

**ASSEMBLY STANDING COMMITTEE
ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

September 29, 2021, 6:00 PM.

Assembly Chambers/Zoom Webinar

<https://juneau.zoom.us/j/93917915176> or 1-253-215-8782 Webinar ID: 939 1791 5176

Immediately Following Special Assembly Meeting

AGENDA

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. September 1, 2021

IV. AGENDA TOPICS

A. COVID-19 Economic Update by McKinley

B. Bartlett Regional Hospital Bonding

C. FY2021 Supplemental Appropriations (prior year activities)

D. FY2022 Supplemental Appropriation for COVID Response

E. FY2022 Supplemental Appropriation of Passenger Fees

F. FY2022 Supplemental Appropriation for CDD Plat Reviewer

V. NEXT MEETING DATE

A. November 3, 2021

VI. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

DRAFT
City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, September 1, 2021

I. CALL TO ORDER

The meeting was called to order at 6:00 pm by Carole Triem, Chair.

II. ROLL CALL

Committee Members Present: Carole Triem, Chair; Mayor Beth Weldon; Loren Jones; Greg Smith; Maria Gladziszewski; Christine Woll; Michelle Bonnet-Hale; Alicia Hughes-Skandijs

Committee Members Absent: Wade Bryson

Staff Present: Rorie Watt, City Manager; Robert Barr, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Teresa Bowen, Attorney

Others Present: None

III. APPROVAL OF MINUTES

The August 18, 2021 minutes were approved as presented.

IV. AGENDA TOPICS

a. Incentive for Online Filing of Sales/Hotel Taxes (Ordinance 2021-29)

Jeff Rogers, Finance Director, drew the Committee's attention to packet pages 9-55 relating to the incentive for online filing of sales and hotel taxes. In response to discussions about this topic at the June 2nd and August 18th Assembly Finance Committee meetings, CBJ's Sales Tax office issued a survey to all sales tax filers inquiring about their knowledge of and experience with CBJ's online filing portal. Mr. Rogers presented the memo on packet page 9 that summarized the results of this survey. The memo also addressed Mr. Bryson's proposed amendment to Ordinance 2021-29 at the August 18th committee meeting. This amendment, detailed on packet page 13, would change the current variable incentive structure for timely filing and remittance of sales tax returns to a flat \$30 incentive for timely online filing instead. This amendment is aimed at conveying a proportionately greater benefit to the filers with smaller businesses, and also streamlines the administrative application of the discount. Mr. Rogers noted Mr. Bryson's amendment repeals the duplicative hotel bed tax incentive. As written,

Minutes - Assembly Finance Committee Meeting Wednesday, September 1, 2021, 6:00 pm

the proposed amendment would not go into effect until February 1, 2022 for taxes due from the January 2022 period.

Mr. Rogers responded to committee questions.

Motion: by Mayor Weldon to move Ordinance 2021-29 to the full Assembly.

Objection: by Mr. Smith for the purpose of an amendment.

Amendment: by Mr. Smith to amend the Mayor's motion to include Mr. Bryson's amendment.

Motion passed by unanimous consent.

Original motion, as amended, passed by unanimous consent.

b. 2021 Commercial Property Assessments

Mr. Rogers presented packet pages 56-62. In response to a large volume of commercial property assessment appeals in 2021, Mr. Rogers presented evidence from the Assessor's office that Juneau commercial land values have not kept pace with the market over the last 10 years, prior to 2021. To illustrate, Mr. Rogers referenced packet page 59 which details the cumulative change in assessed land value since 2011 for all active 2021 commercial assessment appeals. He stated this table showcases the central problem that most of the appeals are from properties that have generally flat assessments from 2011 to 2020. Mr. Rogers clarified that the assessment and appeals processes are designed to identify over and under assessed property values.

Mr. Rogers stated that he and City Assessor Mary Hammond intend to enter into a contract with Marty McGee, former State Assessor and former Anchorage City Assessor, to assist Ms. Hammond with navigating through the commercial appeals process. Additionally, Mr. Rogers and Ms. Hammond are working closely with the current Acting State Assessor, Joseph Caissie. Mr. Rogers stated that he has requested Mr. Caissie review the City Assessor's ratio study and the resulting adjustment to commercial land assessments.

Mr. Rogers also noted the option of a third party audit by the International Association of Assessing Officers. He stated that this may be of interest in the future.

Mr. Rogers responded to committee questions.

Minutes - Assembly Finance Committee Meeting

Wednesday, September 1, 2021, 6:00 pm

Mr. Rogers clarified Mr. McGee's role as a consultant and expert in dealing with commercial property tax assessments and appeals. At the time of the meeting, Mr. McGee was not yet under contract, but the Assessor's office hopes to start work with him soon. It is not likely that he would look at individual appeals. He would more likely review the methodology of how the Assessor's office made assessment changes and help to shape the argument detailing its appropriateness. Mr. Rogers further clarified that Mr. McGee has not indicated that he disagrees with the City Assessor's methodology, but if he does, the City will be the first to take corrective action to adjust each parcel's assessment as necessary.

Mr. Roger's clarified that the role of Mr. Caissie, the Acting State Assessor, is to ensure that there is assessment equity and fairness within a community. He has authority to issue a community wide correction of assessed values if he deems it necessary. Mr. Rogers stated that whatever Mr. Caissie produces will be independent and disclosed to the Assembly.

Mr. Rogers stated that if new property sales price data is disclosed, it may produce alterations for individual appeals, but will not result in an entire assessment re-evaluation for 2021.

Teresa Bowen, CBJ Attorney, clarified that state law places the burden of proof on the appellant in disputing assessed property valuations (Title 29, Section 45).

Rorie Watt, City Manager, reminded the Committee that property owners know purchase and sale prices and the Assessor's office does not have that information unless the property owners choose to disclose it. The assessors are, therefore, required to make a property assessment based on the information they have at the time which could be limited as a result of the city not enforcing the requirement of disclosure of purchase prices.

Ordinance 2020-47(am) adopted on October 26, 2020 requires the disclosure of real estate sales prices, however as written the ordinance does not contain any enforcement mechanism. The Committee discussed the possibility of amending the law to include a penalty to help the Assessor's office obtain more accurate information to inform future assessments.

The committee recessed at 7:15 PM.

The committee reconvened at 7:25 PM.

c. Updated Consumer Tax Forecast

Mr. Rogers presented packet pages 65-70 detailing updated collections from consumer taxes through the end of fiscal year 2021. He stated that most of the

Minutes - Assembly Finance Committee Meeting Wednesday, September 1, 2021, 6:00 pm

actual revenue collected was very close to projections with the exception of hotel bed tax, which exceeded projections with the influx of independent travelers.

Mr. Rogers stated that he has not yet updated any FY22 projections, but will include new information in the mid-year update in November.

Mr. Rogers responded to committee questions.

Mr. Rogers clarified that online sellers are required to register with the Remote Sales Tax Commission after 200 transactions or \$100,000 in sales within the City and Borough of Juneau. The Remote Sales Tax Commission generally pursues registering larger remote sellers first, then moves down to smaller volume sellers.

d. Resources and Process for Grant Seeking

Mr. Rogers presented the memo on packet page 63, stating that the federal government is infusing the economy with trillions of dollars of stimulus funding through the \$1.9 trillion American Rescue Plan Act, the forthcoming \$1 trillion infrastructure bill, and a new “human infrastructure” bill that may top \$3.5 trillion. In response to a significant amount of this funding being made available to municipal governments, CBJ has identified the need for a centralized Grant Writer position to focus solely on identifying, prioritizing, and pursuing these grants. This position would cost approximately \$100,000 to \$120,000 annually including health and benefits.

Mr. Watt stated that he recommends the Assembly appropriate funds to establish this position, but has policy concerns regarding determining which funding opportunities align best with CBJ’s goals and priorities, and what the Assembly’s involvement should be in the grant seeking and application process. He requested the Committee allow him to write up a policy proposal for consideration.

Motion: by Mayor Weldon to direct staff to draft an appropriation ordinance for up to \$120,000 in the Manager's Office to be forwarded to the Assembly.

Motion passed by unanimous consent.

V. NEXT MEETING DATE

- a. November 3, 2021 (September 29, 2021 tentative)**

VI. AJOURNMENT

The meeting was adjourned at 8:14pm.

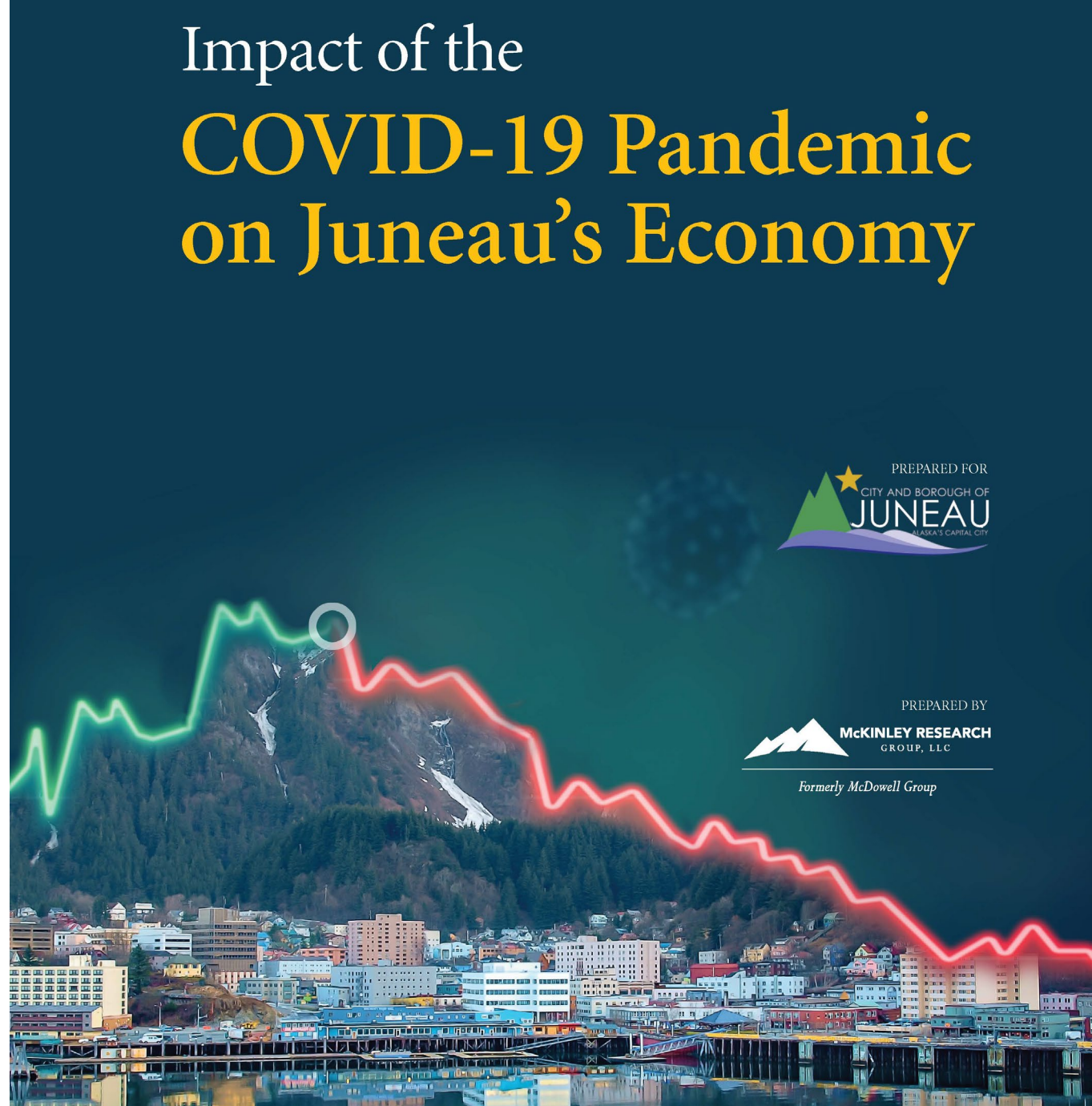


Impact of the COVID-19 Pandemic on Juneau's Economy

PREPARED FOR:

City and Borough of Juneau
Presented September 29, 2021

Impact of the COVID-19 Pandemic on Juneau's Economy



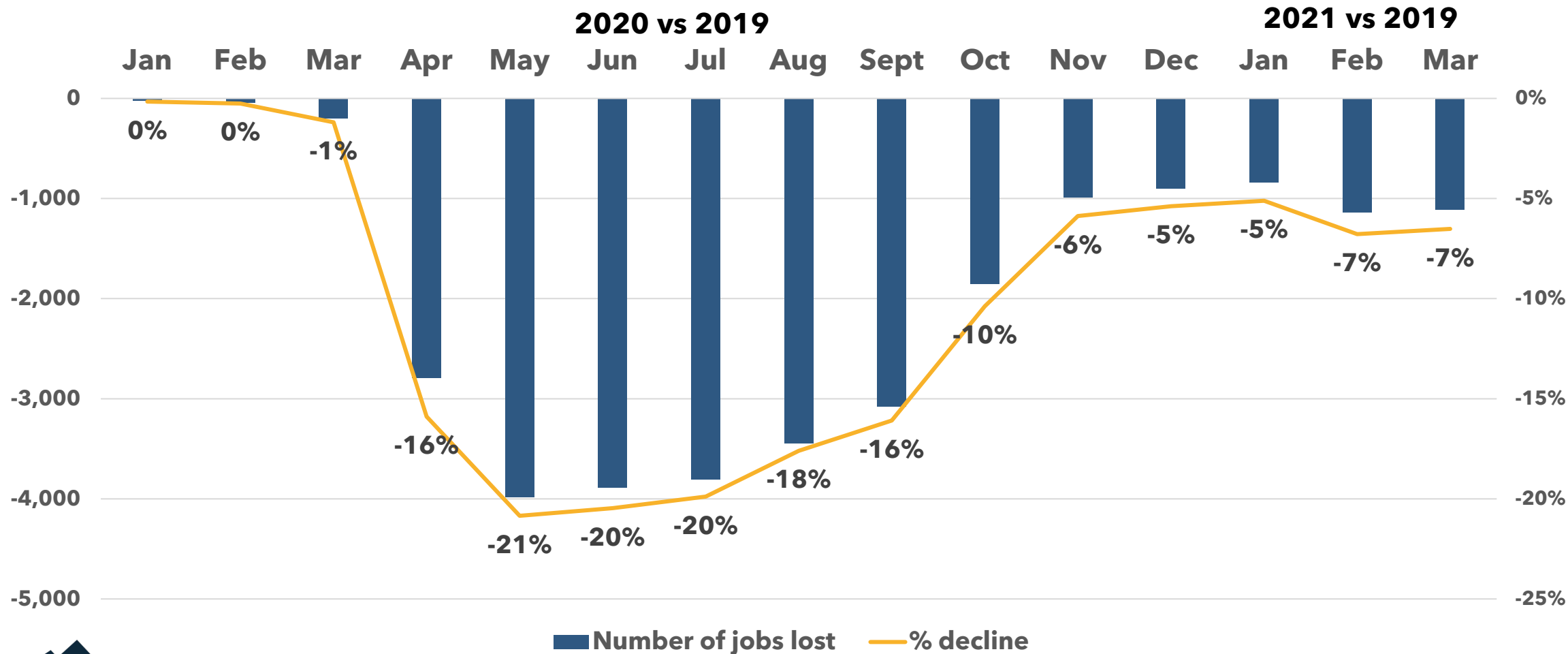
Presentation Outline

- **Employment**
- **Wages**
- **Business Sales**
- **Relief Funds**
- **Other Indicators**
- **Outlook**



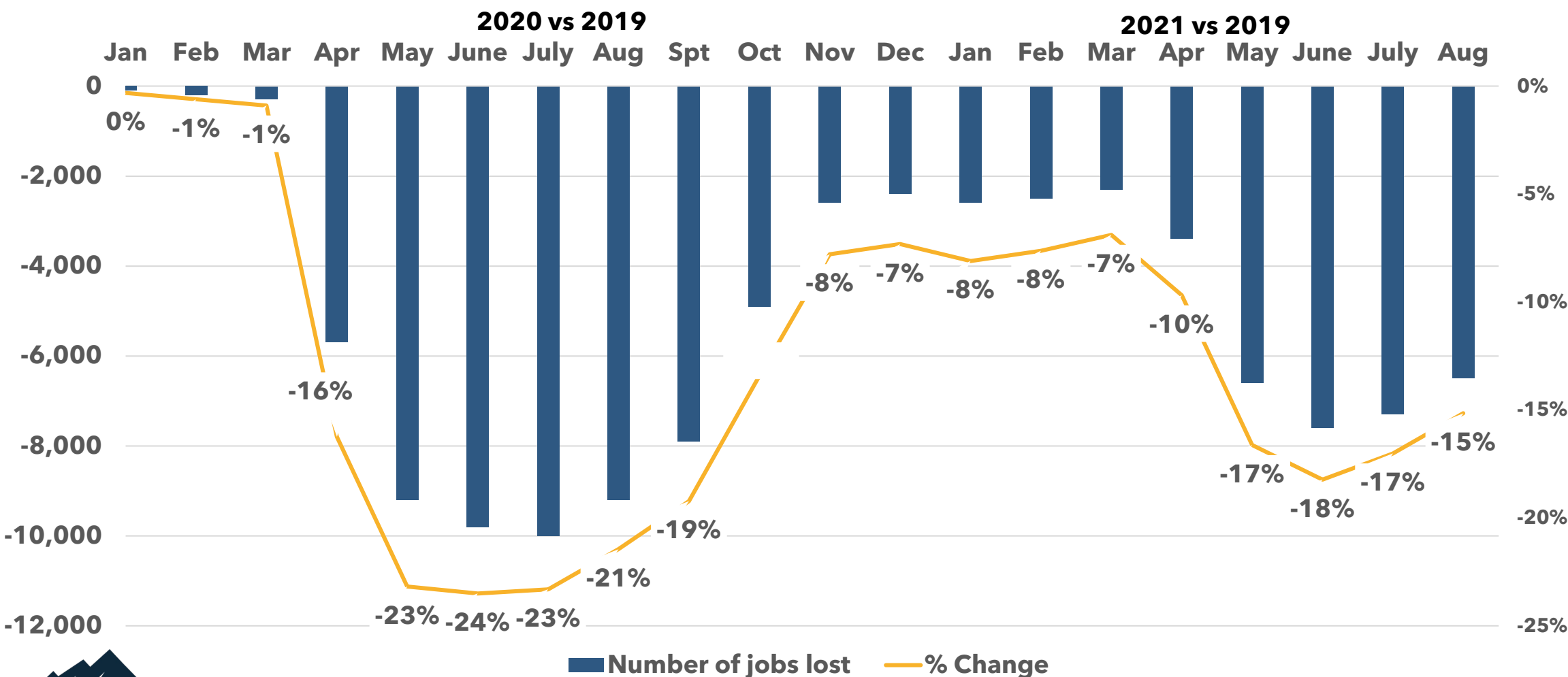
Employment

Job Losses in Juneau, by Month, 2020/21 vs 2019



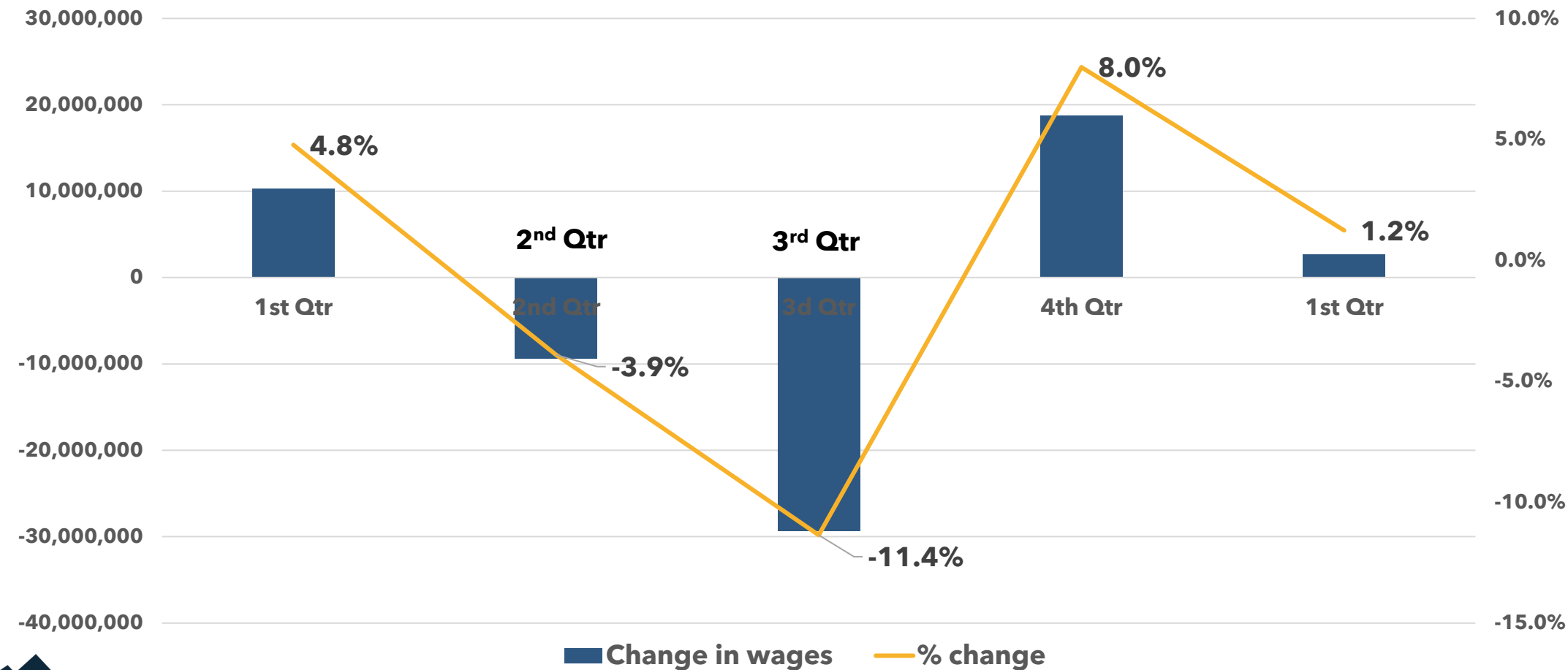
Employment

Job Losses in Southeast, by Month, 2020/21 vs 2019



Wages

Change in Wages Paid in Juneau, 2020/21 vs 2019

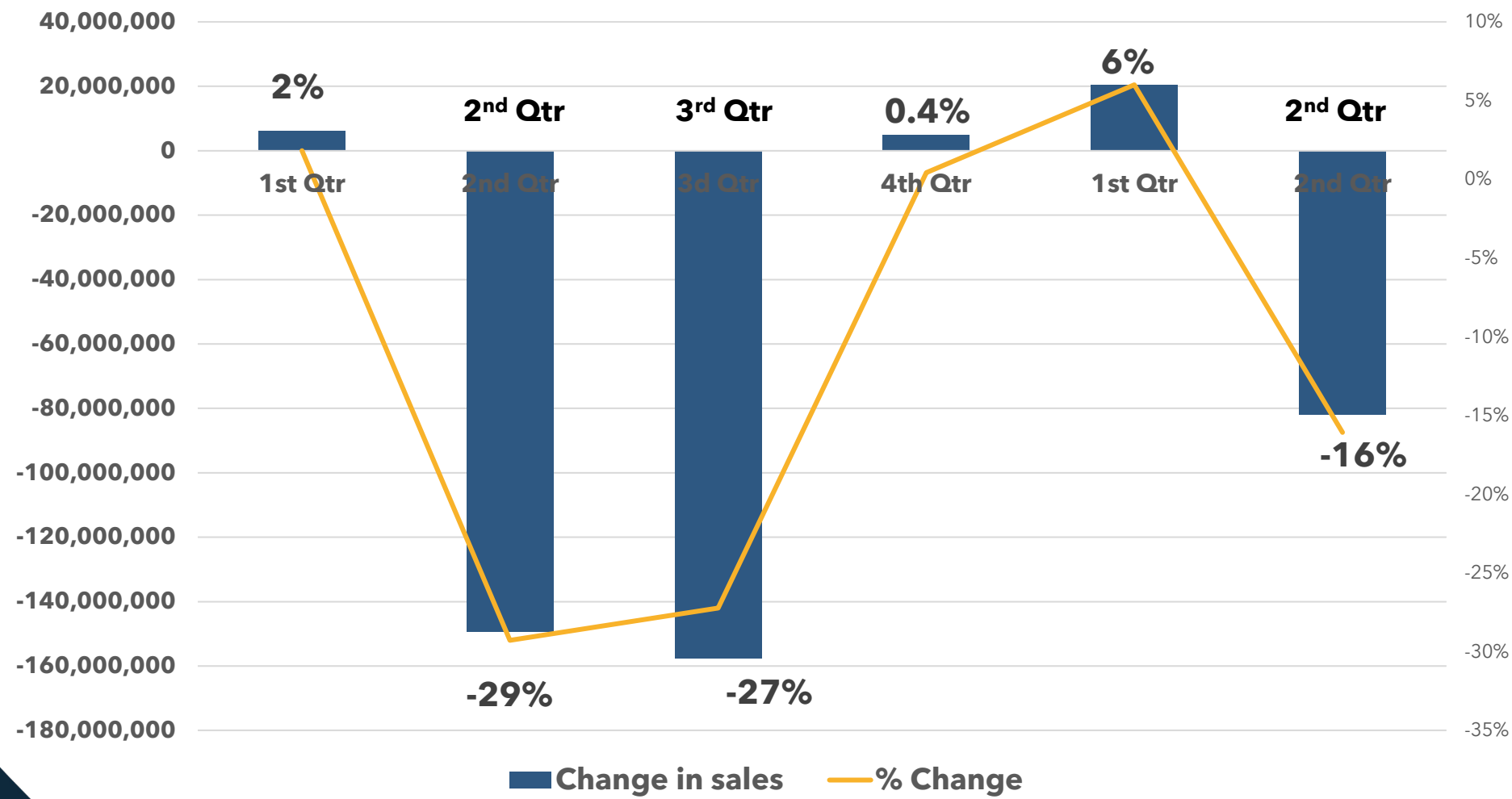


Jobs and Wages - Summary

- **Average employment was down 12% in 2020, a loss of 2,085 jobs**
- **Losses most severe in May, down 21%, a loss of 3,983 jobs**
- **Total wages down 1%, loss of \$10 million**
 - *Private sector wages down 5% (-\$24 million)*
- **Some improvement in 2021 but employment still 10% below 2019, YTD**

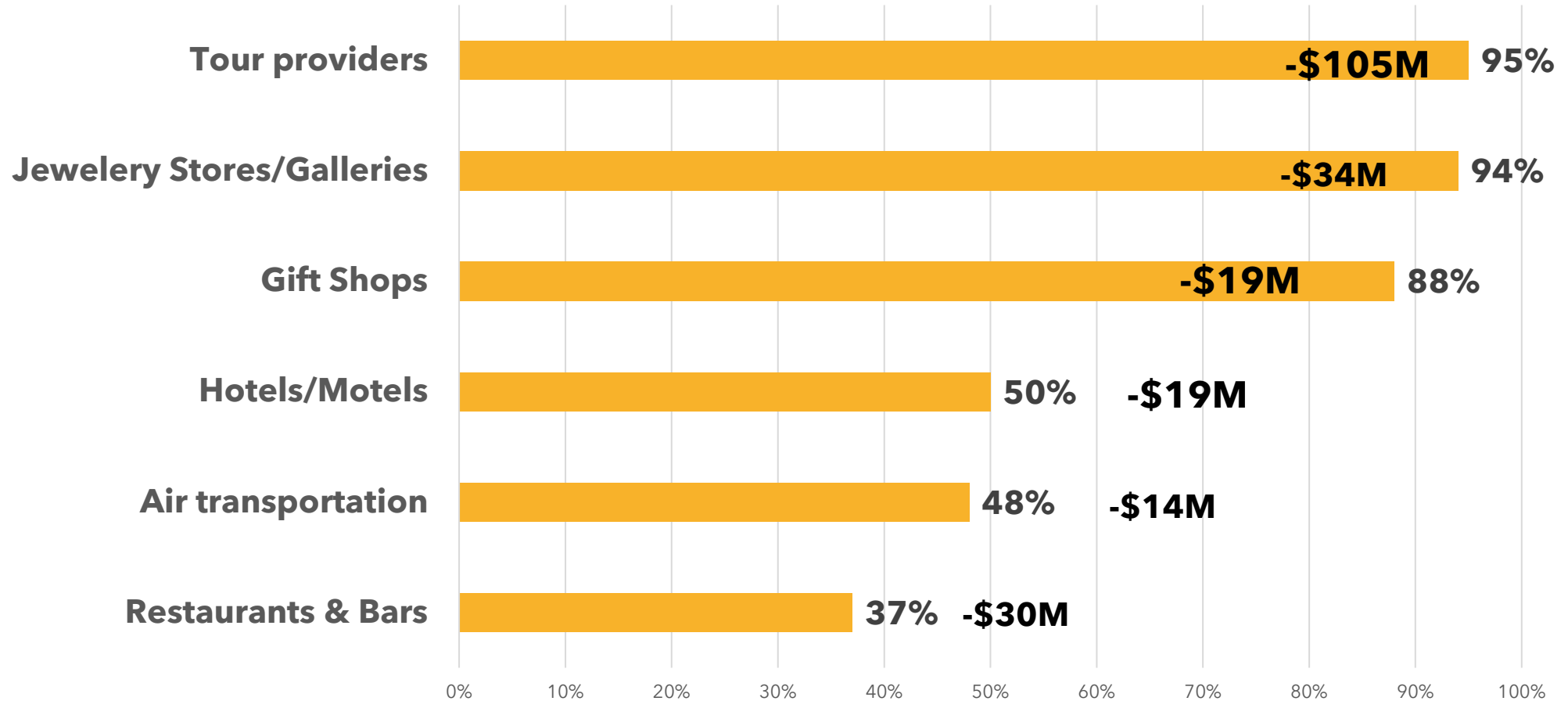
Business Sales

Gross Sales in Juneau, by Quarter, 2020/21 vs 2019



Business Sales

% Loss in Gross Sales, by Sector, 2020 vs 2019



Business Sales - Summary

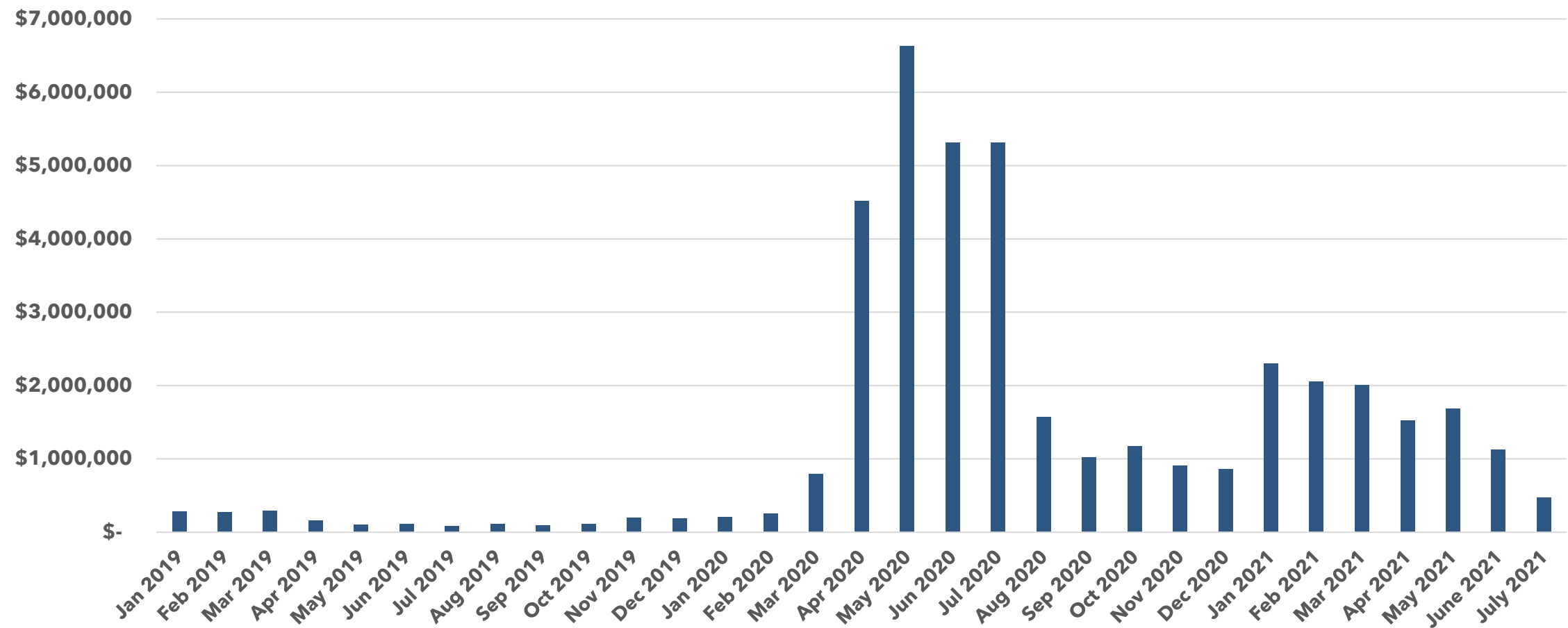
- **Total sales down \$304 million in 2020 (-12%)**
- **Total sales in 1st half of 2021 \$62 million below 1st half of 2019 (-7%)**
- **3rd quarter sales likely to be \$100 million below 2019**
- **Losses concentrated in the visitor-affected sectors**

Relief Funds to Juneau

- **\$40 million in Economic Impact Payments**
- **\$100 million Payroll Protection Program (PPP) funding**
- **\$30 million in Economic Injury Disaster Loans (EIDL)**
- **\$31 million in health care Provider Relief Funds**
- **\$13 million in Restaurant Revitalization Funds**
- **\$127 million to CBJ**
 - **\$16 million for Business Sustainability and Extreme Hardship grants**
 - **\$3 million for Nonprofit Sustainability Program**
- **More in the pipeline (ARPA, etc.)**

Unemployment Insurance

UI Payments to Juneau Residents, By Month, 2019-2021



Other Indicators

- ***Population***
 - **Slow decline in recent years**
 - **Down 4% since 2015, loss of 1,400 residents**
 - **Further decline in 2021?**
- ***Personal Income***
 - **Total and per capita personal income trending up**
 - **\$2.34 billion in 2019**
 - **Flat in 2020?**

Outlook

Key factors in the near-term outlook

- ***Labor supply challenges***
- ***Flow of additional relief funds***
- ***Cruise ship traffic and passenger spending***

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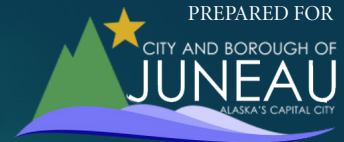
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September 2021

Impact of the COVID-19 Pandemic on Juneau's Economy

FINAL REPORT



PREPARED BY
McKINLEY RESEARCH
GROUP, LLC

Formerly McDowell Group

TABLE OF CONTENTS

Summary of Findings	1
Chapter 1. Employment Trends	10
Employment by Month	10
Wages.....	13
First Quarter 2021 Employment and Wages.....	14
Unemployment.....	15
Labor Force	17
Population	18
Personal Income	19
Business Sales Trends	20
Conditions in Key Industries	24
Visitor Industry	24
Cruise Passengers.....	24
Air Visitors.....	25
Ferry Visitors	25
Lost CBJ Revenues.....	26
Seafood Industry	27
Mining.....	28
Health Care	29
Government.....	30
Retail	30
Federal Relief Funds and Programs.....	32
Economic Impact Payments (EIP)	32
Paycheck Protection Program (PPP).....	32
Restaurant Revitalization Fund (RRF).....	34
Airline Payroll Support Program.....	34
Enhanced Unemployment Insurance Payments	34
Economic Injury Disaster Loans (EIDL).....	35
Coronavirus Relief Fund (CRF) (Tribal Governments).....	36
Health Care Provider Relief Funds	36
Other Relief Funding	36
Relief Funding to the City and Borough of Juneau	38
CBJ Business Sustainability and Extreme Hardship Grants.....	39
CBJ Nonprofit Sustainability Program	39
Emergency Individual Assistance Grant Program.....	39

LIST OF TABLES

Table 1. Juneau Average Employment by Sector and Percent Change, 2019 to 2020	12
Table 2. Juneau Wages by Sector and Percent Change, 2019 to 2020.....	13
Table 3. Juneau Employment and Wages, 1 st Quarters of 2019, 2020, and 2021.....	14
Table 4. Juneau Employment and Wages, 1 st Quarter 2021 vs. 1 st Quarters of 2019 & 2020..	14
Table 5. Juneau Unemployment Rates (%), 2019, 2020 and 2021 YTD.....	15
Table 6. Juneau Unemployment Insurance Payments, 2019, 2020 and 2021 YTD	16
Table 7. Distribution of UI Claimants by Age, 2019 and 2020	16
Table 8. Distribution on UI Claimants by Workers' Earnings, 2019 and 2020.....	17
Table 9. Distribution of UI Claimants by Industry, 2019 and 2020	17
Table 10. Juneau Population, 2015 to 2020, Components of Change.....	19
Table 11. Gross Business Sales by Category.....	20
Table 12. Gross Business Sales by Category in Tourist-Related Businesses.....	21
Table 13. Gross Business Sales by Category in Tourist-Related Businesses, Q2 and Q3	21
Table 14. Gross Business Sales by Category, First Half 2019, 2020, and 2021 (\$millions).....	22
Table 15. Gross Business Sales by Category in Tourist-Related Businesses, First Half 2019, 2020, and 2021 (\$millions).....	23
Table 16. Cruise Line Port-Related Revenues to City and Borough of Juneau, 2019 and 2020 pre-COVID Projections	26
Table 17. Juneau Resident Commercial Fishing Activity, 2019 and 2020	27
Table 18. Mining Employment in Juneau, 2019 and 2020.....	28
Table 19. Health Care and Social Assistance Employment in Juneau, 2019 and 2020.....	29
Table 20. Government Employment in Juneau, 2019 and 2020	30
Table 21. Retail Employment in Juneau, 2019 and 2020	31
Table 22. PPP Loans Made to Juneau Businesses and Organization	33
Table 23. PPP Loans Made to Juneau Businesses by Industry	33
Table 24. EIDL Loans Made to Juneau Businesses.....	35
Table 25. CRF Funds Awarded to Juneau Tribal Governments.....	36
Table 26. COVID-Related Funding Awarded to City and Borough of Juneau	38

LIST OF FIGURES

Figure 1. Juneau Employment by Month, 2019-2020.....	10
Figure 2. Juneau Job Loss by Month, 2020 vs. 2019	11
Figure 3. Juneau Cruise Ship Passenger Volume, 2016-2019; 2020-2021	24
Figure 4. Passenger Enplanements at Juneau Airport, 2019-2020 (2021 partial)	25
Figure 5. Passenger Embarkations at Juneau Ferry Terminal, 2019-2020 (2021 partial).....	25
Figure 6. Juneau Bed Tax Revenues, April to September, 2019 and 2020	26

Summary of Findings

The City and Borough of Juneau (CBJ) contracted with McKinley Research Group (MRG) to document the economic impacts of COVID-19 in Juneau. Virtually every aspect of the economy – including every household, business, nonprofit organization, and government institution – has been affected in one way or another. Fully measuring all aspects of the pandemic’s economic impacts is not possible within the scope of this study. Instead, this report is intended to provide a high-level overview based on generally available measures of community economic well-being, mainly in terms of employment, wages, business sales, personal income, and others. This report also describes the federal relief funding that has been key in mitigating some of the economic shock caused by the pandemic.

The latest available data reveals the substantial pandemic-related damage to Juneau’s economy in 2020, early signs of recovery, but continuing losses in 2021. Key indicators of Juneau’s economic distress and recovery to date are summarized below.

Employment and Wages

- Juneau lost 12% of its employment base, or 2,085 jobs, in 2020.
 - 2020 employment in Juneau averaged 15,872 jobs, with wages totaling \$938 million. In 2019, employment averaged 17,957 jobs with \$948 million in total annual wages.
 - The relative decline in wages is notably less than the decline in employment. Total annual wages were down just 1% (\$10 million).
- At the worst of the job losses in 2020, employment dropped 21% (in May), a loss of 3,983 jobs.
- Sectors experiencing the greatest absolute and relative job losses in 2020 include the following:
 - The Scenic and Sightseeing sector saw employment in the second and third quarters of 2020 drop 85% from the same period in 2019. The sector employed a monthly peak of 1,316 workers in 2019. In 2020, employment peaked at 190.
 - Employment in the Accommodations sector (including hotels and other lodging establishments) dropped 46% in the second and third quarters of 2020

compared to the same period in 2019. This sector employed a peak of 457 workers in 2019. In 2020 employment peaked at 263 jobs.

- Employment in restaurants and bars fell 43% over the six-month period from April through September (second and third quarters) 2020. In this sector employment peaked at 1,254 jobs in 2019 while the 2020 peak was 756 jobs.
- The latest available monthly employment estimates, for July 2021, suggest employment is up 1,200 jobs from July 2020 but still more than 2,500 jobs below July 2019.
- Juneau's losses in jobs and wages were more severe than most of Alaska. Statewide, employment dropped by 8% in 2020, while Juneau was down 12%. Other Southeast communities experienced employment losses similar to Juneau's (Ketchikan employment fell 15% and Sitka was down 13%).

Unemployment Insurance Payments

Unemployment insurance payments offset some of the lost wages caused by the pandemic. This includes:

- Unemployment insurance (UI) benefits paid to Juneau residents in 2019 totaled about \$2 million. The 2020 total was \$29 million. The number of claimants peaked in May 2020 at 2,026, more than 10 times the number of UI claimants in May 2019 (143).
- The most recent data shows declining UI payments. In July 2021, 509 UI claimants received \$467,000 in total payments, well below the July 2020 totals of 1,812 claimants receiving \$5.3 million, but still far above the July 2019 totals of 119 claimants receiving \$82,000 in UI payments.

Business Sales

Total gross business sales in Juneau dropped by \$304 million in 2020, a decline of 12% from 2019. Sectors experiencing the greatest losses included:

- Tour providers, down 94% (-\$105 million)
- Hotels and motels, down 50% (-\$19 million)
- Air transportation and freight, down 48%, (-\$14 million)
- Bars and restaurants, down 37% (-\$30 million)
- Retail sales – General, down 23% (-\$53 million)
- Retail sales – Specialized, down 54% (-\$129 million)
 - Jewelry & arts stores, down 94% (-\$34 million)
 - Curio & gifts shops, down 88% (-\$19 million)

Only the construction sector reported increased sales in 2020, with a 15% gain, or \$35 million in additional sales.

Business sales for the first half of 2021 showed some improvement from 2020 but remained substantially below 2019. First half 2021 sales totaled \$787 million, \$81 million above the first half of 2020 but still \$62 million below the same period in 2019. The net decline of \$62 million includes some good news, with five of the ten business categories showing growth from 2019. Contractors and real estate firms are among the gainers.

Sales data reflect continuing trouble in visitor affected sectors. Among businesses that rely on visitor spending, first half 2021 sales were \$17 million above first half of 2020 and but still \$74 million below 2019. The visitor industry will make up some ground during the third quarter of 2021, when cruising resumed. But with only about 8% of 2019 passenger volume expected in 2021, total sales will continue to lag far behind 2019.

Population

The impact of the pandemic on population trends in Juneau is not yet clear. The community's population has been on a slow downward trend over the past several years, declining by 1,389 residents between 2015 and 2020, a 4.2% decrease. The slow decline likely continues into 2021, however, barriers to travel and relocation during the pandemic may have slowed the trend.

Personal Income

Though data is not yet available, Juneau likely saw an uptick in total personal income in 2020 from the 2019 total of \$2.34 billion. Statewide, total personal income increased 3.1% in 2020, with per capita personal income up 3.4%. A 24% increase in transfer payments (payments from government to individuals) drove that increase. Statewide and in Juneau a big increase in unemployment insurance payments, federal COVID Economic Impact Payments to individuals and families, and other relief programs contributed to the rise in transfer payments and an overall increase in total personal income.

Sector Level Impacts of COVID-19

The pandemic had wide ranging business and industry impacts in Juneau. Industry-level impacts are summarized below.

Travel and Tourism

- Juneau hosted 1.3 million cruise visitors in 2019, and with the exception of one small ship sailing that returned mid-voyage, none in 2020. Juneau lost approximately \$200 million in passenger spending and \$30 million in cruise line spending in 2020 as a result of the pandemic.

- Cruise passenger traffic in 2021 is expected to total somewhat less than total season ship capacity of 100,000 passengers. Total volume is likely to fall short of capacity due to ships sailing less than 100% full. Cruise-related spending in Juneau will forgo another \$200 million for the season.
- In 2021, independent visitor travel to Juneau picked up significantly relative to 2020, but remains below pre-pandemic levels. Some businesses report strong demand, but due to staffing shortages, are not realizing the full revenue potential from this season.
- Juneau air traffic dropped sharply in 2020, from 329,000 air passenger enplanements in 2019 to 136,000 in 2020, a 59% reduction. Passenger enplanements were down 94% in April 2020 compared to April 2019 (20,875 monthly enplanements versus 1,330).
- Air traffic has been recovering in 2021. In June (the latest available data), passenger enplanements were 18% below June 2019. May passenger enplanements were 21% below the same month in 2019 and April 2021 traffic was 27% below April 2019.
- AMHS ferry passenger embarkations in 2020 were 74% below 2019. Based on the most recent available data, ferry traffic continues to substantially lag pre-pandemic levels. June 2021 passenger embarkations were 45% below June 2019.

Eating and Drinking Establishments

As noted above, Juneau's 84 eating and drinking establishments have been among the businesses hit hardest by the pandemic. The following metrics provide a profile of those impacts and relief funding that have offset a portion of those impacts.

- Restaurants and bars lost \$30 million in total gross business sales (2020 vs. 2019). Losses continued in 2021 but sales data is not yet available.
- Total wages paid were \$4.6 million lower in 2020 than in 2019 (-24%).
- Relief funds paid in 2020 and 2021 to this sector included:
 - Total Paycheck Protection Program (PPP) awards of \$11.2 million to 70 establishments.
 - Estimated total Economic Injury Disaster Loans (EIDL) and grant awards of \$3.0 million paid to approximately 25 establishments.
 - Restaurant Revitalization Funds totaling \$13.4 million for 31 Juneau businesses.
 - Business Sustainability and Extreme Hardship grant program funds totaling approximately \$2.9 million, paid to 57 establishments.

Accommodations Providers

The lock-down on travel severely impacted Juneau's lodging establishments. A total of 21 lodging businesses have employees in Juneau. The sector also includes an underdetermined number of owner-operated establishments including bed and breakfasts (B&Bs), and Vacation Rentals by Owner (VRBOs).

- The sector lost \$19 million in total gross business sales (2020 vs. 2019).
- Total wages paid were \$3.1 million lower in 2020 than in 2019 (-30%).
- Relief funds included:
 - Total PPP awards of \$3.8 million to 20 establishments.
 - Estimated total EIDL and grant awards of \$700,000 to approximately 15 establishments.
 - Business Sustainability and Extreme Hardship grant program funds totaling approximately \$1.1 million, paid to 18 establishments.

Seafood Industry

- It is not possible to isolate COVID-19 effects on commercial fishing harvest volumes and values from among all the other market and biological forces that affect the harvest. Nevertheless, it is evident that 2020 was not a strong year for Juneau's fishermen. Based on preliminary data, Juneau resident commercial fishermen harvested 9.2 million pounds of fish in 2020 with an ex-vessel value of \$13.8 million. The 2019 harvest was 14.2 million pounds with a total value of \$20.4 million.
- Among a range of COVID-19-related impacts, the seafood industry suffered from lower prices for typically high-value products, such as halibut and black cod. Some black cod quota was left unharvested (only 81% of the Southeast total allowable catch [TAC] was harvested, when more than 95% is usually caught).
- Processors spent heavily (estimated at \$100 million statewide) on measures to control spread of the virus among plant workers and within communities.
- Peak seafood processing employment in Juneau was down about 20% in 2020 compared to 2019, while total wages fell about 10%.
- Far fewer commercial fishing crew licenses were sold to Juneau residents in 2020 than in 2019. In 2020, 138 Juneau residents bought crew licenses, less than half of 2019's total of 328.

- Juneau commercial fishermen received approximately \$4.4 million in PPP awards. Processors received a total of about \$1.1 million.

Mining

- Mining-related employment averaged 804 jobs in Juneau in 2020, about 7% below the 2019 average of 863 jobs. As miners were asked to work longer rotations (reducing the number of people traveling to and from the mine), average wages went up (as a result of increased overtime payments). Wages in 2020 totaled \$99 million, 11% above the 2019 total of \$89 million.
- Hecla (Greens Creek) and Coeur (Kensington) together spent \$4 million on quarantining employees. This spending was an important source of revenue for Juneau lodging and food service businesses that were otherwise suffering substantial losses from pandemic related lock-downs.

Government

- Local, state, and federal government together provided an important stabilizing employment base for the community through the pandemic. Government accounts for 6,700 jobs in Juneau, more than one-third (37%) of all employment in Juneau. Government accounts for 45% of all wages paid in Juneau.
- State government employment declined by about 4% in 2020, losing 143 jobs. This continues a long-term decline in state government jobs in Juneau, with the loss of about 800 jobs over the past decade. The state employed 3,500 workers in Juneau in 2020.
- Local government employment was down 1.4% in 2020 compared to 2016 (34 fewer jobs). Federal government saw an employment gain of 6.8% in 2020 (45 new jobs).

Federal and Other Relief Funds

- Three rounds of federal Individual Economic Impact Payments made to Juneau residents totaled an estimated \$40 million, including 2020 and 2021 payments.
- Paycheck Protection Program (PPP) grants and loans to Juneau businesses and organizations totaled approximately \$100 million. This includes 897 Juneau businesses and organizations that received a total of 998 loans/grants under \$150,000, totaling \$38.2 million. A total of 130 Juneau businesses and organizations received a total of 142 PPP grants and loans over \$150,000, totaling \$61.5 million.

- Included in Juneau's in PPP awards was \$9.7 million for 51 nonprofit organizations.
 - The average PPP award under \$150,000 was \$38,292. The average for awards over \$150,000 was \$432,888. Juneau received 4.9% of the \$2.05 billion in total PPP loans statewide.
- Approximately 435 Juneau businesses received a total of \$29.9 million in Economic Injury Disaster Loans (EIDL) (which require repayment but on generally favorable terms). Approximately 530 Juneau businesses were awarded a total of \$1.8 million EIDL advance grants (which do not require repayment).
- 73 Juneau health care providers received a total of \$30.6 million in Provider Relief Funds (PRF) awards. Southeast Alaska Regional Health Consortium (SEARHC) and Bartlett Regional Hospital received the largest grants, at \$15.3 million and \$12.2 million, respectively.
- As noted above, 31 Juneau businesses received a total of \$13.4 million in Restaurant Revitalization Funds. Funding amounts ranged from \$4,000 to over \$4 million.
- The air carrier Payroll Support Program generated \$12.9 million for five Juneau air service operators (not including Alaska Airlines).
- According to data compiled by the CBJ Finance Department, CBJ has or will receive a total of \$122 million in federal COVID-related funding (including FY20, 21, and 22 awards). This includes \$90 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding (largest components include \$53 million to general government, \$22 million to the airport, and \$12 million to Bartlett). CBJ is expected to receive a total of approximately \$14 million American Rescue Plan Act (ARPA) funds.
 - Allocation of CARES Act funding to CBJ included \$16 million in Business Sustainability and Extreme Hardship grants. Another \$3 million was awarded in Nonprofit Sustainability Grants.
- Alaska Community Foundation distributed \$3.6 million in CARES Act funds to 16 local nonprofits.
- An assortment of other COVID relief funds have or will flow into Juneau's economy, such as aid to tribal governments, health center grants for tribal health services, housing and homeless support, and fisheries-related relief, among others.

- In total, an estimated \$375 million to \$400 million in federal relief funds have or will flow through Juneau's economy.

Outlook and Recovery

This analysis has focused mainly on the economic impact of COVID-19 in 2020, when impacts were most severe and where available data allows measurement of those impacts. About two-thirds of the way through 2021, losses caused by the pandemic continue to mount, especially in economic sectors dependent on the cruise industry. Looking at the path to recovery, a number of factors are in play:

- Key to economic recovery for scores of Juneau business is the return of cruise ships and the dollars their passengers bring to Juneau. The forecast for next year (2022) is passenger capacity of 1.4 million. It remains to be seen if the ships will arrive full or with reduced occupancy, should measures to control spread of COVID-19 still be required.
- Though information is anecdotal, labor shortages are proving to be a barrier to recovery. If not for labor shortages, employment and business sales would be higher today than would otherwise be the case. Unable to fully staff up, some businesses cannot meet the demand for their services. Recovery of the labor force will be gradual. Typically, one third of Juneau's labor force is nonresident (concentrated in the summer months). Replenishing the supply of nonresident workers will be essential to economic recovery. In addition, many parents are likely to remain out of the workforce until all children can be vaccinated and affordable and suitable child care can be secured.
- Federal relief funding has been essential in easing the pain of what would otherwise have been economic devastation for some segments of Juneau's economy and population. Federal relief dollars are continuing in 2021, though not at 2020 levels. In terms of federal dollars flowing into Juneau's economy, the tapering of relief programs and payments may be partially offset by increased federal spending in other areas.
- In some sectors, business conditions will remain challenging even as the pandemic eases. Employers can expect the cost of hiring and retaining workers to rise, potentially including paying travel expenses to recruit nonresidents workers (when locals are not available), bonus payments, and increased hourly rates.
- Among the businesses hardest hit by COVID-19 restrictions, the ability to survive another winter depends in part on their liquidity going into the pandemic. Businesses carrying significant debt into the pandemic and without cash reserves will struggle. Some business face mounting differed rental payments. Those that borrowed to get

through the pandemic, through the EIDL program or other loans, will have to start repaying loans. In particular, getting cruise-dependent businesses through another winter and into the 2022 season is the most immediate challenge facing the economy.

- One permanent impact of the pandemic is increased labor mobility. Work from home will remain a prominent part of many business models. Juneau can serve its own interests well by continuing to invest in itself, making the community an attractive place to live with high quality education (including early education), services for seniors, recreational facilities, affordable housing, and other assets.

These and other factors can inform the next phase of research, which includes revisiting the 2015 Juneau Economic Plan (JEP). That work will include assessing progress on the eight key economic development initiatives identified during the JEP planning process, and reprioritizing in light of COVID-19's economic impact in Juneau. The second phase will include extensive outreach to businesses and nonprofits to gain information needed for defining specific strategies to speed economic recovery and return Juneau to a growth track.

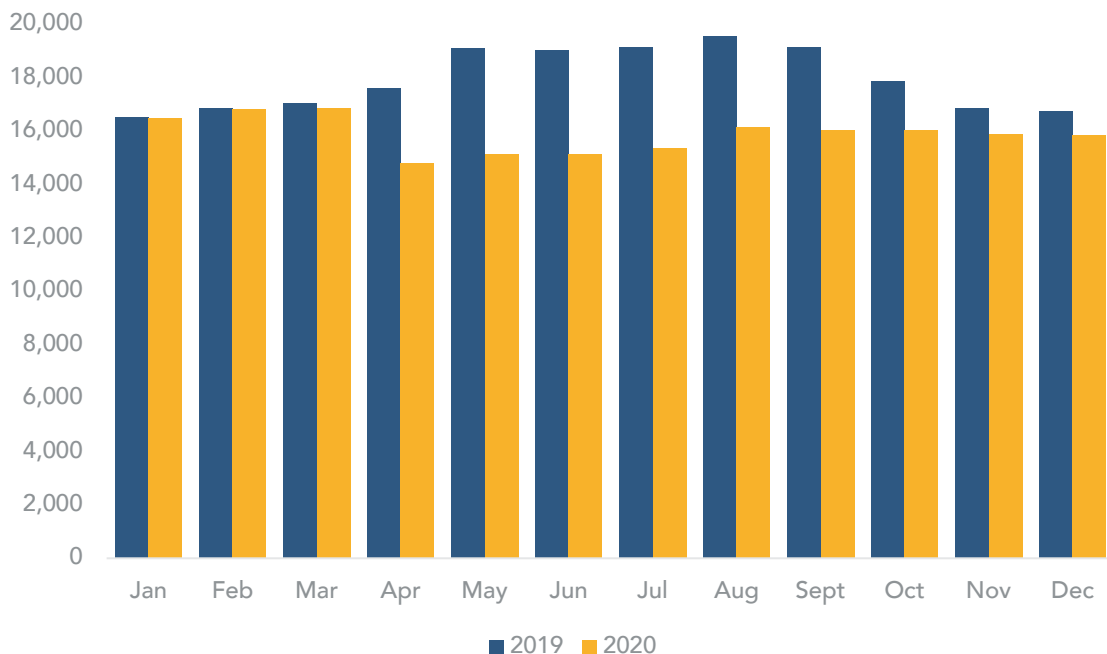
Chapter 1. Employment Trends

The Quarterly Census of Employment and Wages (QCEW) by the Alaska Department of Labor and Workforce Development (ADOLWD) provides the most accurate and comprehensive job and wage data for Juneau. The data is available on a four to five-month lag. DOLWD's Current Employment Statistics (CES) are more current than QCEW, with two-month lag, but are only available at the regional level and are survey-based estimates rather than an actual count of jobs. Though CES is regional, it does provide a strong indicator of trends in Juneau, as Juneau accounts for more than half of all employment in Southeast Alaska. CES does not include wage data.

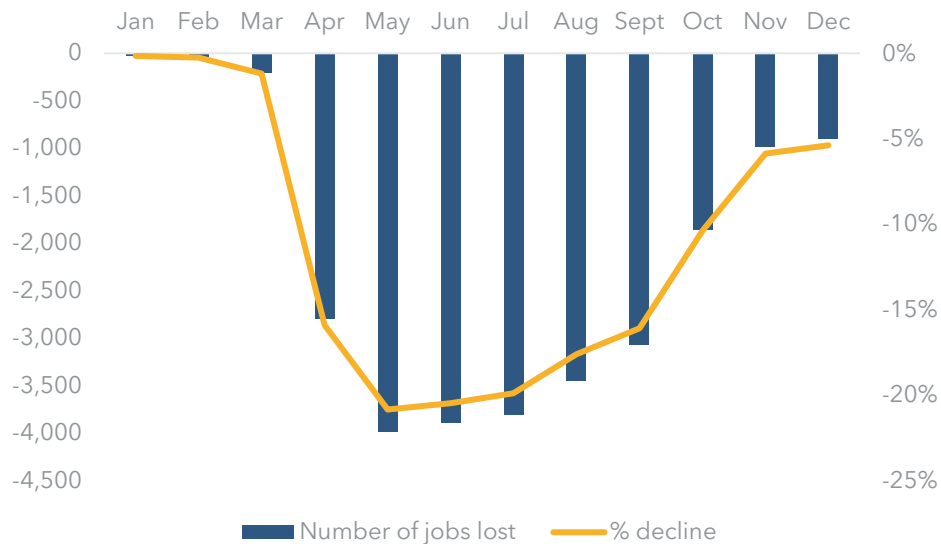
Employment by Month

COVID-19 related job losses began suddenly in April 2020, and by May there were nearly 4,000 fewer jobs in Juneau than in May 2019, a 21% reduction. Full-year average monthly employment in Juneau was 12% lower in 2020 compared to 2019.

Figure 1. Juneau Employment by Month, 2019-2020



Source: ADOLWD QCEW

Figure 2. Juneau Job Loss by Month, 2020 vs. 2019

Source: ADOLWD

Employment was lower in nearly every sector in 2020 except federal government and construction. Employment in the transportation sector was down by more than half during the 2020 visitor season, ranging from 60% to 66% lower (with annual employment 40% lower). In the scenic and sightseeing sector (a subsector of transportation) employment was 83% to 89% below 2019 levels. Leisure and hospitality employment was down 44% to 50% in the second and third quarters.

Employment in the educational services sector (data does not include Juneau School District or University of Alaska Southeast) declined 14% over the full year compared to 2019. Following a similar trend is employment in the professional and business services (-15%), retail (-13%), and manufacturing, which is mainly seafood processing, but also brewing (-12%). All sectors were on a trajectory of recovery by the fourth quarter of 2020.

Table 1. Juneau Average Employment by Sector and Percent Change, 2019 to 2020

Industry	2019 Employment				2020 Employment				2019 2020 Percent Change				Annual 2019 2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Jan Mar	Apr Jun	Jul Sep	Oct Dec	Jan Mar	Apr Jun	Jul Sep	Oct Dec	Jan Mar	Apr Jun	Jul Sep	Oct Dec	
Total Government Sector													
Federal Government	648	670	680	662	671	710	750	709	3%	6%	10%	7%	7%
State Government	3,817	3,741	3,568	3,557	3,638	3,485	3,461	3,527	-5%	-7%	-3%	-1%	-4%
Local Government	2,528	2,256	2,205	2,544	2,584	2,116	2,210	2,484	2%	-6%	0%	-2%	-2%
Total Private Sector													
Construction	518	675	702	595	544	667	816	699	5%	-1%	16%	18%	9%
Manufacturing	288	354	479	359	297	292	395	300	3%	-17%	-18%	-16%	-12%
Retail	1,676	1,901	2,019	1,704	1,656	1,509	1,545	1,608	-1%	-21%	-23%	-6%	-13%
Transportation	861	1,763	2,040	1,062	899	711	690	639	4%	-60%	-66%	-40%	-40%
Scenic & Sightseeing	284	1,018	1,234	429	281	174	135	98	-1%	-83%	-89%	-77%	-63%
Financial Activities	459	468	458	442	460	436	447	444	0%	-7%	-2%	1%	-2%
Professional & Business Services	859	1,044	1,203	968	880	843	850	851	2%	-19%	-29%	-12%	-15%
Educational and Health Services	1,705	1,698	1,676	1,685	1,664	1,461	1,536	1,593	-2%	-14%	-8%	-5%	-8%
Educational Services	71	86	83	81	79	60	58	74	10%	-30%	-30%	-8%	-14%
Health Care & Social Assistance	1,633	1,612	1,593	1,604	1,585	1,401	1,477	1,519	-3%	-13%	-7%	-5%	-7%
Leisure & Hospitality	1,437	1,887	2,083	1,511	1,382	950	1,175	1,049	-4%	-50%	-44%	-31%	-32%
Accommodations	335	406	442	363	336	201	257	229	0%	-51%	-42%	-37%	-32%
Restaurants and Bars	830	1,076	1,219	878	785	565	740	660	-5%	-48%	-39%	-25%	-29%
All Other	2,010	2,113	2,170	2,078	2,041	1,831	1,963	2,013	2%	-13%	-10%	-3%	-6%
Total Employment	16,807	18,569	19,285	17,166	16,717	15,012	15,841	15,917	-1%	-19%	-18%	-7%	-12%

Source: ADOLWD QCEW

Wages

For the Juneau economy overall, total wages decreased by \$9.6 million (or about 1%) in 2020 compared to 2019. Government sector wages were up \$14.4 million while total private sector wages fell \$24 million. Wages declined across most of the private sector, but increased for construction (up 23%), financial activities (up 11%), and health care and social assistance sectors (up 1%).

The greatest wage decreases were in Transportation (down 44%), Leisure and Hospitality (down 30%), and Educational Services (down 15%).

Table 2. Juneau Wages by Sector and Percent Change, 2019 to 2020

Industry	2019 Wages	2020 Wages	Change
Federal Government	\$66,186,042	\$69,526,412	5%
State Government	\$226,914,167	\$225,809,413	0%
Local Government	\$131,673,340	\$143,803,622	9%
Total Private Sector			
Construction	\$40,901,947	\$50,180,481	23%
Manufacturing	\$14,964,509	\$13,610,385	-9%
Retail	\$55,910,655	\$52,146,601	-7%
Transportation	\$66,440,297	\$37,106,664	-44%
Scenic & Sightseeing	\$32,114,841	\$8,736,542	-73%
Financial Activities	\$23,873,843	\$26,497,266	11%
Professional & Business Services	\$51,909,360	\$50,207,615	-3%
Educational and Health Services	\$83,634,917	\$84,460,990	1%
Educational Services	\$1,914,164	\$1,629,351	-15%
Health Care & Social Assistance	\$81,720,753	\$82,831,639	1%
Leisure & Hospitality	\$36,711,571	\$25,560,850	-30%
Accommodations	\$10,265,176	\$7,136,406	-30%
Restaurants and Bars	\$19,324,708	\$14,761,889	-24%
All Other	\$148,594,328	\$159,160,363	7%
Total Wages	\$947,714,976	\$938,070,662	-1%

Source: ADOLWD QCEW

First Quarter 2021 Employment and Wages

Recently-released QCEW data for the first quarter of 2021 provides updated indications of the pace of recovery, particularly in the core year-round economy. In the first quarter of 2021, employment was just over 1,000 jobs below the same quarter in 2019 (-5.6%). First quarter 2021 wages are ahead of first quarter 2019, but down \$7.6 million (-3.4%) from first quarter 2020.

Table 3. Juneau Employment and Wages, 1st Quarters of 2019, 2020, and 2021

	Q1 2019	Q1 2020	Q1 2021
All Employment			
Average Employment	16,807	16,717	15,775
Total Quarterly Wages	\$215,740,867	\$226,034,882	\$218,407,693
Average Monthly Wage	\$4,279	\$4,507	\$4,615
Private			
Average Employment	9,813	9,824	8,918
Total Quarterly Wages	\$108,838,631	\$118,008,548	\$115,301,038
Average Monthly Wage	\$3,697	\$4,004	\$4,310
Government			
Average Employment	6,993	6,893	6,856
Total Quarterly Wages	\$106,902,236	\$108,026,334	\$103,106,655
Average Monthly Wage	\$5,096	\$5,224	\$5,013

Source: ADOLWD QCEW

Table 4. Juneau Employment and Wages, 1st Quarter 2021 vs. 1st Quarters of 2019 and 2020

	Q1 2021 vs. 2019	Q1 2021 vs. 2020
Average Employment	-0.5%	-5.6%
Total Quarterly Wages	4.8%	-3.4%
Average Monthly Wage	5.3%	2.4%
Private		
Average Employment	0.1%	-9.2%
Total Quarterly Wages	8.4%	-2.3%
Average Monthly Wage	8.3%	7.6%
Government		
Average Employment	-1.4%	-0.5%
Total Quarterly Wages	1.1%	-4.6%
Average Monthly Wage	2.5%	-4.0%

Unemployment

Juneau's unemployment rate peaked in June 2020 at 10.8%, more than double the rate of 3.8% in June 2019; 1,749 residents filed for unemployment insurance, compared to 673 who filed in June 2019.

The unemployment rate remained at or above 10% from April 2020 through July 2020, compared to a range of 3.5% to 3.9% from April to July 2019. The unemployment rate in Juneau was at 5.1% as of June 2021 (the latest available data), well below the June 2020 rate of 10.8%.

Table 5. Juneau Unemployment Rates (%), 2019, 2020 and 2021 YTD

	2019	2020	2021
January	5.1%	4.0%	5.4%
February	4.9%	3.6%	5.7%
March	4.8%	4.4%	5.7%
April	3.9%	10.1%	5.3%
May	3.7%	10.7%	4.9%
June	3.8%	10.8%	5.1%
July	3.5%	10.0%	*
August	3.3%	5.5%	*
September	3.2%	5.7%	*
October	3.4%	4.9%	*
November	3.8%	5.0%	*
December	3.7%	4.8%	*

Source: ADOLWD

Unemployment insurance (UI) payments in 2020 were more than 13 times the 2019 total, at \$28.5 million compared to just under \$2 million in 2019. The spike in total payments was most pronounced from April through July 2020, with monthly UI payments ranging from \$4.5 and \$6.6 million.

The most recent data is for July 2021, when UI payments totaled \$467,371, far less than the July 2020 total of \$5.3 million, but still above a more normal total of \$82,000 in July 2019. It is important to note that the number of UI claimants is also down in July 2021 relative to July 2020 (509 versus 1,812) but the decline is not as sharp as the decline in total payments. The decline in total payments is the result of fewer claimants and the termination of supplemental payment programs. The Federal Pandemic Unemployment Compensation (FPUC) and Mixed Earner Unemployment Compensation (MEUC) ended June 19, 2021, in Alaska. The FPUC provided \$300 supplemental weekly payments and the MEUC \$100 weekly payments.

Table 6. Juneau Unemployment Insurance Payments, 2019, 2020 and 2021 YTD

	2019	2020	2021
January	\$277,401	\$201,855	\$2,301,460
February	\$270,289	\$250,879	\$2,050,151
March	\$287,244	\$796,453	\$2,009,270
April	\$161,185	\$4,515,476	\$1,521,288
May	\$99,596	\$6,626,272	\$1,679,648
June	\$114,746	\$5,307,011	\$1,123,788
July	\$82,365	\$5,309,278	\$467,371
August	\$115,857	\$1,568,228	*
September	\$89,065	\$1,020,135	*
October	\$107,405	\$1,170,628	*
November	\$197,569	\$907,372	*
December	\$185,108	\$855,753	*
Total	\$1,987,830	\$28,531,360	

Source: ADOLWD

Younger workers represented a higher percentage of UI claimants in 2020 compared to 2019, with four in 10 claimants under age 35 (40%, up from 25% in 2019). Lower income workers were likewise hit harder by pandemic shutdowns than higher income workers, with 43% of 2020 claimants earning less than \$20,000 (up from 34% in 2019).

Workers employed in retail trade, transportation, food services and accommodations made up a higher percentage of claimants in 2020, while construction and public administration workers both represented lower percentages of UI claims over the prior year.

Table 7. Distribution of UI Claimants by Age, 2019 and 2020

Age Group	2019	2020
<25	3%	13%
25-34	22%	27%
35-44	27%	22%
45-54	22%	14%
55-64	21%	16%
65+	6%	7%
Total	100%	100%

Source: ADOLWD

Table 8. Distribution on UI Claimants by Workers' Earnings, 2019 and 2020

Earnings	2019	2020
\$1,000- 9,999	14%	19%
\$10,000-19,999	20%	24%
\$20,000-29,999	18%	18%
\$30,000-39,999	13%	13%
\$40,000-49,999	12%	10%
\$50,000-59,999	8%	5%
\$60,000-69,999	4%	4%
\$70,000-79,999	4%	2%
\$80,000-89,999	2%	1%
Total	100%	100%

Source: ADOLWD

Table 9. Distribution of UI Claimants by Industry, 2019 and 2020

	2019	2020
Construction	22%	7%
Seafood Processing	3%	2%
Retail Trade	11%	15%
Transportation	10%	14%
Real Estate	1%	1%
Administrative Svc.	4%	5%
Education	1%	2%
Health Care & Soc. Assistance	9%	9%
Accommodation	5%	7%
Food Services	6%	11%
Public Administration	16%	9%
Other	13%	18%
Total	100%	100%

Source: ADOLWD

Labor Force

Recent trends suggest that the availability of workers will be a key constraint on job growth and business expansion in Juneau, elsewhere in Alaska, and nationwide. Based on ADOLWD data, the number of workers in Juneau's labor force as of June 2021 was 10% below June 2019. Juneau's labor force includes wage and salary workers and self-employed people but does not

include nonresident workers. Labor force counts include people who are unemployed but looking for work.

In 2019, 35% of Juneau's private sector workforce was nonresident, including non-Alaskans and Alaskans from elsewhere in the state. Out of 14,266 private sector workers, 5,022 were not residents of Juneau.

Labor supply likely will be a constraint on job growth in Juneau. Juneau (and other urban Alaska areas) has suffered chronic shortages of skilled workers, a shortage driven by retirement of baby boom generation workers, among other factors. Health care, professional services, and skilled construction workers, for example, have been in short supply.

As Juneau's economy emerged in 2021 from the economic grip of the pandemic, the nonresident workforce has not been available to fill job openings all across the economy, but especially in the retail and service sectors. Further, as long as young children are not vaccinated, some parents will be reluctant to place kids in child care (if they can find it) and rejoin the labor force.

Population

It is too early to measure the impact of the pandemic on population trends in Juneau. Population estimates for 2021 will not be available until early 2022. Juneau's population has been on a slow downward trend over the past several years. The community's population declined by 1,389 residents between 2015 and 2020, a 4.2% decrease. Over that five-year period, births outnumbered deaths by 741. However, the number of people leaving Juneau outnumbered the number of people coming to Juneau by 2,130.

Alaska's population has also been declining, though at a slower rate than Juneau's. Alaska has lost population in each of the last four years (down 1.6% overall), again with outmigration outpacing in-migration by a substantial margin.

Juneau probably will experience further population decline in 2020, though not at a slower rate, as there were significant barriers to travel during the pandemic. Nationally, there has been a shift away from densely population urban areas to less densely populated areas. Work-from-home opportunities have made it possible for people to live and work wherever they prefer.

Table 10. Juneau Population, 2015 to 2020, Components of Change

	End of Period Population	Population Change	Percent Change	Births	Deaths	Natural Increase	Net Migration
2015-16	32,747	-415	-1.26	381	204	177	-592
2016-17	32,347	-400	-1.23	354	178	176	-576
2017-18	32,231	-116	-0.36	329	201	128	-244
2018-19	32,059	-172	-0.54	334	192	142	-314
2019-20	31,773	-286	-0.90	297	179	118	-404

Source: ADOLWD Demographics Unit

Personal Income

Data is not yet available from the Bureau of Economic Analysis for personal income in Juneau in 2020. Statewide data indicates an increase in total personal income of 3.1% and per capita income of 3.4%. This is the result of a 24% increase in transfer payments (payments from government to individuals) along with a 2.5% decrease in wage and salary income. Transfer payments typically account for about 17% of all personal income. In 2020, transfer payments accounted for 21% of all personal income, statewide. Major increases in unemployment insurance payments, federal COVID Economic Impact Payments to individuals and families, and other relief programs contributed to the rise in transfer payments.

Personal income trends in Juneau in 2020 likely at least matched statewide trends. However, it is possible that income may have increased at a slightly higher rate. Various federal relief payments to individuals were likely consistent across the state on a per capita basis. Statewide, total wages declined 1.4% while in Juneau total wages declined by 1.0%.

In 2019, Juneau residents had total personal income of \$2.34 billion, with per capita income of \$73,335.¹ Juneau personal income has been on a growth trajectory recently, growing 5.7% between 2017 and 2018 and 2.9% between 2018 and 2019, in nominal dollars (dollars not adjusted for inflation).

¹ <https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&acrdn=6>

Business Sales Trends

Total gross business sales data provide measures of local business activity and serve as a good barometer of the overall trajectory of the economy.

2020 Business Sales

Total gross business sales decreased by \$304 million in Juneau in 2020, a decline of 12% from the prior year. Only contractors collectively reported increased sales during this period. The greatest decreases were in retail sales (both general and specialized) with a \$182 million decline in gross sales compared to 2019.

Table 11. Gross Business Sales by Category

Category	2019	2020	Change 2019 2020	Percent Change
Retail Sales - specialized	\$239,507,480	\$110,398,185	(\$129,109,295)	-54%
Retail Sales - general	\$225,491,784	\$172,654,324	(\$52,837,460)	-23%
Transportation and Freight	\$180,915,101	\$134,530,413	(\$46,384,689)	-26%
Liquor and restaurant	\$154,751,364	\$115,510,767	(\$39,240,596)	-25%
Professional services	\$306,007,133	\$292,410,755	(\$13,596,377)	-4%
Real estate	\$102,263,468	\$88,947,043	(\$13,316,425)	-13%
Automotive	\$79,574,369	\$73,668,313	(\$5,906,056)	-7%
Foods	\$197,404,700	\$193,305,576	(\$4,099,123)	-2%
Contractors	\$233,343,022	\$268,162,213	\$34,819,191	15%
Other	\$891,605,462	\$857,261,263	(\$34,344,199)	-4%
Total	\$2,610,863,882	\$2,306,848,853	(\$304,015,029)	-12%

Source: CBJ Finance Department

Most of the decline in gross business sales was experienced by tourist-related businesses, representing 75% (\$229 million) of the total decrease of \$304 million in 2020.

All categories of tourist-related businesses were negatively impacted by the pandemic. Table 12 shows total losses by category for tourist-related businesses, with tour providers and travel agencies and jewelry stores and art galleries sales receipts down 94% (nearly \$139 million) over the prior year.

Table 12. Gross Business Sales by Category in Tourist-Related Businesses

Category	2019	2020	Change 2019 2020	Percent Change
Tour providers and travel agencies	\$112,052,983	\$7,003,419	(\$105,049,564)	-94%
Jewelry stores and art galleries	\$36,116,886	\$2,233,765	(\$33,883,121)	-94%
Restaurants	\$68,321,661	\$46,564,393	(\$21,757,267)	-32%
Curio and gift shops	\$21,902,098	\$2,722,192	(\$19,179,907)	-88%
Hotels and motels	\$37,497,625	\$18,928,767	(\$18,568,858)	-50%
Air transportation and freight	\$28,755,496	\$14,811,295	(\$13,944,201)	-48%
Bars	\$13,137,335	\$4,624,428	(\$8,512,907)	-65%
Taxicab and bus	\$9,154,072	\$4,669,679	(\$4,484,393)	-49%
Car rentals	\$5,823,001	\$2,488,665	(\$3,334,337)	-57%
Photography stores	\$61,478	\$33,249	(\$28,229)	-46%
Total	\$332,822,637	\$104,079,852	(\$228,742,784)	-69%

Source: CBJ Finance Department

Table 13 shows that the most significant losses for tourist-related businesses occurred in the second and third quarter of 2020, with a \$218 million decrease in sales in those quarters, compared to \$229 million over the full year.

Table 13. Gross Business Sales by Category in Tourist-Related Businesses, Q2 and Q3 2019 and 2020

Category	2019 (Q2 and Q3)	2020 (Q2 and Q3)	Change 2019 2020	Percent Change
Tour providers and travel agencies	\$103,285,343	\$3,937,735	(\$99,347,608)	-96%
Jewelry stores and art galleries	\$35,014,636	\$1,125,388	(\$33,889,248)	-97%
Curio and gift shops	\$20,340,463	\$1,189,257	(\$19,151,207)	-94%
Restaurants	\$42,118,359	\$23,210,256	(\$18,908,103)	-45%
Hotels and motels	\$25,628,549	\$9,643,260	(\$15,985,289)	-62%
Air transportation and freight	\$22,999,530	\$7,519,589	(\$15,479,941)	-67%
Bars	\$9,828,166	\$2,235,301	(\$7,592,864)	-77%
Taxicab and bus	\$6,063,959	\$2,007,257	(\$4,056,702)	-67%
Car rentals	\$4,305,254	\$1,238,446	(\$3,066,808)	-71%
Photography stores	\$30,437	\$7,331	(\$23,105)	-76%
Total	\$269,614,696	\$52,113,821	(\$217,500,876)	-81%

Source: CBJ Finance Department

Business Sales in the First Half of 2021

First half 2021 gross business sales totaled \$787 million, \$81 million (12%) above the first half of 2020 but \$62 million (-7%) below the same period in 2019. Several sectors had first half 2021 sales that were above 2019, including contractors (+13%), automotive (+9%), real estate (+8%), foods (+7%), and professional services (up 6%).

Table 14. Gross Business Sales by Category, First Half 2019, 2020, and 2021 (\$millions)

Category	1 st Half 2019	1 st Half 2020	1 st Half 2021	% Chg 20 vs 19	% Chg 21 vs 20	% Chg 21 vs 19
Real Estate	\$40.6	\$37.4	\$44.0	-8%	18%	8%
Contractors	\$93.3	\$110.9	\$105.8	19%	-5%	13%
Liquor and restaurant	\$74.2	\$55.0	\$64.0	-26%	16%	-14%
Retail Sales - General	\$97.3	\$76.5	\$92.4	-21%	21%	-5%
Foods	\$88.4	\$87.0	\$94.4	-2%	9%	7%
Transportation & freight	\$75.3	\$64.6	\$64.8	-14%	<1%	-14%
Professional services	\$87.3	\$78.7	\$92.6	-10%	18%	6%
Retail sales - specialized	\$102.3	\$51.1	\$63.8	-50%	25%	-38%
Automotive	\$38.7	\$35.6	\$42.0	-8%	18%	9%
Other	\$151.0	\$108.5	\$123.1	-28%	13%	-18%
Total	\$848.4	\$705.3	\$786.7	-17%	12%	-7%

Source: CBJ Finance Department.

Among business that rely on visitor spending, first half 2021 sales were \$17 million above first half 2020 and but still \$74 million below 2019. Among the hardest hit, losses include:

- Tour providers; first half 2021 sales were \$38 million below 2019 (down 87%)
- Jewelry storage and art galleries; still \$11.4 million (90%) below 2019
- Curio and gift shops; down \$6.2 million (79%) from 2019
- Air transportation; \$6.9 million (58%) below 2019

The third quarter (July, August, and September) is the most important period of the year for the visitor industry. With a resumption of cruise traffic in late July 2021, revenue is flowing again, but with 2021 cruise traffic expected to be no more than about 8% of 2019 traffic, total sales for the quarter will remain far below 2019.

Table 15. Gross Business Sales by Category in Tourist-Related Businesses, First Half 2019, 2020, and 2021 (\$millions)

Category	1 st Half 2019	1 st Half 2020	1 st Half 2021	% Chg 20 vs 19	% Chg 21 vs 20	% Chg 21 vs 19
Hotels and Motels	\$17.1	\$8.2	\$14.1	-52%	72%	-17%
Bars	\$5.7	\$2.2	\$3.4	-61%	54%	-41%
Restaurants	\$32.0	\$22.4	\$26.5	-30%	18%	-17%
Air transportation & freight	\$11.9	\$4.3	\$5.0	-64%	15%	-58%
Taxicab and bus	\$3.9	\$2.3	\$2.7	-41%	18%	-30%
Car rentals	\$2.4	\$1.1	\$2.3	-54%	103%	-6%
Tour providers & travel agencies	\$43.0	\$3.5	\$5.4	-92%	54%	-87%
Jewelry stores & art galleries	\$12.7	\$0.8	\$1.3	-94%	60%	-90%
Curio and gift shops	\$7.9	\$0.8	\$1.7	-90%	117%	-79%
Photography stores	\$0.0	\$0.0	\$0.0	18%	-53%	-44%
Total	\$136.8	\$45.7	\$62.4	-67%	37%	-54%

Source: CBJ Finance Department.

Conditions in Key Industries

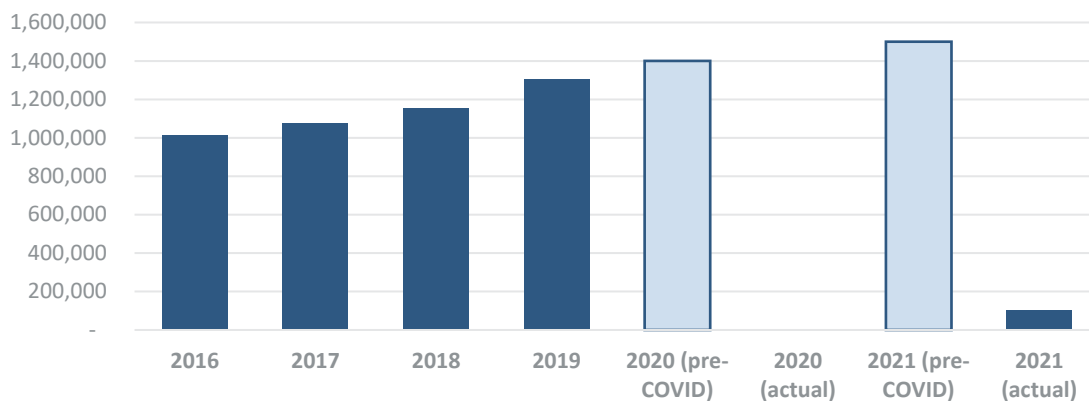
This chapter considers the economic impact of COVID-19 on select sectors of Juneau's economy. While nearly all sector experienced some measure of operational or economic disruption, this chapter focuses on a selection of prominent industries.

Visitor Industry

Cruise Passengers

In 2019, cruise passengers represented an estimated 95% of Juneau's summer visitor volume. The pandemic canceled the 2020 cruise season, which was projected to bring 1.4 million passengers to Juneau. The 2021 season, originally projected to bring 1.5 million passengers, has a capacity of just 100,000 passengers due to the late start to the season and small number of ships. Total volume is likely to fall short of capacity due to ships sailing less than 100% full.

Figure 3. Juneau Cruise Ship Passenger Volume, 2016-2019; 2020-2021 Projected and Actual



Source: Cruise Line Agencies of Alaska; MRG calculations.

Lost Cruise Passenger and Cruise Line Spending

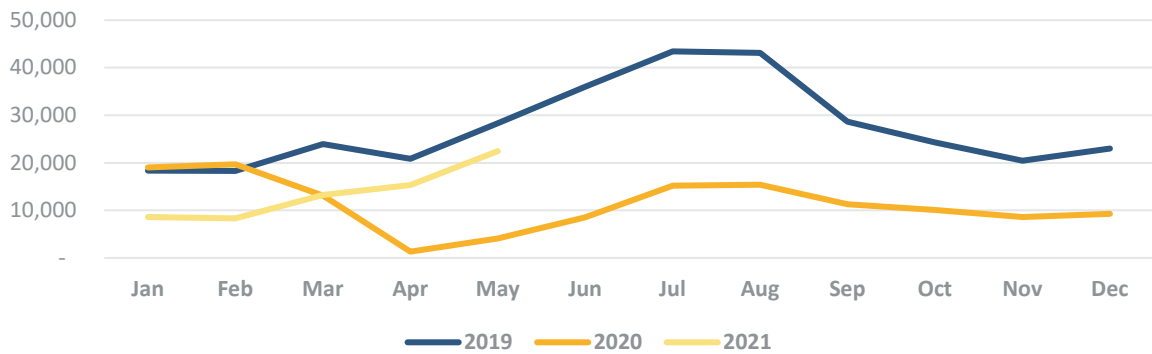
In 2016, cruise passengers reported spending an average of \$162 in Juneau. With adjustment for inflation, spending in 2019 likely averaged \$170 per person in 2019. Applying the \$170 per person rate to the projected 1.4 million cruise passengers indicates that Juneau lost roughly \$238 million in cruise passenger spending in 2020 (not adjusted for tour commissions).

Further analysis indicates that cruise lines spent approximately \$34 million in Juneau in 2019; this represents additional lost spending in the community. The figure does not include payments to tour companies on behalf of passengers or payments to the State of Alaska; it does include direct payments to CBJ for docking/moorage. Additional spending by cruise lines with local businesses includes payments to utility companies, security services, fuel companies, professional services, hotels, seafood companies, and charitable organizations, for example.

Air Visitors

The impact of COVID on Juneau's air visitor market is demonstrated by enplanement data, shown in the following chart. Between 2019 and 2020, passenger volume fell by 59%. Recent data show that 2021 is rebounding - volume nearly tripled in the March to April period compared to the same months in 2020 - but it was still 23% below 2019 levels.

Figure 4. Passenger Enplanements at Juneau Airport, 2019-2020 (2021 partial)

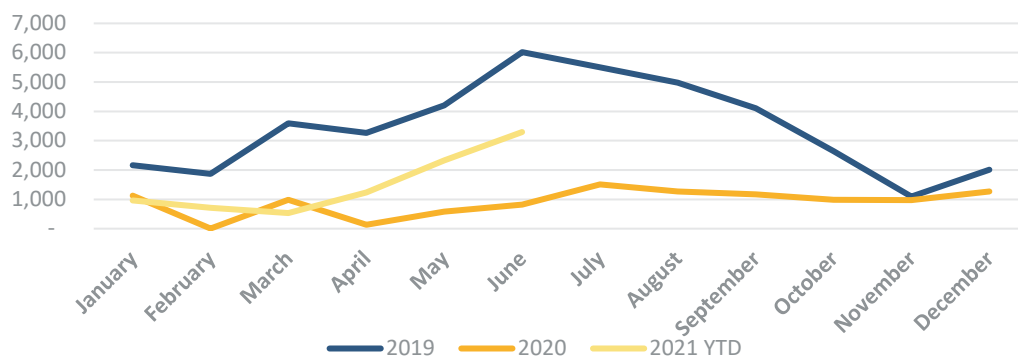


Source: Juneau International Airport.

Ferry Visitors

Ferry travel shows even more dramatic COVID-related declines than air travel. Passenger embarkations (including residents and nonresidents) fell by 74% in 2020. Recent months are showing some improvement over 2020, with March to June traffic about triple in 2021, but it is still 57% below the same period in 2019.

Figure 5. Passenger Embarkations at Juneau Ferry Terminal, 2019-2020 (2021 partial)



Lost CBJ Revenues

Cruise Industry Spending

MRG estimates that spending by cruise passengers resulted in \$11 million in sales tax revenues to CBJ in 2019, based on analysis of our previous estimates of passenger spending in Juneau and analysis of quarterly 2019 and 2020 gross sales in visitor-affected sectors. Note that this estimate of sales tax revenue related to cruise visitor spending measures only direct impacts. It does not include sales taxes generated when cruise-related business and their employees purchase goods and services in Juneau.

CBJ also lost significant port-related revenue in 2020. As seen in the table below, CBJ would have seen nearly \$20 million in cruise line fees and payments in 2020 based on the projected schedule.

Table 16. Cruise Line Port-Related Revenues to City and Borough of Juneau, 2019 and 2020 pre-COVID Projections

	2019	Pre COVID 2020 projections
Marine passenger fee (\$5/head)	\$6,368,705	\$6,972,435*
Port development fee (\$3/head)	\$3,821,223	\$4,183,461*
Port maintenance fee (CBJ15.040)	\$815,646	\$655,000
Dockage fee	\$681,474	\$705,000
Portable water fee (CBJ15.050)	\$153,474	\$202,000
Lightering fees	\$16,200	\$16,000
Total direct payments	\$11,856,722	\$12,733,896
CPV funds via State of Alaska	\$5,970,995**	\$6,377,079***
Total including CPV	\$17,827,717	\$19,110,975

Sources: City and Borough of Juneau, Alaska Dept. of Revenue, McKinley Research calculations.

*CBJ did not project these figures; instead, they were based on expected passenger volume.

** Reflects FY2020 budget, which is based on 2019 season traffic.

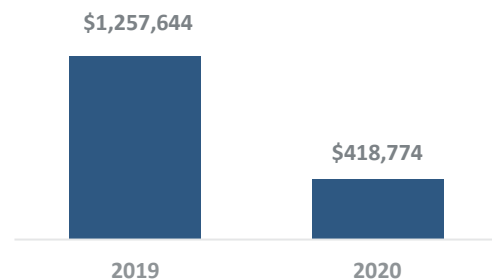
***Dept of Revenue did not project 2020 total; based on expected passenger volume.

Bed Tax Revenues

Juneau's bed tax revenues fell by 67% for the April to September period between 2019 and 2020, from \$1.26 million to \$419,000.

Revenues for the first quarter of 2021 shows a slight increase from 2020 (up by 12%), but is still 15% below 2019 levels.

Figure 6. Juneau Bed Tax Revenues, April to September, 2019 and 2020



Seafood Industry

In 2019, Juneau was home to 247 commercial fishing permit holders who fished 365 permits, harvesting a total of 14.2 million pounds with an ex-vessel value of \$20.4 million.

It is not possible to isolate the effects of COVID-19 on commercial fishing harvest volumes and values from among all the other market and biological forces that effect the harvest each year. Nevertheless, it is evident that 2020 was not a strong year for Juneau's fishermen. Based on preliminary data, Juneau resident commercial fishermen harvested 9.2 million pounds of fish in 2020 with an ex-vessel value of \$13.8 million.

Table 17. Juneau Resident Commercial Fishing Activity, 2019 and 2020

	2019	2020	Change	% Change
Permit Holders	370	364	-6	-1.6%
Active Permit Holders	247	227	-20	-8.1%
Permits Issued	598	592	-6	-1.0%
Permits Fished	365	334	-31	-8.5%
Resident Crew Licenses Sold	328	138	-190	-58%
Total Pounds Harvest (millions)	14.2	9.2	-5	-35%
Total Ex-vessel Earnings (\$million)	\$20.4	\$13.8	-7	-32%

Source: CFEC

Because of the pandemic, the seafood industry suffered from lower prices for typically high-value products, such as halibut and black cod. Some quota was left unharvested (only 81% of the Southeast black cod TAC was harvested, when more than 95% is usually caught. Demand for these high-value products dried as full-service restaurants across the country closed. At the same time, demand for seafood (mainly frozen product) at the retail level increased (for at home consumption). National data illustrates this effect. Through the first half of 2020, total U.S. grocery store sales for all products were up \$43 billion from the same period in 2019; restaurant sales were \$65 billion lower. Of the approximately \$100 billion that U.S. consumers spent on seafood each year before the pandemic, only about a third of expenditures came from "at home" consumption such as retail and direct-to-consumer seafood purchases. The big increase in retail seafood spending has not made up for the major cutbacks to seafood consumption outside the home that occurred in 2020.

The number of Juneau residents earning income from commercial fishing appears to have dropped in 2020. Far fewer commercial fishing crew licenses were sold to Juneau residents in

2020 than in 2019. In 2020, 138 Juneau residents bought crew licenses, less than half of the 2019 total of 328 crew licenses.

Seafood processors employee between 250 and 300 workers in Juneau during the summer. Peak seafood processing employment in Juneau was down about 20% in 2020 compared to 2019 while total wages were down about 10%.

Across Alaska processors spent heavily on personal protective equipment (PPE), quarantining, and other measures to control spread of the virus among plant workers. Statewide pandemic-related spending total approximately \$100 million.

Juneau commercial fishermen received approximately \$4.4 million in PPP awards. Processors received a total of approximately \$1.1 million. Additional relief funds will flow in 2021.

Mining

Juneau's two mines, Greens Creek and Kensington, are among the largest private sector employers in Juneau and key sources of property tax revenue for CBJ.

Mining-related employment averaged 804 jobs in Juneau in 2020, about 7% below the 2019 average of 863 jobs. While employment was down, total wages were up. Wages in 2020 totaled \$99 million, 11% above the 2019 total of \$89 million. As miners were asked to work longer rotations (in an effort to reduce the number of people traveling to and from the mines), average wages rose as a result of increased overtime payments.

Table 18. Mining Employment in Juneau, 2019 and 2020

	2019	2020	Change	% Change
Average Monthly Employment	863	804	-59	-6.8%
Total Annual Wages (\$millions)	\$89.2	\$99.0	\$9.8	11.0%

Source: ADOLWD QCEW

Hecla (Greens Creek Mine) and Coeur (Kensington Mine) made substantial expenditures to reduce the risk of COVID-related disruptions to mine operations. Spending related to quarantining non-resident mine employees in Juneau was an important source of revenue for Juneau's lodging and food service sector. Greens Creek and Kensington together spent \$4 million in Juneau on quarantine-related expenses.

Juneau's mining companies have navigated a rollercoaster of metal prices through the pandemic. Silver prices ranged from \$12 an ounce on March 19, 2020, to \$28.89 on Sept. 1. Most recently silver was at about \$23. In 2020 gold prices ranged from \$1,474 on March 19, 2020 to \$2,067 Aug. 6, 2020, and are currently at about \$1,700.

Greens Creek and Kensington have total combined assessed valuation of approximately \$400 million, accounting for about 8% of total CBJ property valuation. The mines are Juneau's top two property taxpayers.

Health Care

Health care and social services represent a significant part of Juneau's economy, accounting for approximately 2,000 jobs and \$130 million in annual wages.

In 2019, Juneau's health care sector included 73 outpatient care providers who employed 692 workers earning a total of \$47.2 million in annual wages. Employment was down in 2020, averaging 662 workers but total wages increased to \$48.5 million.

The social assistance sector encompasses a broad range of social services providers. In 2019 the sector included 33 employers who reported a total of 712 workers, with total annual wages of \$26.2 million. Employment and wage data for this sector are not available for 2020, except for the second quarter. For that quarter, employment was down 45 jobs, or 6.3%

Table 19. Health Care and Social Assistance Employment in Juneau, 2019 and 2020

	2019	2020	Change	% Change
Average Monthly Employment	1,611	1,496	-115	-7.1%
Out-Patient Health Care	692	662	-30	-4.3%
Nursing & Residential Care	206	na	na	na
Social Assistance	712	na	na	na
Total Annual Wages (\$millions)	\$81.7	\$82.8	\$1.1	1.3%
Out-Patient Health Care	\$47.3	\$48.5	\$1.2	2.5%
Nursing & Residential Care	\$36.7	na	na	na
Social Assistance	\$26.2	na	na	na

Source: ADOLWD QCEW. Does not include Bartlett Regional Hospital or Juneau Pioneer Home

Bartlett Regional Hospital (BRH) is one of the community's largest employers, with a workforce of approximately 500. The hospital paid a total of \$57 million in wages in FY2021.² The pandemic substantially affected BRH, with big shifts in revenues and expenses. Inpatient revenues declined 2.5% between FY2019 and FY2020 and another 5.8% between FY2020 and FY2021. Over the two-year period inpatient revenue was down \$4.9 million. Over that same

² Includes staff salaries and wages, physician wages, and contract labor. Source: Bartlett Regional Hospital.

period, outpatient revenue gained \$21.3 million (including a 5.0% gain between FY2019 and FY2020 and a 15.8% gain between FY2020 and FY2021). Total operating revenue increased from \$102 million in FY2019 to \$115 million in FY2020 and then to \$125 million in FY2021. Total operating expenses increased from \$104 million in FY2019 to \$112 million in FY2020 to \$126 million in FY2021.

Like other sectors of Juneau's economy, staffing shortages are a challenge for health care providers. This has been a long-term issue in Juneau, made worse by the pandemic, which placed great personal stress on many health care workers.

Government

Local, state, federal, and tribal government combined accounted for 6,731 jobs in Juneau in 2019, more than one-third (37%) of all jobs in Juneau. Government accounted for \$424 million in total annual wage in 2019, 45% of all wages. This segment of Juneau's employment base has provided an important steadying influence in the local economy throughout the pandemic. Total government employment slipped slightly in 2020, when employment averaged 6,587 jobs over the course of the year. Total wages actually increased in 2020, rising to \$439 million.

State government employment decline by about 4% in 2020, losing 143 jobs. This continues a long-term decline in state government employment in Juneau, with the loss of about 800 jobs over the past decade.

Table 20. Government Employment in Juneau, 2019 and 2020

	2019	2020	Change	% Change
Average Monthly Employment	6,719	6,587	-132	-2.0%
Local	2,383	2,349	-34	-1.4%
State	3,671	3,528	-143	-3.9%
Federal	665	710	45	6.8%
Total Annual Wages (\$millions)	\$424.8	\$439.1	14	3.4%
Local	\$131.7	\$143.8	12	9.2%
State	\$226.9	\$225.8	-1	-0.5%
Federal	\$66.2	\$69.5	3	5.0%

Source: ADOLWD. Local government includes Juneau School District, Bartlett Regional Hospital, and Tribal government

Retail

The retail sector's experience with the pandemic has varied widely from store to store. Cruise passenger spending-dependent retailers were hit hard, with essentially zero sales in 2020 and

still very weak sales in 2021. Visitor spending is scattered throughout the retail sector but is critical in the clothing and clothing accessories subsector (which includes jewelry stores). In 2019, employment in that subsector ranged from 29 in January to 169 in July. In 2020, employment never climbed above 40 jobs during the summer months.

Miscellaneous retail is another highly seasonal sector, with 2019 employment ranging from 143 in January to 309 in July. Summer employment in 2020 averaged 126 jobs, less than half the 2019 average.

Building materials stores saw an increase in employment (up 6.5%) and wages (up 21%) in 2020. This is consistent with a surge in home improvement spending seen across the country during the pandemic.

Table 21. Retail Employment in Juneau, 2019 and 2020

	2019	2020	Change	% Change
Average Monthly Employment	1,825	1,580	-245	-13.4%
Building Material and Garden	203	215	12	5.9%
Food and Beverages	437	404	-33	-7.6%
Clothing and Clothing Accessories	94	36	-58	-62%
Sporting Goods, Books, Music, etc.	123	103	-20	-16%
General Merchandise	454	414	-40	-8.8%
Miscellaneous	215	139	-76	-35%
All Other Retail	299	269	-30	-10%
Total Annual Wages (\$millions)	\$55.9	\$52.1	-\$3.8	-6.7%
Building Material and Garden	\$5.8	\$7.0	\$1.2	21%
Food and Beverages	\$11.5	\$11.3	-\$0.2	-2.0%
Clothing and Clothing Accessories	\$3.7	\$0.8	-\$2.9	-78%
Sporting Goods, Books, Music, etc.	\$1.9	\$1.7	-\$0.2	-10%
General Merchandise	\$15.9	\$16.4	\$0.5	2.9%
Miscellaneous	\$4.6	\$3.3	-\$1.3	-28%
All Other Retail	\$12.5	\$11.6	-\$0.9	-6.8%

Source: ADOLWD QCEW

The CBJ organizes its gross sales data by Standard Industrial Classification (SIC) code rather than North American Industrial Classification System (NAICS) code, so direct comparisons of gross sales and retail employment trends are not possible. However, the message is the same, with substantial losses across the retail landscape, especially in cruise visitor dependent stores. Retail sales during the second and third quarter of 2020 were more than 90% below the same six-month period in 2019 in jewelry stores, gift shops and art galleries, with combined losses totaling \$53 million.

Federal Relief Funds and Programs

If not for a broad assortment of federal COVID-19 economic relief programs, the economic impact of the pandemic would have been far worse. This chapter briefly outlines those programs and where possible provides estimates of funding flowing to Juneau households, businesses, organizations, and agencies. This is illustrative only and not intended to provide a full accounting of all federal relief funds, a task beyond the scope of this study.

Economic Impact Payments (EIP)

The Economic Impact Payments (EIP) program was passed in March 2020 as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Payment amounts were calculated based on household income, with payments beginning to phase out at \$75,000 for single filers, \$112,500 for heads of household, and \$150,000 for those married filing jointly.

Two Economic Impact Payments were made in 2020 (\$1,200 and \$600) and another was made in early 2021 (\$1,400). Fully eligible individuals received a total of \$3,200 in EIPs. No further EIPs are expected.

While the Internal Revenue Service (IRS) has not released borough or community data, based on population, Juneau residents likely received an estimated \$40 million in Economic Impact Payments, or 4.4% of the statewide total of \$930.8 million.

Paycheck Protection Program (PPP)

The CARES Act created the Paycheck Protection Program (PPP), which provided forgivable loans to help small businesses and organizations cover payroll, rent, utilities, and other costs for up to eight weeks. PPP loans were also available to self-employed business owners, such as fishermen who employed crew.

Juneau received 5% of the \$2 billion in PPP loans statewide, or \$99.7 million. There were 1,140 PPP loans made to businesses and organizations in Juneau, with some firms receiving more than one loan. Loans under \$150,000 provided relief to 897 Juneau businesses. Small loan receipts totaled just over \$38.2 million. In addition, larger PPP loans over \$150,000 were made to 130 Juneau firms, with a combined value over \$61.5 million.

Table 22. PPP Loans Made to Juneau Businesses and Organization

	Juneau Total	Average Award	Percent of Statewide Total
PPP loans under \$150k	\$38,215,808	\$38,292	5%
PPP loans \$150k and over	\$61,470,109	\$432,888	5%
Total	\$99,685,917		5%

Source: SBA

Accommodation and food services businesses received the most in PPP loans, followed by Health care and social assistance organizations, then construction firms.

Table 23. PPP Loans Made to Juneau Businesses by Industry

Industry	PPP Under \$150k	PPP over \$150k	Total
Accommodation and Food Services	\$4,950,427	\$11,724,290	\$16,674,717
Health Care and Social Assistance	\$4,975,801	\$9,410,490	\$14,386,291
Construction	\$4,688,136	\$4,553,443	\$9,241,579
Other Services (except Public Administration)	\$3,435,402	\$5,514,926	\$8,950,327
Retail Trade	\$3,668,254	\$4,555,734	\$8,223,988
Transportation and Warehousing	\$1,384,457	\$6,812,197	\$8,196,653
Administrative and Support and Waste Management and Remediation Services	\$2,154,221	\$4,069,400	\$6,223,620
Professional, Scientific, and Technical Services	\$3,382,566	\$2,677,139	\$6,059,704
Manufacturing	\$1,001,407	\$4,254,115	\$5,255,523
Agriculture, Forestry, Fishing and Hunting	\$3,950,725	\$336,749	\$4,287,475
Management of Companies and Enterprises	-	\$2,564,439	\$2,564,439
Real Estate Rental and Leasing	\$921,742	\$1,525,926	\$2,447,668
Arts, Entertainment, and Recreation	\$1,166,268	\$668,331	\$1,834,599
Public Administration	\$512,637	\$1,207,058	\$1,719,695
Educational Services	\$273,102	\$1,139,869	\$1,412,972
Finance and Insurance	\$280,668	\$295,762	\$576,430
Wholesale Trade	\$550,175	-	\$550,175
Information	\$378,578	\$160,240	\$538,818
Mining	\$286,375	-	\$286,375
Unclassified/Missing	\$254,869	-	\$254,869
Total	\$38,215,808	\$61,470,109	\$99,685,917

Source: SBA

Restaurant Revitalization Fund (RRF)

"The American Rescue Plan Act established the Restaurant Revitalization Fund (RRF) to provide funding to help restaurants and other eligible businesses keep their doors open. This program provides restaurants with funding equal to their pandemic-related revenue loss up to \$10 million per business and no more than \$5 million per physical location. Recipients are not required to repay the funding as long as funds are used for eligible uses no later than March 11, 2023."³

Qualifying businesses include restaurants, food stands, caterers, bars, bakeries, taprooms and brewpubs, and breweries and distilleries if onsite sales to the public account for at least 33% of sales.

Through June 2021, 31 Juneau businesses received a total of \$13.4 million in RRF funding. Individual funding amounts ranged from \$4,000 to over \$4 million.

One unfortunate aspect of the RRF program was that the businesses that attempted to stay open and keep workers employed were disadvantaged by the application criteria, relative to those businesses that closed completely. Award amounts were based on the difference in sales between 2019 and 2020. Any sales earned in 2020 would have worked against an RRF award.

Airline Payroll Support Program

The CARES Act provided payments to air carriers to be used exclusively for the continuation of payment of wages and benefits for airline employees. The Consolidated Appropriations Act and the American Rescue Act provided for second and third rounds of payments to air carriers. Juneau air carriers received a total of \$12.9 million. This total does not include any portion of \$2.2 billion received by Alaska Airlines under this program (some of which would have supported employment and wages in Juneau).

Enhanced Unemployment Insurance Payments

The CARES Act temporarily supplemented unemployment insurance (UI) benefits and extended the duration of benefits. The Act created and funded three new unemployment insurance programs, fully federally funded through a supplement to state UI. In December, Congress passed legislation extending some program benefits:

³<https://www.sba.gov/funding-programs/loans/covid-19-relief-options/restaurant-revitalization-fund#section-header-23>

- Federal Pandemic Unemployment Compensation (FPUC) initially boosted benefits by \$600 weekly (ended July 31) then by \$300 (ended June 19, 2021).
- Pandemic Emergency Unemployment Compensation (PUEC) provides an extra 24 weeks of unemployment benefits after an individual has exhausted their state benefits; requires states to provide flexibility regarding active job-search requirements; and encourages states to waive a mandatory one-week waiting period by reimbursing the initial week of benefits. The PUEC program is scheduled to expire on Sept. 6, 2021.
- Pandemic Unemployment Assistance (PUA) extends unemployment benefits to many individuals not normally eligible, including self-employed workers, independent contractors, freelancers, workers seeking part-time work, and workers who do not have a long-enough work history to qualify for state UI benefits. The PUA program is scheduled to expire on Sept. 6, 2021.

Unemployment insurance benefits payments to Juneau residents totaled \$28.5 million in 2020 and \$10.3 million in 2021, through June.

Economic Injury Disaster Loans (EIDL)

The COVID-19 Economic Injury Disaster Loan (EIDL) program includes loans and grants to assist small businesses with financial obligations and operating expenses that could have been met had the pandemic not occurred. EIDL loans are long-term, 30-year direct loans from the SBA covering up to 24 months of economic injury, with a maximum of \$500,000.

Targeted EIDL Advance emergency grants were made available to businesses and nonprofits located in a low-income community that suffered a reduction in revenue of greater than 30 percent and have 300 or fewer employees. Supplemental Targeted Advance is an emergency grant for the smallest, hardest-hit businesses and nonprofits located in low-income communities that suffered a reduction in revenue of greater than 50 percent and have 10 or fewer employees.

Juneau businesses received \$31 million in EIDL loans and EIDL Advance funds, 7% of the statewide total.

Table 24. EIDL Loans Made to Juneau Businesses

	Juneau Total	Average Award	Percent of Statewide Total
EIDL loans	\$29,873,400	\$67,434	7%
EIDL Advance grants	\$1,848,000	\$3,487	6%
Total	\$31,721,400		7%

Source: SBA

Coronavirus Relief Fund (CRF) (Tribal Governments)

The CARES Act established the Coronavirus Relief Fund (CRF), which reserved \$8 billion from the CRF for payments to Tribal governments. Juneau tribal governments were awarded \$23 million through CRF, or 8% of statewide funds.

Table 25. CRF Funds Awarded to Juneau Tribal Governments

	Total	Percent of Statewide
Central Council Tlingit & Haida Indian Tribes of Alaska	\$20,842,004	7%
Douglas Indian Association	\$2,574,665	1%
Total	\$23,416,669	8%

Source: US Treasury

Alaska Native Claims Settlement Act (ANCSA) corporations (ANCs) will also be receiving CRF relief. Approximately \$444 million are available for disbursement to ANCs.⁴ The amount of payments to individual ANCs is not yet available. Those payments will be population-based.

Health Care Provider Relief Funds

The U.S. Department of Health and Human Services (HHS) offered Provider Relief Fund (PRF) payments to support healthcare-related expenses or lost revenue attributable to COVID-19. These payments do not need to be repaid.⁵ In Juneau, 73 health care providers received a total of \$30.6 million in PRF awards. SEARHC and Bartlett received the largest grants, at \$15.3 million and \$12.2 million, respectively.

Other Relief Funding

A myriad of other programs has provided or are providing relief funding to offset the effects of COVID-19. These include (among others):

- **Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)** for 2021 Allocations for Tribes⁶
- **ARP Act Child Care Stabilization Grants**
- **AK CARES Funding Program**

⁴ <https://home.treasury.gov/system/files/136/Disbursements-Alaska-Native-Corporations.pdf>

⁵ <https://data.cdc.gov/Administrative/HHS-Provider-Relief-Fund/kh8y-3es6>

⁶ <https://www.acf.hhs.gov/occ/data/crrsa-2021-allocations-tribes>

- DCCED and AIDEA established a grant program to assist small businesses in Alaska impacts by the pandemic. Grant amounts were established at \$5,000 to \$100,000. Details on awardees and award amounts are not yet available.
- **State of Alaska Nonprofit Relief Fund**
 - Through three application rounds (the third and final closed Sept. 30, 2020), \$38 million was distributed to support nonprofits adversely effected by the pandemic, including \$3.6 million to Juneau nonprofits. Grants to local organizations ranged from \$44,000 to \$975,000 (the largest to Bartlett). The program was managed by Alaska Community Foundation in partnership with Alaska Department of Health and Social Services.
- **Housing Relief**
 - Alaska Housing Finance Corporation (AHFC) is administering \$400 million in federal funds for rental and mortgage assistance for residents of Alaska. Based proportionally on population, Juneau would receive about \$16 million.
- **Homelessness Assistance**
 - \$868,230 of this total was awarded to four Juneau nonprofits: Glory Hall, Alaska Housing Development Corporation, Gastineau Human Services, and Family Promise of Juneau.
- **COVID-19 Fisheries Assistance**
 - Alaska received a total of \$90 million in fisheries assistance, with \$50 million granted through the CARES Act in 2020, and NOAA's appropriation of another \$40 million through the Consolidated Appropriations Act of 2021. Local-level payment data are not yet available.
- **Federal Student Loan Debt Relief**
 - Alaska residents have \$2.2 billion in total federal student loan debt. A total 65,600 borrowers have an average debt load of \$33,500.⁷ The U.S. Dept. of Education has extended the moratorium on federal student loan payments through Jan. 31, 2022.
- **AK-ARPA Business Relief Program**
 - With \$90 million from the State's American Rescue Plan Act (ARPA) Covid State and Local Fiscal Recovery Funds (CSLFRF), the Alaska Legislature funded a tourism and business relief grant program. The program will be administered by the Alaska Department of Commerce, Community and Economic Development (DCCED). The application period will open in Fall 2021

⁷ <https://educationdata.org/student-loan-debt-statistics/>

Relief Funding to the City and Borough of Juneau

Based on information provided by CBJ, the Borough has received or been allocated \$126.6 million in relief funding. This total includes some of the funding described above, such as Bartlett Regional Hospital funds. The total includes donations from private nonprofit organizations as well as Sealaska Corporation.

Table 26. COVID-Related Funding Awarded to City and Borough of Juneau

Program	Funding Entity	Total
CARES Act Grant (CBJ)	Federal	\$53,288,390
CARES Act Grant (Juneau International Airport)	Federal	\$21,736,343
ARPA Grant	Federal	\$13,919,436
CARES Act Grant (Bartlett Regional Hospital - BRH)	Federal	\$12,252,838
ARP ESSER III Grant (School District)	Federal	\$5,400,686
CRRSAA Grant (Juneau International Airport)	Federal	\$3,422,135
FEMA Reimbursement	Federal	\$3,150,200
CARES Act Grant (Transit)	Federal	\$2,920,889
Designated Legislative Grant - State Marine Passenger Fees	State	\$2,444,564
ESSERF II Grant (School District)	Federal	\$2,404,732
CARES FCC USAC Telehealth Grant (BRH)	Federal	\$1,862,011
COVID-19 Community Grant	State	\$1,657,875
CARES Crisis Grant (BRH)	Federal	\$700,000
ESSERF Grant (School District)	Federal	\$572,259
GEERF Grant (School District)	Federal	\$352,978
DOJ Coronavirus Emergency Grant	Federal	\$113,709
DHHS Small Rural Hospital Improvement Grant (BRH)	Federal	\$84,317
COVID-19 Support (BRH)	Private - BRH Foundation	\$66,816
Donation for PPE	Private - Sealaska	\$50,000
Municipal Arts and Culture Matching Grant Program	Private - Rasmuson Foundation	\$50,000
COVID-19 Funding (Bartlett Regional Hospital)	Private - Alaska State Hospital & Nursing Home Association	\$38,960
CARES Ambulatory Grant (Bartlett Hospital)	Federal	\$34,750
COVID-19 Response (BRH)	Private - AMHTA	\$25,000
COVID-19 Recovery (Library/Museum)	Private - AK Humanities Forum	\$6,250
Total		\$126,555,138

Source: CBJ Finance Department

With CARES Act funding, CBJ funded a variety of relief programs for businesses, nonprofits, and individuals. Key programs are outline below.

CBJ Business Sustainability and Extreme Hardship Grants

Funded with municipal Cares Act receipts, CBJ created Business Sustainability and Extreme Hardship grant programs. Both programs were administered by JEDC.

Based on data encompassing \$15.7 million in grants, sectors receiving the most grant funding included retail establishments (\$3.45 million), eating and drinking places (\$2.90 million), tour and transportation providers (\$1.26 million), lodging establishments (\$1.11), rental and leasing companies (\$1.06 million), and health care providers (\$680,000). Approximately 400 Juneau businesses received a portion of \$15.7 million included in this accounting of CBJ business grants.

CBJ Nonprofit Sustainability Program

The \$3 million Nonprofit Sustainability Program provided support to nonprofits economically damaged by the COVID-19 pandemic and with a physical or service presence within the City and Borough of Juneau. Juneau Community Foundation administered the program. In total, 79 awards were made to nonprofits totaling \$2.98 million.

Emergency Individual Assistance Grant Program

This \$2 million grant program provided financial support to people residing in CBJ who had been financially harmed by COVID-19 and need assistance paying for basic needs such as food, health care, nondiscretionary transportation, utilities, and housing. The grant administrator was Catholic Community Services.

MEMORANDUM



DATE: September 23, 2021

TO: Assembly Finance Committee

FROM: Jeff Rogers, Finance Director

SUBJECT: 2021 Hospital Revenue Bond

155 South Seward
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

As part of its campus development efforts, the Bartlett Regional Hospital (BRD) Board is contemplating debt issuance. The consideration of new debt commenced as a potential method of funding building purchases as part of a campus expansion effort. Specifically, BRH considered funding a potential purchase of a medical facility with a lease back option. However, because BRH would have leased that building back to a private for-profit entity, that building purchase would not have been eligible for tax-exempt debt financing, which would have resulted in higher interest costs. As a potential alternative, the CBJ Finance Department recommended that BRH consider using fund balance for such a purchase and instead seek tax-exempt financing for other eligible campus improvements.

BRH agreed to proceed with approach, and it is now seeking tax-exempt debt financing for the following:

- Emergency Department Addition and Renovation
 - Total project cost: \$11,322,500
 - Amount to be financed: \$10,000,000
 - Funds from other sources: \$1,322,500
- BOPS/Crisis Stabilization Center/Behavior Health Facility
 - Total project cost: \$13,750,000
 - Amount to be financed: \$10,000,000
 - Funds from other sources: \$3,750,000

Hence, BRH is contemplating the issuance of up to \$20,000,000 of debt that would qualify for tax-exempt bonds. This would be a revenue bond which pledges only hospital revenue as the source of repayment. It would not be a general obligation debt, and it would not implicate CBJ general revenues. As such, this bond does not require a public vote. The CBJ Finance Department has engaged with PFM Financial and has determined that a bond issued through the Alaska Municipal Bond Bank Authority (AMBBA) would result in lower interest costs and lower overall cost over the life of the debt.

Timeline of next steps:

1. BRH Board of Directors formally approves the \$20 million debt issuance
2. CBJ applies to the AMMBA for revenue debt issuance
3. AMMBA considers and approves CBJ's application
4. Ordinance authorizing revenue bond is introduced and adopted after public hearing
5. Resolution on bond interest rate is adopted
6. Bond is issued through the AMBBA in the public market, and closes thereafter

Recommendation

I recommend that the Assembly Finance Committee direct staff to make application to the AMBBA and draft and introduce a bond ordinance for \$20 million of revenue debt, after the BRH Board of Directors has formally approved the debt issuance.

FY2021 Supplemental Appropriations

- 1. Ordinance 2020-09(BC): An Ordinance Appropriating to the Manager the Sum of \$7,260,772 to Fund the City and Borough of Juneau and Bartlett Regional Hospital's Fiscal Year 2021 Public Employees' Retirement System (PERS) Contribution; Funding Provided by the Alaska Department of Administration.**

This ordinance would appropriate \$7,260,772 for the State of Alaska's FY2021 8.85% PERS benefit rate paid on-behalf of the CBJ and BRH, distributed as follows:

City and Borough of Juneau	\$3,576,682
Bartlett Regional Hospital	\$3,684,090

Funding is provided by the Alaska Department of Administration, authorized by passage of HB205 during the 2020 legislative session.

This is a housekeeping ordinance to properly account for these on-behalf contributions to the state-managed retirement fund and has no impact on the CBJ or BRH's finances.

The Systemic Racism Review Committee reviewed this request at the September 14, 2021 meeting.

- 2. Ordinance 2020-10(C): An Ordinance Appropriating \$700,000 for a Portion of the Juneau School District's Fiscal Year 2021 Public Employees' Retirement System (PERS) and Teacher Retirement System (TRS) Contribution; Funding Provided by State Revenue.**

This ordinance would appropriate \$700,000 for a portion of the State of Alaska's FY2021 8.85% PERS and 17.91% TRS benefit rate paid on-behalf of the Juneau School District.

Funding is provided by the Alaska Department of Administration, authorized by the passage of HB205 during the 2020 legislative session.

The Juneau School District is required to budget these on-behalf contributions in their annual request. However, the FY21 budget was inadvertently based on prior-year rates. This ordinance reconciles the differences between the appropriated FY21 budget and the actual on-behalf contributions made by the state. This is a housekeeping ordinance to properly account for these on-behalf contributions, and has no impact on JSD or CBJ finances.

The Juneau School District Board reviewed this request at the September 14, 2021 meeting. The Systemic Racism Review Committee reviewed this request at the September 14, 2021 meeting.

3. Ordinance 2020-09(BD): An Ordinance Transferring \$350,964 from the Marine Passenger Fee Fund to the Port Development Fee Fund for Port Management and Customs Operations.

In FY2021 the City and Borough of Juneau was awarded a \$2.4 million designated legislative grant from state marine passenger fees to support the marine enterprise in responding to and mitigating the risk of COVID-19. Of this amount, \$2.1 million was used to offset lost passenger fee revenue by paying the debt obligation on the 16B dock bond. The remaining amount paid a portion of the Dock Department's port management and customs operational costs, which typically would have been supported by marine passenger fees.

This housekeeping ordinance would transfer \$350,964 of budget authority from the Marine Passenger Fee Fund to the Port Development Fee Fund to fund a portion of the Dock Department's operational costs from state marine passenger fees.

The Systemic Racism Review Committee reviewed this request at the September 14, 2021 meeting.

4. Ordinance 2020-09(BE): An Ordinance Appropriating to the Manager the Sum of \$20,900,000 as Partial Funding for Bartlett Regional Hospital's Fiscal Year 2021 Operating Budget; Funding Provided by Various Sources.

This ordinance would appropriate \$20,900,000 as partial funding for Bartlett Regional Hospital's (BRH) FY21 operations. BRH's operating costs increased substantially in FY21 due to the addition of a mental and behavioral health program, retention of staff for COVID-19 screening and triage, and elevated costs for personal protective equipment, oxygen, and medication. Additional unanticipated expenses included an upgrade to the hospital's HVAC system and the setup of a molecular lab.

This supplemental appropriation will be funded as follows:

Federal Revenue - CARES Act Provider Relief Funds & Misc. Grants	\$ 7,100,000
State Revenue - COVID-19 Response Funding	\$ 4,000,000
Private Grant – Premera (for Behavioral Health Facility)	\$ 1,000,000
Private Grant – Alaska Community Foundation	\$ 900,000
Additional Outpatient Revenue	\$ 5,000,000
Draw on Hospital Fund Balance	\$ 2,900,000

The Bartlett Regional Hospital Finance Committee reviewed this request at the September 10, 2021 meeting. The Systemic Racism Review Committee reviewed this request at the September 14, 2021 meeting. The Bartlett Regional Hospital Board reviewed this request at the September 28, 2021 meeting.

5. Ordinance 2020-09(BF): An Ordinance Appropriating to the Manager the Sum of \$24,750,000 as Funding for the City and Borough of Juneau's Fiscal Year 2021 COVID-19 Related Costs; Funding Provided by State and Federal Revenue.

This ordinance would appropriate \$24,750,000 for the City and Borough of Juneau's FY2021 COVID-19 related costs. State revenue from the Department of Health and Social Services (DHSS) is provided for COVID-19 screening costs at the Juneau International Airport and community testing and vaccination. Federal revenue is provided for public safety salaries, emergency hires, and commodities and services related to the pandemic. Federal revenue is comprised of funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Federal Emergency Management Agency (FEMA), American Rescue Plan Act (ARPA), and the U.S. Department of Justice (DOJ). Funding for this appropriation is estimated as follows:

State Revenue:

DHSS COVID-19 Community Grant	\$ 423,600
DHSS Airport Screening	<u>\$ 1,100,000</u>
Total State Revenue:	\$ 1,523,600

Federal Revenue:

CARES/FEMA Funding	\$ 20,267,500
ARPA Funding	\$ 2,858,900
DOJ Coronavirus Emergency Grant	<u>\$ 100,000</u>
Total Federal Revenue:	\$ 23,226,400

Total Revenue:	\$ 24,750,000
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Any expenditures ineligible for reimbursement from the funding sources listed above will be covered by general funds.

The Systemic Racism Review Committee reviewed this request at the September 14, 2021 meeting.

Presented by: The Manager
 Introduced: September 13, 2021
 Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-09(BC)

An Ordinance Appropriating to the Manager the Sum of \$7,260,772 to Fund the City and Borough of Juneau and Bartlett Regional Hospital's Fiscal Year 2021 Public Employees' Retirement System (PERS) Contribution; Funding Provided by the Alaska Department of Administration.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$7,260,772 to fund the City and Borough of Juneau and Bartlett Regional Hospital's fiscal year 2021 Public Employees' Retirement System contribution, distributed as follows:

Bartlett Regional Hospital

Bartlett Regional Hospital	<u>\$ 3,684,090</u>
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City & Borough of Juneau

General Fund:

Arboretum	\$ 6,974
Clerk's Office	16,249
Community Development	138,698
Finance	269,843
General Engineering	129,438
Human Resources	45,431
Law	75,303
Libraries	131,002
Management Information Systems	93,637
Manager's Office	91,658
Mayor & Assembly	583
Parks and Landscape	<u>23,789</u>
Total General Fund	<u>\$ 1,022,605</u>

Special Revenue Funds:

Capital City Fire	\$ 438,481
Capital Transit	243,262
Eaglecrest Ski Area	44,773
Lands & Resources	14,428

Parks and Recreation	186,858
Police	729,013
Streets	<u>138,786</u>
Total Special Revenue Funds	<u>\$ 1,795,601</u>
Enterprise Funds:	
Airport	\$ 179,047
Docks	55,454
Harbors	80,970
Water	81,867
Wastewater	206,676
Waste Management	<u>7,823</u>
Total Enterprise Funds	<u>\$ 611,837</u>
Internal Service Funds:	
Building Maintenance	\$ 72,667
Public Works Fleet	41,243
Self-Insurance	<u>32,729</u>
Total Internal Service Funds	<u>\$ 146,639</u>
Total City & Borough of Juneau	<u>\$ 3,576,682</u>
<u>Total Appropriation</u>	<u>\$ 7,260,772</u>

Section 3. Source of Funds

Alaska Department of Administration	\$ 7,260,772
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Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ____ day of _____, 2021.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: September 13, 2021
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-10(C)

An Ordinance Appropriating \$700,000 for a Portion of the Juneau School District's Fiscal Year 2021 Public Employees' Retirement System (PERS) and Teacher Retirement System (TRS) Contribution; Funding Provided by State Revenue.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated \$700,000 for a portion of the Juneau School District's fiscal year 2021 Public Employees' Retirement System (PERS) and Teacher Retirement System (TRS) contribution.

Section 3. Source of Funds

State Revenue \$ 700,000

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this ____ day of _____, 2021.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: September 13, 2021
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-09(BD)

An Ordinance Transferring \$350,964 from the Marine Passenger Fee Fund to the Port Development Fee Fund for Port Management and Customs Operations.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Transfer of Appropriation. It is hereby ordered by the Assembly of the City and Borough of Juneau, Alaska, that \$350,964 be transferred from the Marine Passenger Fee Fund to the Port Development Fee Fund for port management and customs operations.

Section 3. Source of Funds.

Marine Passenger Fee Fund	(\$350,964)
Port Development Fee Fund	\$350,964

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2021.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: September 13, 2021
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-09(BE)

An Ordinance Appropriating to the Manager the Sum of \$20,900,000 as Partial Funding for Bartlett Regional Hospital's Fiscal Year 2021 Operating Budget; Funding Provided by Various Sources.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$20,900,000 for Bartlett Regional Hospital's fiscal year 2021 operating budget.

Section 3. Source of Funds

Federal Revenue	\$ 7,100,000
State Revenue	\$ 4,000,000
Private Grants	\$ 1,900,000
Hospital Revenue	\$ 5,000,000
Hospital Fund Balance	\$ 2,900,000

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2021.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager
Introduced: September 13, 2021
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-09(BF)

An Ordinance Appropriating to the Manager the Sum of \$24,750,000 as Funding for the City and Borough of Juneau's Fiscal Year 2021 COVID-19 Related Costs; Funding Provided by State and Federal Revenue.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$24,750,000 for the City and Borough of Juneau's fiscal year 2021 COVID-19 related costs.

Section 3. Source of Funds

Federal Revenue	\$ 23,226,400
State Revenue	\$ 1,523,600

Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2021.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

Ordinance 2021-08(b)(am)(G): An Ordinance Appropriating \$1,000,000 to the Manager for COVID-19 Emergency Response Management; Funding Provided by General Funds.

This ordinance would provide \$1,000,000 of general funds for expenditures necessary to respond to the COVID-19 pandemic that are not otherwise reimbursed by the Federal Emergency Management Agency (FEMA) or the State of Alaska Department of Health and Social Services (DHSS). Anticipated response costs include COVID-19 testing, vaccination, public communications, personal protective equipment, sheltering of vulnerable populations, and quarantine and isolation.

The Systemic Racism Review Committee reviewed this request at the September 14, 2021 meeting.

Presented by: The Manager
Introduced: September 13, 2021
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-08(b)(am)(G)

**An Ordinance Appropriating \$1,000,000 to the Manager for COVID-19
Emergency Response Management; Funding Provided by General
Funds.**

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU,
ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager
the sum of \$1,000,000 for COVID-19 emergency response management.

Section 3. Source of Funds

General Funds	\$1,000,000
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Section 4. Effective Date. This ordinance shall become effective
upon adoption.

Adopted this _____ day of _____, 2021.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk



MEMORANDUM

DATE: September 17, 2021

TO: Chair Hale and CBJ Public Works and Facilities Committee

FROM: Katie Koester, Engineering & Public Works Director

SUBJECT: Proposed Passenger Fee Projects

At the August 18th Finance Committee meeting the body heard an update from Director Rogers on Passenger Fee projections for FY2022. The state allocated approximately \$12m in ARPA funds as hold-harmless payments for lost state passenger fee revenue over the past two fiscal years. Unlike typical passenger fees, these funds are not restricted to the requirements of the CLIAA settlement. Nevertheless, we believe it would be prudent to adhere to the intent of the settlement with these funds. Because there are no shortage of needs related to waterfront tourism, this should not be difficult.

After updates to forecast revenue that eliminates negative passenger fund balance there is approximately \$10.5m in unallocated passenger fees available through the end of the current fiscal year (2022). Together with the Manager's office, Docks and Harbors, and Finance, we recommend appropriating \$8.4m to the projects listed on the Table 1, leaving \$2.1m in fund balance (equivalent to one year of debt service on the 16B docks).

Per CBJ Code Title 69, Chapter 20.120(b)(3), the City Manager is required to solicit requests for passenger fee funding and share them with the Assembly. Submissions for 2021, and manager's recommendations can be found [here](#). At the time, the manager recommended expending passenger fees in FY22 on debt service and the cost of core city services out of an abundance of caution.

Projects submitted by the public for review include operational requests from 3rd parties, Docks and Harbors, and capital projects including AJ Dock improvements, Franklin Dock maintenance and the Seawalk Safety Rail (the safety rail is funded included in this proposal). Docks and Harbors advocated for passenger fee funding being distributed to the Dock Enterprise Fund; this proposal transfers \$1m to that fund.

Recommendation: Move to introduce an ordinance at the next regular meeting appropriating the \$8.4m in passenger fees/ARPA.

TABLE 1: \$8.4m Recommended Project Spending for ARPA/ Remaining Passenger Fees

\$1m	Transfer to Docks and Harbors	Docks Enterprise revenue is 100% generated from cruise ship fees. From October 2019 to July 2021 there was no appreciable revenue to the Dock Fund. The projected losses are in excess of \$1m to cover fixed expenditure in the Docks Enterprise. The proposed transfer with help ameliorate the Dock Enterprise bottom-line.
\$1m	Seawalk Safety Rail	This project would install continuous pedestrian safety railing along the face of the seawalk which is currently protected by low bullrails between Marine Park and Cruise Ship Terminal Dock. This safety measure was not possible before the installation of two floating cruise ship berths in 2017. The railing will match the standard railing details that have been installed on the recent downtown dock construction projects with horizontal wire railing and wooden top handrail.
\$3m	Statter Harbor Phase IIIC	This project will complete the implementation of the Statter Harbor Master plan by executing Phase IIIC: • Grading and paving of the uplands to better serve tour bus loading and unloading • Construction of the remaining segment of baywalk to connect the Harbor office to Glacier Highway • Completion of a kayak launch ramp • Construction of a new mixed use building at the top of the gangway which will include restrooms, a covered waiting area, and provisions for a future 2nd story for retail space. Phases I – IIIB have been completed over the last 8 years and include the new launch ramp, baywalk and vehicle and boat trailer parking areas, blasting and dredging of a new harbor basin, and installation of new passenger for hire floats, seawall, gangway and uplands grading.
\$3.4m	Seawalk	\$2.2m would deck over a triangular shaped portion of marine walk in front of Marine Park. This is a complex project for a small footprint: it involves demolishing and rebuilding a portion of old dock to maintain ADA compliant grades between the wharf and Marine Park and supporting a storm drain outfall running through the most complicated part of the new dock. The end product will be an extension of the grassy area behind Bernadette's food cart, a second, sloped timber dock that transitions between the Wharf elevation and the Marine Park elevation, and a third small triangular structure that extends Marine Park to meet the timber dock. Remaining funds will be used to advance extension of the marine walk and other improvements to the seawalk.

Ordinance 2021-08(b)(am)(I)
 Manager's Report

An Ordinance Appropriating \$8,400,000 to the Manager as Funding for Fiscal Year 2022 Dock Operating Costs and Multiple Waterfront Capital Improvement Projects; Funding Provided by Federal American Rescue Plan Act Funds (Replacing State Marine Passenger Fees).

The State of Alaska has appropriated federal American Rescue Plan Act funding under a hold harmless provision to assist local municipalities in replacing lost revenue from state marine passenger fees in fiscal years 2021 and 2022. Cumulatively between both fiscal years, CBJ will receive \$11,941,990 to replace lost state marine passenger fee revenue. This ordinance would appropriate \$8,400,000 of this amount for fiscal year 2022 Dock operating costs and multiple waterfront capital improvement projects, to be appropriated as follows:

Seawalk (H51-113)	\$3,400,000
Statter Harbor Phase IIIC (H51-108)	\$3,000,000
Seawalk Safety Rail (H51-127)	\$1,000,000
FY22 Dock Operating Costs	\$1,000,000

Funding appropriated to the Docks Department will cover fixed expenditures in the FY22 budget and go towards replenishing their diminished fund balance. The remaining funding will be appropriated to waterfront capital improvement projects that were previously deferred due to insufficient funding from depressed passenger fee revenue.

The Public Works & Facilities Committee reviewed this request at the September 20, 2021 meeting.

Presented by: The Manager
Introduced: October 25, 2021
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-08(b)(am)(I)

An Ordinance Appropriating \$8,400,000 to the Manager as Funding for Fiscal Year 2022 Dock Operating Costs and Multiple Waterfront Capital Improvement Projects; Funding Provided by Federal American Rescue Plan Act Funds (Replacing State Marine Passenger Fees).

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$8,400,000 as funding for fiscal year 2022 Dock operating costs and multiple waterfront capital improvement projects, to be appropriated as follows:

Seawalk (H51-113)	\$ 3,400,000
Statter Harbor Phase IIIC (H51-108)	\$ 3,000,000
Seawalk Safety Rail (H51-127)	\$ 1,000,000
FY22 Dock Operating Costs	\$ 1,000,000

Section 3. Source of Funds

Federal American Rescue Plan Act Funds (Replacing State Marine Passenger Fees)	\$ 8,400,000
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Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2021.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk



(907) 586-0757
Jill.Maclean@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

MEMO

To: Chair Triem, and Members of the Finance Committee

CC: Rorie Watt, City Manager
Robert Barr, Deputy City Manager
Jeff Rogers, Finance Director

From: Jill Maclean, Director, AICP

Date: September 22, 2021

RE: Request for Funding FTE, Planner II (Plat Reviewer)

Over the past several months, the Assembly has expressed concerns with the output of the Community Development Department (CDD), particularly regarding the timing of permit review, the effectiveness of the land use code, and the status of zoning ordinance revisions / updating. Meanwhile, staff attrition has created a lack of dedicated expertise for timely, accurate plat review. CBJ has the opportunity to help mitigate these issues by filling an unfunded Planner II FTE position with a focus on plat review. This will allow CDD to allocate more staff time to other activities, while expediting permitting with timely review of permits and subdivisions.

The core duties of this position (Plat Reviewer) would include the following:

1. Review residential, commercial and industrial subdivision plats, to ensure compliance with applicable codes and ordinances.
2. Draft and finalize staff reports and notices of decision for all subdivisions to the Director for minor subdivisions, and through the Director for major subdivisions to the Planning Commission.
3. Recommend changes and corrections in plats to engineers, architects, contractors, builders, homeowners, and developers to ensure conformance to the land use code.
4. Answer users' questions and provide technical information and advice on plats and subdivision permitting to engineers, architects, general public, contractors, builders, homeowners, and CBJ staff.
5. Act as primary staff for platting review, ensuring consistent review of plats while providing a main point of contact for applicants.

Currently, these duties are performed by planning staff with support from Engineering. This position would continue to be classified as a Planner II, with a working title of Plat Reviewer, reporting to the Planning Manager. Engineering staff would continue to provide expertise on more complex plats, and would take a less active role once this position is filled and the individual is trained. Funding this position brings CDD to the planning staff capacity that it had last in 2016. Should the Plat Reviewer have available time, which is not anticipated, it is intended that the individual would assist in reviewing building and land use permits.

Overtime, as the easier land has developed, we have increasingly received more and smaller plats. The amount of time to review a small plat is similar to that of a big plat – it is inefficient. Many of these smaller plats also fall under the Director's review, rather than that of the Commission. The workload is therefore less visible to the public, but developers are aware of a slower review time. Plat review fees could be increased to fund the workload, but doing so would be counter to the continuous goal of encouraging additional housing development.

Planning staff time currently spent reviewing plats and processing subdivisions would be reallocated to processing other building and land use permits, writing land use code updates, and customer service through planner-on-call duties and pre-application conferences.

Recommendation

That the Finance Committee recommend that the Assembly fund the existing unfunded Planner II (FTE) position with the understanding that staff will recruit for a position focusing on plat review.

Ordinance 2021-08(b)(am)(J)
Manager's Report

An Ordinance Appropriating \$70,000 to the Manager as Funding for a Community Development Plat Reviewer; Funding Provided by General Funds.

This ordinance would appropriate \$70,000 of general funds for a plat reviewer position in the Community Development Department (CDD). The position already exists in CDD however was unfunded in the FY22 budget. Funding this position for the remainder of the fiscal year would help CDD perform timely and accurate plat reviews, revise and update zoning ordinances, and ensure optimization and effectiveness of the land use code.

Presented by: The Manager
Introduced: October 25, 2021
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2021-08(b)(am)(J)

An Ordinance Appropriating \$70,000 to the Manager as Funding for a Community Development Plat Reviewer; Funding Provided by General Funds.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$70,000 as funding for a Community Development plat reviewer.

Section 3. Source of Funds

General Funds	\$70,000
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Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2021.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk