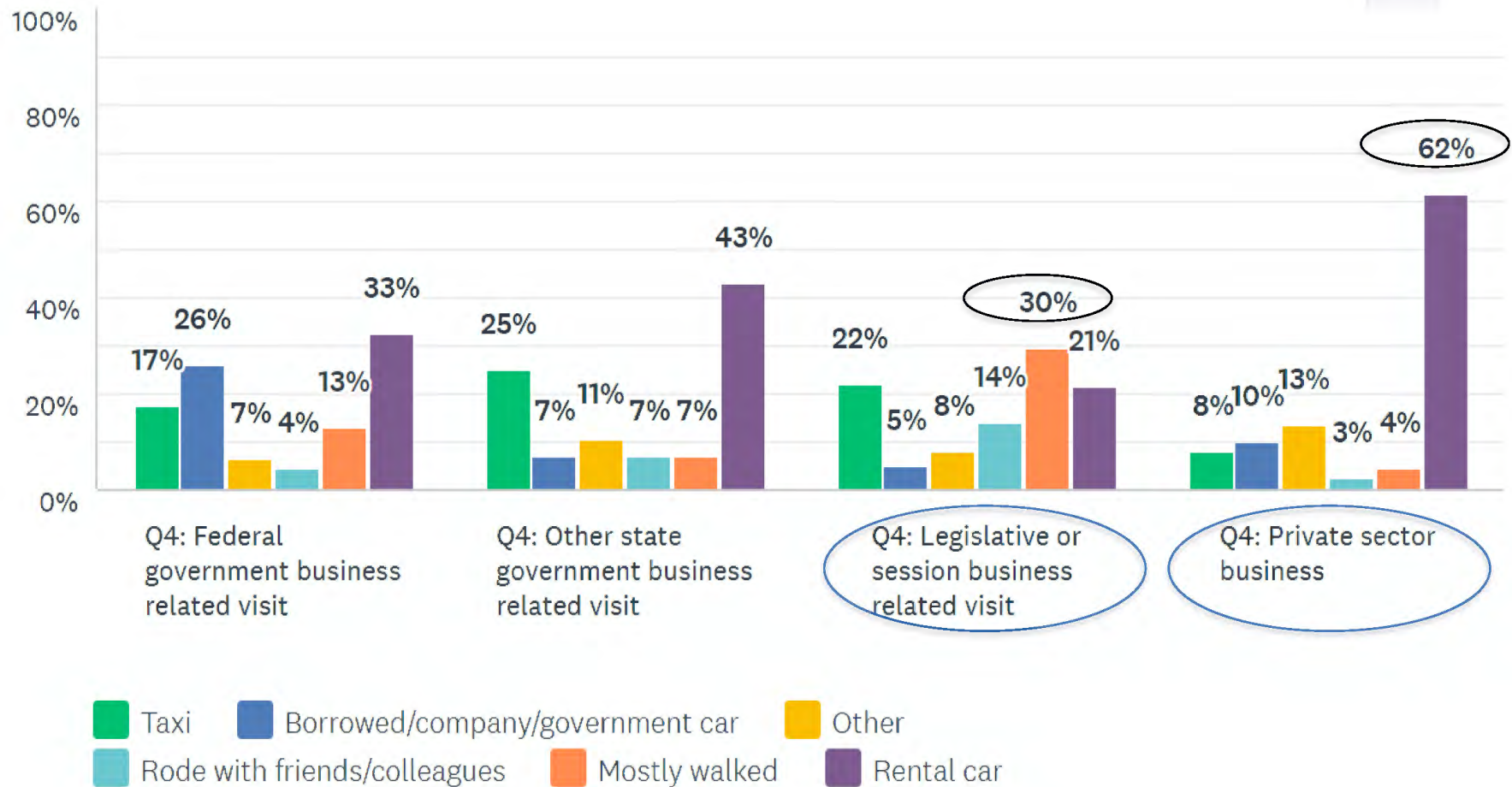
Constituent

Legislator/staff/support

- **Legislative visitors overnight downtown**
- **Private sector business visitors overnight in the airport area**

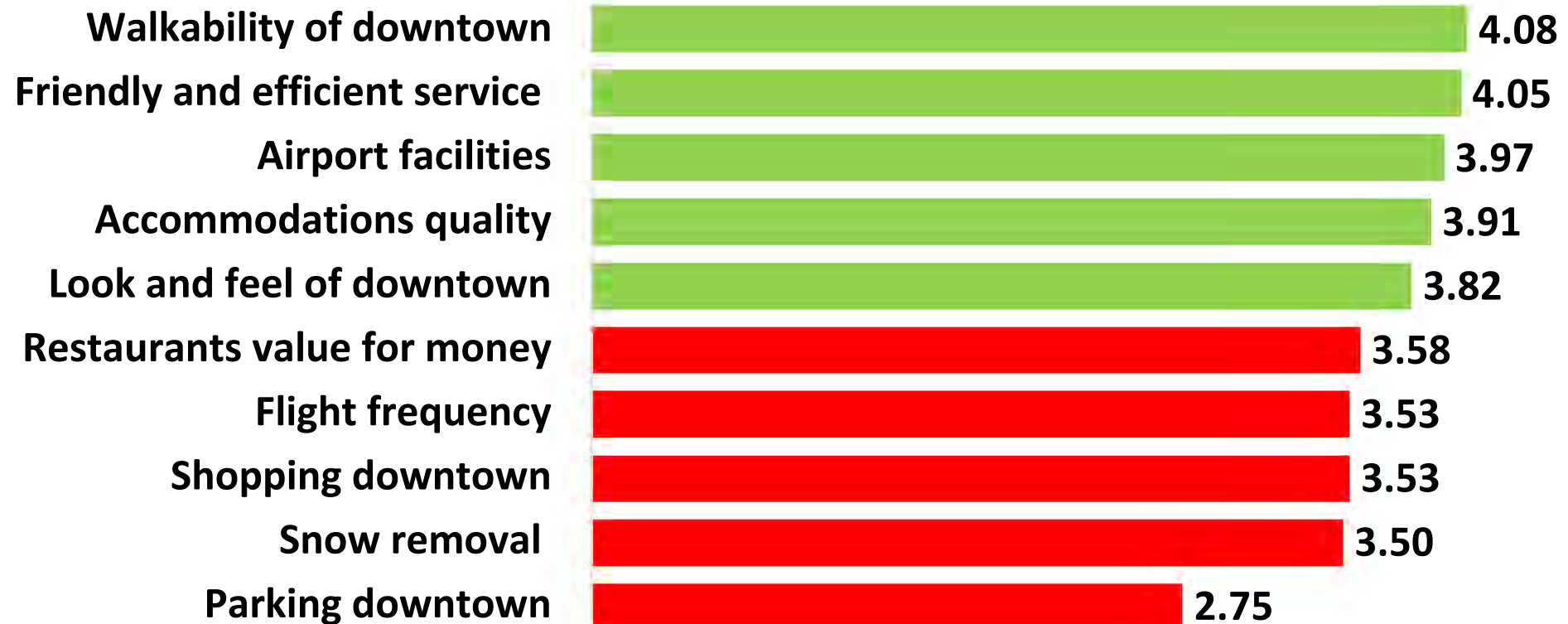


- **Legislative visitors walk**
- **Private sector business visitors rent a car**



- On a scale of 1 to 5, visitors on business are happy with Juneau – except parking

Average Rating = 3.63



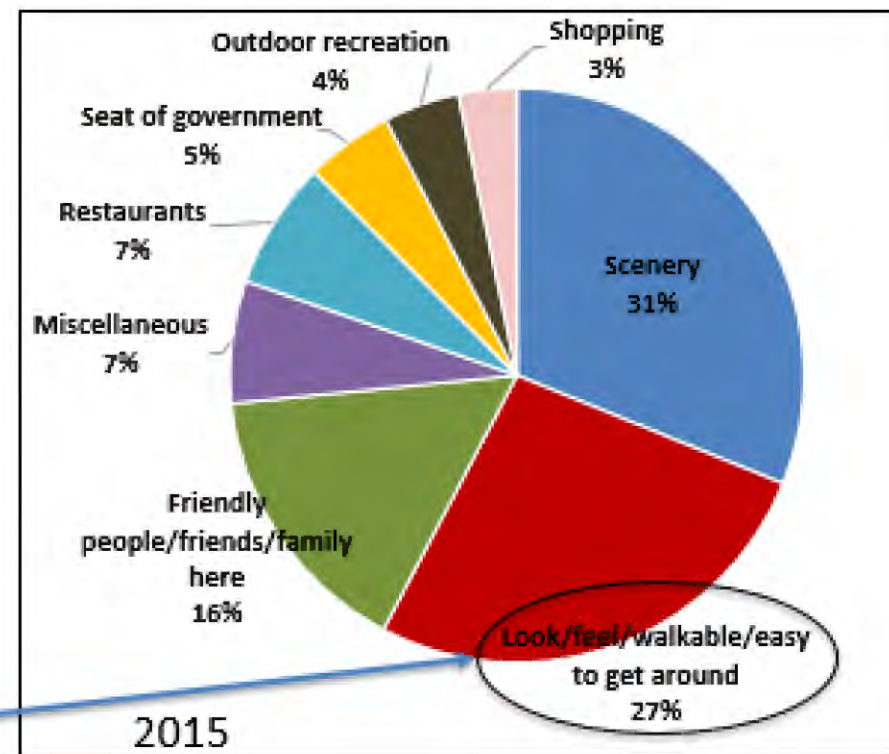
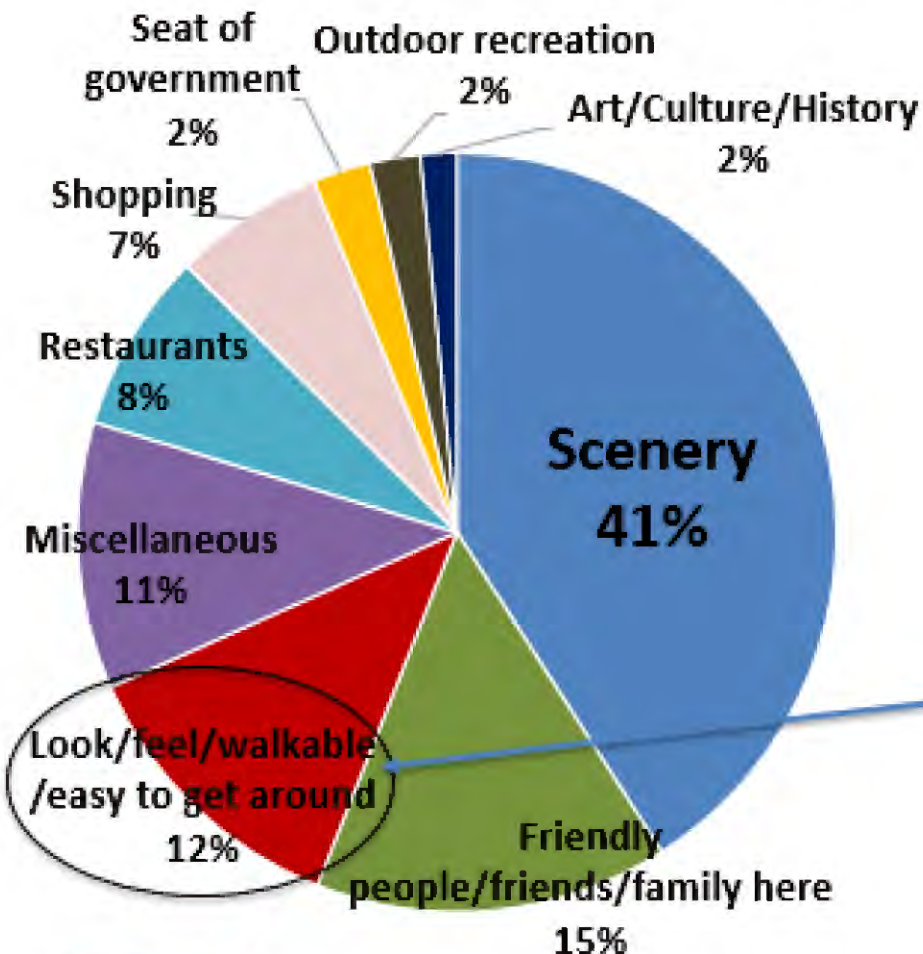
Satisfaction Ranking Compared:

- Hotels move up, cleanliness moves down

Satisfaction Rank 2015			Satisfaction Rank 2018	
1	Walkability of downtown		1	Walkability of downtown
2	Friendly and efficient service		2	Friendly and efficient service
3	Airport facilities		3	Airport facilities
4	Cleanliness of downtown		4	Accommodations - quality
5	Look and feel of downtown		5	Look and feel of downtown
6	Accommodations - quality		6	Restaurant - hours of operation
7	Restaurants - hours of operation		7	Meeting facilities
8	Restaurants - availability of choices		8	Restaurants - availability of choices
9	Recreation		9	Restaurants - value for money
10	Restaurants - value for money		10	Accommodations - value for money
11	Meeting facilities		11	Recreation
12	Arts and Entertainment		12	Cleanliness of downtown
13	Accommodations - value for money		13	Shopping
14	Shopping		14	Airport concessions
15	Airport concessions		15	Arts and Entertainment
16	Downtown parking		16	Downtown parking

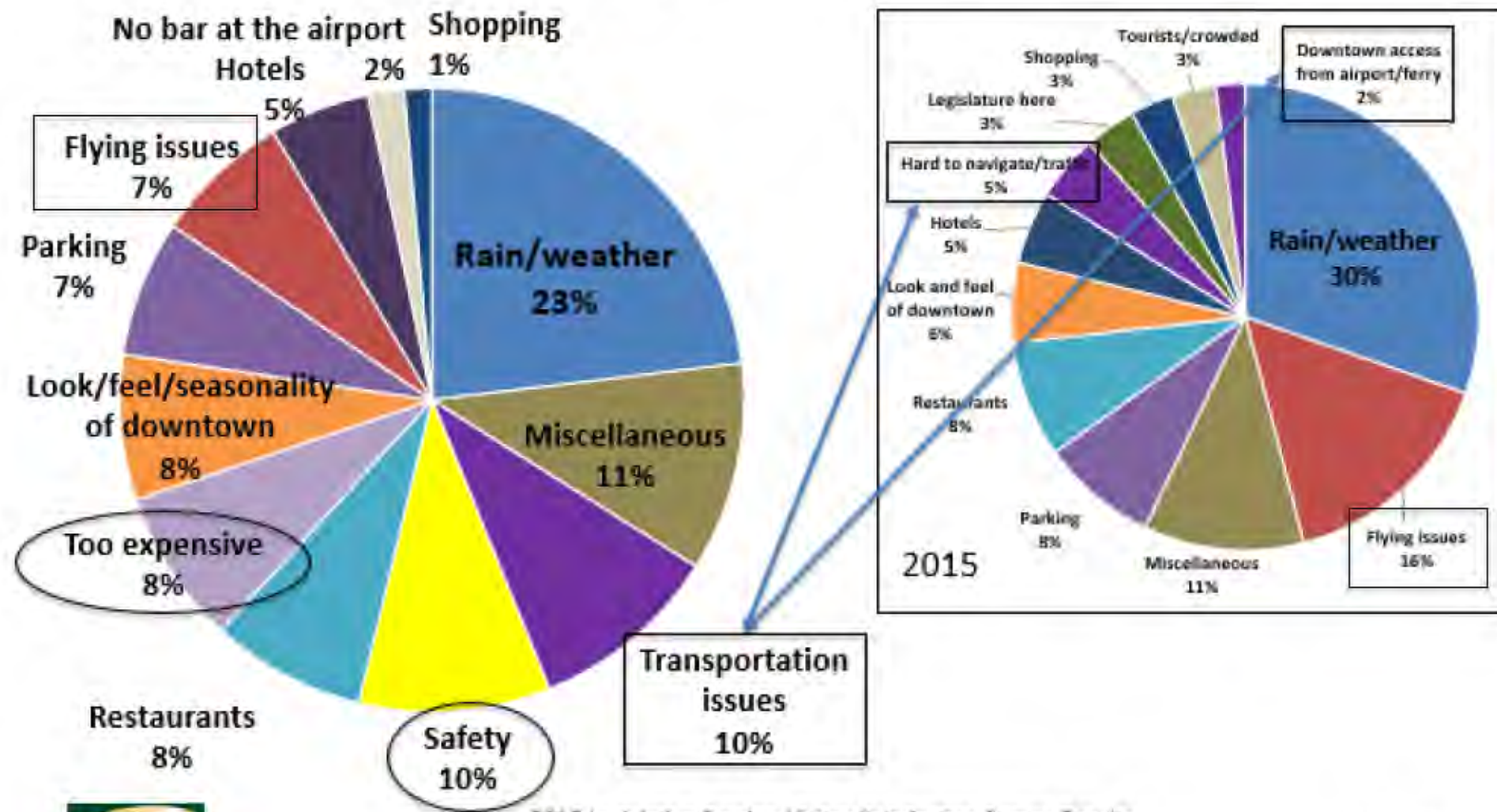
What Visitors Like Most:

- **Juneau's scenery and friendly people**



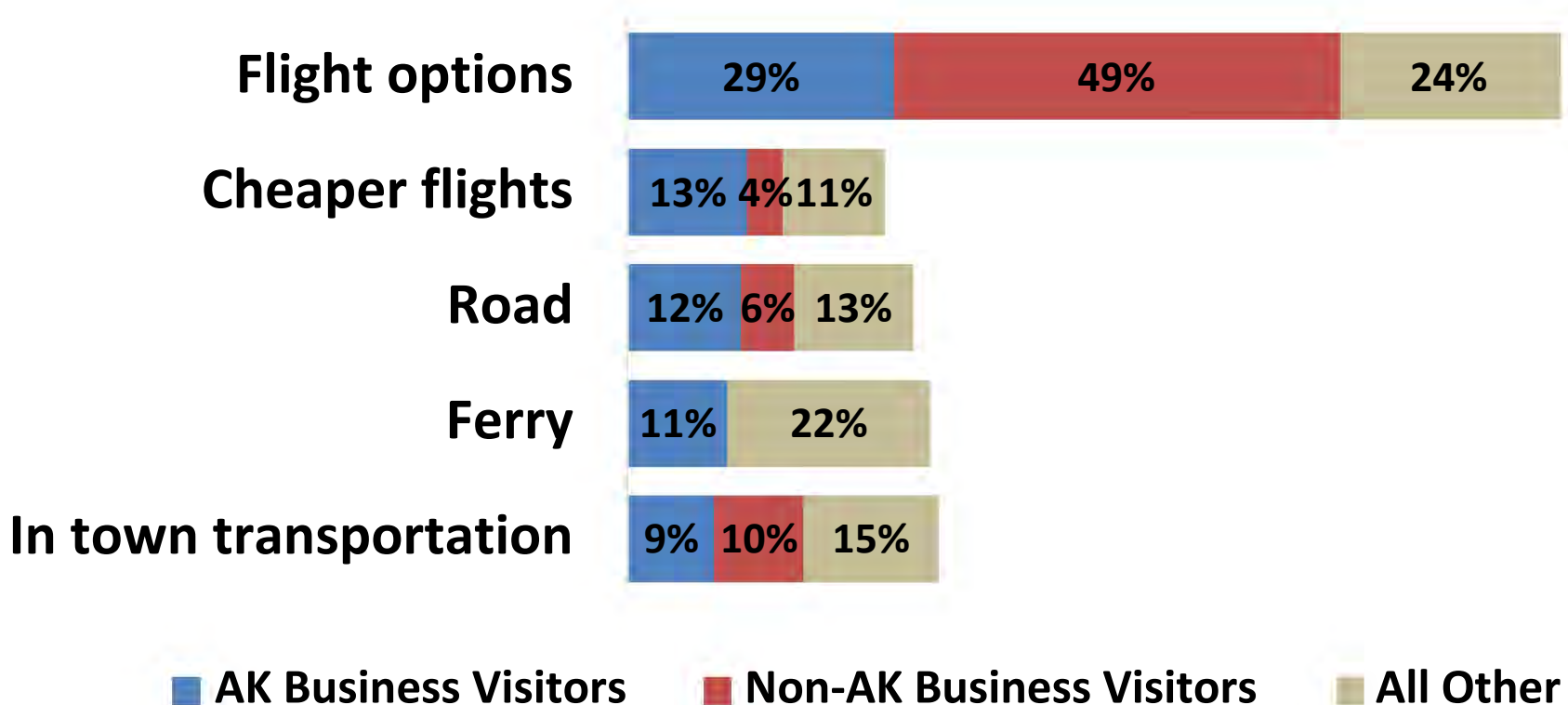
What Visitors Like Least

- The rain, city transportation and safety



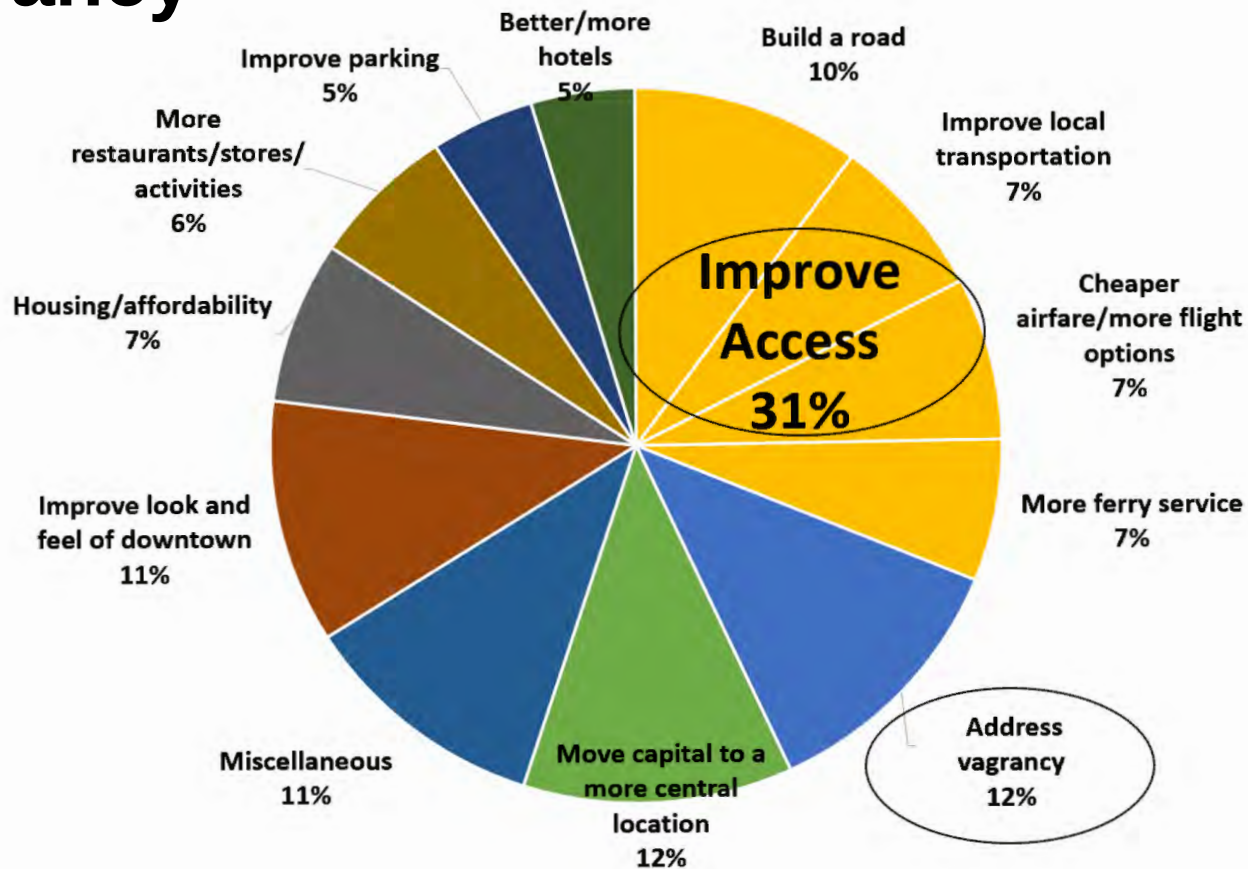
Findings:

- **Access to Juneau could best be improved by more flight options**



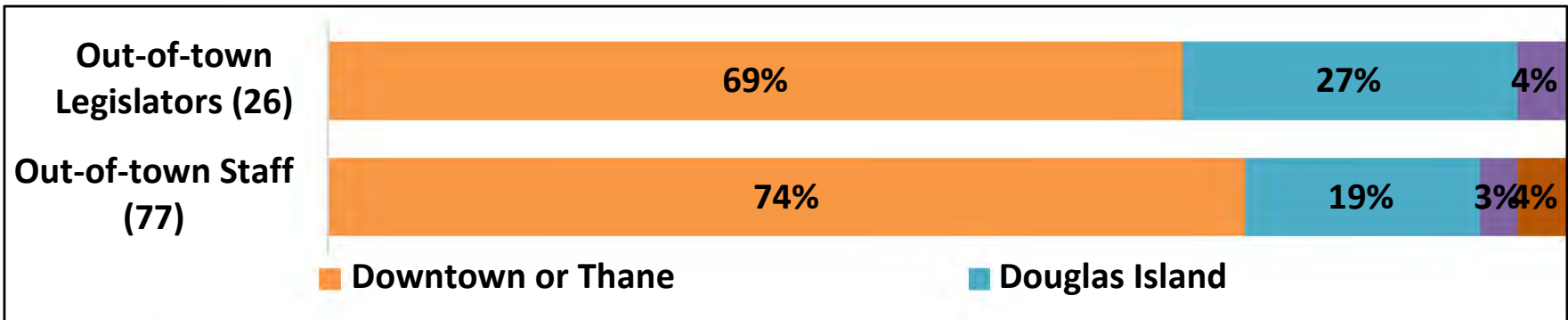
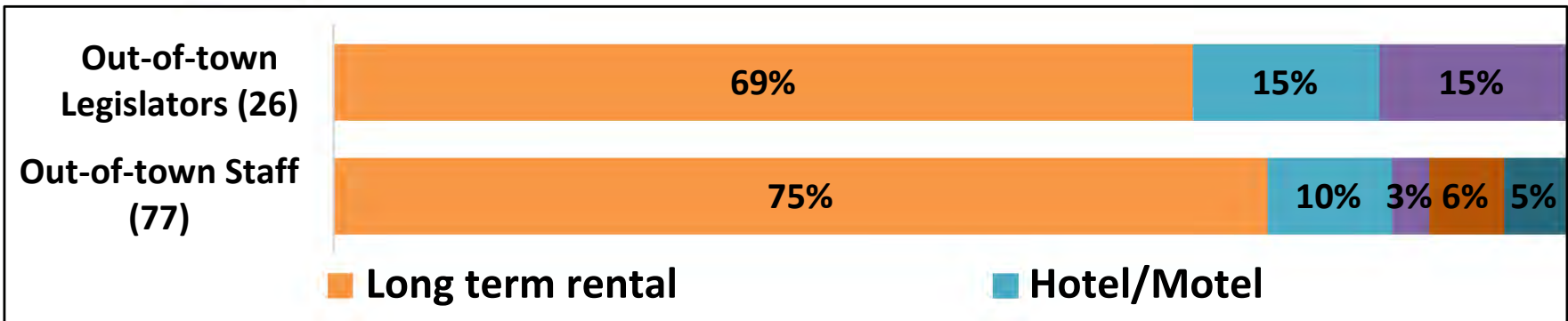
Findings:

- Juneau can improve as a capital city by improving access and addressing vagrancy

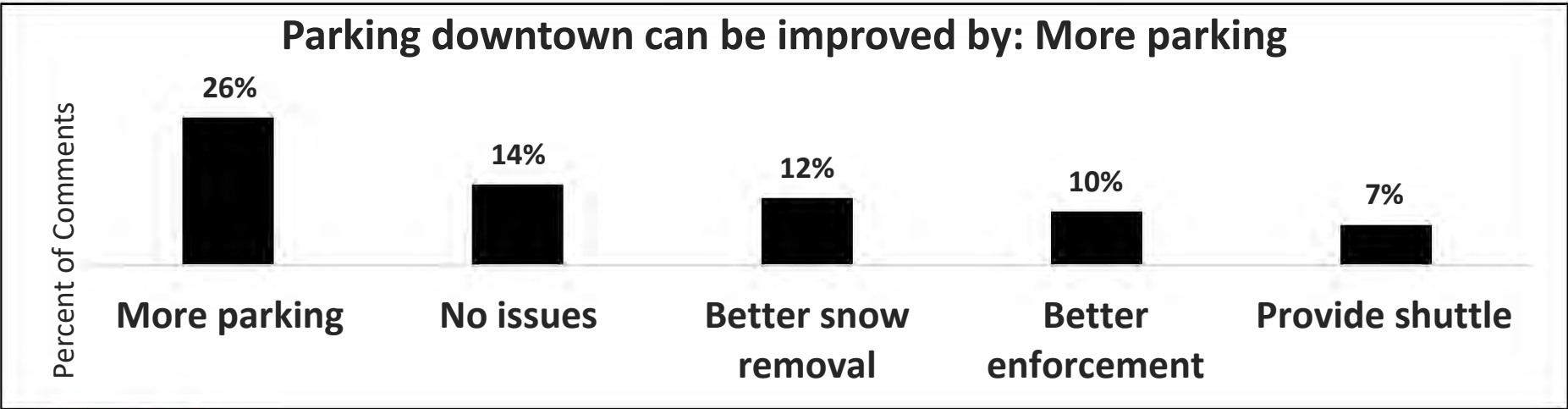
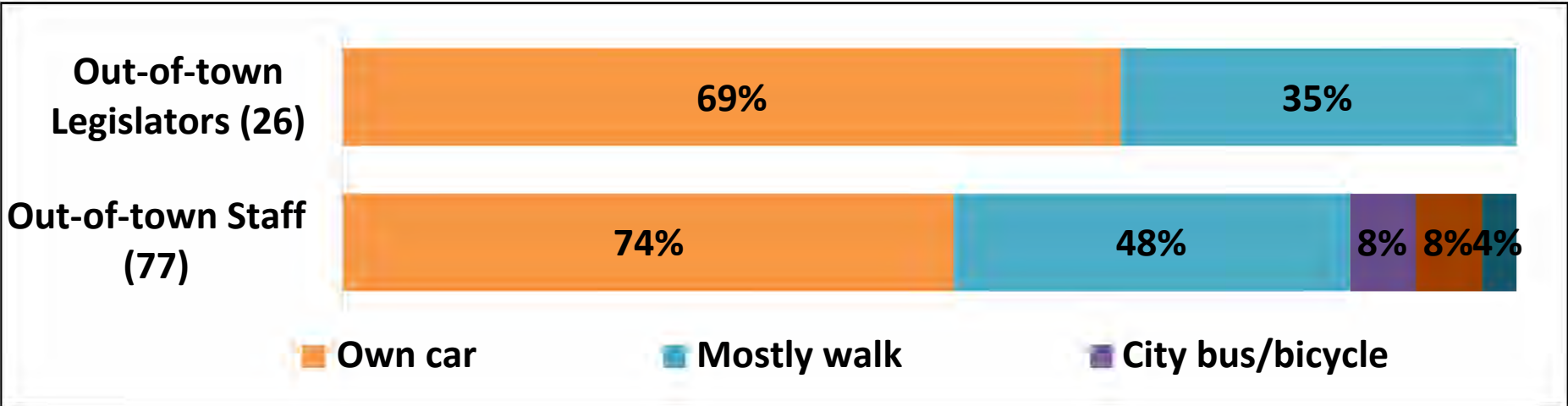




- **Elected officials and staff prefer to live**
 - In a long term rental close to the capitol



- Elected officials and staff prefer to
 - Drive their own cars and/or walk

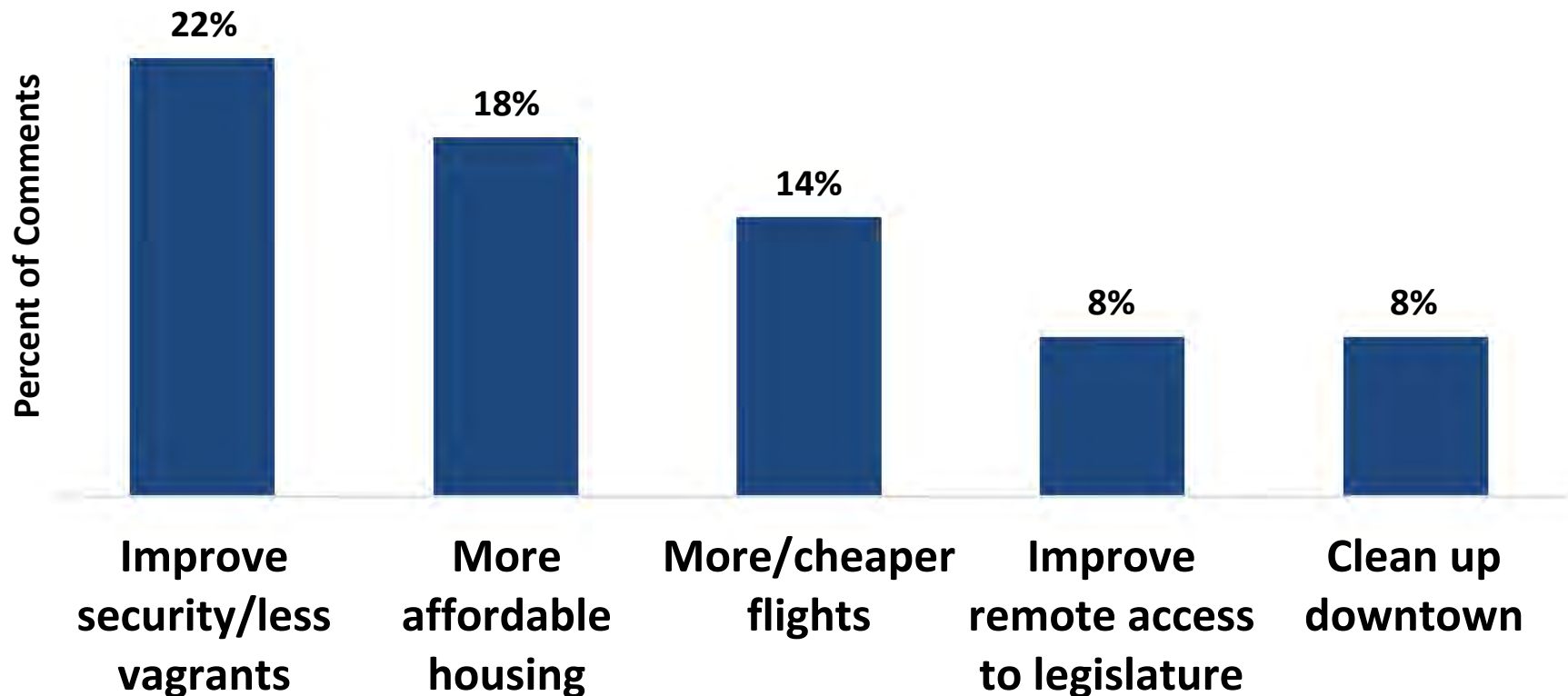


- Legislators and staff are happy with Juneau
- Safety, restaurant hours, housing and cleanliness need to be addressed



According to legislators and staff

- The people/government of Juneau should:



In 2018...

Both surveys showed that visitors...

- **Enjoy the scenery and people in Juneau**
- **Would like improved access to Juneau and within Juneau**
- **Voiced concerns about downtown**
 - **Safety and vagrancy**
 - **Business hours and seasonality**
 - **Cleanliness**

Business visitors...

- **Stay in the Valley or downtown depending on purpose of visit. Are more satisfied with Juneau's hotels than three years ago. Overall, enjoy their visit.**

Legislators and their staff...

- **Stay downtown, prefer to walk but have safety concerns, would like restaurants open later and would like to see improvements in long term housing options.**

Thank You! Thank You!



November 2017



JUNEAU BUSINESS FREIGHT SURVEY

Prepared for
Juneau Chamber of Commerce



Prepared by



Juneau Business Freight Survey

Prepared for:

Juneau Chamber of Commerce

Prepared by:

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November 2017

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Executive Summary

The Juneau Chamber of Commerce (JCC) contracted with McDowell Group to conduct a survey of Juneau businesses and organizations to address barriers to business development associated with freight transportation into and out of Juneau. Previous survey research and economic development planning highlighted freight costs as a barrier to business and economic development in Juneau. This survey project was intended to delve deeper into the issue, and potentially identify steps to mitigate freight transport-related barriers to growth in Juneau.

The online survey was conducted during the summer of 2017 and garnered responses from 116 Juneau-area businesses and organizations. The survey was conducted in two phases, with the first phase targeting a selection of 40 businesses that are particularly reliant on in-bound and out-bound shipping, and the second phase in which the survey was opened to all interested businesses and organizations.

McDowell Group supplemented the survey results with a summary of freight statistics for Juneau. This data provides an indication of the role of various transportation modes in meeting Juneau's freight transportation needs.

Key research findings are summarized below.

Juneau Freight Volumes

- Juneau's 2016 container traffic, according to US Army Corps of Engineers Waterborne Commerce data, totaled 69,800 loaded in-bound Twenty-foot equivalent units (TEUs) and 26,400 loaded out-bound TEUs.
- Juneau's in-bound loaded container traffic declined by 9 percent between 2015 and 2016. Out-bound loaded container traffic was down 6 percent over the same period.
- A total of 606,000 tons of freight and fuel were shipped into Juneau in 2015 (the most recent available data), while 259,000 tons were shipped out. This includes 476,000 tons of in-bound non-petroleum product freight, and 234,000 tons of out-bound non-petroleum freight.
- In 2016, 14 million pounds of freight were flown into Juneau, 6 percent more than in 2015. Out-bound air freight increased by 14 percent in 2016, totaling 10 million pounds. In addition, 4.6 million pounds of mail were flown into Juneau in 2016, while 3.4 million pounds were flown out.
- In 2015, 819 vans were loaded on to AMHS ferries in Juneau, while 940 vans were off-loaded in Juneau. Van traffic across the ferry system has been declining in recent years, as service has declined.

The Survey Sample

- Businesses and organizations participating in the survey account for a collective total of roughly \$700 million in annual sales/budgets. (Juneau has – roughly – a \$3 billion economy.) Businesses of all sizes

are represented in the survey sample; 19 reported annual sales/budgets of more than \$10 million, while 20 reported annual sales/budgets of less than \$1 million.

- Survey respondents collectively account for approximately 4,000 full-time and part-time jobs in Juneau, representing just under one-quarter of Juneau's total wage and salary employment base of approximately 17,900 full and part-time jobs. Eleven survey respondents have more than 100 employees; 29 have ten or fewer employees.
- Survey results are reported with cross-tabulations for five categories: Construction (21 firms in the category), Manufacturing (5), Food/beverage (10), Trade (36), and All Others (66). (The total number of firms in each category adds to more than 116 because some placed their companies in more than one category.)

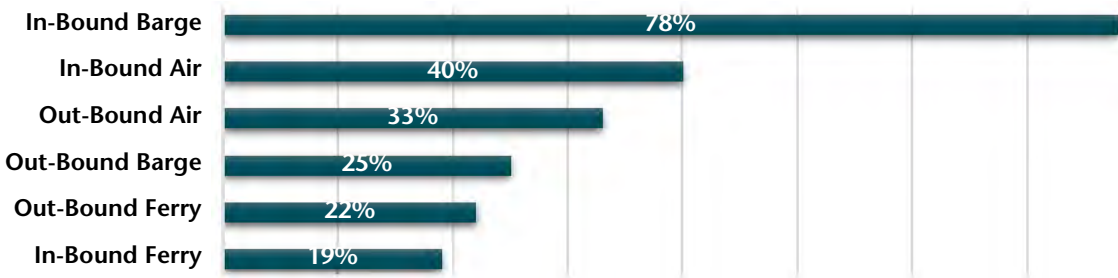
Markets Served

- Logically, Juneau, where in-bound shipping is the critical factor, is the principal market served by the majority of survey respondents.
- However, out-bound freight service is critical to Juneau's manufacturers, who sell to outside markets and draw money back into the local economy, providing basic industry activity. Similarly, local retailers and wholesalers, construction companies, and others who sell goods and services to customers elsewhere in the region also rely on out-bound freight service.

Importance of Freight Transportation Modes

With surface transportation options limited to barge and ferry, it is not a surprise that in-bound barge service is very important to more local businesses than any other aspect of freight transportation in and out of Juneau. In-bound barge service rates as very important to three-quarters (78 percent) of survey respondents.

Percent of Businesses Reporting Freight Service as Very Important to Their Cost of Doing Business



- All but one of the 40 targeted businesses rated in-bound barge service as very important to their cost of doing business.
- The specific needs of Juneau's manufacturing sector are reflected in their responses to a question on the importance of freight service: out-bound air was noted as very important to 80 percent of survey

respondents engaged in manufacturing, 60 percent noted out-bound barge is very important, and 40 percent noted out-bound ferry was very important.

Shipping by Barge

- While most of the freight tonnage that arrives in Juneau on a barge is in a container, most businesses require less-than-container load (LCL) in-bound shipping services. More than 90 percent of survey respondents require some in-bound LCL shipping, and about 40 percent require LCL shipping exclusively.
- About half (46 percent) of less-than-container load shippers have flexibility in the volume they ship, and more than one-third (38 percent) have timing flexibility. Recognizing the potential cost savings associated with shipping in container loads, this flexibility with less-than-container load shipping may present an opportunity for in-bound freight cost-savings.
- Food and beverage businesses report the least flexibility in terms of in-bound volume. The manufacturing sector reports the least flexibility in timing (understandable given the inventory control requirements for larger manufacturers).
- Out-bound LCL shipping may also have potential for cost-savings, as shippers take advantage of their volume and timing flexibility.

Shipping by Ferry

- Approximately 40 percent of the AMHS van arrivals in Juneau are from Prince Rupert or Bellingham. There were 383 van arrivals from these two ports in 2015 (out of 940 total van arrivals in Juneau).
- Evidently AMHS is filling some of the gap in freight volume between barge and air for the transport of perishable goods. It is also evident that most of these vans return south (empty) on the barge.
- AMHS moved a significant number of vans from Juneau to outlying communities, including 158 to Gustavus, 146 to Haines, and 108 to Hoonah, in 2015.

Shipping by Air

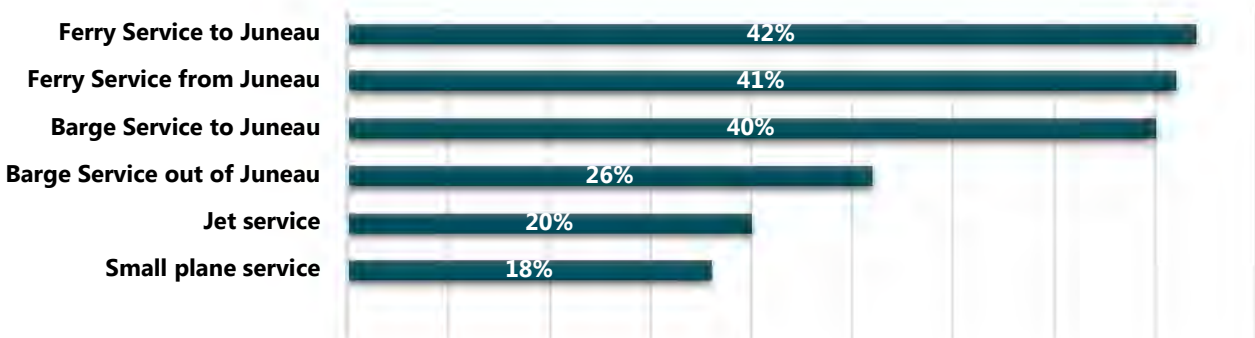
- A total of 9.7 million pounds of air freight were shipped from Anchorage to Juneau in 2016. Seattle, the next most important point of origin for air freight to Juneau, accounted for 1.9 million pounds.
- Top out-bound air freight destinations include Sitka (3.0 million pounds), Seattle (2.8 million pounds), and Anchorage (1.9 million pounds).
- Providing goods and materials by small plane to outlying communities is an important aspect of operations for some Juneau businesses. In 2016, 337,000 pounds of freight was flown from Juneau to Skagway, 300,000 pounds to Haines, 278,000 pounds to Hoonah, and 192,000 pounds to Gustavus. Kake, Angoon, and Pelican combined accounted for 291,000 pounds of air freight from Juneau. These figures do not include mail (which in total is about equal to the amount of freight).

- In-bound small-plane air freight, in 2016, included 71,000 pounds of freight flown to Juneau from Haines, 67,000 pounds from Hoonah, 56,000 pounds from Pelican, and 53,000 pounds from Gustavus. Skagway, Kake, and Angoon together accounted for another 111,000 pounds.

Freight Service Frequency as Barrier to Growth

- Just as many Juneau businesses see frequency of ferry service as a barrier to their growth as frequency of in-bound barge service (about four in ten survey respondents).

Businesses Reporting Service Frequency as Barrier to Business Growth

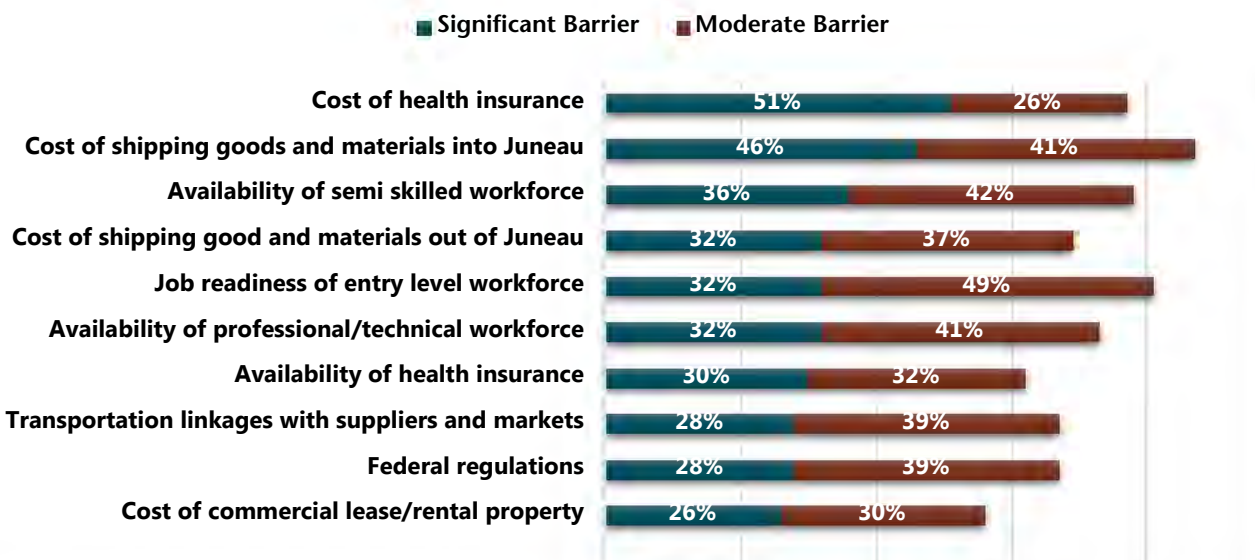


Barriers to Growth

The survey asked respondents to rate a broad range of factors as either significant, moderate, or not significant barriers to their business's growth. The purpose of the question was to place freight-related concerns in a broader context of all the issues that present challenges to local businesses.

- In addition to cost of shipping, health insurance and labor force-related issues top the list of barriers. Responses are generally consistent by sector, with the notable exception of the manufacturing sector, which most often reported cost of commercial lease/rental property as a significant barrier.

Top 10 Barriers to Business Growth in Juneau



- When asked to identify the single most important barrier, overall cost of shipping into Juneau was the number one response (noted by 20 percent of respondents). Manufacturers were again the exception, with 60 percent noting cost of commercial lease/rental property as the single most significant barrier.
- Several survey respondents identified other barriers to their business, including lack of road connection to Juneau, frequency and capacity of ferry service for moving freight, and expensive internet and telephone, among others.

Impacts of Lower or Higher Shipping Costs

Survey respondents were asked to describe the impact on their business of a 10 percent reduction in their total shipping costs, and the impact of a 10 percent increase in their shipping costs. Detailed responses are provided elsewhere in this report, though the following statements generally encompass the range of responses:

A 10 percent reduction in shipping costs

- "Free up capital to increase the pace of our expansion efforts."
- "This would make us more competitive with the suppliers in Puget Sound."
- "Any reduction in freight costs makes Juneau a more affordable place to live as the cost of housing, food, and energy drops."
- "Freight costs are passed on directly to our customers. A 10 percent reduction for us would be a 10 percent reduction for them."
- "It would free up capital for other uses, like technology improvements."
- "It would also address the problem we are having competing with Amazon Prime."
- "Allow us to better compete with online retail."

A 10 percent increase in shipping costs

- "Split half between operating cost and increased cost to customer resulting in higher shelf prices for our products."
- "It would probably push me closer to warehousing all my merchandise outside and shipping from there, so that most inbound goods would never reach Juneau at all."
- "Would reduce profitability. Would make e-commerce a very small part of my business. Would contribute toward declining retail performance."
- "Would reduce margins further and benefits to stakeholders. As we compete with the internet and free shipping, we can't just raise our prices."
- "This would cause us to have to raise prices, which consumers already feel are high, and decrease our sales."

- "...we reduce our profits to offset increasing freight costs to compete with the national retailers. As freight cost rise the national retailers need only outlast local businesses which would lead to fewer and fewer local businesses."

Freight Service Improvements Needed

Survey respondents were asked whether there are freight service improvements, other than lower costs, that could allow them to increase production/sales. Detailed responses are provided elsewhere in this report; however, responses generally fell into the following categories:

- More frequent service, for all modes of transportation
- Increased out-bound air freight capacity
- Road connection to Juneau and other regional road development
- Greater opportunity to use AMHS to ship freight
- Enhanced opportunity for out-bound fish shipping
- More competition in the freight transport market

Respondents' Final Comments

In the final question of the survey, respondents were asked to provide additional comments about how freight service to and from Juneau affects their business or about how enhanced freight service might enable their business' growth. The most frequent comments were about road access to Juneau and competition in Juneau's freight business.

A few representative responses are provided below.

- "The connections with other communities in Alaska are difficult. If we were able to ship affordably to Anchorage, Sitka, and Ketchikan, we would be able to supply our products to these markets. Without direct connections to these places, shipping is cumbersome and expensive."
- "Juneau access is the single most important issue for our community. The second is a deep-water port. Without these two issues being resolved competition cannot flourish and Juneau's ability to grow will continue to be [stunted]."
- "Cost-effective small package shipping would allow me to compete by providing special order service to my local customers. Also it would allow me to sell items and ship them to customers outside of Juneau."
- "More frequent incoming barges would help but not if it increases cost. Competition in both barge and air would help us."
- "I have no complaints about the frequency of service, or the other services we receive from the freight companies. The only issue is the cost, which seems to increase each year at a much higher rate than inflation in general."

Summary Discussion

As a community without road access, Juneau does not have the full spectrum of over-land, marine, and air freight transportation opportunities that businesses in many communities can choose from. Without that full spectrum, businesses lack the opportunity to choose the shipping methods that best meet their specific needs. Further, the community's relative isolation and distance from major supply centers and markets mean shipping costs are always likely to be a critical aspect of the cost of doing business in Juneau, and for the cost of living overall. Finally, the freight business has substantial barriers to entry and, in Juneau, has dominant, heavily-invested, well-established, and well-run businesses providing barge, jet, and small-plane freight service. The reality of all these factors is that there are no easy solutions for mitigating the freight-related barriers many businesses perceive to be constraints on their growth.

Opportunities for improvement do exist, however. In the near-term, for example, further investigation may be productive into how local businesses might work together to consolidate their less-than-container load shipping needs to take better advantage of container-load rates. Also, recognizing that some local businesses depend on ferry freight service, Juneau can voice its support for AMHS funding at levels necessary to sustain service. Longer-term, Juneau can make commitments and take steps to build road and port infrastructure needed to support community growth in the future.

Introduction

Juneau's isolation from the continental highway system and distance from key markets and supply centers make freight transportation infrastructure and services critical to the community's business and economic development potential. A key economic development goal identified in the *Juneau Economic Plan* (JEP) is to "enhance essential infrastructure" by supporting "transportation infrastructure-related policies and developments that will...control or lower the cost of freight shipment into and out of Juneau." In the JEP business survey, when asked to identify specific barriers to their own business/organization's growth, more than one-third of respondents noted shipping costs as a significant barrier. Also, the cost of living in Juneau, which is closely linked to transportation costs, was mentioned more often than any other factor as a significant barrier to business development.

The Juneau Chamber of Commerce (JCC) committed to play a lead role in further investigation and strategic planning around Juneau's shipping cost environment. The Juneau Business Freight Survey is one element of that commitment.

An important goal of this survey research effort was to determine if there are steps that businesses or the community in general can employ individually or collectively to mitigate transportation-related barriers to business development.

Scope of Work and Methods

The Juneau Freight Survey was conducted in two phases. In the first phase, a password-protected link to an online survey was sent to a selection of local businesses known to be reliant on in-bound shipping of materials, supplies, or inventory; business that sell products or materials to non-local markets; and other businesses that depend on the movement of materials and equipment into or out of Juneau. Selection of these businesses was a joint effort between JCC and McDowell Group. Efforts to engage these selected businesses in the survey began May 24, 2017 and continued for approximately two months. A total of 40 useable surveys were gathered in this first phase.

The second phase involved distribution of an open link to the survey to all Chamber members and other local businesses and organizations. Blanket emails with links to the survey were sent to Chamber members and others August 10 and again on August 22. The survey closed on August 31. Phase 2 garnered 76 additional useable surveys.

Content of the survey was determined in close consultation with JCC. In addition to questions classifying respondent businesses by type (such as manufacturing, construction, wholesale, retail, etc.) and scale of operations (such as number of employees and annual sales), the survey addressed issues including:

- Importance of various shipping modes (air, barge, ferry)
- Impacts of shipping costs on overall business expenses and pricing
- Suggestions for specific changes in shipping services that could spur their own business growth
- Expected business benefits of enhanced freight service

- Impacts on business of increases or decreases in cost of freight transportation

The survey concluded with an opportunity for respondents to provide additional input they deemed relevant to Juneau's freight-related business and economic development barriers and opportunities. The survey instrument is provided in the appendix.

This survey was conceived as part of a larger two-part research and planning project. The second part, if conducted, will include comprehensive interviews with freight transportation providers to identify their operational challenges and opportunities, any infrastructure or facility constraints on their Juneau services, and their reactions and suggestions with respect to the results of the business survey. The goal is to identify opportunities to mitigate shipping-related barriers to economic development in Juneau. Part 2 would also include a quantitative summary of the role of freight costs in the overall cost of living in Juneau, based on high-level modeling. Having a better understanding of how the community in general (businesses, non-profit and government enterprises, and households) might benefit economically from improved freight service would inform a discussion of the costs and benefits of public investment in policies or facilities aimed at mitigating Juneau's freight cost-related challenges.

Juneau Freight Statistics

This chapter provides the most recent publicly-available data for waterborne (barge), air, and Alaska Marine Highway System freight traffic to and from Juneau. Key data sources include the U.S. Army Corps of Engineers (USACE), federal Bureau of Transportation Statistics (BTS), and Alaska Marine Highway System traffic database. Though not part of McDowell Group's contracted scope of work, the study team determined that some data reflecting freight transportation to and from Juneau was needed to provide appropriate context for the survey results.

According to USACE data, in 2016, Juneau in-bound container traffic included 69,781 loaded 20-foot equivalent units (TEUs) and 14,384 empty TEUs. Juneau out-bound container traffic included 26,362 loaded TEUs and 24,236 empty TEUs. In-bound container traffic was down 9 percent in 2016, compared to 2015. The following table provides four years of container traffic data for Juneau.

Table 1. Juneau Container Traffic, 2013 to 2016 (TEUs)

Year	In-Bound Loaded	In-Bound Empty	Out-Bound Loaded	Out-Bound Empty
2013	75,077	16,956	27,978	30,526
2014	76,233	13,605	26,462	23,708
2015	76,945	18,374	28,004	26,282
2016	69,781	14,384	26,362	24,236
% Change '15 to '16	-9%	-22%	-6%	-8%

Source: USACE

According to BTS waterborne commerce data, a total of 606,000 tons of freight and fuel was shipped into Juneau in 2015 (the most recent available data), while 259,000 tons were shipped out. This includes 476,000 tons of non-petroleum product freight in-bound, and 234,000 tons out-bound.

The poundage of air freight into and out of Juneau has increased steadily over the past few years. In 2016, 14 million pounds of freight were flown into Juneau, 6 percent more than in 2015. Out-bound air freight increased by 14 percent in 2016, totaling 10 million pounds.

Table 2. Juneau Air Freight, 2013 to 2016 (Pounds)

Year	In-Bound Freight	In-Bound Mail	Out-Bound Freight	Out-Bound Mail
2013	12,310,113	4,283,398	9,499,998	3,205,163
2014	12,929,469	4,180,431	9,356,879	3,109,445
2015	13,296,015	4,552,088	8,842,016	2,921,432
2016	14,051,450	4,598,611	10,044,106	3,411,694
% Change '15 to '16	+6%	+1%	+14%	+17%

Source: Bureau of Transportation Statistics

The Alaska Marine Highway System plays a role in moving freight in and out of Juneau. In 2015, 819 vans were loaded in Juneau destined for various locations in the region, Prince Rupert, or Bellingham. In the same year, 940 vans were off-loaded in Juneau. Van traffic across the ferry system has declined in recent years.

Table 3. AMHS Juneau Van Departures and Arrivals, 2012 to 2015

Year	Departures	Arrivals
2012	943	938
2013	945	1,017
2014	833	961
2015	819	940
% Change '14 to '15	-1.7%	-2.2%

Source: AMHS

The following tables provide a variety of additional data concerning movement of freight in and out of Juneau.

Table 4. Freight Deplaned and Enplaned in Juneau (Pounds), 2016

Origin	In-Bound Freight	In-Bound Mail	Destination	Out-Bound Freight	Out-Bound Mail
ANC	9,660,951	1,276,513	SIT	2,967,446	248,795
SEA	1,908,594	2,429,981	SEA	2,757,756	789,962
KTN	1,095,873	214,069	ANC	1,905,118	492,211
SIT	735,008	241,920	KTN	620,015	328,338
PSG	161,543	96,752	SGY	337,312	353,575
HNS	71,110	79,938	HNS	299,876	463,609
HNH	66,801	36,034	HNH	278,091	188,248
PEC	55,762	6,960	GST	192,395	164,165
GST	53,117	24,942	YAK	179,057	5,762
SGY	48,021	91,287	KAE	142,995	94,104
KAE	38,314	12,289	AGN	88,978	68,250
WRG	31,386	42,977	PEC	59,532	35,478
AGN	24,917	10,345	TKE	49,872	32,520
FAI	23,290	6	PSG	39,088	84,199
YAK	23,081	15,430	CDV	37,108	316
CDV	20,591	1,022	ELV	36,122	12,163
JNU	15,001	827	WRG	18,418	42,386
ELV	9,061	5,647	JNU	15,001	827
TKE	8,083	6,630	EXI	14,210	4,787
EXI	946	4,825	DLG	4,410	-
Other	-	217	Other	1,306	1,999
Totals	14,051,450	4,598,611		10,044,106	3,411,694

Source: Bureau of Transportation Statistics.

Table 5. Juneau Waterborne Freight Tonnage, 2015

Commodity	In-Bound	Out-Bound	Total
Manufac. Prod. NEC	114,563	32,909	147,472
Groceries	77,422	9,882	87,304
Gasoline	60,095	1,984	62,079
Distillate Fuel Oil	50,443	1,953	52,396
Unknown or NEC	48,881	3,832	52,713
Food Products NEC	35,883	9,503	45,386
Glass & Glass Prod.	24,374	643	25,017
Cement & Concrete	24,082	38,032	62,114
Fab. Metal Products	22,648	8,008	30,656
Manufac. Wood Prod.	22,059	3,170	25,229
Misc. Mineral Prod.	17,572	4,632	22,204
Machinery (Not Elec)	16,201	9,769	26,220
Vehicles & Parts	12,524	3,527	16,051
Petro. Products NEC	12,071	176	12,247
Hydrocarbon & Petrol Gases, Liquefied and Gaseous	6,720	447	7,167
Alcoholic Beverages	6,065	33,727	39,792
Fish (Not Shellfish)	5,177	8,263	13,440
Fish, Prepared	4,709	5,352	10,061
Explosives	3,938	1,973	5,911
Copper Ore	3,522		3,522
Lube Oil & Greases	3,344	16,702	20,046
Paper Products NEC	3,106	674	3,780
Textile Products	2,794	2,443	5,237
Petroleum Coke	2,703	384	3,087
Forest Products NEC	2,694	527	3,221
Chem. Products NEC	2,539	3,749	6,288
Fuel Wood	2,449	159	2,608
Electrical Machinery	2,143	561	2,704
Metallic Salts	1,583	1,061	2,644
Organic Comp. NEC	1,568	4,790	6,358
Non-Metal. Min. NEC	1,540	772	2,312
Pigments & Paints	1,198	147	1,345
Naphtha & Solvents	1,094	247	1,341
Non-Ferrous Ores NEC	1,023	5,407	6,430
Primary Wood Prod.	1,012	937	1,949
I&S Pipe & Tube	784	248	1,032
Wood Chips	564	15	579
Ships & Boats	525	160	685
Grain Mill Products	489	961	1,450
Newsprint	459	30	489
All Other*	3,321	41,112	44,433
Total	605,881	258,868	864,999

*Out-bound "Other" composed primarily of material for recycling.
Source: US Army Corp of Engineers.

Table 6. AMHS Van Departures from Juneau by Port of Disembarkation, 2015

Port Pair	Summer	Fall/Winter/ Spring	Total
JNU-ANG	2	76	78
JNU-BEL	4	1	5
JNU-GUS	102	56	158
JNU-HNH	31	77	108
JNU-HNS	80	66	146
JNU-KOD	1		1
JNU-KTN	9	4	13
JNU-PSG	19	4	23
JNU-SGY	53	9	62
JNU-SIT	31	32	63
JNU-WRG	23	8	31
JNU-WTR	44	9	53
JNU-YAK	3	1	4
JNU-YPR	30	44	74
Total	432	387	819

Source: AMHS

Table 7. AMHS Van Arrivals in Juneau by Port of Embarkation, 2015

Port Pair	Summer	Fall/Winter/ Spring	Total
ANG-JNU	2	70	72
BEL-JNU	63	105	168
GUS-JNU	79	72	151
HNH-JNU	15	54	69
HNS-JNU	91	61	152
KTN-JNU	9	3	12
PSG-JNU	4		4
SGY-JNU	42	33	75
SIT-JNU	8	1	9
WRG-JNU	-	2	2
WTR-JNU	5	2	7
YAK-JNU	2	2	4
YPR-JNU	101	114	215
Total	421	519	940

Source: AMHS

Table 8. AMHS Van Departures from Juneau by Port of Disembarkation, 2013

Port Pair	Summer	Fall/Winter/ Spring	Total
JNU-ANG	6	6	12
JNU-BEL	44	39	83
JNU-GUS	79	54	133
JNU-HNH	43	103	146
JNU-HNS	89	111	200
JNU-HOM	1	-	1
JNU-KAE	1	-	1
JNU-KOD	1	-	1
JNU-KTN	3	7	10
JNU-PSG	4	6	10
JNU-SGY	46	10	56
JNU-SIT	45	51	96
JNU-WRG	8	-	8
JNU-WTR	31	20	51
JNU-YAK	4	1	5
JNU-YPR	53	79	132
Total	458	487	945

Source: AMHS

Table 9. AMHS Van Arrivals in Juneau by Port of Embarkation, 2013

Port Pair	Summer	Fall/Winter/ Spring	Total
ANG-JNU	4	2	6
BEL-JNU	84	123	207
GUS-JNU	78	73	151
HNH-JNU	13	87	100
HNS-JNU	97	128	225
KAE-JNU	-	1	1
KTN-JNU	19	8	27
PSG-JNU	5	2	7
SGY-JNU	32	16	48
SIT-JNU	9	7	16
WRG-JNU	4	1	5
WTR-JNU	5	4	9
YAK-JNU	4	1	5
Total	447	570	1,017

Source: AMHS

Survey Results

This chapter shows results to the online business survey of 116 businesses and organizations, including 40 targeted businesses. Readers should note the small sample sizes associated with some results, shown in the top rows of each table as "n=", particularly those based to individual business sectors.

Profile of Survey Respondents

Sectors

The distribution of survey respondents across various sectors is provided in the following table. Retail establishments are the most broadly represented sector of the survey sample, with 36 respondents, including 19 targeted firms.

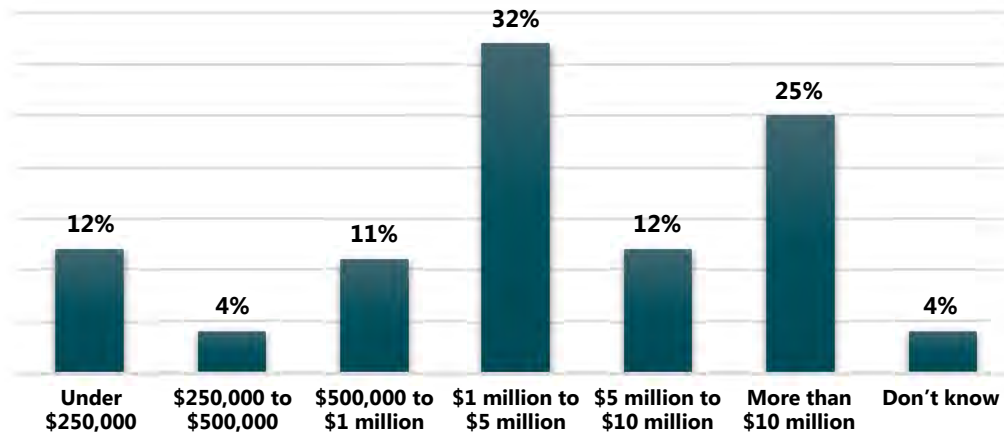
Table 10. Which of the following best describe your business or organization? By Count (multiple answers allowed)

	Total By Count n=116	Targeted Businesses by Count n=40	All Others by Count n=76
Trade - Retail	36	19	17
Other professional businesses	15	1	14
Construction – Commercial	12	5	7
Maintenance/repair	11	5	6
Food/beverage service	10	6	4
Construction – Residential	9	1	8
Construction – Industrial	9	3	6
Transportation (freight)	9	3	6
Tours/excursions	8	3	5
Government	7	-	7
Transportation (passenger)	7	3	4
Trade - Wholesale	6	2	4
Commercial fishing	5	-	5
Healthcare/social service	4	1	3
Lodging	4	3	1
Mining	4	4	-
Non-profit	4	-	3
Utilities	4	2	1
Manufacturing - Seafood processing	3	3	-
Manufacturing – Other than seafood processing	2	2	-
Other	8	4	1

Annual Sales/Budget

Businesses and organizations included in the survey account for a collective total of \$700 million in annual sales/budgets. To place this figure in perspective, Juneau's annual economic output totaled approximately \$3 billion in 2016. Among survey respondents, 19 reported annual sales/budgets of more than \$10 million. Twenty respondents reported annual sales/budgets of less than \$1 million. Not all survey respondents provided annual sales/budget information.

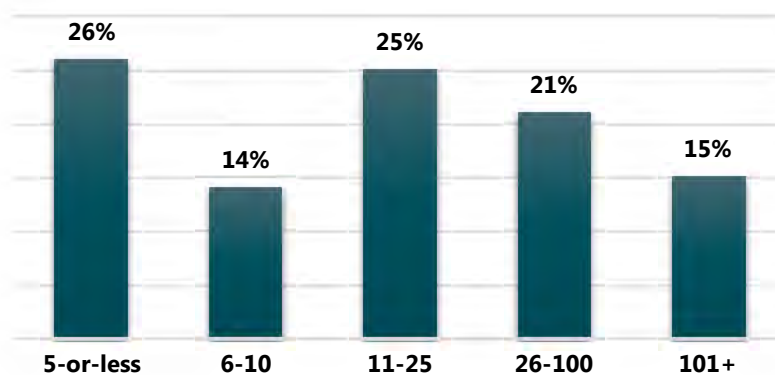
Annual Gross Sales/Annual Budget



Employment

Survey respondents collectively account for approximately 4,000 full time and part time jobs in Juneau. Juneau's economy includes approximately 17,900 full and part time jobs.¹ Eleven survey respondents have more than 100 employees; 29 have ten or fewer employees.

Annual Average Employment



¹ Alaska Department of Labor and Workforce Development, QCEW data.

Comparison Across Sectors

Survey results are aggregated and cross-tabulated for five categories of respondents: construction, manufacturing, food/beverage, trade (retail and wholesale), and all other.

In 2016, Juneau's construction industry employed an annual average of 689 workers, with peak employment of 846. Wages totaled \$47.9 million in 2016. In 2015, contractors' sales totaled \$379 million, according to CBJ data.

Most of Juneau's manufacturing activity is "basic" industry, meaning goods are sold to non-local markets, and new money is drawn into Juneau's economy. Juneau's manufacturing sector employed an annual average of 335 workers in 2016, with peak employment at over 500, and total annual wages of \$13.3 million. Juneau's seafood processing operations and brewery are notable components of Juneau's basic industry manufacturing sector.

Food services and drinking places accounted for an average 1,052 jobs in Juneau in 2016, and \$20.6 million in annual wages. This sector of the economy has a seasonal component, with the peak season job count reaching 1,251 in July.

Juneau's retail and wholesale trade sectors together accounted for about 2,100 jobs and \$66 million in wages in 2016. These sectors, including the big retail outlets such as Fred Meyer, Costco, and Home Depot and Juneau's grocery stores, which account for the majority of in-bound freight shipments.

The following tables profile the sales and employment characteristics of the survey sample. A significant number of respondents did not provide sales and employment data (as indicated by "n" values of 75 and 73).

Table 11. Which of the following categories best describes your organization's annual gross sales? (%)

	Total n=75	Construction n=15	Manufacturing n=5	Food- Beverage n=6	Trade n=27	All Others n=37
Under \$250,000	12	20	-	-	4	19
\$250,000 to \$500,000	4	7	-	17	-	3
\$500,000 to \$1 million	11	7	-	-	15	16
\$1 million to \$5 million	32	20	60	33	37	27
\$5 million to \$10 million	12	27	-	-	22	-
More than \$10 million	25	13	40	33	19	30
Don't know	4	7	-	17	4	5

Table 12. How many people do you currently employ in Juneau? (%)

	Total n=73	Construction n=14	Manufacturing n=5	Food- Beverage n=6	Trade n=27	All Others n=35
5 or less	26	36	20	17	19	31
6-10	14	7	-	17	22	9
11-25	25	43	20	-	22	26
26-100	21	14	20	17	26	17
101+	15	-	40	50	11	17

Table 13. How many people (full-time and part-time) do you employ in Juneau in a peak month? (%)

	Total n=73	Construction n=14	Manufacturing n=5	Food- Beverage n=6	Trade n=27	All Others n=35
5 or less	26	43	20	17	19	31
6-10	10	-	-	-	15	9
11-25	23	29	20	17	26	20
26-100	26	29	20	17	30	23
101+	15	-	40	50	11	17

Markets Served

The survey sample has a Juneau market focus, though it includes some businesses that rely on transportation to non-local markets. Manufacturing businesses, in particular, depend on sales to markets outside Alaska. The relatively high reliance of food/beverage businesses on markets outside Alaska may reflect sales to non-resident visitors while in Juneau.

Table 14. Please estimate the percentage of your business's total sales that can be attributed to each of the following markets. (%)

	Total n=116	Construction n=21	Manufacturing n=5	Food- Beverage n=10	Trade n=36	All Others n=66
Juneau	68	81	20	69	74	63
Outside of Alaska	13	2	69	26	11	15
Other Southeast communities outside of Juneau	13	16	6	6	12	13
Other Alaska communities outside of Southeast	6	1	5	-	3	9
Other	-	-	-	-	-	-

Shipping by Barge

In-Bound Barge

Barge service is an essential component of Juneau's freight transportation infrastructure, accounting for 95 percent of all in-bound freight, in terms of volume. In 2015, just over 475,000 tons of non-petroleum freight was shipped into Juneau via marine transport.

The cost of in-bound shipping is an important aspect of the cost of doing business in Juneau, particularly for construction firms, manufacturers, food and beverage providers, and retailers, among others. More than three-quarters (78 percent) of survey respondents reported the cost of shipping goods and materials to Juneau by barge is a very important part of their cost of doing business in Juneau.

Table 15. Is the cost of shipping goods and materials TO Juneau by barge a very important, somewhat important, or not important part of your cost of doing business in Juneau? (%)

	Total n=103	Construction n=27	Manufacturing n=5	Food Beverage n=9	Retail Trade n=32	All Others n=57
Very important	78	100	100	100	94	60
Somewhat important	14	-	-	-	6	25
Not important	9	-	-	-	-	16

POINT OF ORIGIN

The Puget Sound region is the primary point of origin for goods and materials shipped to Juneau by barge. Overall, an average of 74 percent of shipper's in-bound barged goods and materials were supplied from the Puget Sound area. Retailers in general have greater reliance on points-of-origin other than Puget Sound, with one-quarter of retail respondents (23 percent) reporting points of origin in the Lower 48 other than Puget Sound. Several businesses reported that 100 percent of their in-bound barge transportation needs were for freight barged from elsewhere in Southeast.

Table 16. Primary points of origin for goods and materials shipped to Juneau by barge (%)

	Total n=90	Construction n=20	Manufacturing n=5	Food- Beverage n=9	Trade n=32	All Others n=44
Other Southeast communities	8	14	4	0	6	8
Anchorage	4	2	4	5	5	3
Puget Sound area	74	81	90	81	65	70
Other US	13	2	2	11	23	17
International	1	0	0	3	1	1

IN-BOUND CONTAINER LOADS/LESS THAN CONTAINER LOADS

While most of the freight tonnage that arrives in Juneau on a barge is in a container, most businesses ship less-than-container loads. Almost half (43 percent) reported no in-bound shipping in container load volumes. Among all survey respondents, about three-quarters (73 percent) shipped in-bound in less than container load volumes (not weighted by tonnage, with large and low-volume shippers averaged equally). The largest businesses (by sales) responding to the survey, including big retailers, ship in-bound almost entirely in container loads. The vast majority of tonnage arrives in containers; however, it is not possible to estimate the actual tonnage split between container load and less-than-container load, using survey results.

Table 17. Percentage (in terms of volume) of the goods shipped to Juneau by barge as container loads (%)

	Total n=89	Construction n=20	Manufacturing n=5	Food- Beverage n=9	Trade n=32	All Others n=43
0%	43	30	20	56	41	56
1%-49%	26	45	40	11	28	14
50%-99%	21	20	40	22	16	23
100%	7	-	-	11	16	-
Don't know	3	5	-	-	-	7
Avg. % ship to Juneau in container loads	27%	15%	39%	27%	31%	22%

Table 18. Percentage (in terms of volume) of the goods shipped to Juneau by barge as less than container loads (%)

	Total n=89	Construction n=20	Manufacturing n=5	Food- Beverage n=9	Trade n=32	All Others n=43
0%	7	-	-	11	16	-
1%-49%	16	5	40	11	9	19
50%-99%	31	60	40	22	34	19
100%	43	30	20	56	41	56
Don't-know	3	5	-	-	-	7
Avg. % ship to Juneau in less than container loads	73%	85%	61%	73%	69%	78%

Recognizing the potential cost savings associated with shipping in container loads, it is useful to consider opportunities for businesses with less-than-container load shipping needs to cooperatively share container space. This requires some volume and timing flexibility.

About half (46 percent) of less-than-container load shippers have flexibility in the volume they ship, and more than one-third (38 percent) have timing flexibility. Food and beverage businesses report the least flexibility in terms of volume. The manufacturing sector reports the least flexibility in timing (understandable given the more precise supply and inventory control requirements for larger manufacturing operations).

Table 19. Flexibility in the volume and timing of goods shipped to Juneau by barge as less-than-container loads (%)

	Total n=84	Construction n=20	Manufacturing n=5	Food- Beverage n=8	Trade n=27	All Others n=44
Volume Flexibility						
Yes	46	40	40	25	44	52
No	46	60	60	63	52	36
Don't-know	7	-	-	13	4	11
Timing Flexibility						
Yes	38	50	20	50	33	39
No	56	50	80	38	59	55
Don't-know	6	-	-	13	7	7

Out-Bound Barge

One-quarter of survey respondents reported that the cost of out-bound barge service is a very important part of their cost of doing business in Juneau. Out-bound costs are particularly important to local manufactures who sell product to outside markets. Other businesses reporting reliance on out-bound barge service include large and small retailers, construction companies, and service/repair firms, among others.

Table 20. Is the cost of shipping goods and material OUT of Juneau by barge a very important, somewhat important, or not important part of your cost of doing business in Juneau? (%)

	Total n=95	Construction n=20	Manufacturing n=5	Food- Beverage n=8	Trade n=32	All Others n=49
Very important	25	15	60	13	31	20
Somewhat important	31	40	40	25	22	31
Not important	44	45	-	63	47	49

OUT-BOUND DESTINATIONS

Survey respondents noted with about equal frequency the Puget Sound region and elsewhere in Southeast as destinations for goods and materials shipped out of Juneau by barge: an average of 45 percent of outbound need is to "other Southeast communities," and 43 percent is to the Puget Sound region. These percentages do not reflect share of volume to these destinations. Construction companies have the greatest need for barge service to other Southeast communities. Manufacturing and food/beverage companies have the greatest need for barge service to the Puget Sound region (note small sample sizes).

Table 21. Primary Destinations for goods and materials shipped from Juneau by barge (%)

	Total n=50	Construction n=11	Manufacturing n=5	Food- Beverage n=3	Trade n=17	All Others n=22
Other-Southeast communities	45	72	22	33	56	30
Anchorage	3	2	4	0	3	4
Puget Sound area	43	26	66	67	30	57
Other US	7	0	8	0	12	5
International	2	0	0	0	0	5

OUT-BOUND CONTAINER LOADS/LESS THAN CONTAINER LOADS

Similar to in-bound barge shipping needs, most of the freight tonnage that departs Juneau on a barge is in a container, and most businesses ship less-than-container loads. Half (49 percent) reported that none of their out-bound shipping was in container load volumes. Among all survey respondents who ship out-bound, about three-quarters (72 percent) said their freight is shipped out in less-than-container load volumes (not weighted by tonnage, with large and small shippers averaged equally). The largest businesses responding to the survey ship out-bound almost entirely in container loads. While the majority of out-bound tonnage departs in a container, it is not possible to estimate the actual out-bound tonnage split between container loads and less-than-container loads using survey results.

Table 22. Percentage (in terms of volume) of the goods shipped out of Juneau by barge as container loads (%)

	Total n=47	Construction n=10	Manufacturing n=4	Food- Beverage n=3	Trade n=17	All Others n=21
0%	49	60	25	33	65	38
1%-49%	9	10	25	-	-	10
50%-99%	21	10	25	33	18	24
100%	11	10	25	33	12	14
Don't-know	11	10	-	-	6	14
Avg. % ship out of Juneau in container loads	29%	19%	49%	60%	22%	36%

Table 23. Percentage (in terms of volume) of the goods shipped out of Juneau by barge as less than container loads (%)

	Total n=47	Construction n=10	Manufacturing n=4	Food- Beverage n=3	Trade n=17	All Others n=21
0%	11	10	25	33	12	14
1%-49%	11	-	25	33	-	14
50%-99%	19	20	25	-	18	19
100%	49	60	25	33	65	38
Don't-know	11	10	-	-	6	14
Avg. % ship out of Juneau in less-than-container loads	72%	81%	51%	40%	78%	64%

About half (53 percent) of less-than-container load shippers have flexibility in the volume they ship out-bound, and nearly one-third (30 percent) have timing flexibility. Similar to in-bound less-than-container load shipping, the manufacturing sector reports the least flexibility in timing, as well as in volume. One survey respondent suggested that less-than-container load barge shipping options are not available for fish products, a freight service gap that presents major challenges for new, small-scale processing operations. This was not independently verified for purposes of this study.

Table 24. Flexibly in the volume and timing of goods and materials shipped from Juneau by barge as less-than-container-loads (%)

	Total n=43	Construction n=9	Manufacturing n=4	Food- Beverage n=2	Trade n=15	All Others n=18
Volume Flexibility						
Yes	53	56	25	50	53	56
No	37	44	50	-	47	33
Don't-know	9	-	25	50	-	11
Timing Flexibility						
Yes	30	33	25	-	27	33
No	60	67	50	50	73	56
Don't-know	9	-	25	50	-	11

Barge freight destined for markets outside Juneau is sometimes sold freight-on-board (FOB) Juneau and some is sold with freight costs included in the purchase price. A few survey respondents (8 respondents, or 16 percent of business reporting out-bound barge shipping) reported selling exclusively FOB Juneau. Roughly the same number reported shipping exclusively with freight costs included in the price of their product (10 respondents, or 20 percent of business reporting out-bound barge shipping). All others use a combination of FOB and cost-included sales practices.

Table 25. Sales to customers outside of Juneau, that are shipped by barge, sold FOB Juneau (%)

	Total n=49	Construction n=11	Manufacturing n=5	Food- Beverage n=3	Trade n=17	All Others n=21
0%	20	27	20	33	12	24
1%-49%	12	27	40	-	12	5
50%-99%	24	27	20	-	29	19
100%	16	-	20	-	29	10
Don't-know	27	18	-	67	18	43
Avg. % shipped out of Juneau-sold-FOB	49%	27%	42%	0	65%	41%

Table 26. Sales to customers outside of Juneau, that are shipped by barge, sold with freight included in the purchase price (%)

	Total n=49	Construction n=11	Manufacturing n=5	Food- Beverage n=3	Trade n=17	All Others n=21
0%	16	-	20	-	29	10
1%-49%	12	9	-	-	12	14
50%-99%	24	45	60	-	29	10
100%	20	27	20	33	12	24
Don't-know	27	18	-	67	18	43
Avg. % shipped out of Juneau with freight cost included	51%	73%	58%	100%	35%	59%

Shipping by Alaska Marine Highway

In-Bound Ferry

As reported previously, a total of 940 vans arrived in Juneau via AMHS in 2015 (most recent available data). Ferry service from Prince Rupert and Bellingham accounted for the largest number of van arrivals (215 and 168 vans, respectively). Haines (152 vans) and Gustavus (151) also accounted for significant numbers of van arrivals in Juneau in 2015.

One-in-five survey respondents (19 percent) reported the cost of shipping goods and materials to Juneau via AMHS is very important to their cost of doing business in Juneau.

Table 27. Is the cost of shipping goods and materials TO Juneau by the Alaska Marine Highway a very important, somewhat import, or not important part of your cost of doing business in Juneau? (%)

	Total n=100	Construction n=19	Manufacturing n=5	Food- Beverage n=10	Trade n=33	All Others n=53
Very important	19	21	-	30	15	21
Somewhat important	23	21	40	10	21	25
Not important	58	58	60	60	64	55

Survey results indicate that businesses using AMHS for in-bound freight transport are typically transporting freight from elsewhere in Southeast (42 percent of ferry shippers) and the Puget Sound area (39 percent). Nine percent of ferry users reported Anchorage was the primary point of origin. Small sample sizes warrant caution in interpreting these industry-level survey results.

Table 28. What are the primary points of origin for goods/materials you have shipped to Juneau by ferry? (%)

	Total n=37	Construction- n=7	Manufacturing n=2	Food- Beverage n=3	Trade n=11	All- Others n=20
Other Southeast communities	42	34	100	0	27	48
Anchorage	9	23	0	34	5	4
Puget Sound area	39	43	0	66	54	39
Other US	6	0	0	0	5	8
International	4	0	0	0	9	2

Out-Bound Ferry

A total of 819 vans departed from Juneau via AMHS in 2015. Ferry service to Gustavus and Haines accounted for the largest number of van departures (158 and 146 vans, respectively). Hoonah (108 vans), Angoon (78), and Prince Rupert (74) also accounted for significant numbers of van departures from Juneau in 2015.

Similar to in-bound ferry freight, approximately one-in-five survey respondents (22 percent) reported the cost of shipping goods and materials from Juneau via AMHS is very important to their cost of doing business in Juneau.

Table 29. Is the cost of shipping goods and material OUT of Juneau by ferry a very important, somewhat important, or not important part of your cost of doing business in Juneau? (%)

	Total n=96	Construction- n=19	Manufacturing n=5	Food- Beverage n=9	Trade n=32	All- Others n=50
Very important	22	26	40	11	22	20
Somewhat important	19	26	20	22	13	18
Not important	59	47	40	67	66	62

Businesses using AMHS for out-bound freight transport are most often transporting freight to other Southeast communities (72 percent of ferry shippers). Fifteen percent of ferry users reported the Puget Sound area as the primary destination. Small sample sizes warrant caution in interpreting these industry-level survey results.

Table 30. What are the primary destinations for the goods and materials you ship out of Juneau by ferry? (%)

	Total n=38	Construction- n=10	Manufacturing n=3	Food- Beverage n=3	Trade n=10	All- Others n=19
Other Southeast communities	72	99	34	33	71	70
Anchorage	6	1	33	0	0	7
Puget Sound area	15	1	17	67	19	18
Other US	7	0	17	0	10	6
International	0	0	0	0	0	0

There was limited response to the survey questions about whether AMHS freight destined for markets outside of Juneau is sold FOB Juneau or with freight costs included in the purchase price. In general, results are about evenly split, with seven businesses (20 percent) reporting entirely FOB AMHS shipping, and nine business (26 percent) reporting entirely price-included AMHS shipping.

Table 31. Can you estimate what percent of your sales to customers outside of Juneau, that are shipped by Alaska Marine Highway, are sold FOB Juneau? (%)

	Total n=35	Construction- n=10	Manufacturing n=3	Food- Beverage n=2	Trade n=10	All- Others n=17
0%	26	60	-	-	40	18
1%-49%	6	10	33	-	-	-
50%-99%	6	-	-	-	10	6
100%	20	-	33	-	30	18
Don't-know	46	30	33	-	20	65
Avg. % sales outside of Juneau shipped via AMHS sold FOB Juneau	42%	1%	51%	-	48%	50%

Table 32. Can you estimate what percentage of your sales to customers outside of Juneau, that are shipped by Alaska Marine Highway, are sold with freight included in the purchase price? (%)

	Total n=35	Construction- n=10	Manufacturing n=3	Food- Beverage n=2	Trade n=10	All- Others n=17
0%	20	-	33	-	30	18
1%-49%	3	-	-	-	10	-
50%-99%	9	10	33	-	-	6
100%	26	60	-	-	40	18
Don't-know	46	30	33	-	20	65
Avg. % of sales outside of Juneau with freight included in purchase price	58%	99%	50%	-	53%	50%

AMHS plays a greater freight transportation infrastructure role than reflected by in-bound and out-bound van traffic for Juneau businesses. People and businesses located in outlying communities use the ferry to transport goods purchased from Juneau businesses. About one-third of survey respondents (37 percent) indicated they had customers who used the AMHS to transport purchased goods. Customers in outlying communities who use AMHS account for an average 20 percent of sales, among business who sell to those customers.

Table 33. Do you have customers in outlying Southeast communities who use the ferry to transport goods purchased from you? (%)

	Total n=95	Construction- n=19	Manufacturing n=5	Food- Beverage n=9	Trade n=31	All- Others n=50
Yes	37	47	80	22	55	18
No	54	53	20	56	39	70
Don't-know	9	-	-	22	6	12

Table 34. If you have customers in outlying Southeast communities who use the ferry to transport goods purchased from you, approximately what percentage of your total sales are to those customers? (%)

	Total n=35	Construction- n=9	Manufacturing n=4	Food- Beverage n=2	Trade n=17	All- Others n=9
0%	3	-	25	-	-	-
1%-49%	86	89	75	100	94	78
50%-99%	3	-	-	-	6	-
100%	9	11	-	-	-	22
Don't-know	-	-	-	-	-	-
Avg. % of sales to customers in outlying communities transported via ferry	20%	22%	3%	5%	14%	33%

Shipping by Air

In-Bound Air

Air freight transportation is also very important to a large component of the Juneau economy. As noted above in the Juneau Freight Statistics section, 14 million pounds of freight were deplaned in Juneau in 2016. Overall, 40 percent of survey respondents noted the cost of shipping good and materials to Juneau by air freight is a very important part of their cost of doing business in Juneau. It is important to note that this question addresses both jet and small plane freight service.

Table 35. Is the cost of shipping good and materials TO Juneau by air freight a very important, somewhat important, or not important part of your cost of doing business in Juneau? (%)

	Total n=100	Construction- n=20	Manufacturing n=5	Food- Beverage n=8	Trade n=35	All- Others n=53
Very important	40	50	60	13	37	38
Somewhat important	46	45	20	88	49	43
Not important	14	5	20	-	14	19

Survey results indicate that businesses using air for in-bound freight transport most typically are transporting freight from the Puget Sound area (58 percent). About one in five air freight users (19 percent) reported locations in the Lower 48 outside of the Puget Sound area are a primary point of origin. Ten percent of air freight users indicated that other Southeast communities are primary points or origin for in-bound air freight.

Table 36. What are the primary points of origin for goods and materials you have shipped to Juneau by air? (%)

	Total n=81	Construction- n=18	Manufacturing n=4	Food- Beverage n=8	Trade n=28	All- Others n=39
Other Southeast communities	10	10	1	13	9	10
Anchorage	9	8	<1	1	12	8
Puget Sound area	58	56	98	87	47	56
Other Alaska	3	6	0	0	4	3
Other US	19	20	1	0	27	21
International	2	0	0	0	<1	3

Out-Bound Air

In 2016, 10 million pounds of air freight were enplaned in Juneau. One-third (33 percent) of survey respondents reported the cost of shipping goods and materials out of Juneau by air freight is a very important part of their cost of doing business in Juneau. Among this group are seafood processors, who need air freight service to take full advantage of high-value fresh product markets.

Table 37. Is the cost of shipping goods and materials OUT of Juneau by air freight a very important, somewhat important, or not important part of your cost of doing business in Juneau? (%)

	Total n=95	Construction- n=19	Manufacturing n=5	Food- Beverage n=8	Trade n=33	All- Others n=49
Very important	33	26	80	-	39	31
Somewhat important	25	26	-	50	24	24
Not important	42	47	20	50	36	45

Businesses using air freight for out-bound transport are most often transporting freight to other Southeast communities (57 percent of air shippers). Twenty (20) percent of air shippers reported that areas in the Lower 48, other than Puget Sound, were the primary destination. Puget Sound is the primary destination for 15 percent of air shippers. Though not evident in the survey data, shipment of fresh fish is probably the single largest component of out-bound air freight.

Table 38. What are the primary destinations for the goods and materials you have shipped OUT of Juneau by air? (%)

	Total n=53	Construction- n=10	Manufacturing n=4	Food- Beverage n=4	Trade n=21	All- Others n=25
Other Southeast communities	57	73	21	50	75	42
Anchorage	7	5	5	0	2	12
Puget Sound area	15	12	50	38	11	13
Other Alaska	1	1	0	0	1	<1
Other US	20	10	20	13	11	33
International	<1	0	4	0	0	0

Most businesses using air freight to supply markets outside of Juneau sell some of their goods FOB Juneau and some with air freight cost included in the purchase price. Among businesses using air freight, an average of 62 percent of sales are FOB Juneau. A few survey respondents (9 respondents, or 18 percent of business reporting

out-bound air shipping) reported selling exclusively FOB Juneau. About the same number reported shipping exclusively with freight costs included in the price of their product (11 respondents, or 22 percent of business reporting out-bound air shipping). All others use a combination of FOB and cost-included sales practices.

Table 39. Can you estimate what percent of your sales to customers outside of Juneau, that are shipped by air, are sold FOB Juneau? (%)

	Total n=51	Construction- n=10	Manufacturing n=4	Food- Beverage n=4	Trade n=20	All- Others n=24
0%	18	30	-	25	15	25
1%-49%	2	-	25	-	-	-
50%-99%	29	30	50	25	40	17
100%	22	10	25	-	30	17
Don't-know	31	30	-	50	20	42
Avg. % of sales attributed to shipping goods and services outside of Juneau by air sold FOB Juneau	62%	46%	63%	38%	71%	49%

Table 40. Can you estimate what percent of your sales to customers outside of Juneau, that are shipped by air, are sold with freight included in the purchase price? (%)

	Total n=51	Construction- n=10	Manufacturing n=4	Food- Beverage n=4	Trade n=20	All- Others n=24
0%	22	10	25	-	30	17
1%-49%	20	20	25	25	25	13
50%-99%	12	10	50	-	15	4
100%	18	30	-	25	15	25
Don't-know	31	30	-	50	20	42
Avg. % of sales outside of Juneau sold with freight included in purchase price	39%	54%	38%	63%	29%	51%

Freight Service Improvements Needed for Business Growth

Survey respondents were asked: "Other than lower costs, are there freight service improvements that could allow you to increase production/sales?" A representative selection of responses is provided below.

Air Freight Service

- [We need greater] "Air freight availability and reliability (via small plane). Competition would be very helpful (example being Sitka, where you can use AA Air Cargo, Alaska Seaplanes, or Harris), as it expands shipping options and reduces costs."
- "Availability. Construction season is also fish-shipping season. If we have a construction need in another community, it takes over a day to address it: for instance, we had a survey instrument die, and we could

not get a replacement until early the next day. Doesn't seem like much, but that leaves a construction crew looking for things to do until that equipment shows up. Expensive!"

- "Better air traffic to other Southeast Alaska towns...more freight space availability."
- "Outgoing airfreight frequency is not a problem, capacity IS a major problem. We compete for outgoing space: with other processors, with passenger loads and with FedEx, which no longer flies its own planes in here but contracts with AK Air to provide their outgoing air shipment capacity. A viable, competing airfreight provider would be a huge help."
- "Better scheduling. Need weekend airfreight (counter to counter) availability. A 2-day delay in or out of Juneau could cost 3 to 5-day delay in getting parts and personnel in place and working."
- "Desperately need a freezer storage and more freighters to ship seafood. The inconsistency of [service] has caused huge hardship and the ability to increase our business... we lose a ton of money on shipments that don't make it in time."
- "Small Parcel shipment in and out is a major problem. Many suppliers will not ship to Juneau because we don't have UPS or FEDEX ground, and forwarding through [Puget Sound forwarding company] is very expensive. Outbound, shipping more than a few pounds by USPS is extremely costly. We are an ecommerce business, and it is cheaper for us to warehouse things outside and ship them from there, than to ship from Juneau."

Ferry

- "Better ferry service, frequency."
- "Cooperation with ferry system to make over-the-road freight service more affordable and much more efficient."
- "Allowing freight on ferry without being in vehicle or accompanying travelling passenger (drop off and pick up on baggage cart)."
- "Reduced winter schedules...does impact our ability to schedule and do work. In the summer it is tough to get a reservation on AMHS."
- "Create a road so the AMHS Ferry System could bypass the narrows going to Sitka and extend the road past Berners Bay and have a shuttle ferry that commutes to Haines Alaska 4 to 6 times a day. The planes are maxed with fish product and you cannot ship fish on AMHS Ferries because you do not know if they will break down or sit in a city for a week when product will spoil or not meet a timeline that a restaurant or store demands..."
- "Road access with more frequent ferry feeder connections would improve communications and customer service in the region."

Barge Service

- "More frequency in barges."

- "More frequent and direct sailings from Seattle would improve services provided to customers and allow fresh product to move out of Juneau in a reliable and purchasable window for customers in the Puget Sound area."
- "If we could ship less than a container load of frozen material south and/or north, it would allow us to expand our business. As it stands, it is impossible to ship our product out of Juneau due to the requirement it stay frozen continually."
- "Survey seems to assume that barge freight service providers offer [seafood] lcl [less than container load] outbound. They do not, so we end up leveraging our business relationships with other companies to get space in their outgoing containers. Startup businesses are SOL on this, so end up shipping by air at 3-4 times the cost. We dealt with that first few years and I can assure you it's a HUGE impediment to starting a seafood business in Juneau."
- "More frequent barge service, UPS or FedEx ground outbound, return to container spotting at no charge."
- "More frequent barges, competition in barge service, stopping fuel surcharge, taking credit for payments lower costs, on time deliveries."
- "More frequent in bound and out bound barges."
- "More frequent sailings in Southeast. Lower minimum freight charges."
- "Properly Rated Freight Bills. Easier access to equipment. Better integration of our needs to services rendered by the barge company. Oversight [of barge operations]."
- "Short term: The old Northland dock at Salmon Creek could be reopened and leased to [a barge operator].... Long term: The CBJ could build a deep-water port on the back of Douglas or open land for that purpose. Ultimately this is the single most important project required to address the deficiencies in water transportation to Juneau."
- "Faster delivery once barge arrives. Consolidation of parcels into one pallet and one charge."
- "The biggest obstacle is the frequency of the loads and the time it takes to arrive."

Other Comments

- "Better flexibility with scheduling, more choices on shipping alternatives."
- "Competition in the market will improve cost, service, and frequency."
- "Competition."
- "A new transportation system, such as drones that are faster than the barge and cheaper than air freight."
- "Cost is the primary constraint."

- "Easier consolidation of freight from various vendors to consolidate in Seattle to come to Juneau."
- "[Greater] frequency."
- "Frequency increase would allow for reduced par levels and reduced expensive air transport."
- "Fresher products."
- "Having a road in and out of Juneau would allow me to acquire products faster and sometime cheaper than via barge service. Some of my vendors are in Canada with Whitehorse as an FOB point. The cost to truck from Whitehorse to Juneau would/could be far cheaper."
- "I think our freight companies do a good job at providing to our community."
- "If I could get a daily shipment, I wouldn't have to have as much inventory on hand. This would allow for better sales of "special order" items and reduce cash flow issues."
- "Improved frequency."
- "More shippers! More competition!"
- "Not for my business, but for the people I do work for the freight costs are very important. If they could save on freight costs they would make more money and thus be more willing to purchase my services. So indirectly all freight costs effect my business."
- "... Living in Juneau is logistically difficult and thus requires more upfront effort. Simplification of those logistics would allow more manpower to be applied to direct productivity (as opposed to indirect activities like logistics). An example is vendors down South offer vendor-managed inventories. Because of the expensive and complex logistics and difficulty/expense for a vendor to get to Juneau, it is not possible for them to offer the service in Juneau."
- "Road out of Juneau." [noted multiple times]
- "Better customer service communication, Improved equipment and processes for handling materials to prevent damage, claim service is not customer friendly, transparent costs (trust), more customer centric."
- "...having the road would make an immense difference in our ability to grow. Being able to ship outbound LCL by truck would be HUGE!"
- "...it kills my business to have to ship hazmat (ammunition, cleaning supplies) by barge."

Freight Service Frequency as a Barrier to Growth

Air Freight Service

Jet air freight service was noted as a barrier by one-in-five survey respondents, though manufacturing firms more frequently cited it as a barrier. [Note: Among basic industries in Juneau, seafood processing would have

the most to gain from more frequent air freight service, as processors would have greater opportunity to sell more product into high-value fresh fish markets.]

About one-in-five survey respondents reported frequency of small plane freight service as a barrier to business growth. Juneau retailers would benefit from better opportunity to ship via small plane to outlying communities. Opportunity and cost to ship parts to outlying communities was also noted as a barrier in the construction sector.

Table 41. Is the frequency of available air freight service via jet aircraft a barrier to growth for your business? (%)

	Total n=90	Construction- n=19	Manufacturing n=5	Food- Beverage n=8	Trade n=32	All- Others n=45
Yes	20	21	60	13	22	13
No	72	74	40	75	75	76
Don't know	8	5	-	13	3	11

Table 42. Is the frequency of available air freight service via small airplane a barrier to growth for your business? (%)

	Total n=90	Construction- n=19	Manufacturing n=5	Food- Beverage n=8	Trade n=32	All- Others n=45
Yes	18	21	20	-	25	16
No	74	68	80	88	69	76
Don't know	8	11	-	12	6	9

The frequency of AMHS was more likely to be noted as a barrier to business growth than either air freight or barge service. Overall, 42 percent of survey respondents considered it a barrier to growth, with the manufacturing sector highest at 60 percent. Among the 40 targeted businesses, 35 percent noted ferry service in and out of Juneau as a barrier to growth.

Table 43. Is the frequency of available Alaska Marine Highway service a barrier to growth for your business or organization? (%)

	Total n=95	Construction- n=19	Manufacturing n=5	Food- Beverage n=9	Trade n=31	All- Others n=50
Ferry service to Juneau						
Yes	42	37	60	33	39	42
No	47	47	40	67	52	50
Don't know	11	16	-	-	10	8
Ferry service out of Juneau						
Yes	41	47	40	22	42	42
No	47	37	60	67	48	50
Don't know	12	16	-	11	10	8

Overall, 40 percent of respondents reported the frequency of barge service to be a barrier to growth. Companies engaged in construction (53 percent) and trade (50 percent) were most likely to describe the frequency of barge service as a barrier to growth.

Table 44. Is the current frequency of barge service a barrier to growth of your business? (%)

	Total n=90	Construction- n=19	Manufacturing n=5	Food- Beverage n=8	Trade n=32	All- Others n=45
Barge service to Juneau						
Yes	40	53	20	25	50	31
No	53	47	80	75	44	60
Don't know	7	-	-	-	6	9
Barge service out of Juneau						
Yes	26	32	60	25	25	20
No	68	68	40	75	72	69
Don't know	7	-	-	-	3	11

Impacts of Lower or Higher Shipping Costs

Survey respondents were asked to describe the impact on their business of a 10 percent reduction in their total shipping costs, and the impact of a 10 percent increase in shipping costs. A selection of responses is provided below.

Effect of a 10 percent reduction in shipping costs

- "We would pass this savings onto our customers and hopefully grow our business."
- "...freeing up capital to increase the pace of our ongoing expansion efforts."
- "It would allow those funds to be used for personnel costs and capital improvements."
- "This would make us more competitive with the suppliers in Puget Sound as customers rarely factor in freight when buying product. It would also address the problem we are having competing with Amazon Prime. Any reduction in freight costs makes Juneau a more affordable place to live as the cost of housing, food and energy drops."
- "...[make more] money available for reinvestment, or wages. But for outgoing sales, it would make e-commerce possible."
- "Cost savings to the customer in lower prices, also able to add personnel."
- "Freight costs are passed on directly to our customers. A 10 percent reduction for us would be a 10 percent reduction for them."
- "It would be a direct savings to our customers, which currently is about 7 percent of our overhead."
- "We could pass that savings on to customers."
- "A 10% reduction would allow me to hire 2-3 more associates allowing me to better serve my customers."

- "For a small business it would make it so I can compete with the big box stores."
- "This reduction would allow us to be more compatible with internet sales. It would also allow us to hire more people."
- "Lower prices for the consumer, improved sales as Amazon ships for free, allows us to better compete with online retail."
- "Remain competitive with fewer price increases over time to cover the ever-rising freight costs."
- "Our prices would not appear to be so far out of line with the lower 48. Almost everything we sell is heavy, so freight costs are a large part of our landed cost of goods."
- "Since most of our shipping costs are pass-thru directly to our customers, it would not change our bottom-line, however it would impact our customers' ability to buy more."
- "Current barge freight rates, transfer fees and fuel surcharges have increased significantly in the last few years. We have had to raise our prices to compensate. It's hard to say if we would be more competitive or would have gotten more work had our prices not raised, but we assume so."
- "Saving 10% would help me be more competitive with the internet businesses in the same field. Or I could pay better wages to my local employees who in turn spend their money locally."
- "More money would be passed on to the raw material supplier."
- "Would definitely help...small business to compete with the out of state big box corporations that are getting volume discounts on product as well as shipping. Narrowing this shipping gap would be a huge help. More reasonable shipping would also allow us to shop our purchases around more to be able to find better product pricing without losing all of our work to a min. freight charge."
- "It would increase my margins that have been eroded by the runaway cost of freight."
- "Better pricing for my customers Increase profit margins."
- "Freight is a big part of our business. [We are] always competing with down south pricing and now with Amazon doing free shipping any freight reduction would help a lot."
- "10% reduction would help sales, I could offer lower prices on our product."
- "It would allow us to consider broadening services offered to the community."
- "It would be a direct savings to our customers..."
- "Not directly relevant to our business, but would help our customers and help Juneau's economy grow, which indirectly benefits our business."
- "It would lower cost for the community we serve."
- "It would free up capital for other uses, like technology improvements."

- "We currently have a tough time competing with ... Seattle ..., even though the customer has the same if not more of a freight cost when they purchase something in Seattle they look at our freight cost and figure they can purchase it in Seattle and load it with other smaller purchases to justify the freight cost. Whether it be additional household good like appliances and furniture for a homeowner, or power tools and building supplies for a Contractor. You can see how when that happens not only does my business lose out on a sale but many other small business in Juneau miss out."
- "Although freight is a significant factor it is not the only factor in our business model. However, anytime you have a 10 percent reduction to expense, this will always have a positive impact on the business."
- "Lower wholesale costs, allow to keep prices stable."
- "Local customers would pay less for goods and services and local vendors would earn more money per pound from goods purchased and shipped south to the Puget Sound customer base."

Effect of a 10 percent increase in shipping costs

- "Split half between operating cost and increased cost to customer resulting in higher shelf prices for our products."
- "This would cause us to have to raise prices, which consumers already feel are high, and decrease our sales."
- "It would probably push me closer to warehousing all my merchandise outside and shipping from there, so that most inbound goods would never reach Juneau at all."
- "Reduced capital improvement expense and increase in final cost."
- "We have already seen an increase in people purchasing items in Seattle from the additional max. sales tax from CBJ."
- "Would reduce profitability. Would make e-commerce a very small part of my business. Would contribute toward declining retail performance."
- "Would reduce margins further and benefits to stakeholders. As we compete with the internet and free shipping, we can't just raise our prices."
- "It would be cheaper to send air freight than to ship on the barge."
- "I'm already struggling to be competitive with businesses in the lower 48 (via the internet) that have lower cost of living and therefore can pay lower wages or have cheaper real estate costs. An additional 10% shipping cost would mean I need to lower wages or increase sales prices, making me even less competitive in the southeast area."
- "Quite simply this creates a significant consumer issue. It also fortifies the statement it's cheaper to buy something outside."
- "Ultimately we would have to reduce staff and take away good and services to our [members]."

- "Basically it drastically reduced the variety of things we are able to offer our customers. Product we bring in has to be ordered in larger lots so lower volume Items are removed. Cost of items goes up because we have to get as many items as we can on one shipment. Frequency of orders of product gets longer meaning we run out of things and can't get them back on the shelves until we have a big enough order to make it viable."
- "We have already seen a decrease in business due to shipping costs. We don't encourage FEDEX orders due to the problems but it's a necessary part of our winter business."
- "The cost would be passed onto the customer and this would negatively impact most of Juneau."
- "Unfortunately, it would have to be passed along to our customers. There is a point where materials become so expensive that people just don't do the projects. The more freight costs rise, the more that comes into play."
- "Our business competes with Big Box retailers who have national shipping contracts and can freight average across all their stores; they already have an overwhelming advantage. The result is we would have to operate on lower margins to compete and have less resources to reinvest in our business."
- "...we reduce our profits to offset increasing freights costs to compete with the National retailers. As freight cost rise the National retailers need only outlast local businesses which would lead to fewer and fewer local businesses."
- "Some projects that require high freight costs such as shipping cabinets or roof insulation likely will not happen if the freight costs continue to increase. for many products such as sheetrock and insulation we are currently paying more for freight than the actual cost of the product that we are shipping."

Enough Information to Make Shipping Decisions

Survey respondents were asked if they are able to get enough information to make good shipping decisions for their business or organization. Most (79 percent) felt they have enough information, though construction companies were most likely to feel under-informed.

Table 45. Are you able to get enough information to make good shipping decisions for your business or organization? (%)

	Total n=77	Construction- n=15	Manufacturing n=5	Food- Beverage n=6	Trade n=28	All- Others n=38
Yes	79	73	100	83	82	79
No	12	20	-	-	11	13
Don't know	9	7	-	17	7	8

Respondents offered a few comments, when asked what additional information would be most helpful.

- "It takes a full time (40hrs/wk) person to schedule, track and figure shipping. We need a quality freight forwarding and logistics company that will help get odd shipments in and out of Juneau 7 days a week."

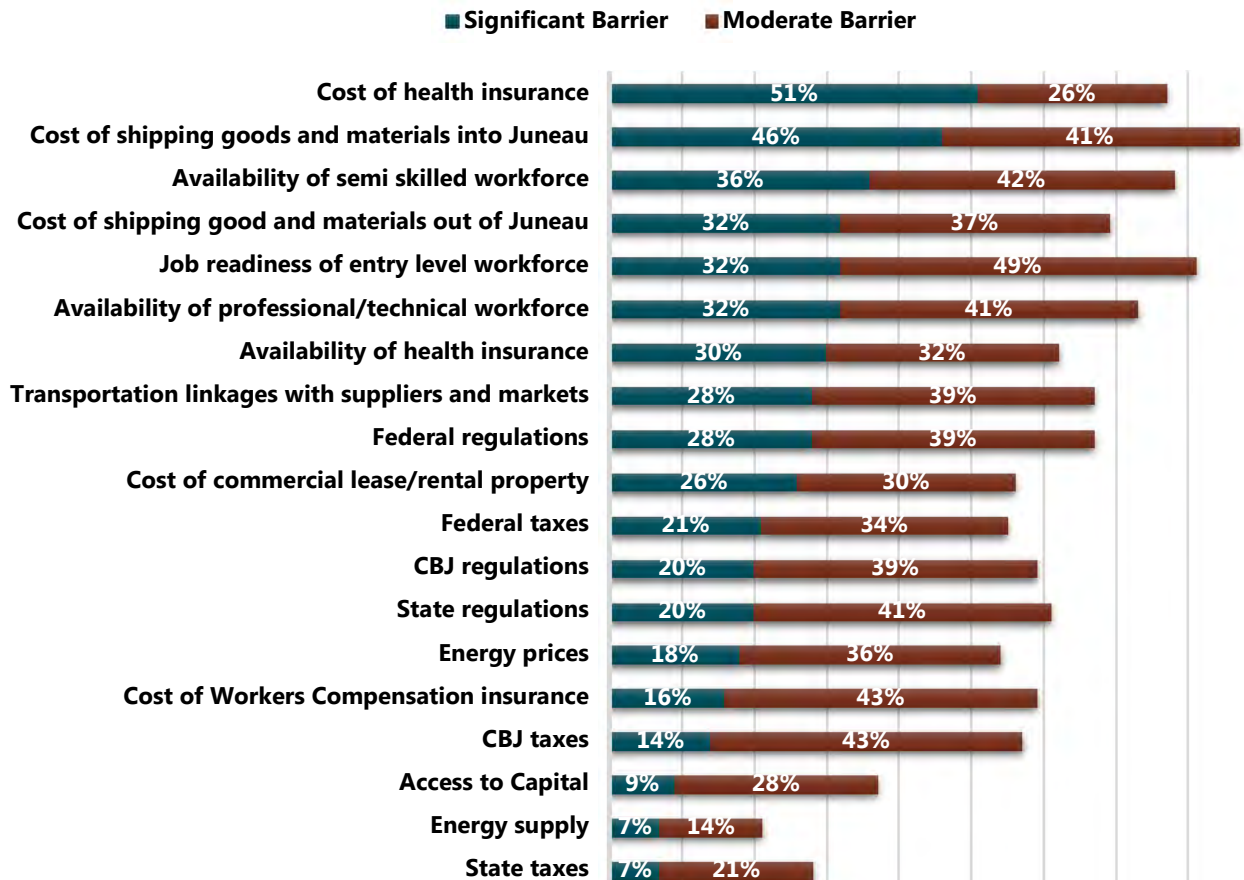
- "Clearer restrictions on shipments to Alaska."
- "Easy to understand rate cards."
- "Reliable information, we often feel misinformed or service falls short of expectation, financial cost of service are not always apparent."

Barriers to Growth

The purpose of this survey was to gather information about Juneau's freight transportation services, and how those services might be enhanced to support business and economic development. It is important, however, to place that challenge in perspective with other challenges to growth in Juneau. To provide context, survey respondents were asked to rate the degree to which various factors are barriers to their business.

Among all survey respondents, the cost of health insurance was most often (51 percent of respondents) rated as a significant barrier to growth. It is no surprise that cost of shipping into Juneau scores highly as a barrier (rated as a significant barrier by 46 percent), given that the survey was directed at businesses with significant shipping needs. Cost of outbound shipping was rated as a significant barrier by 32 percent of survey respondents. Workforce issues account for three of the top six barriers.

Barriers to Business Growth in Juneau – All Survey Respondents



Survey respondents from the construction sector most often rated cost of health insurance and cost of shipping goods and materials into Juneau as significant barriers (both rated as significant barriers by 47 percent of construction sector respondents).

Manufacturing sector respondents were focused on the cost of commercial lease/rental property as a significant barrier (80 percent), followed by availability of a professional/technical workforce (60 percent).

Food and beverage businesses most often rated cost of shipping goods and materials into Juneau as a significant barrier (50 percent). Retail/wholesale trade businesses most often rated cost of health insurance (63 percent), followed by in-bound shipping costs (52 percent).

See table, next page.

Table 46. Are the following factors a significant barrier, moderate barrier, or not a barrier to your business or organization's growth? (%)

	Significant Barrier	Moderate Barrier	Not a Barrier	Not Applicable	Don't Know
Access to capital					
Total (n=76)	9	28	49	9	5
Construction (n=15)	13	20	53	13	-
Manufacturing (n=5)	40	-	40	-	20
Food/beverage (n=6)	-	33	17	33	17
Trade (n=27)	7	30	56	4	4
All others (n=38)	8	32	45	13	3
Federal taxes					
Total (n=76)	21	34	33	7	5
Construction (n=15)	20	27	40	7	7
Manufacturing (n=5)	40	40	20	-	-
Food/beverage (n=6)	17	17	50	-	17
Trade (n=27)	26	30	41	-	4
All others (n=38)	13	37	32	13	5
State taxes					
Total (n=76)	7	21	53	16	4
Construction (n=15)	7	20	47	20	7
Manufacturing (n=5)	-	40	40	20	-
Food/beverage (n=6)	-	17	67	-	17
Trade (n=27)	11	15	56	19	-
All others (n=38)	5	24	50	16	5
CBJ taxes					
Total (n=76)	14	43	34	4	4
Construction (n=15)	7	40	40	7	7
Manufacturing (n=5)	20	40	40	-	-
Food/beverage (n=6)	17	17	67	-	-
Trade (n=27)	19	63	15	-	1
All others (n=38)	11	39	37	8	5
Federal regulations					
Total (n=76)	28	39	26	-	7
Construction (n=15)	20	40	27	-	13
Manufacturing (n=5)	20	60	20	-	-
Food/beverage (n=6)	-	33	50	-	17
Trade (n=27)	22	41	33	-	4
All others (n=38)	34	42	18	-	5
State regulations					
Total (n=76)0	20	41	33	-	7
Construction (n=15)	20	33	33	-	13
Manufacturing (n=5)	-	60	40	-	-
Food/beverage (n=6)	-	33	50	-	17
Trade (n=27)	22	37	37	-	4
All others (n=38)	26	42	26	-	5

Table 46. Are the following factors a significant barrier, moderate barrier, or not a barrier to your business or organization's growth? (%) (continued)

	Significant Barrier	Moderate Barrier	Not a Barrier	Not Applicable	Don't Know
Availability of professional/technical workforce					
Total (n=76)	32	41	21	3	4
Construction (n=15)	27	47	13	7	7
Manufacturing (n=5)	60	40	-	-	-
Food/beverage (n=6)	17	33	50	-	-
Trade (n=27)	30	37	30	-	4
All others (n=38)	32	42	13	5	8
Availability of semi-skilled workforce					
Total (n=76)	36	42	16	3	4
Construction (n=15)	20	53	13	7	7
Manufacturing (n=5)	40	60	-	-	-
Food/beverage (n=6)	17	50	33	-	-
Trade (n=27)	37	44	15	-	4
All others (n=38)	29	39	18	5	8
Job readiness of entry level workforce					
Total (n=76)	32	49	12	4	4
Construction (n=15)	27	53	7	7	7
Manufacturing (n=5)	40	40	20	-	-
Food/beverage (n=6)	17	83	-	-	-
Trade (n=27)	41	37	19	-	4
All others (n=38)	18	55	11	8	8
Transportation linkages with suppliers and markets					
Total (n=76)	28	39	24	7	3
Construction (n=15)	20	47	27	7	-
Manufacturing (n=5)	20	80	-	-	-
Food/beverage (n=6)	33	17	33	-	17
Trade (n=27)	33	33	33	-	-
All others (n=38)	21	42	21	13	3
Cost of shipping goods and materials into Juneau					
Total (n=76)	46	41	4	8	1
Construction (n=15)	47	40	7	7	-
Manufacturing (n=5)	40	40	20	-	-
Food/beverage (n=6)	50	50	-	-	-
Trade (n=27)	52	44	4	-	-
All others (n=38)	37	45	-	16	3

Table 46. Are the following factors a significant barrier, moderate barrier, or not a barrier to your business or organization's growth? (%) (continued)

	Significant Barrier	Moderate Barrier	Not a Barrier	Not Applicable	Don't Know
Cost of shipping good and materials out of Juneau					
Total (n=76)	32	37	21	9	1
Construction (n=15)	27	33	33	7	-
Manufacturing (n=5)	20	80	-	-	-
Food/beverage (n=6)	33	17	50	-	-
Trade (n=27)	41	33	19	7	-
All others (n=38)	26	42	16	13	3
Energy prices					
Total (n=76)	18	36	41	1	4
Construction (n=15)	7	33	47	7	7
Manufacturing (n=5)	-	60	40	-	-
Food/beverage (n=6)	17	17	67	-	-
Trade (n=27)	22	41	33	-	4
All others (n=38)	21	32	39	3	5
Energy supply					
Total (n=76)	7	14	67	7	5
Construction (n=15)	7	13	67	7	7
Manufacturing (n=5)	-	20	80	-	-
Food/beverage (n=6)	-	-	83	17	-
Trade (n=27)	11	19	52	11	7
All others (n=38)	5	16	66	8	5
CBJ regulations					
Total (n=76)	20	39	36	-	5
Construction- (n=15)	20	47	20	-	13
Manufacturing (n=5)	40	40	20	-	-
Food/beverage (n=6)	-	33	67	-	-
Trade (n=27)	22	33	41	-	4
All others (n=38)	18	42	34	-	5
Cost of commercial lease/rental property					
Total (n=76)	26	30	32	9	3
Construction (n=15)	13	40	40	7	-
Manufacturing (n=5)	80	-	20	-	-
Food/beverage (n=6)	17	33	33	17	-
Trade (n=27)	30	30	22	15	4
All others (n=38)	24	29	34	11	3

Table 46. Are the following factors a significant barrier, moderate barrier, or not a barrier to your business or organization's growth? (%) (continued)

	Significant Barrier	Moderate Barrier	Not a Barrier	Not Applicable	Don't Know
Cost of health insurance					
Total (n=76)	51	26	13	7	3
Construction (n=15)	47	33	13	7	-
Manufacturing (n=5)	40	40	-	20	-
Food/beverage (n=6)	33	33	17	17	-
Trade (n=27)	63	7	19	7	4
All others (n=38)	50	26	13	5	5
Availability of health insurance					
Total (n=76)	30	32	29	7	3
Construction (n=15)	40	20	33	7	-
Manufacturing (n=5)	40	20	20	20	-
Food/Beverage (n=6)	17	17	50	17	-
Trade (n=27)	37	22	30	7	4
All Others (n=38)	26	37	26	5	5
Cost of Workers Compensation insurance					
Total (n=76)	16	43	33	5	3
Construction (n=15)	20	33	40	7	-
Manufacturing (n=5)	20	80	-	-	-
Food/beverage (n=6)	-	33	50	17	-
Trade (n=27)	22	41	26	7	4
All others (n=38)	13	39	37	5	5

When asked which of the listed barriers were the top three most important for their business, survey respondents most often indicated cost of shipping goods and materials into Juneau as the single most important. One-in-five (20 percent) noted in-bound shipping cost as their most important barrier. Availability of a semi-skilled workforce was the second most frequently mentioned, as the top barrier to growth.

A higher percentage (28 percent) of the 40 targeted businesses reported cost of shipping goods and materials into Juneau as their single most important barrier.

**Table 47. Which of these are the first, second, and third most important barriers to your growth?
Single Most Important Barrier by Sector (%)**

	Total n=76	Construction- n=15	Manufacturing n=5	Food- Beverage n=6	Trade n=27	All- Others n=38
Cost of shipping goods and materials into Juneau	20	27	-	33	30	13
Availability of semi-skilled workforce	13	7	20	-	19	8
Federal regulations	11	-	-	-	4	21
Availability of professional/technical workforce	11	20	-	17	11	11
Cost of commercial lease/rental property	7	7	60	-	7	3
Cost of health insurance	7	7	-	-	7	11
Access to capital	4	7	20	-	-	5
Job readiness of entry-level workforce	4	-	-	17	4	3
Cost of shipping goods and materials out of Juneau	4	-	-	17	-	5
Federal taxes	3	7	-	-	-	3
State regulations	3	7	-	-	-	5
CBJ taxes	1	-	-	-	4	-
Transportation linkages with suppliers and markets	1	-	-	-	-	3
Energy prices	1	-	-	-	-	3
State taxes	-	-	-	-	-	-
CBJ regulations	-	-	-	-	-	-
Energy supply	-	-	-	-	-	-
Availability of health insurance	-	-	-	-	-	-
Cost of Workers Compensation insurance	-	-	-	-	-	-

**Table 48. Which of these are the first, second, and third most important barriers to your growth?
Single Most Important Barrier, Targeted and All Others (%)**

	Total n=70	Targeted Businesses n=40	All Others n=36
Cost of shipping goods and materials into Juneau	20	28	11
Availability of semi-skilled workforce	13	13	14
Federal regulations	11	8	14
Availability of professional/technical workforce	11	13	8
Cost of commercial lease/rental property	7	8	6
Cost of health insurance	7	3	11
Access to capital	4		8
Job readiness of entry-level workforce	4	5	3
Cost of shipping goods and materials out of Juneau	4	5	3
Federal taxes	3	3	3
State regulations	3	5	-
CBJ taxes	1	-	3
Transportation linkages with suppliers and markets	1	3	-
Energy prices	1	-	3
State taxes	-	-	-
CBJ regulations	-	-	-
Energy supply	-	-	-
Availability of health insurance	-	-	-
Cost of Workers Compensation insurance	-	-	-

The same two barriers rank at the top when all top three barriers are combined. Cost of shipping goods and materials into Juneau was mentioned as either the first, second, or third most important barrier to business growth by 38 percent of respondents. Availability of a semi-skilled workforce was mentioned among the top three barriers by 24 percent of respondents.

Among the 40 targeted businesses, 50 percent mentioned cost of shipping goods and materials into Juneau as among top three barriers to business growth. Availability of a semi-skilled workforce ranked second overall at 23 percent.

See table, next page.

**Table 49. Which of these [barriers] are the first, second, and third most important barriers to your growth?
First, Second, Third Most Important Combined by Sector (%)**

	Total n=76	Construction- n=15	Manufacturing n=5	Food- Beverage n=5	Trade n=27	All- Others n=38
Cost of shipping goods and materials into Juneau	38	40	20	50	48	29
Availability of semi-skilled workforce	24	20	20	17	26	16
Availability of professional/technical workforce	20	27	20	17	19	21
Cost of health insurance	20	20	-	-	22	26
Cost of shipping goods and materials out of Juneau	16	7	-	33	15	16
Cost of commercial lease/rental property	14	7	60	17	22	8
Job readiness of entry-level workforce	13	20	20	17	7	11
Federal taxes	11	13	40	-	7	8
Federal regulations	11	-	-	-	4	21
Transportation linkages with suppliers and markets	9	13	-	17	7	11
State regulations	8	7	-	-	-	16
CBJ regulations	8	13	20	-	15	3
Access to capital	7	7	40	-	-	8
CBJ taxes	7	7	-	-	15	3
Cost of Workers Compensation insurance	7	7	20	-	4	8
Energy prices	5	-	-	17	-	8
Availability of health insurance	5	13	-	-	7	8
State taxes	1	-	-	-	4	-
Energy supply	1	-	-	-	-	3

Table 50. Which of these [barriers] are the first, second, and third most important barriers to your growth? First, Second, Third Most Important Combined, Targeted and All Others (%)

	Total n=76	Targeted Businesses n=40	All Others n=36
Cost of shipping goods and materials into Juneau	38	50	25
Availability of semi-skilled workforce	24	23	25
Availability of professional/technical workforce	20	15	25
Cost of health insurance	20	18	22
Cost of shipping goods and materials out of Juneau	16	25	6
Cost of commercial lease/rental property	14	15	14
Job readiness of entry-level workforce	13	15	11
Federal taxes	11	15	6
Federal regulations	11	8	14
Transportation linkages with suppliers and markets	9	10	8
State regulations	8	10	6
CBJ regulations	8	13	3
Access to capital	7		14
CBJ taxes	7	5	8
Cost of Workers Compensation insurance	7	8	6
Energy prices	5	3	8
Availability of health insurance	5	3	8
State taxes	1	3	-
Energy supply	1	3	-

Other Barriers Noted by Survey Respondents

Following are largely verbatim comments provided by survey respondents about other barriers to their businesses growth. Some comments were edited for clarity or to remove specific business names.

- "Qualified workforce, cost of living (Juneau)."
- "The cost of real estate on South Franklin prohibits us from reaching a larger share of the tourism market. With rents so high in that area, it is hard for local businesses with low margins to afford spaces."
- "Frequency and available capacity of ferry service. It's a huge barrier, we produce product in an outlying community and the only viable means of shipping in volume is the ferry which is infrequent, has limited capacity for our needs and is not all that good at sticking to the schedule. We have looked into using a private shipping provider but the cost is prohibitive, due in part to the absence or extremely high cost of access to suitable infrastructure in Juneau. The shipping bottleneck between our production facility and Juneau is by far the single largest factor constraining our growth. At this point we are simply capping production at the maximum volume that we can reliably ship by ferry to Juneau."

- "Expensive internet and telephony. We get slower service and pay higher rates than most other urban areas. Transient workforce which often produces low results for high wages, then moves on once they finally have a degree of training. I'm working with out-of-state and overseas contractors now for nearly all internet tasks, since they have the expertise and can work periodically. And you don't spend \$10,000 training them and then have them "find their bliss" somewhere, leaving you to start over. Finding one's bliss is great, but it's going to affect my hiring habits."
- "Health insurance, at \$40,000/year (without subsidies) for worthless insurance is an insult and a devastating drain on capital. A business making \$160,000-200,000/yr can't afford to pay 20-25 percent of its earnings for insurance with a \$10,000 deductible, plus pay all its own medical bills. It's the world's most expensive bankruptcy insurance. An embarrassment. I have a choice of de-capitalizing my business with insurance or to try to put it in my retirement so as to get more subsidies. Both hurt my cashflow."
- "Banking in Juneau can be problematic. I often received bad and/or incomplete information from loan officers, which resulted in it requiring 6 months to refinance my loan. Local banks are very high cost, and the Outside banks are far from the decision-making. Online banking with local banks also tends to be sub-standard. I estimate it costs me an extra \$5-8,000 in postage and freight to live in Juneau rather than the lower 48, but that's the cost of living in paradise. Still, I have to do a lot of workarounds to make things work. [Local provider] screwed up 2 of the 3 transshipments I've used them for to get to warehouses down south, so I no longer use them at all. Too slow...for this kind of work."
- "I have to match online prices. My customers want to include CBJ 5 percent tax in their calculations. My profit margin is 5-9%. I can't pay nine times what a lower '48 retailer pays for freight and cover local tax. Local sales tax is a significant factor in my ability to maintain and grow my business."
- "Qualified and skilled employees."
- "Gaining enough "fresh" supplies to make a difference in the quality of products. The cost is high and waste/rot is more."
- "Oil prices"
- "Consumer confidence due to the Alaskan economy, lack of a fiscal plan, statesmanship of elected officials (lack thereof)."
- "Outside Competitors. I am the only locally owned and operated company of [my] type remaining in Southeast Alaska. Therefor we have a different operation cost foundation."
- "Physical constraints in downtown Juneau."
- "Honest reliable work force with a good work ethic. Our educators have trouble instilling that in the work force at both the high school and college level."
- "Lack of a hard link (a road) into Juneau."
- "Human culture, behaviors and transitions to clean energy alternatives."

- "Location is a barrier to professional recruitment with specialized skillsets. Risk of diminished barge service or significant increase in costs could create significant barriers. Location is a barrier for employee travel which causes retention issues."
- "State budget and general economic conditions, cost of living in Juneau, poor access for passenger traffic (not just freight), aging demographics, no population growth."
- "Failing economy, drug free skilled workers, outrageous regulations and over-priced health care."

Other Comments About Freight Services to and From Juneau

In the final question of the survey, respondents were asked to provide any other comments about how freight service to and from Juneau affects their business or how enhanced freight service might enable their business's growth. A selection of responses is provided below. Some comments were edited for clarity or to remove specific business names.

- "... we depend on freight to be accurate and on time. Without other options for freight services of the magnitude needed to support our business it leaves us exposed if there were to be any catastrophic emergencies to the supply chain."
- "The connections with other communities in Alaska are difficult. If we were able to ship affordably to Anchorage, Sitka, and Ketchikan, we would be able to supply our products to these markets. Without direct connections to these places, shipping is cumbersome and expensive."
- "A road would enhance the opportunity for commerce. The current systems are limited in their ability, antiquated, and inefficient."
- "Road me."
- "... stronger liaisons with other Less than Container shippers, including FEDEX and UPS,...would help."
- "Cost effective small package shipping would allow me to compete by providing special order service to my local customers. Also it would allow me to sell items and ship them to customers outside of Juneau."
- "Juneau access is the single most important issue for our community. The second is a deep water port. Without these two issues being resolved competition cannot flourish and the Juneau's ability to grow will continue to be [stunted]" Currently, nearly all freight moving in and out of SE Alaska by water is on [the] barge. This monopoly isn't healthy as evidenced by the dramatically increasing cost to ship into SE Alaska."
- "Lower prices and more barges"
- "Competitive barge transport needed in Juneau"

- "I'd suggest the barge lines and bush plane companies provide their plan. Perhaps pose it to them as a challenge. What would they do if someone else came the market with a viable plan. Would they close or compete?"
- "The cost of freight is massive for us. Fuel surcharges kill us. More frequent incoming barges would help but not if it increases cost. Competition in both barge and air would help us. Not being able to fly hazardous materials also affects our sales as we can no longer fly batteries, fluids, etc. to other SE communities."
- "Increased frequency in the summer would be helpful, especially for moving vehicles and equipment. Lots of construction happening in the summer, so fast response saves tens of thousands of dollars in costs."
- "There has to be either regulator over the barge system or an actual competitor in the market place. The community cannot afford the annual increase in rates that are taking place in the amount and frequency."
- "Need more competition. The last consolidation that was allowed was a mistake. And the mandated time frames ... will just mean less competition in the future with higher prices and less service."
- "Persuade suppliers that shipping to Alaska is beneficial to all and that USPS is preferred."
- "I'm not sure it would affect growth, but it would make my life a lot easier. Today I tried to buy something, but could not, because the seller will not ship to Alaska. About once a year, I order a bunch of supplies and have them sent to someone in Seattle then I consolidate for the barge."
- "True competition in the barge transportation market has gone away. Some freight rates have nearly tripled in the last 3 years."
- "Improved-cost is our biggest driver, reliability, quality control, customer service."
- "I have no complaints about the frequency of service, or the other services we receive from the freight companies. The only issue is the cost, which seems to increase each year at a much higher rate than inflation in general."
- "Freight is a big part for our business - we need another barge company to come to town to help the monopoly that we have now to get the pricing down. It has gone up a whole lot since we now only have 1 barge company."
- "Mine is a home-based consulting business. Nearly all of my office supplies are now obtained from Amazon Prime. No charge for shipping and lower price than local office supply stores."
- "Our sales are not frequent but as an example it costs \$460.00 for me to order 1 unit of product I resell for \$2,000. So by the time I add the freight, I need to charge 24% more than the product cost. After adding 5% CBJ sales tax, I'm basically increasing the overall cost of my product by 1/3 over MSRP."

Juneau Business Freight Survey

September 24, 2018

Prepared for:
Greater Juneau Chamber of Commerce

Presented by:
Jim Calvin, McDowell Group Principal



Survey Purpose

- Identify and address barriers to business development associated with freight transportation into and out of Juneau.
- Part of JCC's commitment to support CBJ's *Juneau Economic Plan* (JEP):
 - JEP Initiative: "enhance essential infrastructure" by supporting "transportation infrastructure-related policies and developments that will...control or lower the cost of freight shipment into and out of Juneau."

Fun Freight Facts

- Ship in 27,000 lbs of freight annually, per capita
- 6,500 lbs of groceries per capita
 - *200 million lbs of groceries*
 - *7 million lbs of fresh vegetables shipped in annually*
- 12 million lbs of alcoholic beverages
 - *But ship out 70 million lbs*

More Juneau Freight Stats

Barge Freight

- 423,000 tons shipped in (excl. petro)
- 214,000 tons shipped out
- 69,800 loaded TEUs in-bound in 2016 (9% below 2015)
- 26,400 loaded TEUs out-bound (6% below 2015)

More Juneau Freight Stats

Air Freight

- 14m lbs. into Juneau in 2016 (6% above 2015)
 - 9.7 m lbs. from Anchorage
 - 1.9 m lbs. from Seattle
- 10m lbs. out (up 14%)
 - Top out-bound dest.: Sitka (3m lbs.), Seattle (2.8m), Anchorage (1.9m)
 - 1.4 m lbs to outlying NSE communities

Overview of Juneau Freight Stats

- **Alaska Marine Highway System**
 - 940 vans off-loaded in 2015
 - 40% of arrivals are from Prince Rupert or Bellingham
 - 819 vans loaded in Juneau
 - 158 to Gustavus, 146 to Haines, 108 to Hoonah
 - Juneau AMHS van traffic down 10% since 2013

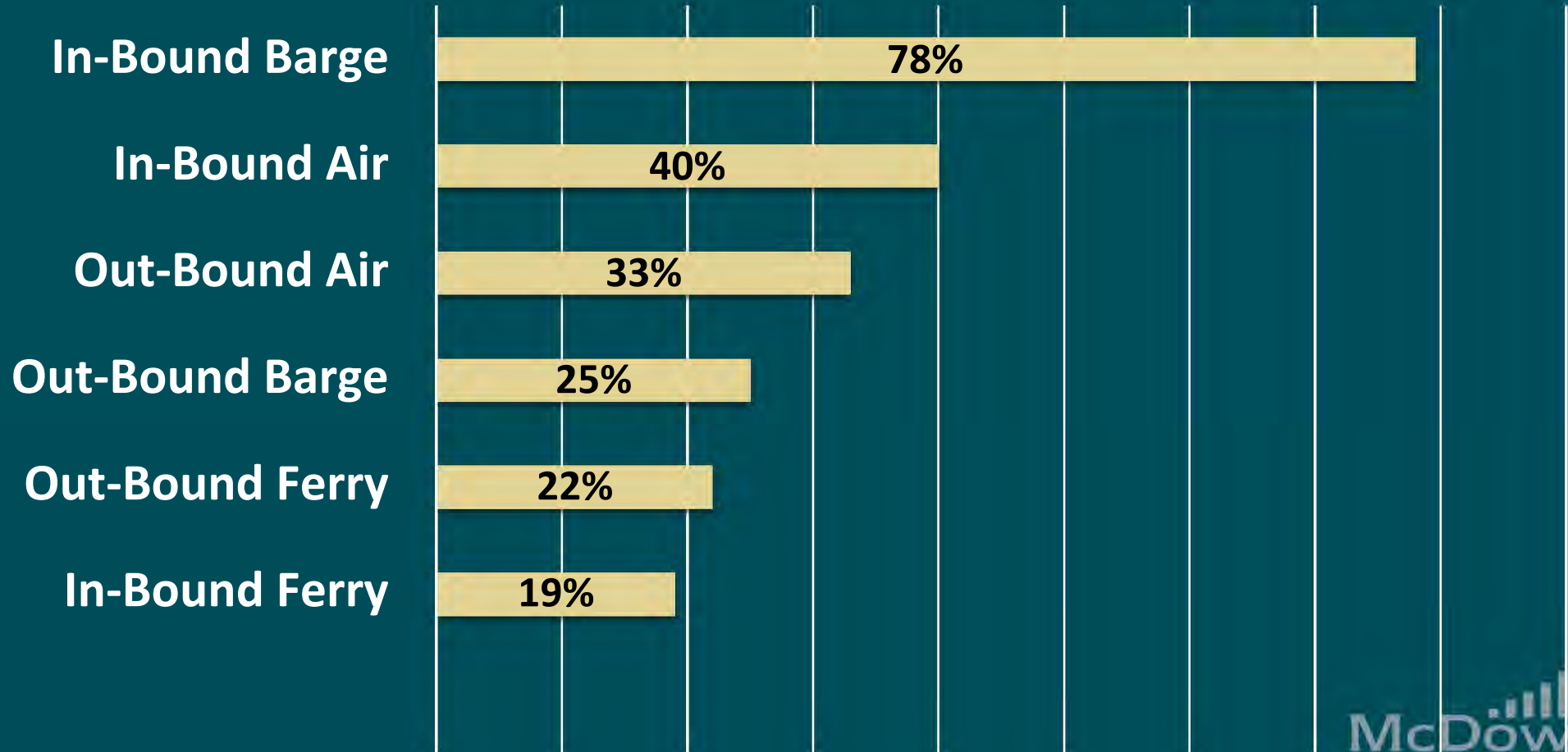
Survey Overview

- Survey designed in consultation with JCC
- Conducted May through August 2017
- On-line survey conducted in 2 phases
 - Phase 1 targeted a selection of businesses especially reliant on in-bound and out-bound shipping
 - Phase 2 survey was opened to all interested businesses and organizations
- Total of 116 usable surveys
 - 40 targeted
 - 76 all other

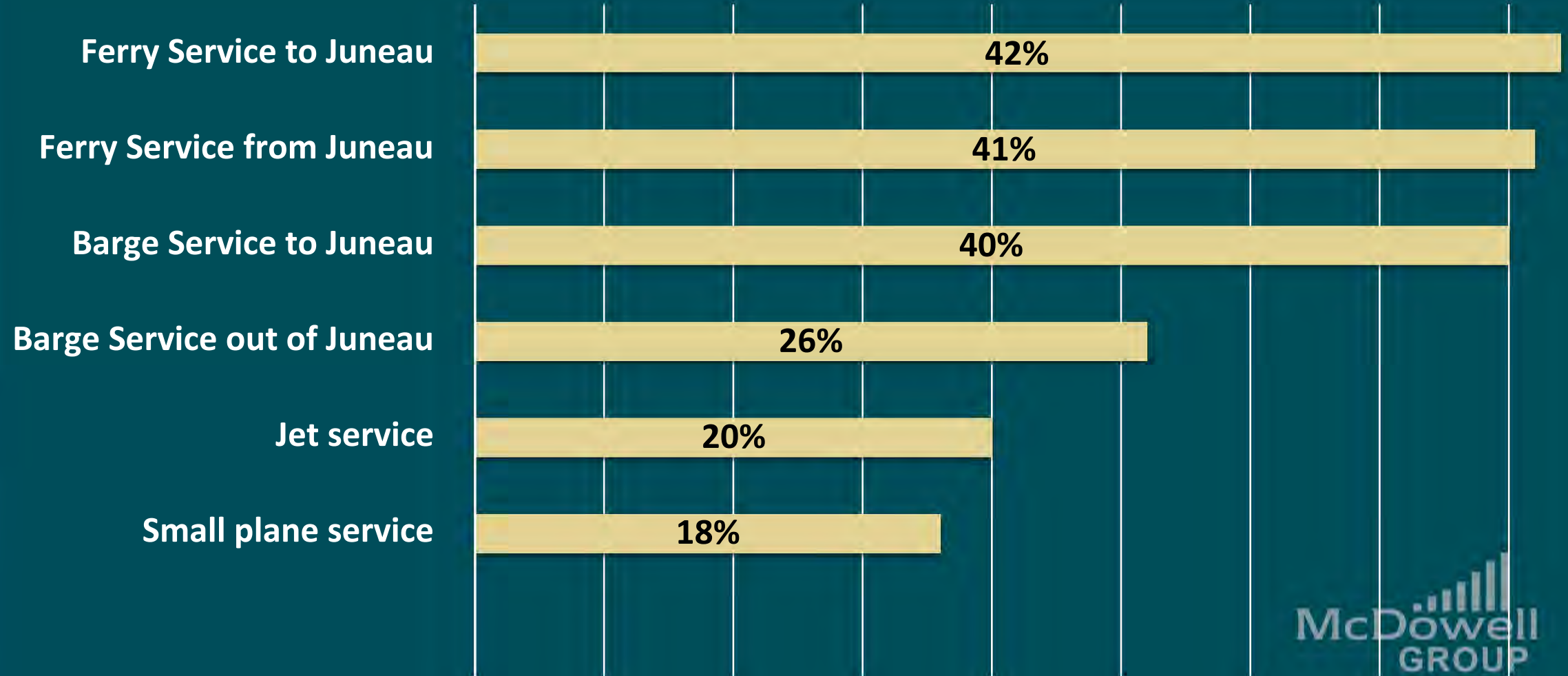
Profile of Survey Participants

- Together account for approx. \$700m in annual sales
- 4,000 full and PT jobs
- Mix of large and small
 - 11 respondents have more than 100 employees
 - 29 have 10 or less employees
- Survey results aggregated into 5 sectors:
 - Construction, Manufacturing, Food/Beverage, Trade, and All Others

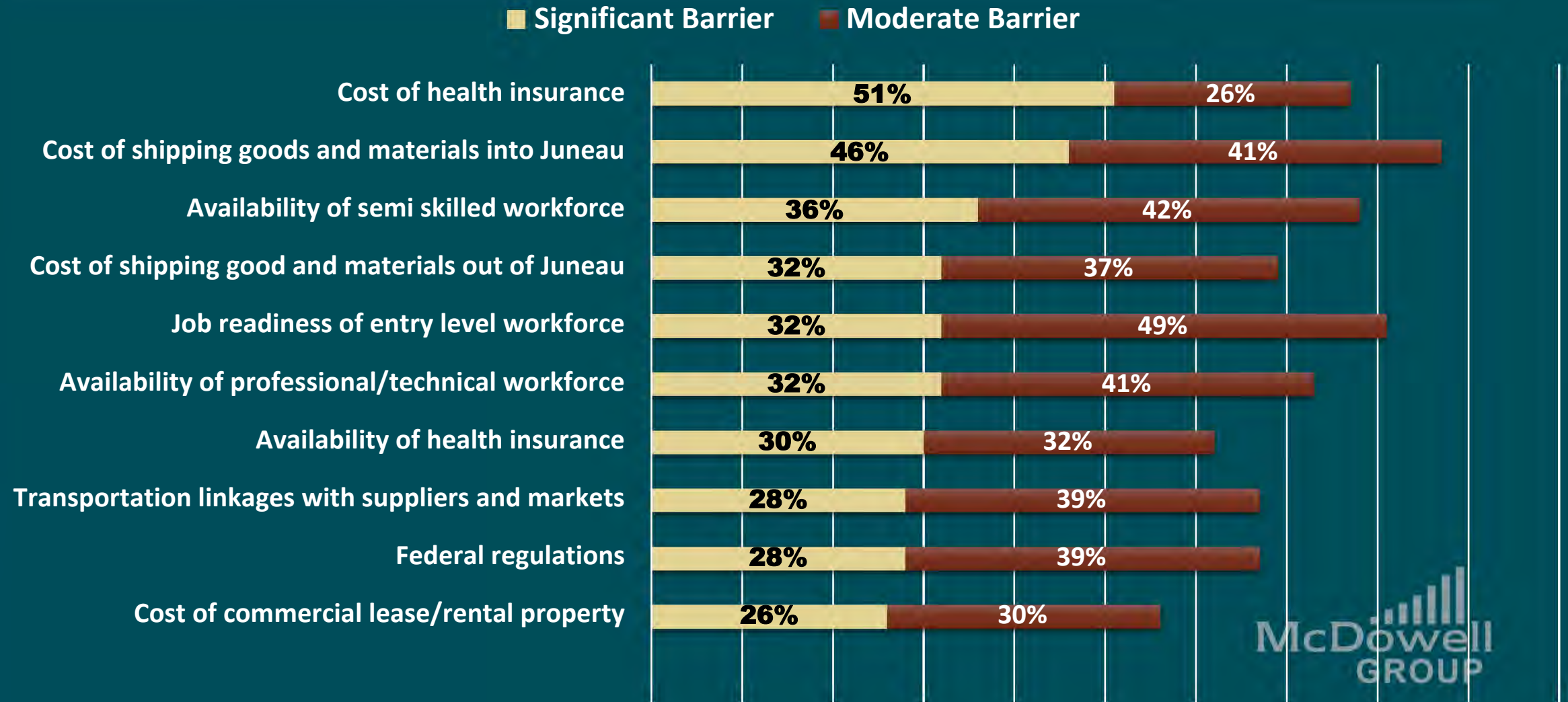
Businesses Reporting Freight Service as Very Important to Their Cost of Doing Business



Businesses Reporting Service Frequency as Barrier to Business Growth



Top Barriers to Business Growth



Impacts of Lower or Higher Shipping Costs

A 10 percent reduction in shipping costs...

- “Free up capital to increase the pace of our expansion efforts.”
- “..make us more competitive with the suppliers in Puget Sound.”
- “...makes Juneau a more affordable place to live as the cost of housing, food and energy drops.”
- “Freight costs are passed on directly to our customers. A 10% reduction for us would be a 10% reduction for them.”
- “It would also address the problem we are having competing with Amazon Prime.”
- “...allow us to better compete with online retail.”

Impacts of Lower or Higher Shipping Costs

A 10 percent increase in shipping costs...

- "...increased cost to customer resulting in higher shelf prices for our products."
- "...push me closer to warehousing all my merchandise outside...."
- "... reduce profitability....make e-commerce a very small part of my business....."
- "... reduce margins and benefits to stakeholders. As we compete with the internet and free shipping, we can't just raise our prices."
- "... As freight cost rise the National retailers need only outlast local businesses ...lead to fewer and fewer local businesses."

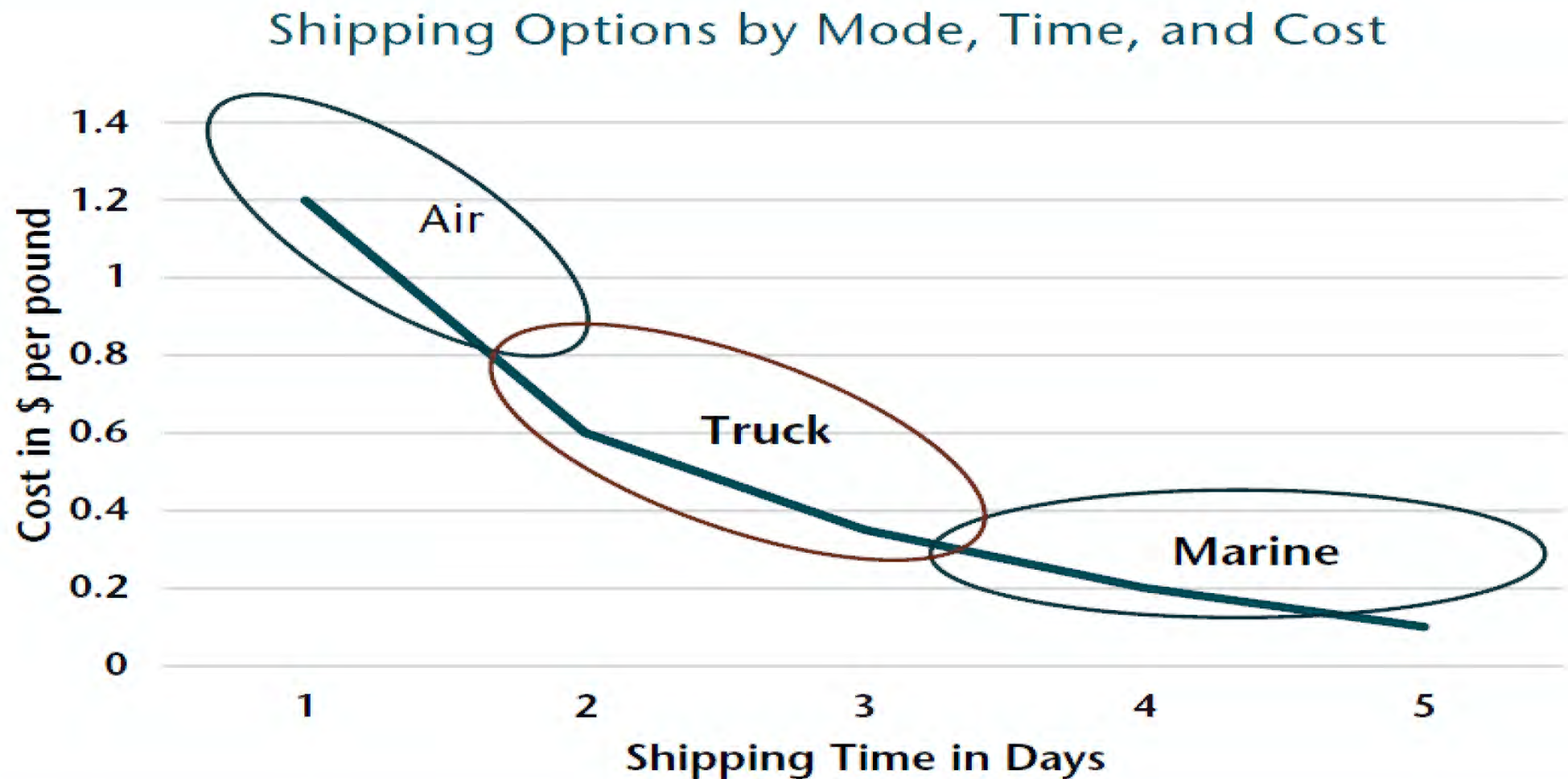
Freight Service Improvements Needed (*other than lower costs*)

- More frequent service, for all modes of transportation
- Increased out-bound air freight capacity
- Road connection to Juneau and other regional road development
- Greater opportunity to use AMHS to ship freight
- Enhanced opportunity for out-bound fish shipping
- More competition in the freight transport market

The big picture...

- Juneau businesses lack the full spectrum of over-land, marine, and air freight transportation opportunities
- Juneau's distance from major supply centers/markets mean shipping costs will always be a challenging aspect of doing business
- Juneau's freight industry includes dominant, heavily-invested, established, and well-run businesses
- The freight business has substantial barriers to entry
- No easy solutions to ease freight challenges, but not insurmountable

The Spectrum of Freight Options



Summary

- Opportunities for improvement?
 - Consolidation of less-than-container load shipping
 - Support sustainable, reliable AMHS service
 - Build road and port infrastructure needed to support community growth in the future

The full report....



Juneau Freight Survey

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